

HERA PRIMARY ACADEMY TRUST
FINANCE & AUDIT COMMITTEE
TERMS OF REFERENCE (vo.2)

1. POWERS OF THE MAT BOARD OF TRUSTEES

- 1.1. The Trustees of the MAT Board shall establish the Finance & Audit a Committee as MAT Committee as empowered by the MAT's Articles of Association (Article 100b).
- 1.2. The Trustees shall determine and approve the Committee' Terms of Reference and shall review the Terms at the start of each academic year (Article 101).
- 1.3. The Trustees shall determine and approve the delegation of powers, responsibilities and duties to the Committee and shall review this Scheme of Delegation at the start of each academic year (Article 105).
- 1.4. The Trustees shall have the right to intervene in the governance of an individual School where it has serious cause for concern that there is financial mismanagement or failure to operate within budget.
- 1.5. The MAT Scheme of Delegation is attached as [Annex 1](#).

2. POWERS OF THE FINANCE & AUDIT COMMITTEE

The Committee shall exercise the powers, responsibilities and duties delegated by the MAT Board as set out in the Terms of Reference and Scheme of Delegation, and in particular:

- 2.1. to prepare and recommend to the MAT Board the MAT and School Financial Regulations and Procedures to comply with relevant statute and regulation, the MAT's Scheme of Delegation and the decisions of the Trustees (SoD 5.1),
- 2.2. to review, recommend to the MAT Board for approval and monitor the individual School annual and 3 year budgets and ensure that budgets do not go into deficit (SoD 5.11-12),
- 2.3. to review, recommend to the MAT Board for approval and monitor the MAT annual and 3 year budget that consolidates individual School budgets with MAT central costs and charges, with a specific responsibility to ensure the MAT budget does not go into deficit (SoD 5.3-4),
- 2.4. to identify and propose to the MAT Board opportunities for the MAT to achieve financial and resource efficiencies for member academies through joint commissioning and procurement,
- 2.5. to review and recommend for approval the MAT and School Budget Forecast Return (Outturn) BFRO before its submission to the Education and Skills Funding Agency,
- 2.6. to monitor and keep under regular review all actual expenditure and liaise as necessary with other Committees where remedial action may be required,
- 2.7. to make decision as to spending within the delegated powers available to the Committee and advise and/or make recommendations to the MAT Board on the appropriateness or otherwise of spending requests outside the delegated powers of the Committee,
- 2.8. to determine and approve charges for letting of the Schools premises and facilities, including the School grounds,
- 2.9. to make recommendations to the MAT Board in relation to the provision of the Charging and Remissions Policy for educational trips/visits organised by the Schools,
- 2.10. to review and recommend to the MAT Board the appointment and re-appointment of the MAT's auditors (SoD 5.2),
- 2.11. to review and consider the circumstances surrounding any resignation or dismissal of the MAT's auditors,
- 2.12. to plan and oversee the statutory audit of Annual Accounts for the MAT and each School,

