

Cambridgeshire Educational Trust
Audit & Resources (A&R) Committee
Terms of Reference
2017 – 2018

1. Purpose

To have delegated responsibility from the trust board for the sound management of the finances and resources of the trust; to include (but not be limited to) funding, budgeting, expenditure, financial procedures and health & safety. This includes the preparation and supervision of the statutory audit processes for the trust.

To make appropriate comments and recommendations on such matters to the board on a regular basis.

Major issues will be referred to the board for ratification.

2. Membership and Quorum

The committee shall consist of not fewer than **four** trustees. Any member of the board may ask to serve on the committee. The committee may co-opt other members to serve on the committee provided that the majority of members are trustees. The quorum shall comprise **three** trustees.

The Director of Finance and Resources will be a non-voting member of the committee.

3. Meetings

Members of the committee are entitled to seven days notice of a meeting and to receive an agenda and any papers to be considered at the meeting. A shorter timescale may be given if the chair decides the issue needs urgent attention. Some decisions may be made virtually (by e-mail) at the discretion of the chair.

The committee shall meet termly, or more frequently, as may be required from time to time. At the first meeting in the Autumn term, the committee shall review the dates of future meetings to ensure that a schedule exists for the academic year.

4. Declaration of Interests

Where there is a conflict between the interests of any member and the interests of the trust, that person must declare the interest and withdraw from the meeting. If there is any dispute as to whether a person must withdraw from a meeting under the trust's regulations, the other members present at the meeting will decide on the matter.

5. Chairmanship

The chair of the committee shall be elected annually at the first meeting of the committee in the school year. The chair may not be the CEO or an employee of the trust.

If the chair is absent from a meeting, a non-staff member may be elected to take the chair for the duration of that meeting.

6. Partnership with the CEO

In carrying out its functions the committee will receive information and advice from the CEO and other staff and will actively seek opportunities for wider consultation where appropriate.

7. Minutes

All committee meetings must be minuted and the minutes must be circulated with the agenda of the next committee meeting and to the trust board.

8. Delegated responsibilities

The committee is authorised to:

1. consider the trust's indicative funding, notified annually by the DfE, and to assess its implications for the trust, in consultation with the CEO, in advance of the financial year, drawing any matters of significance or concern to the attention of the board;

2. consider and recommend acceptance/non-acceptance of the trust's budget, at the start of each financial year, including a quantification of the reserves policy for the budget year in question;
3. contribute to the formulation of the trust's development plan, through the consideration of financial priorities and proposals, in consultation with the CEO, within the stated and agreed aims and objectives of the trust;
4. receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the priorities set out in the development plan;
5. monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the board;
6. monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement;
7. provide guidance, assistance and make recommendations on maintenance, good condition and development of the premises, associated facilities and all matters relating to Health and Safety.

As part of its remit, the committee will perform the normal duties of an audit committee, namely to:

8. review the financial statement to form part of the annual report of the trust and for filing in accordance with Companies Act and Charity Commission requirements;
9. discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
10. consider all relevant reports from the appointed external auditor, including reports on the academies' accounts, achievement of value for money and the response to any management letters;
11. review the effectiveness of the internal control system established to ensure that the aims, objectives and key performance targets are achieved in the most economic, effective and environmentally preferable manner;
12. ensure that internal audit and / or external audit service meets, or exceeds, the standards specified as best practice and meets agreed levels of service;
13. consider and advise on the annual and long-term audit programme;
14. consider any internal audit reports, including value-for-money reports and the arrangements for their implementation;
15. review the code of practice for board members, code of conduct for staff and whistle blowing policies;
16. recommend to the board the appointment or reappointment of the auditors of the trust.

9. Registration of Pecuniary Interests

In accordance with best practice, the trust will establish a register of pecuniary interests, which will be kept open for inspection. Members, Governors and Trustees will declare any links they have with local firms from which the trust and its subsidiaries may wish to buy products and services. The register will be maintained by the clerk to the trust and be reported to the first meeting of the board in the school year. (It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from decisions that they make).

As part of each agenda for the A&R committee, there will be a standing agenda item for trustees to declare interests before the meetings commence. Trustees with interests will not vote (and may be asked to leave the meeting whilst certain items are discussed). This will be captured in the minutes.

The board agreed these terms of reference on