

## **APPENDIX 1**

### **FUTURE SCHOOLS TRUST RESOURCES AND AUDIT COMMITTEE TERMS OF REFERENCE**

#### **Constitution**

The Board of Trustees (the Trustees) of Future Schools Trust (the Trust Board) hereby resolves to establish a committee of the Trust board to be known as the Resources and Audit Committee (the Committee).

The Trustees recognise the overriding principles of the Academies Financial Handbook (the AFH) and that the Committee should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance for the Trust. In establishing the Committee, the Trustees will adhere to the principles of the AFH.

The Accounting Officer, the Director of Finance and other relevant senior staff will routinely attend committee meetings.

#### **Purpose**

To assist the decision making of the Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

To oversee all matters relating to the Trust's staffing and management structure and to provide support and guidance to the Principals on such matters.

To make appropriate comments and recommendations to the board of Trustees.

#### **1. Membership**

The Committee shall be appointed by the Trustees. The Committee shall have a minimum of three members. Trustees will ensure Committee members have the necessary skills, background and experience to properly fulfil the Committee functions.

The Chair shall be appointed by the Trustees. No member of the Committee may act as Chair unless they are a Trustee.

The Committee may invite attendance at meetings from persons who are not Trustees or 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.

## **2. Quorum**

A quorum shall be 3 voting members.

No vote shall be taken at a meeting of a Committee unless the majority of members present are Trustees. Where the majority of members present are not Trustees, this should be noted in the minutes and any recommendations (see item 4. Minutes/Agenda) reported to the Board as soon as possible.

The Committee's current members are set out in Schedule 1.

## **3. Meetings**

Meetings shall be held not less than three times a year. External auditors may request a meeting if they consider that one is necessary. Any additional meetings will be called as necessary; at least 7 days' notice must be given when calling a committee meeting.

Decisions not reserved for Trustees, may be agreed by the Committee by email outside of a formal meeting with the decision recorded by the Clerk and ratified at the next formal Committee meeting.

## **4. Minutes/Agenda**

The Clerk to the Governors will be responsible for drawing up the agenda in consultation with the CEO and Director of Finance and agreeing it with the Committee Chair. Papers should be sent out to the Committee members at least 7 days in advance.

The Clerk will take the minutes which, following the Chair's approval, will be distributed to Committee Members within 2 weeks of the meeting. The minutes will be sent to the Trustees with the agenda for the next meeting.

The minutes should identify:

- Decisions made
- Recommendations to the Trust Board
- Any items for the information of the Trust Board and
- Items for further discussion for the Trust Board

## **5. Authority**

The Committee is authorised by the Trustees to:

- Investigate any activity within its terms of reference.
- Seek any information that it requires from any employee of the Academy and all employees are directed to cooperate with any request made by the Committee.
- Obtain outside legal or independent professional advice, at the Academy's expense, and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **6. Duties**

The duties of the Committee shall be:

### **Human Resources**

- To ensure compliance with the Trust Recruitment policy, Equal opportunities legislation, pre-employment checks and employment law throughout the recruitment process of any member of staff.
- To support strategic planning for staffing posts and succession planning.
- To monitor decisions delegated to the CEO and Principals with regard to temporary appointments and fixed term contracts
- To ensure policies, procedures and programmes are in place to develop an employee orientated culture that emphasizes quality, continuous professional development and high performance by overseeing Performance Management.
- To ensure that all employment policies and procedures are in place, consulted upon, distributed to all staff and kept under review.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence, exit interviews and the provision of wellbeing services.

### **Finance**

- To ensure that a proper financial budget is prepared on a timely basis for each financial year and agreed and adopted by the Chief Executive, Finance Director and Headteachers.
- Ensure that a three year financial plan is established and regularly monitored where practical.
- Ensure that monthly management accounts are prepared on a timely basis.
- Ensure quarterly consolidated accounts are prepared on a timely basis. Maintain a forecast of the end of year position and review at every meeting. Where it appears that any school is unable to fulfil its budgetary targets, the committee should make sure that action is taken to rectify the situation or, if that is not possible, to deal with the financial consequences in the most expedient way making recommendations to the Trustees as appropriate.
- Report any relevant and significant issues to the Trustees on a regular basis.
- Approving decisions on expenditure following recommendations from other committees.

### **Internal Control and Risk Management**

- To review the Academy's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- To review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- To monitor the integrity of the Academy's internal financial controls;
- to review the statement in the annual report and accounts on the Academy's internal controls and risk management framework;
- To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.
- Internal Audit To recommend to the Trustees the appointment or re-appointment of Internal Auditors having consulted the CEO and Director of Finance about the appointment, in particular about the level of audit fee.
- To review with the findings of the internal auditors work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;

### **External Audit**

- To recommend to the Trustees the appointment or re-appointment of Auditors having consulted the CEO and Director of Finance about the appointment, in particular about the level of audit fee Consideration of the audit plan, in advance of the field work;

- To review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- To review and monitor the content of the external auditor’s management letter, in order to assess whether it is based on a good understanding of the Academy’s business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

**Health and Safety**

- To ensure Trust complies with health and safety law. Responsibility for overseeing health and safety in schools can be delegate to an individual Governor who reports back to the Committee.
- Review and monitor serious health and safety incidents and delegate day to day responsibility to LGB’s.
- To ensure the Trust has adequate and appropriate insurance cover to minimise risks.

**Asset Management**

To confirm that an asset recording system is in place, including an inventory and fixed asset register for each Academy.

**7. Reporting**

The Resources Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to Trustees.

The Chair will report to the Trustees on main decisions taken and any recommendations that the Trustees need to vote on.

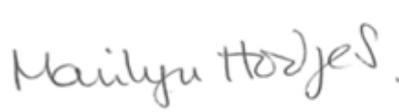
**Schedule 1: 2020/21 Committee Members**

The following shall constitute the Committee

- Shaun Farrell as Chair plus any eligible Trustees

In addition, the following are members of the Committee with voting rights (subject to proviso under Section 2 of these Terms of Reference) :

- Peter Griffin (Local Governor, Cornwallis Academy and New Line Learning)
- David Bell (Local Governor, Tiger Primary Academy)

These terms of reference were reviewed and approved by Trustees	Date 17 <sup>th</sup> December 2020
Signed: 	Chair of Committee