



# Willow Tree Academy

## Terms of Reference: Finance and Audit Committee

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Adopted by Trust Board:	14 February 2017
Review Timetable:	1 year
Review Date:	February 2018

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### **1 CONSTITUTION**

- 1.1 The board of directors (the Directors) of Willow Tree Academy (the Trust Board) hereby resolves to establish a committee of the Trust Board to be known as the Finance and Audit 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 other relevant senior staff 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 and a maximum of six 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 member to act as chair of the Committee (the Chair). The Committee will elect a temporary replacement from among the members 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 a majority 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 14 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.

## **SCHEDULE 1**

### **RESPONSIBILITIES OF THE FINANCE AND AUDIT COMMITTEE**

#### **FUNDING**

- 1 To consider each of the school's indicative funding with the Academy, notified annually by the Department for Education (DfE) and to assess its implications for the Trust and the relevant school within the Academy. This will be in consultation with the Accounting Officer, 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 Academy school's budgets each financial year.

#### **BUDGETING**

- 3 To contribute to the formulation of the Trust's and the its schools 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 school.
- 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 LGBs and to make recommendations to those bodies about the financial aspects of matters arising.
- 6 To consider the spending plans of the schools 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 which may be available with the Trust Finances 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 School Improvement 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 prepare 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 each term the relevant Health and Safety reports and advise as necessary.
- 14 To monitor compliance with the Academies Health & Safety policies and statutory obligations under the Health and Safety at Work Act 1974.

## **ASSET MANAGEMENT**

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

## **PROPERTY MANAGEMENT**

- 17 To determine the use of the Trust's premises and grounds outside Academies' sessions with regard to the lettings and charging policy.
- 18 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.
- 19 To ensure the responsibilities of the Trust Board under the Environmental Protection Act are met.
- 20 To advise the Trust Board 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**

- 21 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.

- 29 To review the Trust's policy and procedures for handling allegations from whistleblowers.
- 30 To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption.
- 31 To receive reports on the outcome of investigations of suspected or alleged impropriety.
- 32 To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- 33 To ensure that any significant losses are investigated and reported to the DfE where required.
- 34 To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- 35 To review the adequacy and robustness of risk registers.
- 36 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 Responsible Officer, the external auditor and any other relevant independent assurances or reports (eg from the National Audit Office).
- 37 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.
- 38 To seek economies of scale and improve the financial management of the Academy schools

## **GENERAL**

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

**SCHEDULE 1**  
**MEMBERSHIP OF THE FINANCE AND AUDIT COMMITTEE**

JOANNE DRAYCOTT CHIEF FINANCIAL OFFICER  
AMANDA HALLFORD FINANCE OFFICER GPS  
ELIZABETH LENNARD FINANCE OFFICER RPS  
REBECCA BARKER WTA DIRECTOR

ANTHONY TRUEMAN CHAIR OF TRUSTEES  
JANE FEARNLEY CHIEF EXECUTIVE OFFICER