

# **The David Nieper Education Trust**

## **Finance and Audit Committee**

### **Terms of Reference**

#### **1. Purposes of the Finance and Audit Committee**

1.1 Financial governance is the responsibility of the Board of Trustees (“the Board”). The purpose of the Finance and Audit Committee (the Committee) is to assist the Board in its duty to oversee the Trust’s financial affairs and performance.

1.2 The Committee will also act as an Audit Committee; it will be made clear which function the Committee is acting for in the minutes of its meetings.

#### **2. The Work of the Committee**

2.1 Undertaking tasks delegated by the Board that are within the Committees terms of reference.

2.2 Reviewing and commenting upon financial planning, management accounts and budget forecasts; maintaining an overview of financial performance and compliance with financial systems and controls.

2.3 Acting as a source of advice to the Trust Business Manager and Accounting Officer on major areas of change, innovation and development.

2.4 Considering financial implications of proposals for areas of new strategic developments and making recommendations to the Board in respect of their suitability.

2.5 Reviewing the Trust’s financial policies and making recommendations to the Board.

2.6 Reviewing the Trust’s insurance cover.

2.7 To provide effective internal scrutiny the Committee will review the Trust’s management procedures and identified risks. Internal scrutiny will be carried out by a non-employed trustee with suitable finance or audit qualifications. To ensure steps are taken to mitigate risks, the Trust risk register will be regularly reviewed, and a programme of work undertaken by those delivering the internal scrutiny. This work, once completed, will be reported to the Full Board.

2.8 Review the Business Continuity Plan.

2.9 The Committee will also encompass the roles of an Audit Committee.

#### **3. The Operation of the Finance and Audit Committee**

3.1 The Committee will consist of at least four members, at least two who must be trustees, one who should be an expert in Finance and one who need not be an expert in finance.

3.2 Employees should not be members of an Audit Committee but may attend to provide information

and participate in discussions. As this is a combined Finance and Audit Committee staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions.

- 3.3 The Chair of the Trust will recommend to the Board the person to be appointed as Chair of the Finance and Audit Committee.
- 3.4 The Board will agree the members of the Finance and Audit Committee taking recommendations from the Chair of Trustees.
- 3.5 The Committee will arrange three meeting dates per year. These meetings may be cancelled if no agenda items are put forward for discussion. Other meetings can be arranged should the trustees or members consider it necessary.
- 3.6 The quorum for the Committee will be two trustees, one of whom will be the Chair. This can include members participating by web (e.g. Skype, Facetime).
- 3.7 The Chair of the Trust has the right to attend meetings if they are not a member of the Committee. Other trustees may be invited to attend meetings.
- 3.8 The Trust Business Manager will be the primary contact for the Committee and will provide a clerking service for the Committee.
- 3.9 The Trust Business Manager will provide information to the Committee on key financial issues and in response to specific requests for information.

#### **4. Reporting to the Board**

- 4.1 Agendas and minutes of meetings will be circulated to all trustees. The Chair of the Finance Committee, or another member in their absence, will report to the Board on its meetings if required to do so.

#### **5. Delegated Powers**

- 5.1 The Committee can authorise changes in personnel named in the Trust's bank mandates. These do not require the approval of the Board but will be reported at the next Trustee Meeting.
- 5.2 The Committee will review the financial returns made to the ESFA.
- 5.3 The Committee will oversee the budget setting process; the final budget to be ratified by the Board.

#### **6. Acting as an Audit Committee**

- 6.1 To oversee the process of appointing the external auditor, approving the audit fee, considering any questions of resignation or dismissal of the external auditor, and making recommendations on such to the Board.

- 6.2 A member of the Committee to attend the external auditor meetings, before the audit commences, to discuss the nature and scope of the audit.
- 6.3 To have at least one meeting per year with the external auditor without academy staff present.
- 6.4 To review the annual audited accounts before submission to the Board focusing on areas of judgement, adjustments, compliance and presentation of the accounts.
- 6.5 To discuss with the external auditor any matters arising from the audit.
- 6.6 To review policy and procedures in respect of internal financial controls