- 2.13. to review and recommend to the MAT Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation (SoD 5.7),
- 2.14. to review and recommend to the MAT Board the Trustees Report (SoD 5.8),
- 2.15. to prepare and recommend to the MAT Board and implement the MAT action plan in response to the auditor's management letter (SoD 5.10),
- 2.16. to plan, oversee and monitor the internal audit of MAT and School compliance with the MAT's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance,
- 2.17. to review the effectiveness of the internal audit and ensure that it meets, or exceeds, the standards specified in the Academies Financial Handbook,
- 2.18. to prepare and approve policies relating to the MAT's financial governance and operation including;
 - 2.18.1. Procurement,
 - 2.18.2. Anti-Fraud and Corruption,
 - 2.18.3. Investment,
 - 2.18.4. Disposals and write-off of stock assets,
- 2.19. to consider and respond to proposed Teachers Annual Pay Award and Support Staff Annual Pay Awards (SoD 3.3-4),
- 2.20. to recommend to the MAT Board expenditure above the OJEU limit having completed the necessary procurement (SoD 6.4), and
- 2.21. to consider and respond to proposed compensation payments up to £50,000 or the limit set by the Education & Skills Funding Agency (SoD 6.5),
- 2.22. to ensure the Register of Business Interests is kept up to date with notification of changes and through an annual review,
- 2.23. to review and adopt the Health & Safety Policy,
- 2.24. to receive each term the relevant Health & Safety reports and advise as necessary,
- 2.25. to monitor compliance with Health & Safety policies and statutory obligations under the Health and Safety at Work Act 1974,
- 2.26. to confirm that an asset recording system is in place, including an inventory and fixed asset register for each School,
- 2.27. to establish and keep under review a Building Development\Maintenance Plan and an Accessibility Plan,
- 2.28. to prepare and review an Emergency Response Plan in line with regulations,
- 2.29. to monitor the assessment of risks to which the organisation is exposed, to ensure that is kept up to date and to ensure that management are charged with implementing controls to mitigate these risks,
- 2.30. to consider any other matters where requested to do so by the MAT Board.

3. COMPOSITION AND APPOINTMENT OF THE FINANCE & AUDIT COMMITTEE

- 3.1. The composition of the Finance & Audit Committee shall be as follows;
 - 3.1.1. Trustees with relevant knowledge, skills and expertise in finance, accountancy, compliance, commerce and business,
 - 3.1.2. Chief Executive Officer,

3.1.3. Persons with finance, accountancy or commercial expertise who will be appointed by the MAT Board and

3.1.4. Further MAT Trustees such that the Committee has a majority of Trustees.

3.2. The membership of the Committee shall be detailed as [Annex 2](#).

4. TERM OF OFFICE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

4.1. The Term of Office for all Members is 4 years subject to annual re-appointment.

4.2. On appointment Members are each required to familiarise themselves and to agree to comply with;

4.2.1. MAT Articles of Association,

4.2.2. MAT Master and Supplementary Funding Agreements,

4.2.3. MAT Financial Regulations,

4.2.4. Academies Financial Handbook,

4.2.5. these Terms,

4.2.6. current relevant financial legislation and guidance for academies.

5. MEETINGS OF THE COMMITTEE

5.1. The Committee shall meet at least once per term and in particular;

5.1.1. The Committee shall meet at the appropriate times set out in the MAT Governance Planning Calendar,

5.1.2. The members will receive notice of each meeting seven (7) clear days before the date of the meeting,

5.1.3. The agenda, papers and minutes of Committee meetings will be sent to the Clerk to the Trustees when they are issued to members,

5.1.4. Minutes will be signed by the Committee Chair at the next meeting to verify that the minutes are a true record.

5.2. Quorum for a meeting of the Committee will be half the members and a majority of members present being MAT Trustees.

5.3. Each question to be decided at a meeting of the Committee shall be determined by a majority of votes of members present and eligible to vote on the question. The Chair shall have the casting vote in the case of equal votes for and against the decision.

6. APPOINTMENT OF THE COMMITTEE CHAIR

6.1. The MAT Board shall appoint the Chair, noting any recommendation from the Committee.

6.2. The MAT Board shall have the right to remove the Chair, specifically in circumstances where they have cause for concern that there is financial mismanagement within the MAT.

6.3. The term of office for Chair will be 1 year and they shall be appointed at the first meeting of the MAT Board each school year.

7. APPOINTMENT OF A CLERK

7.1. The MAT Board shall appoint a Clerk to the Committee.

DECLARATION

The Finance & Audit Committee at their meetings on 13 November 2018 resolved to adopt these Terms of Reference. A copy has been forwarded to the Clerk to the Trustees for the formal MAT Board records. These Terms of Reference will be reviewed annually at the start of the academic year.

Signature Isabelle Bailey

(Chair of the Finance & Audit Committee)

Date of signature 22 November 2018

ANNEX 1: MAT Scheme of Delegation

ANNEX 2: Committee membership