

## APPENDIX 5

### TERMS OF REFERENCE FOR THE FINANCE, RESOURCES, AUDIT & RISK AND CURRICULUM & STANDARDS COMMITTEES

#### Membership of FRARC

Category	Membership as at 1/9/2022
Supriya Dev-Purkaystha Daniela Jung Bola Denby	Chair of FRARC Vice Chair of FRARC Chair of Trust Board

#### Trust Finance Team (Reports to FRARC)

Keri Edge Hannah Cleland Liliana George	Accounting Officer Chief Financial Officer Finance Officer
<b>External Financial Support</b> Abu Choudhury Thomas Hicks	Abacus Schools Financial Services Alan Patient

#### FINANCE, RESOURCES, AUDIT & RISK

1. To ensure that the Trust Board is kept informed of all major financial issues concerning the Trust and its Academies, the overall Trust budget and those of the individual Academies, the management of funds against the budget, the benchmarking of financial performance and the heads of expenditure, the way funds are utilised (including value for money) and the way monies are secured.

2. To receive proposals from the Local Governing Bodies for budget recommendations, and to recommend the annual budget for the Trust and the Academies to the Trust Board for approval.
3. To receive reports from the Executive Head Teacher, Head Teacher or Head of Schools regarding the Trust's/Academies' finances. This will include reports on the monitoring of income against expenditure and proposals to revise forecasts for the year. The committee will work with the Trust and the Executive Head Teacher, Head Teacher or Head of Schools to make any recommendations to the Trust Board.
4. To monitor the production, timeliness and accuracy of key financial statements in response to both statutory and local requirements.
5. To support (recommending and advising) the Trust Board in developing and then implementing a reserves policy and to consider the impact of strain in individual Academy budgets.
6. To support (recommending and advising) the Trust Board in developing and then implementing the Financial Regulations Manual and associated procurement policy.
7. To review tenders for major contracts as specified in the Financial Regulations Manual. To approve or reject tender proposals or, where required, make recommendations to the Trust Board.
8. To recommend any changes in the Financial Regulations Manual, where significant, to the Trust Board. To review the operations of the Trust and the Academies in relation to the procedures shown in the Financial Regulations Manual. To work with the Executive Head Teacher, Head Teacher or Head of Schools to resolve breaches and to improve procedures as appropriate.
9. To monitor key financial and accounting systems and review any audits of these or the general finances of the Trust and make recommendations to the Trust Board and/or the Local Governing Bodies as appropriate.
10. Advise and report to the Trustees in relation any organisational risks which might impede the development and implementation of a long term strategy for the success of the Trust. The Trustees shall consider any such advice given by the Finance, Resources, Audit and Risk Committee.

11. Support the Directors in developing an organisational structure which reflects the Trust's values and enables the management systems, structures and processes to work effectively in line with legal requirements and to ensure sound financial management.
12. Support the Trustees in the formulation of financial and risk management policies for the Trust and the Academies for achieving the aims and objectives set out in the Trust's Development Plan or long term strategic vision.
13. Advise the Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money).
14. Regularly review the statement on internal control and make appropriate recommendations to the Trustees and when appropriate communicate messages and advice to the Local Governing Body, liaising as necessary with any responsible officer appointed by the Local Governing Body to be responsible for financial oversight and risk management of the Academy's activities.
15. Support (and challenge when necessary) the Trustees and in particular the [Chief Executive Officer/Accounting Officer] who from time to time assumes the role of "accounting officer" to ensure he or she satisfies his or her duty as accounting officer to:
  - Ensuring value for money;
  - Ensuring regularity and propriety;
  - Ensuring prudent and economical administration;
  - Avoiding waste and extravagance;
  - Ensuring the efficient and effective use of resources;
  - Keeping proper accounts;
16. Establish and implement a system of financial and risk reporting by the Academies to the Directors and to oversee that reporting to ensure that such a system complies with the Trust's legal obligations.
17. Review any financial and risk report submitted by the Academies and advise the Trustees on any issues arising from it as well as making recommendations for future reports to sustain the integrity of the financial and risk management systems.

- 18.** Advise on the formulation and implementation of a policy for the approval and signing of contracts, ensuring all contracts to be entered into by the Academy are appropriate, have been authorised (or are within delegated authority) and do not expose the Academy to undue risk.
- 19.** Advise the Trustees on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit).
- 20.** Monitor the effectiveness of auditors, including the use of auditor performance indicators.
- 21.** Ensure effective coordination between auditors ensuring that a consistent method of audit is adopted across all Academies.
- 22.** Ensure that additional services undertaken by auditors are compatible with the audit independence and objectivity.
- 23.** Agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks.
- 24.** Consider the reports of the auditors and, when appropriate, advise the Trustees and the Academies of material control issues.
- 25.** Monitor the implementation of agreed audit recommendations.
- 26.** Advise on policies for the securing of the funds and assets of the Trust including by the prevention of loss through fraud and irregularity.
- 27.** Ensure that all allegations of fraud and irregularity are appropriately investigated and control weaknesses addressed, working with the Trustees and the Executive Head Teacher, Head Teacher or Head of Schools of the Academies, as appropriate.
- 28.** Recommend the annual financial statements to the Trustees for approval.
- 29.** To review and recommend to the Trust Board personnel procedures such as recruitment, redundancy, discipline, grievance, capability and pay policies.
- 30.** To review employment practices of the Trust, recommending to the Trust Board adoption of new practices where appropriate.
- 31.** To ensure that the employment and personnel functions of the Trust remain in line with legal requirements and the conduct of a good employer.

32. To support the Local Governing Bodies in reviewing the staffing structure of the Academies, including pay incentives, working with the Chief Executive Officer and the Head Teachers and the appropriate management teams, ensuring that the Trust structure maintains high performing academies.
33. To ensure there is a suitable and effective appeals procedures for HR matters.
34. To work with the Chief Executive Officer in engaging with the trade unions and maintaining good industrial relations.
35. To draft and keep under a review a policy statement on staff consultation for approval by the Trust Board and to undertake any formal consultations on personnel matters.
36. To review and recommend for adoption the procedures for dealing with discipline and grievances and ensure that all staff are informed of them.
37. To draft and review, in consultation with staff, criteria for redundancy for approval by the Trust Board.
38. To draft criteria for the approval of the Trust Board about the use of discretionary elements of pay provisions and make recommendations about implementing them.
39. To establish the annual and longer term salary budgets and other costs relating to personnel, e.g. training.
40. To support the Local Governing Bodies in reviewing the staffing structure whenever a vacancy occurs and at least annually in relation to the Academy's management or action plan.
41. To monitor the effectiveness of the Scheme of Delegation and to consult with staff and the Local Governing Bodies where change is advisable or has been recommended by the Department for Education.
42. To develop and implement a programme of Trustee and Governor training.
43. To undertake a regular skills audit of both the Trust Board and each of the Local Governing Bodies and making appropriate recommendations to the Trust Board for appointments and removals where necessary.
44. To vet all appointments to the Local Governing Bodies.
45. To support the Chairs of the Local Governing Bodies to ensure they are working effectively.

- 46.** To develop and support the adoption of best practice in governance at all levels in the Trust.
- 47.** To advise the Trust Board on any intervention at Local Governing Body level where there has been a breakdown in governance.
- 48.** To advise and lead on the appointments of clerks to the Trust Board and the Local Governing Bodies and to support their training to ensure they are knowledgeable about the governance arrangements within the Trust.

The Finance, Resources, Audit & Risk Committee (FRARC) will meet once per term.