



Peterborough Keys Academies Trust

Finance, Audit and Risk Committee

TERMS OF REFERENCE

2021-22 V1

1. POWERS OF THE MAT BOARD OF TRUSTEES

- 1.1. The Trustees of the MAT Board shall establish the Finance, Audit and Risk Committee as a MAT Committee as empowered by the MAT'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 end of each academic year to take effect from 1 September (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 end of each academic year to take effect from 1 September (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.
- 1.5. The MAT Scheme of Delegation is attached as Annex 1.

2. POWERS OF THE FINANCE, AUDIT AND RISK COMMITTEE

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

- 2.1. to review and respond to the Local Governing Body proposals for the redundancy or restructuring of staff (SoD 4.17 and 4.18),
- 2.2. to agree the MAT Finance Manual to comply with relevant statute and regulation, the MAT's Scheme of Delegation and the decisions of the Trustees (SoD 5.1),
- 2.3. to review, recommend to the MAT Board and monitor the MAT Three-Year Budget Plan, incorporating individual School budgets as proposed by each Local Governing Body, with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.6 and 5.10),
- 2.4. to review and recommend to the MAT Board in-year changes to the MAT budget (SoD 5.7) and to monitor school in-year budget changes (SoD 5.16),
- 2.5. to review and recommend to the MAT Board the services provided to schools and the central charge to be made to schools (SoD 5.8-5.9),
- 2.6. to identify and propose to the MAT Board opportunities for the MAT to achieve financial and resource efficiencies for member academies through joint commissioning and procurement,
- 2.7. to agree the appointment of the MAT's internal auditors (SoD 5.5), plan and oversee the internal audit programme and monitor progress made towards internal audit recommendations,
- 2.8. to plan and oversee the statutory audit of the MAT Annual Financial Statements,

- 2.9. to review and recommend to the MAT Board the audited Annual Report and Financial Statements in accordance with relevant statute and regulation (SoD 5.11),
- 2.10. to prepare and recommend to the MAT Board and implement the MAT action plan in response to the external auditor's management letter (SoD 5.13),
- 2.11. to agree the annual treatment of the Budget Forecast Return Out-turn (SoD 5.14),
- 2.12. to review and recommend to the MAT Board changes to banking arrangements (SoD 5.18),
- 2.13. to prepare and approve policies relating to the MAT's financial governance and operation including;
 - 2.13.1. Procurement,
 - 2.13.2. Anti-Fraud and Corruption,
 - 2.13.3. Investment,
 - 2.13.4. Disposals and write-off of stock assets
- 2.14. to agree PKAT central expenditure above £20,000, in accordance with the Finance Manual (SoD 6.4),
- 2.15. to consider and respond to proposed compensation payments up to £50,000 or the limit set by the Education and Skills Funding Agency (SoD 6.5),
- 2.16. to ensure that the Trust has adequate insurance cover in place (excluding staff absence insurance) (SoD 5.21).
- 2.17. to review and recommend to the MAT Board the Internal Scrutiny Report (SoD 5.22)
- 2.18. to ensure that the Trust has an appropriate framework in place to manage risk, in line with the Academy Trust Handbook paras. 2.38 – 2.42 (including identification, measurement, management, monitoring and reporting) and to regularly assess and monitor this using the Trust's Risk Register (SoD 2.14).

3. COMPOSITION AND APPOINTMENT OF THE FINANCE, AUDIT AND RISK COMMITTEE

- 3.1. The composition of the Finance, Audit and Risk 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 MAT Board and
 - 3.1.3. Further MAT Trustees such that the Committee has a majority of Trustees.
- 3.2. The membership of the Committee shall be detailed as Annex 2.

4. TERM OF OFFICE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

- 4.1. The Term of Office for all Members is 4 years.
- 4.2. On appointment Members are each required to familiarise themselves and to agree to comply with;
 - 4.2.1. MAT Articles of Association,
 - 4.2.2. MAT Master and Supplementary Funding Agreements
 - 4.2.3. MAT Finance Manual,
 - 4.2.4. Academy Trust Handbook,
 - 4.2.5. these Terms,
 - 4.2.6. 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 MAT 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 Chair 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 MAT 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.
- 5.4. No Trust employee shall participate as a member of the Committee when audit matters are discussed.

6. APPOINTMENT OF THE COMMITTEE CHAIR

- 6.1. The MAT Board shall appoint the Chair, noting any recommendation from the Committee.
- 6.2. The MAT Board shall have the right to remove the Chair, specifically in circumstances where they have cause for concern that there is financial mismanagement within the MAT.
- 6.3. The term of office for Chair will be 1 year and they shall be appointed at the last meeting of the Trust Board each school year, for a term commencing on 1 September.

7. APPOINTMENT OF A CLERK

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

ANNEX 1: MAT Scheme of Delegation

ANNEX 2: Committee membership

DECLARATION

The Board of Trustees, at its meeting on 13 July 2021, resolved to adopt these Terms of Reference.

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Signature
(Chair of the MAT Board)

Date of signature: 20 July 2021