



Terms of Reference

Academy Finance, Human Resources and Audit Committee

Author	Headteacher & Business Manager	Date:	September 2020
Policy approved by:	Finance, HR & Audit	Next Review Date:	September 2021

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's finances and resources, including proper planning, monitoring and probity.

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

Major issues or decisions will be referred to the full Governing Body for ratification.

The board hereby delegates the responsibilities of the Audit Committee to the Finance/Human Resources Committee.

Membership and Attendance

The chair and members of the Finance/Human Resources/Audit Committee shall be appointed by the Governing Body.

Governors who are not members of the Finance/Human Resources/Audit Committee should have the right of attendance.

The Clerk to the Governing Body will circulate minutes of meetings of the Finance/Human Resources/Audit Committee to all members of the Governing Body.

The Headteacher, in their role as Accounting Officer, the Director of Finance and the Senior Finance Officer will normally attend meetings of the Committee.

Frequency of Meetings

The Governing Body shall determine how often the Committee shall meet. The external auditor may request a meeting if he considers one necessary.

Terms of Reference: Finance

Subject to the requirements of the Academies Bill and The Education & Children's Bill, the committee is authorised:

- To consider the Academy's indicative funding, notified annually by the DfE, and to assess its implications for the Academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body;
- To consider and recommend acceptance/non-acceptance of the Academy's budget, prior to the start of each financial year;
- To contribute to the formulation of the Academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, having due regard to the stated and agreed aims and objectives of the Academy;
- To 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 development priorities set out in the development plan;

- To liaise with and receive reports from the Full Governing Body, and any other specified sub-committees as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them;
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body:
- To 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:
- To prepare the financial statements to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements;
- To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings;
- To recommend to the full Governing Body the appointment or reappointment of the auditors of the Academy.
- To regularly review the Academy's Financial risk register with a particular consideration of risks with a potential financial or staffing impact.

Terms of Reference: Human Resources

- In consultation with the Headteacher, to determine the staffing structure of the school.
- To oversee the appointment procedure for all staff.
- To consider recommendations on staff salaries made by the Headteacher
- To review, adopt and monitor a policy statement on staff consultation and to undertake any formal consultations.
- In consultation with staff, to oversee any process leading to staff reductions.
- To annually review, adopt and monitor the procedures for dealing with staff discipline and grievances and ensure that staff are informed of these.
- To act as "first committee" for formal disciplinary or complaints hearings.
- To review and adopt any policies as delegated by the full Governing Body

Terms of Reference: Audit

Authority

The Audit element of this Committee is an advisory body with no executive powers. However, it is authorised by Governing Body to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work, and reports received from internal audit will be channelled through the Accounting Officer, to whom the Head of Internal Audit reports.

The Finance/Human Resources/Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

Duties

The specific duties of the Committee shall be to:

- review the body's internal and external financial statements and reports to ensure that they reflect best practice;
- must agree an annual program of work spread evenly over one year that delivers internal scrutiny which must include the financial risk register
- 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;
- consider all relevant reports by the appointed external auditor, including reports on the body's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- ensure that the body's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets agreed levels of service;
- consider and advise the board on the body's annual and long-term audit programme;
- consider internal audit reports, including value-for-money reports and the arrangements for their implementation;
- review the operation of the body's code of practice for board members and code of conduct for staff;
- consider any other matters where requested to do so by the board; and report at least once a year to the board on the discharge of the above duties.