

# **Thomas Telford School Multi Academy Trust**



## **Finance, Audit & Risk Committee**

**Terms of Reference**

**February 2024**

## **THOMAS TELFORD MULTI ACADEMY TRUST “the Trust”**

### **FINANCE, AUDIT AND RISK COMMITTEE (“the Committee”)**

#### **Terms of reference**

##### 1. Responsibilities

The Committee will maintain an oversight of the Trust’s financial, governance, risk management and internal control systems.

It will report termly and annually to the Trust Board and the Accounting Officer (where applicable) on the conduct of its business and the scope of its enquiries and reviews and any resultant conclusions or further investigations.

##### 2. Authority

The Committee is a committee of the Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board

It is authorised to request any information it requires from any employee, external audit, internal audit, or other assurance provider. It may obtain such outside legal, financial, or other independent professional advice as it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

##### 3. Composition

The membership of the Committee will comprise a minimum of three Trustees. Employees of the Trust should not be members of the Committee, but the Accounting Officer and financial officers should attend meetings to provide information and participate in discussions.

The Committee Chair shall be appointed by the Committee and shall serve for a maximum of four years. The Chair of Trustees should not be chair of the Committee.

Where the Committee is combined with another committee, employees should not participate as members when audit matters are discussed.

The quorum of the Committee shall consist of at least two members of the Committee.

At least one member of the Committee should have recent or relevant accountancy, or audit assurance, experience.

Any Trustee may attend a meeting of the Committee, including those who are not members thereof.

##### 4. Reporting

The Committee will provide a report to the Trust Board regularly every term. The Committee shall include in its reports details of the routine work of the internal scrutineer/auditor (including any external appointee to that role) and will provide an annual summary report of the areas reviewed by internal scrutiny/audit, covering key findings, recommendations, and conclusions.

##### 5. Coverage

The Committee will advise the Trust Board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:

- the auditor's/scrutineer's sector expertise;
- their understanding of the Trust and its activities;

- whether the audit process allows issues to be raised on a timely basis at the appropriate level;
- the quality of auditor's/scrutineer's comments and recommendations in relation to key areas;
- where relevant, the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the Trust's managers; and
- the auditor's/scrutineer's use of technology.

The Committee will also:

- ensure that there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant;
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues;
- encourage a culture within the Trust whereby each individual feels that they have a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Trust Board; and
- provide minutes of all Committee meetings for review at Board meetings.

With regard to the external audit, the Committee will:

- review the external auditor's plan each year;
- review the annual reports and accounts before reference to the full boards;
- review the auditor's findings and actions taken by the Trust's responsible executives in response to those findings (where required); and
- produce an annual report of the Committee's conclusions to advise the Board and Members of the financial status of the Trust as disclosed by the audit process.

With regard to internal scrutiny, the Committee will:

- take delegated responsibility on behalf of the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring that the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook;
- conduct a regular review of the risk registers;
- agree an annual programme of internal scrutiny/audit, which is objective and independent, covering systems, controls, transactions, and risks;
- advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control, governance, and risk management processes;
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the Board on any additional or alternative steps to be taken; and
- Oversee a termly review of the Trust's risk registers.

With regard to finance matters, the Committee will:

- Review management accounts and cash flow forecasts for each school;
- Review investment portfolio valuations, where applicable and consider long-term investment strategies for each school;
- Evaluate key budget assumptions for each academic year, including salary increases;
- Consider central capital funding strategies for each academic year;