

Terms of Reference - Audit and Finance Committee

1. Composition

The Audit and Finance Committee (the “Committee”) is appointed by the Trustees of the Diocese of Gloucester Academies Trust (the “Trust”).

There shall be a minimum of three Trustees appointed to the Committee (not including the Chief Executive), one of whom will serve as Chair.

Quorum for the Committee will be two Trustees. The Trustees and Chair will be appointed by the Trust Board on an annual basis. The Committee may appoint any number of Associate Members as deemed necessary. Associate Members do not have voting rights and do not count towards quorum.

The Chief Executive Officer and the Head of Finance will normally attend and report to meetings of the Committee.

2. Frequency of Meetings and Proceedings

Meetings shall be held at least four times a year, typically: November, February, April and July.

3. Purpose

The role of the Committee is to maintain oversight of the Trust’s audit, risk management, internal control, value-for-money and accounting framework including the annual pay award process for the central staff.

4. Responsibilities

The responsibilities of the Committee include:

- Oversight of the Trust’s operating model, providing recommendations to the Trust Board on the financial operating model of the Trust, ensuring it is fit for purpose as the Trust grows.

External Audit and Internal Controls:

- Make recommendations to the Trust Board for further recommendation to the Members of the Trust in relation to the appointment of the external auditor.
- To approve the terms of engagement of the external auditor.
- Attend the planning meeting with the auditors, agree the scope and timetable and review the Letter of Representation prior to it being signed by the Accounting Officer and Chair of the Trust Board.
- Review the nature and scope of each forthcoming audit with the auditor.
- Monitor action to address any findings or recommendations of the auditors.

Internal Controls:

- Review and monitor any changes to the Trust’s Financial Policies and Procedures, including authority to commit limits for expenditure by employees of the Trust.
- Review the integrity and consistency of internal control, risk management and value for money systems across the Trust.
- Recommend appointment of the Trust’s internal auditors.
- Review the Trust’s internal audit programme, ensuring that the Trust’s internal controls are subject to appropriate independent scrutiny in accordance with the Academy Trust Handbook.
- Monitor actions to address the recommendations of the internal auditors.
- Monitor the central staff Single Central Record.

Annual Report and Accounts:

- Review the Trust's Annual Report and Accounts prior to presentation to the full Trust Board to ensure that they are accurate and consistent with the regulatory requirements.
- Include with the Annual Report and Accounts a description of the work of the Committee in discharging its responsibilities, including:
 - any significant issues that it has considered in relation to the financial statements.
 - an explanation of how it has assessed the effectiveness of the external audit process; the approach taken to the appointment, continuation or reappointment of the external auditor; and information on the length of tenure of the current audit firm.
 - if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded.

Budget Preparation:

- Review the Trust's annual budget prior to presentation for approval by the Trust Board.

Management Accounts:

- Agree the form of presentation of monthly management accounts to the Trust Board
- Maintain a regular review of the monthly management accounts for accuracy and completeness.
- Maintain oversight of all areas of risk contained with the monthly management accounts.

Central staff remuneration:

- To appoint the Pay Review Panel (3 members) for the central staff and ensure all reviews are undertaken in line with the Pay Policy

To consider any other matters where requested to do so by the Trust Board.

Authority

The Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Trust, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries.

The Committee has the authority to obtain outside legal or independent professional advice up to the value of xxx. The advisers may attend meetings as necessary, and the cost of the advisers shall be borne by the Trust.

Reporting procedures

Agendas will be agreed in advance by the Chair of the Audit and Finance Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.

Minutes of meetings will be taken and once approved in draft by the Chair of the Audit and Finance Committee, shall be circulated to the members of the Trust Board with the papers for their next meeting. Draft minutes will also be shared at the Trust Board meeting following the last Committee meeting.

Policies

The Committee will be responsible for reviewing the following policies as per the Trust's Policy Review Schedule (to be included in the Committee's Annual Business Plan):

- Financial Procedures Policy
- Risk Assessment Policy
- Gifts, Hospitality and Bribery Policy
- Charge Card Policy

- Freedom of Information Policy
- Charging and Remissions Policy
- Conflicts of Interest Policy
- Anti-fraud and Corruption Policy

Additional policies may be attributed to the Committee as they arise.

Evaluation

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Trust Board for approval.

FOR review