

Leading Learning Trust Finance, Audit and Risk Management Committee: terms of reference

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**Leading
Learning Trust**



The Board of the Leading Learning Trust has established a Finance, Audit and Risk Management (FARM) Committee. The primary responsibilities of the committee are to ensure value for money, regularity and propriety in relation to the management of the Trust's funds and that the Trust's financial activities are conducted in line with funding agreements, the Academies Financial Handbook and the Trust's scheme of delegation.

Membership

The committee will be appointed by the Board and will comprise no more than four and no fewer than three members, of whom a majority will be Trustees. The executive head will be a permanent member of the committee.

On an annual basis, the committee will appoint one of the members of the committee as its Chair and one as the Vice-Chair. The Chair and the Vice-Chair do not need to be a trustee. The Chair and Vice-Chair can be removed by the Board.

The Board will review the committee's membership on an annual basis, but any member can be removed by the Board at any time.

Attendance

Along with the Committee members, the chair of the Committee shall request the attendance of any relevant parties to effectively execute the responsibilities of the committee. The Accounting Officer (if s/he is not a trustee) and Finance Director shall be required to attend all committee meetings and any others shall be at the request of the Chair.

When requested by the Trust Board, the chair of the committee will attend Trust Board meetings.

Voting

The quorum for each meeting shall be one half of the members in office at the time of the meeting, where trustees must be in the majority.

Decisions of the committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

Meetings

The committee will meet at least three times a year, preferably once a school term. The accounting officer or Chair of the Trust Board shall request the chair to call a special meeting or the chair shall call a special meeting. All meetings shall be convened and clerked by the clerking service appointed by the Trust Board. In the absence of the Chair, the vice Chair will conduct the meeting.

Meeting papers

The chair of the committee will ensure that the relevant papers for the meetings are sent to the members at least fourteen calendar days in advance of the meeting.

Authority

The committee is authorised by the Board to investigate any activity within its remit. It is authorised to engage an independent advisor and require employees to cooperate with any request for information.

Review of terms of reference

The Board will review the committee terms of reference on an annual basis. Any changes to the Terms of Reference must be submitted to the board for approval.

Duties

Financial oversight

1. To develop the Trust's medium term financial strategy (three-year plan) on an annual basis for approval by the Board and to monitor its implementation.
2. To approve the relevant policies as indicated in the policy tracker document on behalf of the Trust and to monitor compliance. (See policy tracker for details)
3. To recommend the annual budget plan for the Trust and the individual academies to the Board for approval
4. To closely monitor the forthcoming changes that may effect the finances of the academy trust and advise the Trustees accordingly
5. To monitor income and expenditure against the annual budget plan for the Trust and the individual academies and to resolve variances in line with the scheme of delegation.
6. To ensure that the Trust achieves value for money and that its income is used for the purposes it was provided for
7. To recommend to the Board how unplanned expenditure should be managed.
8. To recommend potential investments to the Board in line with the investments policy.



9. To ensure that systems are in place to manage conflicts of interest and connected parties transactions
10. To ensure appropriate financial returns are made to the Education Funding Agency
11. To ensure that adequate insurance cover is in place
12. To oversee the tendering process and award contracts in line with the procurement policy
13. To lodge grant applications (in line with the scheme of delegation) on behalf of the Trust and notify the Trustees

Premises

14. To ensure compliance with the premises management plan and developing a five year repair, replacement and maintenance financial projections plan
15. To receive health and safety reports with financial implications and refer issues of concern to the Board
16. To approve expenditure to resolve health and safety issues above the Executive Headteacher's delegated limit.
17. To have oversight of financial and risk management aspects of the premises management and refer significant issues to the Board along with recommendations
18. To recommend to the Board or approve capital projects (in line with the scheme of delegation)
19. To recommend to the Board or approve business case for any funding requirements or grants (in line with the scheme of delegation)
20. To monitor expenditure against capital expenditure and to approve variations in line with the project plans
21. To review and monitor existing contracts to identify cost saving opportunities (in line with the scheme of delegation)



Audit

22. To recommend the appointment and reappoint of the internal, external auditor and the contractual terms and fees to the Board
23. To monitor the performance of the internal and external auditor
24. To make recommendations to the Board regarding the dismissal of the internal and external auditor
25. To work with the external auditor to prepare the financial statements and regularity audits.
26. To be responsible for preparing the governance statements for the financial statements audit report
27. To advise the Board on the outcome of the financial statements and regularity audits and to recommend the audited accounts for approval.
28. To ensure that the approved audited accounts are submitted to the Education Funding Agency and filed at Companies House and published on the Trust's website prior to the relevant deadlines.
29. To oversee the implementation of any recommendations arising from the post audit management report
30. To ensure that appropriate internal control systems are in place
31. To ensure that the adequacy of internal control systems and that arrangements are in place for these systems to be independently reviewed

Risk management

32. To prepare and maintain at all times a risks register with risk mitigations plans
33. To review the Trust's risk appetite and to make recommendations to the Board
34. To regularly analyse the strategic risks and the effectiveness of the mitigations

35. To identify risks and prepare proactive mitigation plans for items identified in the Medium-term Finance Strategy (3 Years plan)
36. To identify risks and prepare proactive mitigation plans for items identified in the Premises plan (5 years plan)