

## **Terms of Reference – Audit, Risk and Finance committee**

### **1. Composition**

The Audit, Risk 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 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, but the number of Trustees appointed to the committee must outnumber the number of associate members by a minimum of two. Associate members may be given voting rights and may count towards quorum but the number of Trustees for any vote or the purpose of quorum must always be in the majority. If this condition is not met, the vote will be invalid.

The Chief Executive Officer and Chief Finance Officer 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 June.

### **3. Purpose**

The role of the committee is to maintain oversight of the Trust’s statutory financial responsibilities, 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.
- Monitoring and oversight of the risk register, to include safeguarding and the risks associated to all aspects of finance and financial controls, ensuring these are appropriately recorded on the risk register.
- Monitoring the operational implementation of the Trust’s three-to-five year strategic plan in relation to the responsibilities of the committee as set out in these terms of reference.
- Monitor any aspects of the Trust Equality Objectives Statement relevant to the responsibilities of this committee.

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.
- Agree and 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.

#### 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.
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- Review and approve operational matters in-line with the scheme of delegation in The Financial Procedures Policy, including procurement award ratification, high value acquisitions, disposal of assets and write off of aged debts.

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

## Procurement

- Maintain oversight of the Trust's procurement policy, ensuring value for money, compliance with the Academy Trust Handbook and that policies and procedures are in place to ensure the central team and all school's meet their responsibilities.

## 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 £2,500. 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 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 five working days in advance of the meeting.

Minutes of meetings will be taken and once approved in draft by the chair of the 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 management 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.