

# Resource & Finance Committee

## Including Audit and Risk

### Terms of Reference

September 2023

**Note:** These Terms of Reference should be read in conjunction with Part 5 of the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013, which can be found at Appendix 'A'.

#### Introduction

The Trust Board as a whole retains responsibility for all of its duties, delegated or not. Committees are responsible for keeping the rest of the board in the loop on their delegated areas of responsibility.

This includes:

- Updating the board on any issues or problems the committee is working on.
- Describing the committee's accomplishments.
- Detailing any decisions, the committee has made.

The roles and responsibilities of committees is expanded upon later in this document.

#### Committee Membership

The Committee will comprise members as determined by the full Trust Board. The following members have been appointed for the academic year 2023/24.

Sam Myers (Trustee and Lead for Resources and Finance)

Simone Kruger Bridge (Chair of Trustees)

Scilla Yates (Headteacher)

Tony O'Brien (Trustee)

Paul Chadwick (Trustee)

Ben Giles (Trustee and Lead for Audit and Risk)

Attended by Alison Hughes (Blue Coat School, Director of Resources) & Jan Jenkins (Clerk to Trustees)

Additional members may be appointed at the discretion of the Trust Board.

#### Quorum

The quorum for meetings of the Committee is at least three trustees, including at least two trustees who are not staff members.

**Clerk** - (See Sec 23 - The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013)

A clerk appointed to a committee of the Trust Board must—

- Convene meetings of the committee;

- Attend meetings of the committee and ensure that an agenda and minutes of the proceedings are drawn up; and
- Perform such other tasks with respect to that committee as may be determined by the Trust Board from time to time.

### **Lead (Chair)**

The committee lead will be appointed by the Trust Board. With effect from December 2023, this is Sam Myers for Resources and Finance and Ben Giles for Audit and Risk.

### **Meetings**

The Committee will meet three times per year (once a term), with additional meetings as necessary and decided by the committee or Trust Board.

### **Role and Responsibilities (General)**

1. To receive reports, information and data from the school in sufficient detail to undertake planning, monitoring and evaluation of the school and enable the Trust Board to fulfil its strategic role. This includes an assessment of the progress and risks relating to actions with the relevant sections of the school improvement plan.
2. To review school policies which fall within either of the Committee's remit under the Scheme of Delegation, having regard to changes in legislation and any guidance issued by the Secretary of State, and to approve amendments, report to, or make recommendations to the full trust board as appropriate.
3. To consider recommendations from relevant external and internal reviews for example: -
  - a. Financial audits,
  - b. Ofsted inspections or reviews,

To agree the actions needed to address any issues identified and to monitor and evaluate regularly the implementation of any plan agreed, reporting or making recommendations to the full trust board.

4. To monitor the school's safeguarding procedures as they relate to the Committee's specific area of responsibility, and to ensure that any shortcomings are identified and addressed.
5. To take appropriate action on any other relevant matter referred by the trust board.
6. To report to or make recommendations to the full trust board as required.

## **Role and Responsibilities (Specific)**

The Committee will oversee:

### **Finance**

1. The school's finances, ensuring that the school operates within financial regulations, school finance policy and procurement code and complies with any DfE, ESFA or other regulatory requirements.
2. The allocation of funds within the school, ensuring that value for money is achieved, including in the use of the Pupil Premium and other relevant grants;
3. Keep under review the school's financial procedures and controls including the scheme of delegation in financial matters and the level of delegation to the headteacher for the day-to-day financial management of the school;
4. Receive a budget monitoring report at least half-termly, showing budget, actual to date, predicted future income and expenditure, ensure that any appropriate action is taken and report to the full trust board on the current position.
5. Agree medium and long term financial plans for the school, reflecting school priorities including (but not limited to) :-
  - a. Curriculum changes.
  - b. Staff resourcing plans.
  - c. Plans relating to the repair, maintenance and development of premises or other infrastructure.
  - d. Make recommendations to the trust board.
6. Present to the trust board for ratification an annual budget reflecting school priorities.
7. Monitor the use and impact of the school's pupil and other relevant grants in overcoming barriers to learning and pupil progress;
8. Undertake financial benchmarking against other similar schools.
9. Establish and keep under review procedures and policies for Trustees to claim expenses.

The Committee has the following delegated powers in relation to Finance, Procurement and Audit: -

- Agree to write-off debts over £1,000 and under £45,000 as per ESFA requirements;

- Agree to the disposal of non-capital assets valued at over £1,000
- Agree expenditure over £100,000.
- Recommend to trustees any changes to the income and expenditure plan by way of 'budget refresh'.

### **Procurement**

1. Agree the award of contracts for service whose value exceeds £100,000 as per school financial procedures, and keep under review the effectiveness and value for money of all contracts;
2. Review tenders for any contract with a value exceeding £30,000

### **School Premises and Infrastructure**

1. To monitor the maintenance and development of the school premises, site and infrastructure.
2. To ensure that 3-year plans for planned or anticipated capital expenditure is maintained and reviewed [at least] annually and communicated to the trust board with recommendations as appropriate.
3. Monitor all capital projects to ensure contract adherence and value for money.
4. Agree any lettings and charges policy for the use of school premises.

