

CROMPTON HOUSE CHURCH OF ENGLAND MULTI ACADEMY TRUST

(THE TRUST)

Terms of Reference

Finance and Audit Directors' Committee

1 Constitution

- 1.1 The Board of Trustees (the **Directors**) of Crompton House Church of England Multi Academy Trust (the **Trust Board**) hereby resolves to establish a committee of the Trust Board to be known as the Finance and Audit Directors' Committee (the **Committee**).
- 1.2 The Directors recognise the overriding principles of the Academies Financial Handbook (the **AFH**) and that the Audit Committee should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance for the Trust. In establishing the Committee the Directors will adhere to the principles of the AFH.
- 1.3 Staff members of the Committee will not participate as members when audit matters are discussed but may remain in attendance to provide information and participate in discussions.
- 1.4 The Accounting Officer and Chief Finance Officer will routinely attend committee meetings in the capacity set out in paragraphs 1.3.

2 Membership

- 2.1 The Committee shall have a minimum of three members. A majority of Committee members must be Directors of the Trust Board, and the Directors will ensure Committee members have the necessary skills, background and experience to properly fulfil the Committee functions.
- 2.2 The Committee's current members are set out in Schedule 2.
- 2.3 Subject to paragraph 2.4, the Committee shall at the first meeting of each academic year elect a Trustee to act as chair of the Committee (the **Chair**). The Committee will elect a temporary replacement from among those present at the meeting in the absence of the Chair.
- 2.4 No person may act as Chair under paragraph 2.3 unless they are also a member of the Trust Board.
- 2.5 The Chair of Trustees shall ensure that a clerk is provided to take minutes at meetings of the Committee.
- 2.6 The Committee may invite attendance at meetings from persons who are not Directors or Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.

3 Remit and responsibilities of the Committee

- 3.1 The Committee shall be responsible for the matters set out in the Schedule.

4 Proceedings of Committee meetings

- 4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.
- 4.2 Any two Committee members can request that the Chair convene a meeting by giving no less than 14 days prior notice.
- 4.3 The quorum for the transaction of the business of the Committee shall be three or more of the Committee members and no vote on any matter shall be taken at a meeting of the Committee unless the majority of members of the Committee present are Directors of the Trust.
- 4.4 Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the matter.
- 4.5 Each member present in person shall be entitled to one vote.
- 4.6 Where there is an equal division of votes the Chair shall have a casting vote.
- 4.7 A register of attendance shall be kept for each Committee meeting and published annually.

5 Authority

- 5.1 The Committee is authorised by the Trust Board to:
- 5.1.1 carry on any activity authorised by these terms of reference; and
 - 5.1.2 seek any appropriate information that it requires from any officer of the Trust (and all officers shall be directed to co-operate with any request made).

6 Reporting Procedures

- 6.1 Within 28 days of each meeting the Committee will:
- 6.1.1 produce and agree minutes of its meetings;
 - 6.1.2 provide a summary document identifying (i) decisions made, (ii) recommendations to the Trust Board, (iii) any items for the information of the Trust Board and (iv) items for further discussion by the Trust Board.
- (together called the “**Committee Reports**”).
- 6.2 The Committee Reports can be agreed by Committee members by email.
- 6.3 The Committee Reports will be sent to the Trust Board within 21 days following each Committee meeting.
- 6.4 The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Trust Board from time to time.
- 6.5 The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.

Approved: Dec 2020

Schedule 1

Responsibilities of the Finance and Audit Directors (FAD) Committee

Funding

- 1 To consider each of the Academies' indicative funding, notified annually by the Department for Education (DfE) and to assess its implications for the Trust and the relevant Academy. This will be in consultation with the Accounting Officer and Headteacher Group, and Chief Financial Officer of the Trust, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trust Board.
- 2 To consider and recommend acceptance or non-acceptance of the Trust's and the Academies' budgets each financial year.

Budgeting

- 3 To contribute to the formulation of the Trust's and the Academies' strategic plans, through the consideration of financial priorities and proposals, in consultation with the relevant officers and with the stated and agreed aims and objectives of the relevant Academy.
- 4 To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year. This will include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in each of the Academies' strategic plans.
- 5 To liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them.
- 6 To consider the spending plans of other committees and report back and advise the Trust Board.
- 7 To delegate the day to day management of the approved budget to relevant officers, within agreed authorisation limits.
- 8 To consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board.
- 9 To review financial policy including consideration of long term planning and resourcing in accordance with the Trust's and the Academies' development plans.

Expenditure

- 10 To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academies and the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Trust Board.

