



# Agora Learning Partnership

## Scheme of Delegation

2019/20

### Appendix A

Terms of Reference for  
the Finance, Audit, Risk  
and Estates Committee

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Responsibility for review: Board of Trustees

## **1 MEMBERSHIP**

- 1.1 The Committee shall:
  - a. consist of at least three members and of whom a majority will be Trustees. In addition one external co-opted member may be appointed
  - b. have an appropriate mix of skills and experience to allow it to discharge its duties effectively. Collectively, members of the Committee should have recent, relevant experience in risk management, finance and audit and assurance
- 1.2 Members of the Finance, Audit, Risk and Estates Committee shall be appointed by the Board of Trustees and membership reviewed annually.
- 1.3 The Chair of the Finance, Audit, Risk and Estates Committee shall be appointed/reappointed annually by the Board of Trustees. Any co-opted member is ineligible for appointment as Chair. The Chair should possess relevant financial experience with previous accountability for a budget similar to the budget of the MAT and academies within.
- 1.4 A co-opted external member may be appointed for a term agreed at the time of appointment.
- 1.5 The Chair of the Board of Trustees, the Company Secretary, the Chief Executive Officer, the Chief Finance Officer and any staff employed by the Trust should not be members of the Committee, but may attend to provide information and participate in discussions.
- 1.6 The accounting officer and other relevant senior staff should routinely attend the Committee in the capacity set out directly above.

## **2 ACCOUNTABILITY AND PURPOSE**

- 2.1 The Finance, Audit, Risk and Estates Committee is responsible to the Board of Trustees and must not adopt an executive role. The main purpose of the Committee is to advise the Board of Trustees on the Trust's assurance framework and the provision of the opinion in the annual accounts.
- 2.2 The Committee will deal with such other financial or audit matters as may from time to time be referred to the Committee for consideration or approval.
- 2.3 The Finance, Audit, Risk and Estates Committee has the authority to investigate any activity within its terms of reference.
- 2.4 The Finance, Audit, Risk and Estates Committee has the right of access to obtain all the information and explanations it considers necessary, from

whatever source, to fulfil its remit and all officers of the Trust shall be directed to co-operate with any request made.

- 2.5 The Committee will also review its own effectiveness and these terms of reference on an annual basis and report the outcome and make recommendations to the Trust Board.

### **3. RESPONSIBILITIES OF THE COMMITTEE**

#### **3.1 Finance**

- 3.1.1 To ensure requirements of the Articles of Association, Academies Financial Handbook (AFH) and Funding Agreement are met.
- 3.1.2 To ensure a long term strategy is in place to ensure the financial sustainability of the Academy Trust and resources are used efficiently to maximise outcomes for pupils (AFH).
- 3.1.3 To recommend to the Board of Trustees appropriate financial and procurement policies to be adopted by the Trust and each academy.
- 3.1.4 To assess the overall Trust finances including those for individual academies and recommend to the full board in accordance with published timetable/ drawing any matters of significance or concern to the attention of the Trust Board.
- 3.1.5 To recommend to the Board a balanced budget and any significant changes within the financial year (AFH).
- 3.1.6 To ensure the Executive provide monthly management accounts to the Chair of the Board (AFH).
- 3.1.7 To recommend a scheme of delegation of financial powers that maintains robust internal controls (AFH).
- 3.1.8 To ensure that there are processes in place to ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the trust and by constituent academies, is accurate and in compliance with funding criteria.
- 3.1.9 To recommend to Board for approval and keep under review the Academy Trust's investment and reserves policies and to appropriate professional advice is sourced as necessary.

### **3.2 Audit**

- 3.2.1 To consider and advise the Board of Trustees on the adequacy and effectiveness of the Trust's audit arrangements, framework of governance, risk management and control and processes for the effective and efficient use of resources, the solvency of the Trust and the safeguarding of its assets.
- 3.2.2 To advise the Board of Trustees on the appointment, reappointment, dismissal and remuneration of the external auditors and internal auditors and establish that all such assurance providers adhere to relevant professional standards.
- 3.2.3 To consider and advise the Board of Trustees on the internal audit strategy and annual audit plans. The outcome of work should inform the governance statement that accompanies the Trust's annual accounts and, so far as is possible, provide assurance to external auditors.
- 3.2.4 To monitor, within an agreed timescale, the implementation of agreed audit recommendations.
- 3.2.5 To recommend the Trust's annual report and financial statements and external auditor's management letter to the Board of Trustees for approval and ensure filing is carried out in accordance with requirements of the Companies Act, Charity Commission and Funding Agreement (including the Academies Financial Handbook).

