



Excellence, Respect, Friendship

CAWSTON GRANGE PRIMARY SCHOOL

Finance, Audit & Risk (FAR) Committee - Terms of Reference

2023

1.0 Constitution

- 1.1. Cawston Grange Primary School (**the Academy**) Board of Trustees resolved to establish a Finance Audit and Risk Committee (**the Committee**).
- 1.2. In line with the overriding principles of the Academies Financial Handbook (the AFH) the committee should be established in such a way as to provide independent assurance over the Academy's finance and audit arrangements, systems of internal control and risk management practices.
- 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 Head Teacher and School Business Manager will routinely attend committee meetings in the capacity set out in section 2 - Membership

2.0 Membership & Meeting Governance

- 2.1 The Committee shall have a minimum of three members who are required to be present for the meeting to be quorate.
- 2.2 The Chair of the Trust Board cannot be the Chair of the Finance Audit & Risk Committee.
- 2.3 The Committee shall appoint a trustee to act as Chair at the first meeting of each academic year
- 2.4 No person may act as Chair unless they are also a member of the Trust Board.
- 2.5 The administration of meetings will be managed by the Clerk to the Board. Agenda and papers will be circulated to members of the Committee 7 days in advance of the meeting.
- 2.6 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 with each committee member permitted one vote.
- 2.7 Where there is an equal division of votes the Chair will cast the deciding vote. Any matters which require the Chair to decide will also be specifically reported to the Full Trust Board for noting.
- 2.8 The Headteacher/School Business Manager will be in attendance but will have no voting rights.

- 2.9 The Committee may additionally 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.

3.0 Remit and Responsibilities of the Committee

- 3.1 The Committee shall be responsible for the matters set out in schedule 1.

4.0 Authority

- 4.1 The Committee will report to the Trust Board on any decision taken in accordance with the Scheme of Delegation.
- 4.2 The Committee is authorised to investigate any activity within its term of reference or specifically delegated to it by the Board.
- 4.3 The Committee is authorised to obtain any legal and professional advice it considers necessary, normally in consultation with the Chair of the Board.

5.0 Reporting

- 5.1 Following each meeting the committee will:
- 5.1.1 Produce and agree minutes of the meeting
 - 5.1.2 Provide a summary document to be presented at the next Trust Board meeting which summarises the
 - (i) Decisions made,
 - (ii) Recommendations,
 - (iii) Any items for information or further discussion.
- 5.2 Reports generated by the committee can be agreed by committee members by email
- 5.3 The committee shall annually review its work and these terms of reference and shall report the outcome to the Trust Board.

Schedule 1

Responsibilities of the Finance and Audit Committee

Main Duties

The main duties of the Committee are as follows:

- Fulfil its responsibilities as set out in these Terms of Reference in line with the Academy's Funding Agreement, Articles of Association, Scheme of Delegation, & Academies Financial Handbook.
- Ensure sound management of the Academy's finances and resources including proper planning, monitoring, probity, and value for money through the delivery of an annual programme of work.
- Advise the Board on the adequacy and effectiveness of the Academy's governance, risk management, internal control and value for money systems and frameworks.
- Advise the Board on the appointment, re-appointment, dismissal, and remuneration of the external auditor.
- Advise the Board on the need for and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.

Detailed Responsibilities - Finance

The Finance & Audit Committee shall consider and advise the Board on the following specific matters:

- The monthly management accounts of the Academy, including any proposed actions required to address any adverse variances from budget plan.
- The revised forecast of estimated income and expenditure for the full year for the Trust, its Academies, and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- The setting of the annual budget and 3-year plan for the Academy, in advance of submission to the Education & Skills Funding Agency (ESFA).
- The annual audited financial statements of the Academy. It will ensure that the Academy submits the annual report and associated documents to the ESFA by the relevant deadline.
- Monitoring the updating of financial policies and financial regulations within the Academy.

- To consider any other matters that can have a financial impact on the Academy.

Detailed Responsibilities - Audit

The Committee shall consider and advise the Board on the following specific matters:

- Recommend to Members (and the Board) the appointment or reappointment of the external auditors of the Academy.
- Review and contribute to the external auditor's letter of engagement and annual planning documents. Approve the planned audit approach and scope.
- Review all reports received from the external auditor (e.g. annual reports, management letter) and consider any issues raised and the associated management response and action plans. Reports should be referred to the Board for information or action.
- Monitor, Review and provide assurance over any the completion of recommendations or actions resulting from other third-party auditing activities e.g., H&S Assessments, GDPR etc.

Detailed Responsibilities – Risk Management

The Committee shall consider and advise the Trust Board on the following specific matters:

- Annual review of the Academy's risk management systems including arrangements for risk management, control, and governance processes.
- Review, monitoring and assurance of the Academy's Risk Register.
- Review of the Academy's Scheme of Delegation and recommending any changes to Board for approval.
- Annual review of all insurance arrangements.
- Annual Review of the schools H&S Controls and reporting practices