

## **BUSINESS MANAGEMENT AND AUDIT COMMITTEE –TERMS OF REFERENCE**

*The terms of reference are intended to support the operation of matters delegated to the committee under general and financial schemes of delegation and in any approved policies and procedures.*

### **Purpose**

To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy Trust's finances and resources, including proper planning, monitoring and probity. This includes statutory responsibilities, policy review, ensuring the publication of information and other statutory responsibilities including those set out in funding agreements and the Academies Financial Handbook. The scope includes the operation of the College, the Pre-School and any other responsibilities of the Trust.

To serve as the Audit Committee as outlined in the Academies Financial Handbook (AFH). To maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. To provide assurance to the Governing Body that risks are being adequately identified and managed. The outcome of the work should inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to the external auditors.

### **Remit**

To make decisions, comments or recommendations on such matters relating to finance, staffing, health and safety and facilities management within the schemes of financial and general delegation and in relevant policies and procedures.

As the Audit Committee to:

- Review the risks to internal financial control at the trust
- Agree a programme of work to address and provide assurance on those risks
- Have delegated authority to commission work to manage this internal programme of risk review and checking of financial controls within a delegated budget not exceeding £2000 per annum.
- Advise the Governing Body and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- Advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc.) from the external auditor and other bodies, for example the EFA and NAO, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Governing Body for information and action.
- Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.

### **Membership and Committee Chair**

The Governing Body will appoint the Chair of the Business Management and Audit Committee and at least two other governors to serve on the Committee. The agenda and relevant papers will be circulated to all governors and any governor may attend meetings of the Committee and has full voting rights. The Committee may invite other attendees as appropriate. Other attendees are not entitled to vote in any proceedings of the Committee.

## **Quorum**

The quorum for a meeting of the Committee and any vote shall be three Governors.

## **Staff Members**

The Academies Financial Handbook stipulates that where the trust operates a combined finance and audit committee, staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions. The following staff are members of the Committee on this basis:

- Principal as Accounting Officer (voting given role as governor)
- Business Manager as Chief Financial Officer (non voting)

## **Confidentiality & Conflict of Interests**

The Committee may need to meet in confidential mode where the subject for consideration is the pay or performance review of any person employed to work at the College. In such cases any relevant person employed to work at the College other than the Principal should withdraw unless specifically invited to stay by the Committee to contribute to the consideration of the matter.

## **Committee Vice Chair**

At the first meeting in each academic year, the Committee should appoint a governor to act as Vice Chair of the Committee.

## **Pecuniary, Business or Conflicts of Interest**

Governors recognise the need to declare any interests in accordance with the Articles of Association, relevant regulations and the Governors Code of Conduct.

## **Decisions**

The Committee will aim to make decisions by consensus. Where voting is necessary, a majority of votes cast will determine the outcome of any vote. In the event of a tied vote, the Chair of the meeting has a deciding second vote or the right of veto. When voting, the Governors will accommodate restrictions relating to avoiding influences company status

## **Electronic Attendance:**

Any person will be able to participate in meetings of the Committees by telephone or video conference if agreed by the Chair provided that governor participation is for the whole agenda item discussion and not just the vote; and if after all reasonable efforts it does not prove possible for the person to participate by telephone or video conference the meeting will still proceed with its business provided it is quorate.

## **Role of the Chair of Committee**

- Ensure the business of the Committee is conducted properly and in accordance with legal requirements
- Ensure meetings are run effectively, focusing on priorities and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making
- In the event of urgent decisions needing to be made between meetings, in consultation with the Accounting Officer, Principal Financial Officer and the Chair of Governors, take appropriate action on behalf of the committee. This may include commissioning polls for voting by e mail or in extremis taking decisions of behalf of the Committee under 'Chair's Action'
- To decide after consultation with the Accounting Officer and Principal Financial Officer

whether any internal and/or external non voting advisors or representatives will be required to attend meetings

- To decide on the appropriate clerking arrangements for the committee given the nature of business to be transacted.

### **Role of Clerk to Committee**

Meetings may be clerked by any person appointed by the Governors in accordance with the Articles of Association. It is expected that the Committee will normally be clerked by an external clerk to provide for independence. If necessary, the Chair may commission alternative clerking arrangements including the option for this to be a member of the College's administration team who is not involved in the day to day financial operation. The Clerk will provide support to the committee including:

- Work effectively with the Chair, Principal and Business Manager before the meeting to contribute to the agenda
- Take notes of the committee meetings and prepare minutes, including indicating who is responsible for any agreed action
- Record all decisions accurately and objectively, including timescales and responsibilities for any resulting actions
- Send draft minutes to the Chair, Principal and Business Manager for consideration within 5 working days. Recipients to provide any comments and feedback within 3 working days of receipt of the draft minutes.
- Circulate the draft minutes to all governors and applicable parties within 2 working days of receiving feedback from the recipients
- Advise absent governors of the date of the next meeting and/or changes to the calendar of meetings
- Work with the Company Secretary to ensure a file of signed minutes, is kept as an archive record, and ensure that signed copies of all minutes and papers discussed are available at the school for public access where applicable
- Manage and maintain a log of current and outstanding actions agreed by the Committee, showing current status, responsible persons, target dates and due dates / completion dates – this includes pro-active management of outstanding actions with those responsible to ensure actions are expedited appropriately

### **Role of Accounting Officer and Chief Finance Officer**

- Provide assistance and advice to the Committee in accordance with the respective responsibilities in the Academies Financial Handbook
- Attend meetings of the Committee
- Ensure that the College has secured appropriate external advice so that the work of the Committee is in accordance with statutory requirements, agreed policies and best practice
- Make appropriate domestic arrangements for meetings including venue, catering and equipment required.
- Work effectively with the Chair and before the meeting to contribute to prepare the agenda
- Produce, collate and distribute by e mail or other electronic communication the agenda and papers so that recipients receive them at least seven working days before the meeting
- Maintain the files of committee minutes and papers for public inspection and audit purposes

### **Frequency of Meeting**

The Committee will meet at least termly

*Terms of reference last reviewed and approved by: Full Governing Body on 26 September 2015*