

## Finance & Audit Committee terms of reference

### Agreed by the Kickstart Board 12/07/22



Note - These terms of reference have been produced and reviewed in line with the Academy Trust Handbook.

#### **1. Constitution**

- 1.1 Academy trusts must establish a committee, appointed by the Board of Trustees/ governing body (the Board), to provide assurance over the suitability of, and compliance with, its financial systems and operational controls.
- 1.2 Due to the size of its income, the Kickstart Academy (also known as the TCAT Multi-Academy Trust) is not required to have a separate Audit Committee. The Board has therefore resolved to have in place a joint Finance & Audit Committee for the multi-academy trust (MAT).
- 1.3 The Finance & Audit Committee is responsible to the Trust Board. The Committee's terms of reference are adopted by the Board and can only be amended with the Board's approval.

#### **2. Authority**

- 2.1 The Committee will report to the Board on any decision taken in accordance with the Trust's Scheme of Delegation and delegated powers.
- 2.2 The Committee 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 Director, governor, employee, external audit, internal audit or other assurance provider.
- 2.3 The Committee is authorised to obtain any outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Chair of the Board.
- 2.4 Unless approved in advance by the Board, sub-committees may not be established by the Committee.

#### **3. Main duties**

- 3.1 To fulfil the Trust's responsibilities as set out in these terms of reference, the Academy Trust Handbook, the Trust's Financial Regulations and ensure compliance with the Funding Agreement with the Secretary of State of Education.
- 3.2 To ensure sound management of the Trust's finances and resources, including proper planning, monitoring, probity and value for money (VFM).
- 3.3 To agree an annual programme of work covering internal control, audit, scrutiny and risk management.

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- 3.4 To regularly review the trust's risk register, ensure it informs the annual programme of work and make recommendations to the Board as appropriate.
  - 3.5 To advise the Board on remuneration to ensure staff are fairly rewarded in relation to their contribution to the Trust's overall performance and give due regard to the interests of the public and financial health of the Trust.
  - 3.6 To advise the Board and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and VFM systems and frameworks. An annual report will be produced by the Committee.
  - 3.7 To advise the Board on the appointment, re-appointment, dismissal and remuneration of the external auditor
  - 3.8 To advise the Board, where deemed appropriate, on the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.
  - 3.9 As part of the overall programme, to advise the Board of an appropriate programme of work to be delivered by any independent assurance providers and ensure appropriate cooperation is provided.
  - 3.10 To receive reports from the external auditor, internal auditor and other bodies (eg the ESFA) and consider any issues raised, the management response and action plans.
  - 3.11 To regularly monitor outstanding audit recommendations
  - 3.12 To review the Trust's Fraud Response Plan and Whistleblowing Policy and ensure all allegations of fraud, irregularity or misconduct are managed and investigated appropriately.
  - 3.13 To consider and advise the Board on the following specific matters:
    - Annual estimates of income and expenditure and forecasts
    - Monitoring of revenue finances and progress with achieving financial objectives
    - Monitoring of policies relating to finance/resources and non-educational services
    - Acquisition or disposal of land to be used by the MAT
    - Management accounts and the year-end accounts
    - Strategic matters with financial implications
    - Annual review of the Financial Regulations
    - Monitoring the deployment of non-financial resources
- 4. Membership**
- 4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but at least once per term - dates will be scheduled in advance. Any two members may request the Chair calls a meeting by giving no less than 14 days prior notice.

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- 4.2 The Committee will comprise at least three members of the Board. At least one the members should have relevant financial experience. Membership of the Committee will be agreed on an annual basis by the Board. The Accounting Officer, Chief Financial Officer and Headteacher will be ex officio members of the Committee. Other employees of the Trust may be invited to the Committee's meetings but will have no voting rights. Additionally, up to two external co-opted members with particular expertise may also be appointed, who will have full participation rights. The Chair of the Board/Governing Body may not chair the Committee but can be a member. A person shall be ineligible for appointment or if appointed shall cease to be a member if the individual becomes disqualified from holding office under the Trust's Articles of Association.
- 4.3 The Chair of the Committee will be appointed by and from the Board on an annual basis. The Accounting Officer, Chief Financial Officer and Headteacher may not act as Chair. Any other Trust employees are also exempt from chairing the Committee, unless agreed by the Board due to unusual circumstances. If the Chair is absent from a meeting, the Committee shall choose another member to act as Chair for that meeting.
- 4.4 The Committee may invite non-members to assist or advise on a particular matter/issue. Such persons shall not be entitled to vote but can participate in the discussion.
- 4.5 The Committee will be quorate if at least two members of those eligible to vote are present.
- 5. Meeting administration**
- 5.1 The Committee will be clerked by the Clerk to the Kickstart Academy/TCAT MAT. If the Clerk is absent or is required to withdraw from any part of a meeting, one of the Committee's members will minute the proceedings or a deputy may attend.
- 5.2 Agendas will be prepared by the Clerk and agreed by the Chair in advance. Agendas will be based on, but not limited to, a pre-agreed schedule of activity. Papers will be circulated at least five working days in advance of the meeting. Late papers will only be circulated with prior agreement of the F&AC Chair
- 5.3 Decisions to be made at meetings shall be determined by a majority of the votes of members present and voting. Where there is no majority, the Chair shall have a second or casting vote.
- 5.4 Minutes of the meeting will be taken by the Clerk and the draft will be approved by the Chair. They will be submitted for approval at the next scheduled meeting of the Committee.
- 5.5 Minutes will be shared with members of the Board and a verbal report will be provided by the Committee Chair at each Board meeting.
- 5.6 The Committee will self-assess its performance against these terms of reference on an annual basis and an annual report of the Committee will be presented to the Board.

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- 5.7 Committee members are required to declare any business or other interests in any item being discussed at a meeting. On disclosing their interest, Committee members will be asked to withdraw from the meeting and will not be eligible to vote on a matter if there may be a conflict of interest, there is reasonable doubt on their ability to act impartially and/or they have a personal interest in the matter being discussed.