Financial Procedures

- 11 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and where appropriate make recommendations for improvement.
- 12 To ensure the preparation of the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing in accordance with requirements of the Companies Act, Charity Commission and Funding Agreement (including the Academies Financial Handbook)

Health & Safety

- 13 To receive when appropriate the relevant Health and Safety reports (internal and external) and advise as necessary.

Asset Management

- 14 To receive when appropriate reports on the management of assets including premises and their security.
- 15 To confirm that an asset recording system is in place, including an inventory and fixed asset register for each Academy.

Property Management

- 16 To determine the use of the Trust's premises and grounds outside Academies' sessions with regard to the lettings and charging policy.
- 17 To ensure that the Trust's premises are inspected on an annual basis and that a planned and costed statement of priorities is prepared and reviewed.
- 18 To ensure the responsibilities of the Trust Board under the Environmental Protection Act are met.
- 19 To advise the Trust Board when appropriate on environmental issues to ensure the Academies are acting as a responsible institution in its duty to conserve energy, materials and with regard to the local community.

External Audit

- 20 To consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- 21 To recommend the audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- 22 To oversee the process for selecting the external auditor and make appropriate recommendations through the Trust Board to the members of the Trust to consider at any general meeting where the accounts are laid before members.
- 23 To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
- 24 To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- 25 To review the performance of the external auditor on an annual basis.
- 26 To recommend to the Trust Board the appointment / re-appointment of the external auditor.
- 27 To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

Internal Audit

- 28 To consider the appointment of the internal auditor and assess independence of the internal auditor, including that there is rotation of key audit personnel at appropriate intervals.
- 29 To recommend the internal audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the internal auditor, ensuring that the provision of non-audit services does not impair the internal auditor's independence or objectivity.
- 30 To oversee the process for selecting the internal auditor.
- 31 To discuss with the internal auditor the nature and scope of each audit and to ensure that the internal auditor receives the fullest co-operation.
- 32 To review the internal auditor's reports and recommendations, together with the appropriateness of management's response and action plan.
- 33 To review the performance of the internal auditor on an annual basis.
- 34 To recommend to the Trust Board the appointment / re-appointment of the internal auditor.

To review and consider the circumstances surrounding any resignation or dismissal of the internal auditor.

Financial Management & Policies

- 35 To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - ❑ critical accounting policies and practices, and any changes in them
 - ❑ decisions requiring a major element of judgement
 - ❑ the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - ❑ the clarity and transparency of disclosures
 - ❑ significant adjustments resulting from the audit
 - ❑ the going concern assumption
 - ❑ compliance with accounting standards
 - ❑ compliance with DfE and legal requirements.
- 36 To review the Trust's policy and procedures for handling allegations from whistleblowers.
- 37 To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption.
- 38 To receive reports on the outcome of investigations of suspected or alleged impropriety.
- 39 To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.

- 40 To ensure that any significant losses are investigated and reported to the DfE where required.
- 41 To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- 42 To review the adequacy and robustness of risk registers.
- 43 To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, the external auditor and any other relevant independent assurances or reports (eg from the National Audit Office).
- 44 To review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Trust Board.
- 45 To review any recommendations made by the Secretary of State for Education or the ESFA for improving the financial management of the Academies.

General

- 46 To review or investigate any other matters referred to the Committee by the Trust Board.
- 47 To draw any significant recommendations and matters of concern to the attention of the Trust Board.

TERMLY COMMITTEE SCHEDULE	
Autumn meeting	<ul style="list-style-type: none"> ☐ Receive and discuss External Audit Report ☐ Discuss and approve Annual Financial Statement ☐ Discuss and consider the most up-to-date Budget Monitoring Report ☐ Update and agree Risk Register ☐ To review and approve the Trust's Annual Statement of Internal Control
Spring meeting	<ul style="list-style-type: none"> ☐ Discuss and consider the most up-to-date Budget Monitoring Report ☐ Receive and discuss Internal Audit Report ☐ Receive and discuss a Premises Report from each academy ☐ On a three-year rolling programme, review the Trust's procedures for: <ul style="list-style-type: none"> ☐ Whistleblowing ☐ Internal Financial Regulations ☐ Budget Monitoring Procedures ☐ Business Recovery & Continuity Plan ☐ Health & Safety Policy
Summer meeting	<ul style="list-style-type: none"> ☐ Review committee Terms of Reference ☐ Consider the strategic plans for the Trust and the financial implications ☐ Approve individual academy budgets ☐ Approve MAT budget ☐ Select and approve an external auditor ☐ Agree focus for external audit process

Schedule 2

Membership of the Finance and Audit Directors Committee

2025/6

Christopher Richards (Chair)

Karl Newell

Geoff Millard

Victoria Musgrave

Jemma Billing

Hazel Gloster