



# **Finance, Audit, Operations and Risk Committee**

*Terms of Reference*

## Record of changes

	Date	Action
1	March 2019	First drafted
2	June 2019	Amended ahead of July 2019 meeting
3	September 2019	Membership changes made
4	June 2021	Reviewed and approved (meeting on 21/6/21)
5	November 2022	Revised to incorporate risk management, changes in membership and responsibilities for personnel to reflect the scheme of delegation
6	November 2023	Revised to incorporate changes in membership Removal of vice chair appointment Travel plan - removed Internal audit responsibilities added

## Section 1: Introduction

### Requirements for finance and audit committees

Academy trusts must comply with the Academies Financial Handbook, published by the ESFA. It says in paragraph 2.1.5 that Trusts should have a finance committee to which the board delegates financial scrutiny and oversight.

In paragraph 2.4.2, it says that Trusts must establish a committee to provide assurance over the suitability of, and compliance with, its financial systems and operational controls.

It explains that:

- All Trusts with an annual income of over £50 million must have a dedicated audit committee
- All other Trusts have the flexibility to establish either a dedicated audit committee or to include the functions of an audit committee within another committee

## Section 2: Areas of responsibility and oversight

### (a) The overall finances of Day One Trust, including:

- The annual budget (for recommendation to the Board of Directors) and monitoring of that budget
- Governors Fund (if any)
- Charging policy; income generation policy; lettings policy
- Financial procedures (including compliance with the DfE Guidance); delegation of spending authority and virement policies
- Policy and decisions regarding contracts and service level agreements
- Insurance arrangements
- Governors' expenses policy
- The external audit including the appointment of external auditors (for recommendation to the Board of Directors)
- The preparation of the annual report and accounts (for presentation to Directors)
- Policy and procedures with respect to internal financial controls and internal audit functions
- Compliance with statutory and other required procedures.
- Oversight of risk assessment policy.

### (b) The Personnel of Day One Trust

The FAOR has oversight of:

- Performance management arrangements
- Pay policy

Note that the other responsibilities for personnel matters are dealt with as follows.

- The pay and performance management of the CEO and Principals of each school in the Day One Trust is in the remit of the Nominations and Remuneration Committee (N&R Committee terms of reference can be found [here](#)).
- The Safeguarding & Wellbeing Committee is responsible for oversight of the Single Central record and scrutiny of the recruitment and selection policy
- Each Local Governing Body will:
  - Use anonymised key performance data provided by the school, to stay fully aware of the school's activity in terms of its staff and staffing structures. This should include data about staff composition, recruitment, retention, turnover, performance management and progression.
  - Monitor the effectiveness of professional development, through its impact on the quality of education, and supports and challenges appropriately.

**(c) The Premises of Day One Trust**

- To advise Directors on priorities, including health and safety, for the maintenance of the existing Academy buildings
- To oversee arrangements for repairs and maintenance
- To make recommendations on premises-related expenditure
- In consultation with the Principal, oversee premises-related funding bids
- To oversee arrangements, including health and safety, for the use of the premises by outside users
- To establish and keep under review the premises' accessibility plans

**(d) Risk Management**

- Monitor and review the effectiveness of the Trust's risk management and internal control systems.
- Review the company's procedures to manage or mitigate principal risks and to identify emerging risks
- Evaluate the Trust's principal risks, to be taken into account by the board when assessing the Trust's operations and strategic direction
- Review and approve the statements to be included in the annual report concerning internal controls and risk management

**(e) Key targets agreed by Board members in respect of any of the above areas. Any other matters referred to it by Board members.**

## **Section 3: Membership**

The Membership of this Committee shall be:

- Jeremy Palmer (Trustee and Chair of the Day One Trust)
- Ben Colegrave (Committee Member)
- Tim Bevan (Trustee and Chair of LSA Governing Body)
- Kate Butler (Governor, LSA)
- Jamie Drummond Smith (Trustee and Committee Chair)
- Daniel Sopher (Committee Member)

- Fred Sharrock (CEO and ex-officio member)

Attending this Committee shall be:

- Nevin Bhandari (CFO)
- Nancy Horlock (SFA Director of Development)
- Angela Isaac (Independent Clerk)

## **Section 4: Proceedings**

### **VOTING RIGHTS**

All members have equal voting rights. In the event of an equal division of votes, the Chair shall have a second or casting vote. However, no vote on any matter shall be taken at a meeting of a committee of the governors unless the majority of members of the committee present are Directors.

### **APPOINTMENT OF CHAIR AND VICE-CHAIR**

The Chair of the Committee shall be appointed by the Trust Board of Directors. A governor who is employed to work at the Academy shall not be eligible for appointment or election as Chair.

### **DELEGATED POWERS AND FUNCTIONS**

A schedule of delegated powers and functions is available separately and reviewed annually.

### **OVERSIGHT OF COMMITTEES**

The Committee shall be responsible for the setting up of any sub-committee to hear any matters in connection with staff disciplinary, capability, redundancy, absence or grievance matters. (See also the policies and procedures adopted by the directors, namely: Redundancy Procedures; Grievance and Discipline Procedures; Managing Staff Sickness Absence; Capability Procedures)

### **FREQUENCY OF MEETING**

The Committee shall meet at least three times a year but may meet more frequently as required.

### **QUORUM**

The quorum for a meeting of the Committee shall be any 3 members.

### **ACCOUNTABILITY**

This Committee reports directly to the Trust Board of Directors which receives minutes, reports and recommendations from the Committee.

### **SECRETARIAT**

Agendas, papers and minutes shall be prepared by the clerk to the Trust in consultation with the Chair of the Committee. These will be circulated 7 days in advance of the meeting.