### **Audit & Risk**

#### **Responsibilities**

1. To maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems.
2. To report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

#### **Authority**

1. The Audit and Risk Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.

The Audit and Risk Committee is authorised to: -

1. Request any information it requires from any employee, external audit, internal audit, or other assurance provider.

2. Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

## **Composition**

1. The membership of the committee will comprise a minimum of 3 trustees.
2. Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.
3. The chair of trustees should not be chair of the audit and risk committee.
4. Where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.
5. Until otherwise determined by the trust board, a quorum shall consist of 2 members of the committee.
6. At least one member of the audit and risk committee should have recent or relevant accountancy, or audit assurance, experience.
7. Any trustee may attend a meeting of the audit and risk committee, including those who are not members of the audit and risk committee.

## **Reporting**

The Audit and Risk Committee will:

1. Report back to the trust board regularly every term.
2. Provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions.
3. Report to the Members group when required and present annual statutory accounts and audit.

## **Coverage**

The Audit and Risk Committee will:

1. Advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
  - i. the auditor's/scrutineer's sector expertise
  - ii. their understanding of the trust and its activities

- iii. whether the audit process allows issues to be raised on a timely basis at the appropriate level
  - iv. the quality of auditor/scrutineer comments and recommendations in relation to key areas
  - v. where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
- 2. Ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant.
- 3. Consider the reports of the auditors/scrutineers and, when appropriate, advise the trust board of material control issues.
- 4. Encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the trust board.
- 5. Provide minutes of all Audit and Risk Committee meetings for review at appropriate board meetings.
- 6. Liaise with Members on the appointment of auditors.

### **External Audit**

1. Review the external auditor's plan each year.
2. Review the annual report and accounts.
3. Review the auditor's findings and actions taken by the trust's SLT in response to those findings.
4. Produce an annual report of the committee's conclusions to advise the board of trustees and members.

### **Internal Scrutiny**

1. Take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
2. Conduct a regular review of the risk register.
3. Agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.

4. Advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes.
5. Receive and consider the report from auditors of the internal audit.
6. Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken.
7. Oversee the annual review of the trust's risk register.

The committee should take cognisance of the Government's guidance on internal scrutiny / audit which can be found [here](#)

The committee should also understand the principles of managing risk. The Government's guidance on managing risk with the Academy environment can be found [here](#)

### **Health and Safety**

1. To ensure that the School complies with prevailing Health and Safety Acts, Regulations and relevant Codes of Practice, and responsibilities of the Trust Board in relation to premises, including adherence to relevant aspects of the Equality Act 2010.
2. Receive and consider statutory premises related safety inspection reports and review associated action plans.
3. Ensure that all health and safety and emergency procedures and policies are maintained and reviewed, ensuring that necessary checks and assessments are carried out and prioritised for action.
4. To ensure that all students, staff and visitors are aware and understand all relevant health and safety rules and procedures.
5. Lead on the trust board's role in relation to premises management and compliance with all statutory requirements.
6. To ensure that the committee completes an annual Health and Safety Audit, receive regular updates on health and safety issues and liaise with the Headteacher about appropriate action.

### **Staff Resourcing**

1. Ensure the application of staffing policies and procedures are applied in line with the principles of good and fair employment practice.
2. Ensure that staff and trade unions are consulted as appropriate and all legal requirements fulfilled.

3. Review the staffing establishment and structure (teaching and support) at least annually in relation to the budget, the curriculum and the school's priorities.
4. Ensure that the school complies with the General and Specific Equality Duties in relation to employment practice, and to report any emerging issues to the trust board.
5. Ensure the school complies with the latest requirements in relation to safer recruitment and associated safeguarding procedures using the safer recruitment audit.
6. To receive and consider reports from leaders relating to staff welfare, absence management, engagement and matters concerning employee relations.

## **Policies**

1. Review appropriate [for this committee] statutory policies and procedures in line with the DoFE list of statutory policies for Academies.

This list can be found at: -

[Academy Policies](#)

2. The committee must ensure that all policies meet the provisions of relevant legislation, relevant employment pay and conditions of all staff and relevant professional standards and that staff are consulted and informed appropriately.

## **Recording & Reporting**

An agenda and a set of minutes must be taken at each meeting and made available to all members of the trust board and to the Clerk to the trust board.

Prior to the appropriate trust board meeting (detailed below), the lead will compile a report for the information of the trust board. This report will form the basis of discussion at the trust board meeting.

