

Finance, Audit and Risk Committee Terms of Reference

1 CONSTITUTION

- 1.1 The Board of Trustees (the “**Trustees**”) of The Golden Thread Alliance (the “**Trust**”) hereby resolves to establish a committee of the Board of Trustees to be known as the Finance, Audit and Risk Committee (the “**Committee**”).

2 MEMBERSHIP

- 2.1 The Committee shall comprise a minimum of four Trustees appointed by the Board of Trustees.
2.2 The Chair will be appointed by the Committee annually. The Committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair. No person may act as Chair unless they are also a member of the Board of Trustees.
2.3 The Executive shall ensure that a Governance Professional is provided to take minutes at meetings of the Committee.
2.4 The Committee may invite attendance at meetings from persons who are not Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.

3 REMIT AND RESPONSIBILITIES OF THE COMMITTEE

- 3.1 The Committee shall be responsible for the matters set out in the scope of responsibilities below.

4 PROCEEDINGS OF COMMITTEE MEETINGS

- 4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but three times in the academic year as a minimum.
4.2 The quorum for the Committee shall be three Trustees.
4.3 Every matter to be decided at a meeting of the Committee must be determined by a majority of Trustees.
4.4 Meetings of the Committee shall be convened by the Governance Professional to the Committee, who shall send the Trustees written notice of the meeting and a copy of the agenda at least seven clear days in advance of the meeting. Where there are matters demanding urgent consideration, the Chair may waive the need for seven clear days’ notice of the meeting and substitute such notice as he/she thinks fit.
4.5 The convening of a meeting and the proceedings conducted thereat shall not be invalidated by reason of any individual not having received written notice of the meeting or a copy of the agenda thereof or any defect in the appointment of any person serving on the Committee.
4.6 Any Committee Member shall be able to participate in meetings by telephone or by any suitable electronic means and by which all those participating in the meeting are able to communicate with all other participants. A person so participating by telephone or other communication shall be deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting is located at that time.
4.7 A register of attendance shall be kept for each Committee meeting and published annually.

5 AUTHORITY

- 5.1 The Committee is authorised by the Board of Trustees to:
5.1.1 carry on any activity authorised by these terms of reference and delegated powers through the Trust’s Scheme of Delegation; and
5.1.2 seek any appropriate information that it requires from any staff member of the Trust and all staff members shall be directed to co-operate with any request made.

6 REPORTING PROCEDURES

- 6.1 Within 14 days of each meeting the Governance Professional will produce minutes of the meeting which will include any decisions taken and any recommendations or areas for further discussion by the Board of Trustees.
6.2 The Committee meeting minutes can be agreed by Committee Members by e-mail.
6.3 The Committee meeting minutes will be submitted to meetings of the Board of Trustees.

- 6.4 The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Board of Trustees from time to time.
- 6.5 The Committee shall conduct an annual review of its work and shall report the outcome and make any recommendations to the Board of Trustees.

SCOPE AND RESPONSIBILITIES OF THE FINANCE, AUDIT AND RISK COMMITTEE

The Board of Trustees has established a Finance, Audit and Risk Committee with its main function being to support the Board in maintaining the Trust as a going concern, in taking full responsibility for its financial affairs, stewardship of assets and use resources efficiently to maximise outcomes for pupils. The Committee will carry out this function by:

Finance

- Scrutinising the draft financial accounts prior to their submission to the Board of Trustees for approval.
- The rigorous review of financial systems to ensure statutory compliance and financial probity.
- The Chair of the Committee receiving the management accounts on a monthly basis.
- Monitoring the central spend budget throughout the year.
- Monitoring the level of the financial reserves held.
- Scrutinising the individual school and Trust budgets and submitting a recommendation to the Board of Trustees.
- Considering any recommendations/concerns raised by the Curriculum and Standards Committee and the LGBs in relation to High Needs/SEND funding.
- Considering whether, in relation to Pupil Premium Grant funding further resources are required to close the gap in performance between disadvantaged and other pupils based on LGB monitoring.
- Monitoring the allocation of the Sports Premium Funding grant based on the Local Governing Body monitoring through any concerns raised directly to this Committee by Governors along with the monitoring of the allocation of the catch up/recovery premium funding.
- Scrutinising proposals for the allocation of both School Condition Allocation Funding and Capital Funding and submitting recommendations to the Board of Trustees.
- Awarding contracts or purchases pursuant to the Finance Policy.
- Considering and submitting recommendations to the Board of Trustees for the writing off of any debts

Audit and Risk

- Reviewing the External Auditor's plan on an annual basis.
- Assessing the effectiveness and resources of the External Auditor to provide a basis for decisions by the Trust's Members about the auditor's reappointment, dismissal or retendering.
- Directing the Trust's programme of internal scrutiny, receiving reports at each meeting from those doing the work to ensure the risks are being addressed appropriately and ensuring the findings are made available to all Trustees promptly.
- Addressing and monitoring progress in relation to any recommendations from the audit reports.
- Reporting to the Board of Trustees on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- Reviewing the quality of all internal and external audit reports and making recommendations to the Board of Trustees.
- Ensuring the internal audit reports are submitted to the Education, Skills and Funding Agency.
- Reviewing the ratings and responses on the risk register to inform the programme of work at every meeting including financial and non-financial controls and risk management arrangements.
- Reviewing and approving the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- Scrutinising the benchmark reports and submitting any recommendations to the Board of Trustees.
- Considering outputs from other assurance activities by third parties including the Education, Skills and Funding Agency financial management and governance reviews, funding audits and investigations.
- Ensuring that the schools and Trust conforms to statutory and Trust policy and guidance in relation to the General Data Protection Regulations by receiving regular reports.
- Reviewing or investigating any other matters referred to the Committee by the Board of Trustees or any concerns raised by the Local Governing Bodies.

Land and Asset Management

- Considering the business case submitted by the Chief Executive Officer and making recommendations to the Board of Trustees in relation to:
 - the acquisition and disposal of land;
 - the expansion of existing facilities/taking on new capital assets; and
- Considering the disposal of assets

This Committee will ensure the Chair joins the Performance Management Panel for the Chief Finance Officer.

Policies: The Committee is responsible for reviewing and approving policies pursuant to the policy cycle of review and delegation.

The annual review of these Terms of Reference was carried out in Autumn 2022 and approved by the Board of Trustees on 12th December 2022.