



**ALBAN CITY SCHOOL
RESOURCE (INCLUDING AUDIT) COMMITTEE –TERMS OF REFERENCE
NOVEMBER 2023**

The terms of reference are intended to support the operation of matters delegated to the committee under general and financial schemes of delegation and in any approved policies and procedures.

Purpose

To assist the decision-making of the board by enabling more detailed consideration to be given to the best means of fulfilling the board's responsibility to ensure sound management of the academy trust's finances and resources, including proper planning, monitoring and probity. This includes statutory responsibilities, policy review, ensuring the publication of information and other statutory responsibilities, including those set out in funding agreements and the Academy Trust Handbook (ATH). The scope includes the operation of the school and any other responsibilities of the trust.

To serve as the audit and risk committee as outlined in the ATH. To provide financial scrutiny and maintain an oversight of the trust's governance, risk management, internal scrutiny and control and value for money framework. To support the board in ensuring the trust is maintained as a going concern. To provide assurance to the board that risks are being adequately identified and managed. The outcome of the work should inform the governance statement that accompanies the trust's annual accounts and so far as is possible, provide assurance to the external auditors.

Remit

To have delegated authority to make decisions, comments or recommendations on such matters relating to finance, staffing, risk management, health and safety and facilities management on any matters not specifically reserved for the board or other committees/individuals within the schemes of financial and general delegation or in relevant policies, procedures, or legislation/guidance.

As the Resource Committee to:

- Monitor, review and approve any policies delegated to the committee.
- Monitor, review and approve the Finance Procedures Manual
- Monitor training requirements for committee members and trust staff.
- Monitor income and expenditure for the school. Make recommendations to the board for budget issues that need to be resolved.
- Monitor all expenditure and contracts to ensure that 'Value for Money' is achieved as laid out in the Academy Trust Handbook.
- Ensure Pupil Premium and Sports Grant spending across trust schools meets statutory reporting requirements.
- Approve virement between budget headings.
- Approve tenders within the budget allocation agreed by trustees.
- Respond to consultations.
- Monitor and, within limits of delegation, award contracts for goods and services.
- Monitor the use and maintenance of assets, including buildings, across the trust.
- Monitor HR issues across the trust in conjunction with HR providers.
- Monitor health and safety across the trust.
- Monitor insurance requirements across the trust.
- Monitor bids that are made on behalf of the trust for additional funding.
- Monitor aspects of the risk register assigned to the committee.

As the Audit Committee:

Internal Scrutiny

Direct the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks and:

- Evaluate the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently and checking transactions to confirm whether agreed procedures have been followed.
- Offer advice and insight to the board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust.
- Ensure all categories of risk are being adequately identified, reported and managed.
- Agree on a programme of work annually to deliver internal scrutiny that provides coverage across the year.
- Review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
- Agree who will perform the work.
- Consider reports at each meeting from those carrying out the programme of work.
- Consider progress in addressing recommendations.
- Consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.
- Ensure that oversight confirms information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the trust is accurate and in compliance with funding criteria.
- Ensure an annual summary report of the areas reviewed, key findings, recommendations and conclusions is submitted to ESFA within required timescales.
- Ensure that the governance statement, accompanying its annual accounts, includes details of which of the internal scrutiny options have been applied and why. The outcome of the work must also inform the accounting officer's statement of regularity in the annual accounts.

Ensure that the programme of internal scrutiny is:

- Independent and objective – for example it must not be performed by the trust's own accounting officer, chief financial officer or other members of the finance team.
- Conducted by someone suitably qualified and experienced and able to draw on technical expertise as required.
- Covered by a scheme of work, driven and agreed by the audit committee, and informed by risk.
- Timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time.
- Providing regular updates to the audit committee by the person(s) or organisation(s) carrying out the programme of work, incorporating a report of the work to each audit committee meeting, including recommendations where appropriate to enhance financial and other controls and risk management and a short annual summary report to the audit committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress
- Make findings from internal scrutiny available to all trustees promptly.
- Kept under review. If the trust changes in size, complexity or risk profile, the committee should consider whether the approach remains suitable.

External Audit

- Advise the members on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
- 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 ESFA and NAO, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the board for information and action.

Other

- Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Ensure that the findings from all audit and internal scrutiny work are made available to all trustees promptly.

Membership and Committee Chair

The trust board will appoint at least three trustees to serve on the committee. At the first meeting in each academic year, the committee should appoint a trustee to act as chair of the committee. The chair of the trustees should not be the chair of the committee. The agenda and relevant papers will be circulated to all trustees and any trustee may attend meetings of the committee and has full voting rights. The committee may invite other attendees as appropriate. Other attendees are not entitled to vote in any proceedings of the committee.

Quorum

The quorum for a meeting of the committee and any vote shall be three trustees.