The report should contain the following: -

1. A review of each element of the School Improvement Plan relevant to this committee. This will include progress against each action, timescales for action completion and identified risks for 'behind schedule' or non-completed actions.
2. Details, including data where appropriate, of the committee's substantive areas of responsibility. This should focus only on activities that are relevant to the period in question or where other issues require the trust board's attention and/or decision. This should also detail actions, progress and risk.
3. Any other ad-hoc matters which the committee lead considers should be brought to the attention of the trust board.



**Note.** Any issue of an urgent nature can be taken to any trust board meeting at the discretion of the committee lead.

## **Appendix A**

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### **The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013**

#### **PART 5 Committees of Governing Bodies**

##### **Application of this Part**

**21.** This Part does not apply to any committee established by the governing body to exercise functions relating to the appointment, grievance, conduct and discipline, capability, suspension or dismissal of individual members of the school staff.

##### **Establishment of committees of the governing body**

###### **22.**

(1) The governing body must determine the constitution, membership and terms of reference of any committee they decide to establish and review them annually.

(2) The quorum for any meeting of a committee must be determined by that committee, but in any event must be not less than three governors who are members of the committee.

(3) A chair must be appointed annually to each committee by the governing body or elected by the committee, as determined by the governing body.

(4) The governing body may remove the chair to any committee from office at any time.

##### **Clerks to committees**

###### **23.**

(1) This regulation is without prejudice to any rights and liabilities which the clerk may have under any contract with the governing body.

(2) The governing body must appoint a clerk to each committee established by it, who must not be the head teacher of the school.

(3) Notwithstanding paragraph (2), the committee may, if the clerk fails to attend a meeting of theirs, appoint any one of their number (who is not the head teacher) to act as a clerk for the purposes of that meeting.

(4) The governing body may remove any clerk appointed to any of their committees from office at any time.

(5) A clerk appointed to a committee of the governing body must—

(a) convene meetings of the committee;

(b) attend meetings of the committee and ensure that minutes of the proceedings are drawn up; and

(c) perform such other tasks with respect to that committee as may be determined by the governing body from time to time.

### **Associate members**

#### **24.**

(1) The membership of any committee may include associate members.

(2) Subject to paragraph (3), an associate member has such voting rights in a committee to which that person is appointed as are determined by the governing body.

(3) An associate member may not vote on any business transacted by any committee unless the associate member is aged over 18.

(4) An associate member may be removed from office by the governing body at any time.

### **Rights of persons to attend meetings of committees**

#### **25.**

1) Subject to regulation 16 and to Schedule 1 the following persons are entitled to attend any meeting of a committee—

(a) any member of the committee, provided that the member of the committee is not a governor who has been suspended in accordance with regulation 17;

(b) the head teacher of the school, whether or not that person is a member of the committee;

(c) the clerk to the committee; and

(d) such other persons as the governing body or the committee may determine.

(2) A committee may exclude an associate member from any part of its meeting which the associate member is otherwise entitled to attend when the business under consideration concerns an individual member of staff or pupil.

## **Meetings of committees**

### **26.**

(1) Meetings of a committee are to be convened by the clerk to that committee who, when exercising this function, must comply with any direction given by—

- (a) the governing body;
- (b) the chair of the committee, so far as such direction is not inconsistent with any direction given under sub-paragraph (a).

(2) Subject to any direction given in accordance with paragraph (1), at least seven clear days in advance the clerk must give to each member of the committee and to the head teacher (whether or not that person is a member of the committee)—

- (a) written notice of the meeting; and
- (b) a copy of the agenda for the meeting,

provided that where the chair of the committee so determines on the ground that there are matters demanding urgent consideration, it will be sufficient if the written notice of the meeting states that fact and the notice and agenda are given within such shorter periods as the chair directs.

(3) The proceedings of a committee will not be invalidated by—

- (a) any vacancy among their number; or
- (b) any defect in the appointment of any member of the committee.

(4) No vote on any matter may be taken at any meeting of a committee unless the majority of members of the committee present are governors.

(5) Every question to be decided at a meeting of a committee must be determined by a majority of the votes of the members of the committee present and voting on the question.

(6) Where there is an equal division of votes the person who is acting as chair for the purposes of the meeting will have a second or casting vote, provided that such person is a governor.

(7) Minutes of the proceedings of a meeting of a committee must be drawn up by the clerk to the committee or the person acting as the clerk for the purposes of the

meeting; and must be signed (subject to the approval of the committee) by the chair at the next meeting of the committee.

(8) Subject to paragraph (9) the committee must, as soon as reasonably practicable, make available for inspection by any interested person a copy of—

- (a) the agenda for every committee meeting;
- (b) the signed minutes of every such meeting; and
- (c) any report or other paper considered at any such meeting.

(9) The committee may exclude from any item required to be made available in pursuance of paragraph (8) any material relating to—

- (a) a named person who works, or who it is proposed should work, at the school;
- (b) a named pupil at, or candidate for admission to the school;
- (c) any other matter that, by reason of its nature, the committee is satisfied should remain confidential.

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