### **3.3 Risk Management**

- 3.3.1 To ensure investment risk is properly managed and robust processes in place to manage the Trusts' cash position.
- 3.3.2 To consider the Academy Trust's risk profile relative to current and future Trust strategy and identifying any such trends, concentrations or exposures and any requirement for policy change.
- 3.3.3 To oversee the Trust's policies on fraud and irregularity and whistleblowing, and ensure the proper, proportionate and independent investigation of all allegations and instances of fraud, theft and/or irregularity; that investigation outcomes are reported to the Finance, Audit and Risk Committee; that the external auditors (and internal auditors where appointed) have been informed, and that appropriate follow-up action has been planned/actioned, and that all suspected cases of fraud, theft and/or irregularity are notified to the Education Funding Agency in accordance with the Academies Financial Handbook.

### **3.4 *Estates***

- 3.4.1 To ensure there is a robust framework for Trust compliance with all necessary legal requirements relating to the occupation of the estate and ensure that all users of the building are provided with a safe environment, including:
- health and safety law, environmental protection and other relevant laws and regulations including accessibility
  - planned preventative maintenance
  - statutory inspecting and testing
  - adequate insurance arrangements
- 3.4.2 To ensure that there is a well-planned long term strategy for the development of grounds and buildings.
- 3.4.3 To ensure that there is a programme to maintain the facilities of the existing estate and there are the requisite skills available.
- 3.4.4 To recommend a lettings and charging policy to the Board and monitor the application of the policy in the Trust's academies.
- 3.4.5 To recommend to the Board any decisions concerning the disposal or acquisitions of land to be used by an academy.
- 3.4.6 To recommend to the Board any changes to the capacity of any academy in respect of pre-statutory and statutory age pupils, having consulted with the AGB.

## **4. MEETINGS AND QUORUM**

- 4.1 The Committee shall meet at least three times each year to consider matters arising from its terms of reference, or matters placed on the agenda at the request of the Board of Trustees or of the Chair or any member of the Committee.
- 4.2 In the absence of the Chair the Committee will elect a temporary replacement from among the Trustees present at the Committee meeting.
- 4.3 The Chief Executive Officer/Accounting Officer and Chief Financial Officer shall attend by invitation.
- 4.4 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.
- 4.5 The external and internal auditors (where appointed) shall be invited to attend meetings as appropriate and be given the opportunity to raise any

issues they wish to discuss in the absence of Management. The Committee will have at least one annual meeting or part of one meeting, with each of the external auditors and the head of internal audit without the senior executives being present.

- 4.6 The external or internal auditors may request a meeting of the Committee, and meet with the Committee without management being present, if they consider necessary.
- 4.7 The quorum for meetings shall be 50% of members of the Committee.
- 4.8 A register of attendance shall be kept for each Committee meeting and published annually.
- 4.9 All meetings shall be conducted to an agenda approved by the Chair.
- 4.10 The agenda of each meeting shall be prepared by the Company Secretary in consultation with the Chair of the Committee, and circulated together with all relevant agenda papers to all members of the Committee normally at least seven days before each meeting.
- 4.11 Trustees should ensure that any pecuniary or conflicts of interest are declared at each meeting by everyone present.
- 4.12 Where matters of a sensitive or confidential nature are to be discussed at a meeting the Company Secretary, in consultation with the Chair, shall reserve these matters to a confidential agenda. Details and papers of such agenda shall not be circulated unless the circumstances which caused them to be considered sensitive or confidential no longer pertain.

## 5. REPORTING PROCEDURES

- 5.1 The Company Secretary shall act as clerk to the Committee. The Company Secretary will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 5.2 The minutes of each meeting of the Finance, Audit, Risk and Estates Committee shall be presented to the next meeting of the Board of Trustees and circulated to Committee members within 14 days of the meeting.