Staff Members

The Academy Trust Handbook stipulates that where the trust operates a combined finance and audit committee, staff may be members of the committee but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions. The following staff are members of the committee on this basis:

- Headteacher as Accounting Officer (voting on non-audit matters given role as trustee)
- Business Manager as Chief Financial Officer (non-voting)

Confidentiality & Conflict of Interests

The committee may need to meet in confidential mode where the subject for consideration is the pay or performance review of any person employed to work in the trust. In such cases any relevant person employed to work in the trust should withdraw unless specifically invited to stay by the committee to contribute to the consideration of the matter.

Committee Vice Chair

If the chair is not in attendance at any meeting, the committee will appoint a vice chair for that meeting.

Pecuniary, Business or Conflicts of Interest or Loyalty

Trustees recognise the need to declare any interests in accordance with the articles of association, relevant regulations and the trustees code of conduct.

Decisions

The committee will aim to make decisions by consensus. Where voting is necessary, a majority of votes cast will determine the outcome of any vote. In the event of a tied vote, the chair of the meeting has a deciding second vote or the right of veto. When voting, the trustees will accommodate restrictions relating to avoiding influenced company status

Electronic Attendance:

Any person will be able to participate in meetings of the committees by telephone or video conference if agreed by the chair provided that trustee participation is for the whole agenda item discussion and not just the vote; and if after all reasonable efforts it does not prove possible for the person to participate by telephone or video conference the meeting will still proceed with its business provided it is quorate.

Virtual Meetings (as per bye law of the Board)

Whilst the preference is that meetings will take place with expectation of physical attendance, the chair of a committee may, in circumstances which restrict or prohibit this, decide that a meeting is to take place on a virtual basis. In such cases the virtual meeting will be conducted in accordance with the articles of association and terms of reference with the additional requirement that trustees and other attendees will be provided with details of how to participate in the meeting at least 48 hours in advance of the meeting.

Where it appears to the chair of trustees that the committee chair (whether by reason of vacancy in the office or otherwise) would be unable to exercise this function, the decision to hold a virtual committee meeting may be taken by the chair of trustees

Role of the Chair of Committee

- To receive and review the monthly management accounts.
- Ensure the business of the committee is conducted properly and in accordance with legal requirements.
- Ensure meetings are run effectively, focusing on priorities, and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making.
- In the event of urgent decisions needing to be made between meetings, in consultation with the Accounting Officer, Chief Financial Officer and the chair of trustees, take appropriate action on behalf of the committee. This may include commissioning polls for voting by e mail or in extremis taking decisions of behalf of the committee under 'chair's action'.
- To decide after consultation with the Accounting Officer and Chief Financial Officer whether any internal and/or external non-voting advisors or representatives will be required to attend meetings.
- To decide on the appropriate clerking arrangements for the committee given the nature of business to be transacted.

Role of Clerk to Committee

Meetings may be clerked by any person appointed by the trustees in accordance with the Articles of Association. It is expected that the Committee will normally be clerked by an external clerk to provide for independence. If necessary, the chair may commission alternative clerking arrangements including the option for this to be a member of the trust's administration team who is not involved in the day to day financial operation. The clerk will provide support to the committee including:

- Work effectively with the chair, Accounting Officer and CFO before the meeting to contribute to the agenda setting.
- Take notes of the committee meetings and prepare minutes, including indicating who is responsible for any agreed action.
- Record all decisions accurately and objectively, including timescales and responsibilities for any resulting actions.
- Send draft minutes to the chair, Accounting Officer and CFO for consideration within 5 working days. Recipients to provide any comments and feedback within 3 working days of receipt of the draft minutes.
- Circulate the draft minutes to all trustees and applicable parties within 2 working days of receiving feedback from the recipients.
- Advise absent trustees of the date of the next meeting and/or changes to the calendar of meetings.
- Work with the company secretary to ensure a file of signed minutes, is kept as an archive record, and ensure that signed copies of all minutes and papers discussed are available at the school for public access where applicable.
- Manage and maintain a log of current and outstanding actions agreed by the committee, showing current status, responsible persons, target dates and due dates / completion dates – this includes pro-active management of outstanding actions with those responsible to ensure actions are expedited appropriately.

Role of Accounting Officer and Chief Financial Officer

- Provide assistance and advice to the committee in accordance with the respective responsibilities in the Academy Trust Handbook
- Attend meetings of the committee
- Ensure that the trust has secured appropriate external advice so that the work of the committee is in accordance with statutory requirements, agreed policies and best practice
- Make appropriate domestic arrangements for meetings including venue, catering and equipment required.
- Work effectively with the chair and before the meeting to contribute to prepare the agenda.
- Produce, collate and distribute by e mail or other electronic communication the agenda and papers so that recipients receive them at least seven working days before the meeting.
- Maintain the files of committee minutes and papers for public inspection and audit purposes.

Frequency of Meeting

The Committee will meet at least termly.