

EKO TRUST
FINANCE & AUDIT COMMITTEE
TERMS OF REFERENCE (v0.5 October 2022)

1. POWERS OF THE TRUST BOARD OF TRUSTEES

- 1.1. The Trustees of the Trust Board shall establish the Finance & Audit Committee as a Trust Committee as empowered by the Trust's Articles of Association (Article 100b).
- 1.2. The Trustees shall determine and approve the Committee's 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.

2. POWERS OF THE FINANCE & AUDIT COMMITTEE

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

- 2.1. to prepare and recommend to the Trust Board the Trust and School Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Trustees,
- 2.2. to review and recommend to the Trust Board the Trust's Scheme of Financial Delegation,
- 2.3. to review, recommend to the Trust Board and monitor the individual school annual budgets with a specific responsibility to ensure that budgets do not go into deficit,
- 2.4. to review, recommend to the Trust Board and monitor the Trust annual budget that consolidates individual school budgets with Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit,
- 2.5. to review, recommend to the Trust Board and the Trust 3-year budget,
- 2.6. to identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member academies through joint commissioning and procurement,
- 2.7. to propose to the Trust Board the appointment and re-appointment of the Trust's auditors for recommendation to Members,
- 2.8. to plan and oversee the statutory audit of Annual Accounts for the Trust and each school,
- 2.9. to review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation,
- 2.10. to review and recommend to the Trust Board the Trustees Report,
- 2.11. to prepare and recommend to the Trust Board and implement the Trust action plan in response to the auditor's management letter,
- 2.12. to plan, oversee and monitor internal audit planning for the Trust and schools, ensuring that internal audit reports are referred for consideration outside of this committee as appropriate and monitoring follow-up action planning and implementation;
- 2.13. to plan, oversee and monitor the internal audit of Trust and school compliance with the Trust's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance,
- 2.14. to recommend the Trust staff structure and complement to the Board,

- 2.15. to respond to proposals for the structure, restructuring and redundancy of staff having consulted with the Workforce Committee on the organisational implications of the proposals,
- 2.16. to prepare and approve policies relating to the Trust's financial governance and operation in accordance with the Trust's policy schedule;
- 2.17. to consider and respond to proposed Teachers Annual Pay Award and Support Staff Annual Pay Awards for recommendation to the Trust Board,
- 2.18. to approve expenditure or contracts from upper limit to OJEU limit and to recommend to the Trust Board expenditure above the OJEU limit having completed the necessary procurement ,
- 2.19. scrutinise the risk register and provide the Trust Board with assurance that it is being provided with adequate information regarding the key risks,
- 2.20. to review each edition of the Academy Trust Handbook and 'Dear Accounting Officer' letters, alerting the Board to any significant changes and actions required,
- 2.21. to ensure that any information submitted to the DfE and ESFA is accurate and compliant.

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. Persons with finance, accountancy or commercial expertise who will be appointed by the Trust Board and
 - 3.1.3. Further Trust Trustees such that the Committee has a majority of Trustees.
- 3.2. The Chief Executive Officer (Accounting Officer) and Chief Operating Officer shall be invited to attend each meeting of the Committee.

4. TERM OF OFFICE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

- 4.1. Committee Members are appointed by the Trust Board.
- 4.2. Committee Membership is reviewed annually.
- 4.3. On appointment Members are each required to familiarise themselves and to agree to comply with;
 - 4.3.1. Trust Master and Supplementary Funding Agreements
 - 4.3.2. Trust Financial Regulations,
 - 4.3.3. Academy Trust Handbook,
 - 4.3.4. these Terms,
 - 4.3.5. 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 Trust 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' Chairs 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 Trust 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' CHAIRS

- 6.1. The Trust Board shall appoint the Chair noting any recommendation from the Committee.
- 6.2. The Trust Board shall have the right to remove the Chair and/or Vice Chair, specifically in circumstances where they have cause for concern that there is financial mismanagement within the Trust.
- 6.3. The term of office for Chair and Vice-Chair will be 1 year.

7. APPOINTMENT OF A CLERK

- 7.1. The Trust Board shall appoint a Clerk to the Committee.