

The Keys Academy Trust

Finance and Audit Committee Terms of Reference

Purposes of the committee

The over-arching purpose of the Trust and (by delegation) all of its committees, is to deliver its vision: the belief in educational excellence. We aim to serve our pupils, staff, parents and their local community by providing our schools with the highest levels of academic rigour and pastoral care. Through this purpose, the Trust and its committees will enable its schools to be places where children and young people develop and thrive intellectually, socially, culturally and spiritually.

The specific purpose of this committee is to monitor the work of the Multi Academy Trust in terms of its financial control and report to the Trust, and to ensure that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk management.

Membership

- Membership and terms of reference will be reviewed annually by the Trust.
- The committee will comprise four Trustees (including the Chair of the Committee) and up to **three** members appointed by the Trust, including the chief financial officer.
- When the committee is operating as an Audit committee employees of the Trust will not be part of the committee, but the accounting officer and chief financial officer will attend to provide information and participate in discussions.

Quorum

The quorum shall be three trustees

Meetings

The committee usually meets twice a term but will meet at least four times a year. The Committee shall elect a Chair annually who will be responsible for ensuring the agendas are produced, minutes of the meeting are taken and are circulated to Board members and reported at subsequent Trust Board meetings.

Terms of Reference

Finance

- To produce a Financial Manual of guidance incorporating all the finance policies and Schemes of Delegation which will apply to the Trust and all Academies within it. The manual should be recommended to the Full Board of Directors for approval and be reviewed annually.
- To review with the Chief Executive and the Chief Finance Officer the projected income of both the Trust and the schools compared to the estimated expenditure for at least three years and where there are any potential budget issues take such actions as may be appropriate or refer to the Trust.
- To recommend to the Trust financial sections for the Trust's Development Plan and oversee the financial section of any school development and improvement plan.
- To consider and agree the annual budgets prepared by the local Headteachers or LGBs and by the Chief Finance Officer in respect of central functions and reviewed by the Chief Executive and Chief Finance Officer, on behalf of the Trust. The budgets for the individual Academies will be submitted to the ESFA by the Chief Finance Officer.
- To consider and explore means of external finance available to the Trust.
- To consider and authorise where appropriate, all expenditures, contracts, asset disposals, durations or terms specified in the Finance Manual or Schemes of Delegation as beyond the authority of Officers, Headteachers and Chairs of LGBs. To report such decisions to the Trust as part of the regular reporting by the committee or to refer such decisions to the Board (with a recommendation) where the Finance committee considers there may be a strategic impact on the Trust's financial viability.
- To consider regular budget monitoring reports and periodic strategic financial projections prepared by the Chief Finance Officer and submit reports to the Trust on the budget position, together with any proposed corrective action to address significant variances between expenditure and budget.
- To consider regular Cash flow projections to ensure the viability of the Trust. To consider and approve investment of funds in line with the Investment Policy.
- To prepare financial analysis and projections for the Trust's three-year Development Plan.
- In consultation with the Pay and Personnel Committee, consider the effect on the budget of changes in pay structure and of any new appointments or changes in existing employees' salaries. Reserve the right to review pay and salaries of individual schools' Headteachers.

- Where financial benchmarking is available, use it to compare expenditure with similar schools/academies and to review any value for money statement and efficiency and financial effectiveness throughout the Trust.
- Maintain a register of business interests for trustees and ensure that a register is maintained at a local level for LGB governors.
- Review annually all insurance arrangements for the Trust.
- Consider reports and funding proposals from the Trust's committees and from the Chief Executive.
- Oversee the Business Continuity Plan.
- The Chief Financial Officer will report to the committee on an assessment of the budget position and financial management of each school wishing to join the Trust, which the committee will consider as part of the conditions for acceptance.

Audit Committee

- Ensure that the Trust's financial procedures (as set out in the Finance Manual and individual schemes of delegation) at both Trust and school levels are reviewed at least annually paying particular attention to any recommendations made by internal or external audit.
- To receive reports from the Internal/External auditor following each monitoring visit. To act on any recommendations after its consideration of such report.
- Review the Risk Register each term, (but at least on an annual basis).
- Agree and prepare the Annual Report and Accounts (in accordance with DfE/ESFA, Companies Act and Charity Commission requirements) for approval by the Trust.
- To investigate on behalf of the trustees any financial or administrative matter which may put the Trust at risk. This may include examining reports on special investigations and advising the Trustees accordingly.
- Security of assets including an asset register

Estates & Premises

- The committee will ensure that the Trust has a planned site maintenance and development programme strategy for the schools within the trust, with appropriate timescales and costs.
- The committee will review the Trust's Health and Safety policy annually, and oversee the action plans of the individual schools and make recommendations to ensure that the Trust takes all reasonable steps to comply with the Health and Safety at Work etc Act 1974 and related legislation.

- The committee will oversee building matters relating to the construction, improvement, and major repair, together with associated insurance. (Cleaning, catering and upkeep of the academy buildings and grounds will be delegated to the LGB though the Trust will keep an oversight of such delegation).
- The committee will monitor and review external contracts of the individual schools (with a value in excess of that specified in the Finance Manual) and for the Trust, considering proposals for renewal or otherwise as appropriate.
- The committee will review annually the Trust's Letting Policy and oversee arrangements for the use of the Trust's school premises.
- The committee will monitor the progress of new buildings, ensuring they are fit for purpose and represent value for money.

Powers of the committee

The committee shall have the power to require explanations, documents or analysis from any employee of the Trust or any committee member and to make recommendations to officers, committees and Trust. In the event of those recommendations not being accepted by an officer or committee, they must be referred for consideration to the Trust.

Recording and reporting of meeting

A clerk is appointed to the committee, who will produce minutes of all meetings to be circulated before the Trustees' meeting following the committee meeting.

Review of terms of reference and membership

This will be undertaken annually by the Trust.