



The Children First Learning Partnership Terms of Reference for the Finance, Audit, Resource and Risk Committee

Responsibilities of Finance, Audit, Resource and Risk Committee

The Finance, Audit, Resource and Risk Committee is a Committee of the Board of Trustees and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.

The Finance, Audit, Resource and Risk Committee has delegated responsibility from the Board for financial scrutiny and oversight, and to support the Board in maintaining the trust as a going concern.

The Finance, Audit, Resource and Risk Committee has delegated responsibility from the Board to direct the trust's programme of internal scrutiny, ensure that risks are being addressed appropriately through internal scrutiny, and to report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

It is authorised to request any information it requires from any employee, external audit, internal audit or other assurance provider.

The Finance, Audit, Resource and Risk Committee is authorised to obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or Chair of Board.

The role of the Finance, Audit, Resource and Risk Committee is to:

Maintain an oversight of the Academy Trust's financial governance, financial arrangements, legislative compliance, internal control, risk management and value for money framework;

Oversee allocation of academy and central budgets, monitor performance and budgetary control, advice on priorities for investment and strategic planning.

It will report its findings to the Board of Directors and the Accounting Officer as a critical element of the academy trust's annual reporting requirements.

The Finance, Audit, Resource and Risk Committee will support financial management of the trust by promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement.

Duties

The duties of the Finance, Audit, Resource and Resource Committee are to:

- Advise the Board of Directors and Accounting Officer on the adequacy and effectiveness of the Trust's financial governance, budgetary control, internal control, health and safety, risk management and value for money systems and frameworks, and on the adequacy of resources needed to continue as a going concern.
- Review policy framework and scheme of delegation, at least annually, to ensure compliance with legislation, best practice guidance and to reflect changes to the organisation structure.
- Advise the Board of Directors and Accounting Officer on the allocation of grant funding and charges for central services (top slice).
- Consider the impact of changes in funding levels and support the Academy Trust to develop financial plans for the short, medium and long term.
- Determine key performance indicators and management information required to review management accounts across the Academy Trust.
- Support and evaluate actions arising from review of financial reporting and budgetary control (including consideration of Local Advisory Board comments).
- Advise the Board of Directors and Accounting Officer on priorities for capital investment and systems change/development, including organisation structure.
- Oversee the Academy Trust's cash flow management, lease agreements and loan arrangements.

- Consider due diligence findings relating to new academies joining the Academy Trust, including sponsored schools. Where necessary extend the scope of the review. Advise the Board of Directors and Accounting Officer.
- Assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering. This includes consideration such as:
 - the auditor's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor comments and recommendations in relation to key areas
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's use of technology
 - produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.
- Advise the Board of Directors on the need for, and then, where appropriate, the appointment, reappointment, dismissal and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.
- Advise the Board of Directors on an appropriate programme of work to be delivered by independent assurance providers (external auditors and responsible officer who have the relevant expertise both financial and other). This programme of work to be derived from the Finance, Audit, Resource and Risk Committee's regard of the key risks.
- To direct the trust's programme of internal scrutiny, ensure that risks are being addressed appropriately through internal scrutiny, report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc) from the external auditor and other bodies, for example the Education and Skills Funding Agency and the National Audit Office, and consider any issues raised, the associated management response and action plans. Where appropriate, reports should be referred to the Board or other committee for information and action.
- Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Review the academy trust's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Ensure appropriate cooperation and coordination of the work of the external auditor and Responsible Officer.

Conflicts of Interest

- The income and property of the academy must be applied solely towards the provision of the Objects as detailed in the Articles of Association.
- The procedure detailed at clause 6.8 of the Articles of Association shall apply to the FARC
- Any FARC member who has any duty or personal interest (including but not limited to any Personal Financial Interest) which conflicts or may conflict with his duties as a FARC member shall disclose that fact to the Committee Members as soon as he becomes aware of it. A Committee Member must absent himself from any discussions of the Committee Members in which it is possible that a conflict will arise between his duty to act solely in the interests of the academy and any duty or personal interest (including but not limited to any Personal Financial Interest).

Appointment of Chair and Vice-chair

- The Chair and Vice Chair of the FARC shall be appointed by the Directors of The Children First Learning Partnership
- If both the Chair and the Vice-Chair are absent from any meeting of the FARC those committee members present shall appoint one of their number to chair the meeting- as long as the meeting remains quorate.

Meetings of Finance, Audit, Resource and Risk Committee

- The FARC shall meet twice in every term, and shall hold such other meetings as may be necessary.
- All meetings shall be convened by the Clerk to the FARC, who shall send to the Committee member's written notice of the meeting and a copy of the agenda at least seven clear days in advance of the meeting. The agenda shall be prepared by the FARC with input from the CFO and Chair.
- A special meeting of the FARC shall be called by the Clerk whenever requested by the Chair or at the request in writing by any three committee members. Where there are matters demanding urgent consideration, the Chair or, in his absence, the Vice-Chair may waive the need for seven days' notice of the meeting and substitute such notice as he thinks fit.
- The convening of a meeting and the proceedings conducted shall not be invalidated by reason of any individual not having received written notice of the meeting or a copy of the agenda.
- Copies of all notices, agendas, CEO/CFO reports and minutes of meetings of the FARC shall be made available to the committee members seven days' notice of the meeting.
- Minutes of the meeting are to be returned to the CEO/CFO within seven days of the meeting for approval/amendment, copy is then to be sent to the Chair for approval/comment and final copy made available to the FARC within 14 days.

11.0 Quorum

- Meetings of the FARC shall be quorate if three members are present.
- If the number of FARC members assembled for a meeting of the FARC does not constitute a quorum, the meeting shall not be held. If in the course of a meeting of the FARC the number of committee members present ceases to constitute a quorum, the meeting shall be terminated forthwith.
- If for lack of a quorum a meeting cannot be held or, as the case may be, cannot continue, the Chair shall, if he/she thinks fit, determine the time and date at which a further meeting shall be held and shall direct the Clerk to convene the meeting accordingly.

Proceedings of meetings

- Every question to be decided at a meeting of the FARC shall be determined by a majority of the votes of the FARC members present and voting on the question.
- Every FARC Member shall have one vote. Where there is an equal division of votes the chair of the meeting shall have a second or casting vote.
- A FARC member may not vote by proxy.
- No resolution of the FARC members may be rescinded or varied at a subsequent meeting unless consideration of the rescission or variation is a specific item of business on the agenda for that meeting.
- Any FARC member who is also an employee of the Trust shall withdraw from that part of any meeting of the FARC member at which remuneration, conditions of service, promotion, conduct, suspension, dismissal or retirement are to be considered.
- A resolution in writing, signed by all the FARC members (or all of the members of a committee of the FARC members), shall be valid and effective as if it had been passed at a meeting of the FARC.
- Members or (as the case may be) a FARC members duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the FARC members (or the members of a committee, as the case may be).
- Any FARC member shall be able to participate in meetings of the FARC by telephone or video conference provided that he/she has given reasonable notice to the Clerk and that the FARC Members have access to the appropriate equipment.

Minutes and Publication

- At every meeting of the FARC the minutes of the last meeting shall be taken as the first agenda item after any apologies and declarations of interest, except in cases where the board members present decide otherwise, and, if agreed to be accurate, shall be signed as a true record.
- The Clerk to the FARC shall ensure that a copy of the agenda for every meeting of the FARC, the draft minutes of every such meeting (if they have been approved by the chairperson of that meeting), the signed minutes of every such meeting and any report, document or other paper considered at any such meeting are, made available to the FARC two weeks after the meeting.