



Finance and Audit Committee Terms of Reference

Effective Date: October 2017

Finance and Audit Committee - Terms of Reference

These Terms of Reference have been produced to enable us to have a clear policy statement that identifies the Finance and Audit Committee roles and responsibilities in Balmoral Learning Trust.

1. There will be no fewer than 3 meetings per year and at least one meeting each term.
2. Non-members may be invited to attend meetings as necessary.
3. The Clerk of the Committee will keep appropriate records of the proceedings
4. The minutes of the Committee meetings shall be circulated to all Board members

Subject to the requirements of the applicable legislation the Committee is authorised:

- To consider the Trust's indicative funding, notified annually by the ESFA and to assess its implications for the Trust and its schools/academies, in consultation with the CEO and DFO, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trust Board.
- To consider and recommend acceptance / non-acceptance of the Trust's budget before the start of each financial year.
- To contribute to the formulation of the Trust's Development Plan, through the consideration of financial priorities and proposals, in consultation with the CEO, with the stated and agreed aims and objectives of the Trust.
- 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 Balmoral Learning Trust Performance and Standards Committee and individual Local Governing Bodies, as appropriate.
- To monitor and review expenditure on a regular basis and ensure compliance with the budget for the Trust, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Trust Board.

- 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 / investment arrangements and, where appropriate, to make recommendations for improvement.
- To contribute to the preparation of the year-end financial statement to form part of the annual report of the Board for filing in accordance with Companies Act and Charity Commission requirements.
- To monitor the effectiveness of the Trust's systems of internal control and its arrangements for risk management, and for securing economy, efficiency and effectiveness (value for money).
- To receive auditors' reports and to recommend to the full Trust Board action as appropriate in response to audit findings.
- To ensure the requirements of the Audit Committee are incorporated into the Finance Committee terms of reference to meet the independent checking of financial records confirmed by the auditors of the Trust.
- To recommend to the Trust Board the appointment or reappointment of the auditors of the Trust.
- To monitor and approve tendering and procurement procedures.
- To allocate the financial responsibilities set out in the Financial Responsibility Chart
- To approve all purchases of goods or services above the value set out in the Financial Responsibility Chart.
- To approve all virements above the value set out in the Financial Responsibility Chart.

Financial Responsibility Chart

Key Function	Trust Board of Directors	Director's Finance & Audit Committee	Trust Chief Executive	Trust Director of Finance and Operations	Academy Local Governing Body (LGB)	Academy Resources/ Finance Committee	Academy Headteacher	Academy Head of Finance
Budget Virements	Authorise in excess of £20K	Authorise in excess of £20K	Monitoring role. Over £20K report to Board for approval	Monitoring role. Over £20K report to CEO/Board for approval	Up to £20K in-year	Up to £10K in-year	Up to £5K in-year	N/A
Ordering Goods & Services and sign-off invoices	Approval of procurement policy and procedures & overview of compliance. Authorise in excess of £100K	Authorise in excess of £50K and up to £100K	Recommend approval of procurement over £50k	Monitor the use of procurement policy and procedures to ensure compliance with tendering regulations	Authorise in excess of £20K and up to £50K (notify DFO and CEO)	Authorise in excess of £10K and up to £20K	Up to £10k jointly with the Academy Head of Finance and Academy Finance Committee (2 of 3)	Up to £1k alone or up to £10k jointly with the Academy Head of Finance and Academy Finance Committee (2 of 3)
Authority to accept other than lowest quotation or tender	Approval for quotations or tenders over £100K	Approval for quotations or tenders over £50k and up to £100K			Approval for quotations or tenders over £20k up to £50k	Approval for quotations or tenders over £10k up to £20k	Approval of up to £10k jointly with the Academy Head of Finance and Academy Finance Committee (2 of 3)	Approval of up to £1k alone or up to £10k jointly with the Academy Head of Finance and Academy Finance Committee (2 of 3)

Key Function	Trust Board of Directors	Director's Finance & Audit Committee	Trust Chief Executive	Trust Director of Finance and Operations	Academy Local Governing Body (LGB)	Academy Resources/ Finance Committee	Academy Headteacher	Academy Head of Finance
Signatories for cheques, BACS payment authorisation and other bank transfers			2 signatures required, one of which must be either the CEO or DFO	2 signatures required, one of which must be either the CEO or DFO				
Signatories for ESFA grant claims and ESFA returns			Signatory for ESFA grant claims and ESFA returns	Signatory for ESFA grant claims and ESFA returns			Signatory for ESFA grant claims and ESFA returns	Signatory for ESFA grant claims and ESFA returns
Acquisition / disposal, write off of a fixed asset- other than land, buildings, heritage assets	Delegated to the Academy Board notified annually Board approves over £1k	Monitoring role	Monitoring role	Prepare business case for Board. Approval of disposal over £100 and up to £1K with the Academy LGB and Academy Finance Committee (2 of 3)	Approval of disposal over £100 and up to £1K with the Academy LGB and Academy Finance Committee (2 of 3)	Approval of disposal over £100 and up to £1K with the Academy LGB and Academy Finance Committee (2 of 3)	Approval of disposal up to £100	Approval of disposal up to £100
Write-off of a bad debt	Board approves over £1k Receive annual report	Monitoring role	Monitoring role	Annual report to the Board. Prepare business case for over £1K	Approval of up to £1k (notify DFO for fixed asset register)	Approval of up to £1k (notify DFO for fixed asset register)	Approval of up to £500	Approval of up to £500

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Special payments over £10K – e.g. staff severance payments, compensation payments, ex-gratia payments	Board approves policy Board approves payments over £10k up to £50k ESFA approval over £50k		Develop policy for Board approval and implement.	Develop policy for Board approval and implement Apply to ESFA for approval on behalf of the Board.			Prepare business case for approval by Board.	Prepare business case for approval by Board.
Operating leases – not related to land or buildings	Approval of over £20K over the lifetime of the lease		Proposal to Board	Prepare business case proposal to Board for leases in excess of £20K over a lifetime.	Approval between £10K and £20K over the lifetime. Notify CEO / DFO	Approval up to £10K over the lifetime in conjunction with Academy Headteacher and Academy Head of Finance	Approval up to £10K over the lifetime in conjunction with Academy Finance Committee and Academy Head of Finance	Approval up to £10K over the lifetime in conjunction with Academy Headteacher and Academy Finance Committee
Purchase/sale of any freehold property or land or disposal of heritage assets	Board approval and ESFA approval as required.		Report / proposal to Board	Prepare proposal with Academy LGB and LGB	Prepare Proposal with Academy SLT and DFO			

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Granting or take up of any leasehold or tenancy agreement	Board approval and ESFA approval as required		Report / proposal to Board	Prepare proposal with Academy LGB and LGB	Prepare Proposal with Academy SLT and DFO			
Financial statement approval	Board approval for year-end accounts and in-year returns as required.	Approval of in-year returns for submission to the ESFA. Recommend year-end accounts for approval by the Board.	Presentation to the Audit Committee and Board	Preparation of the Trust's year-end financial statements and in-year returns as per the ESFA published timetable. Liaise with Academy Head of Finance as necessary.	Review by the LGB to recommend that each Academy's financial statement should be accepted by the Board	Review by the Finance Committee to recommend that the Academy's financial statement should be accepted by the LGB	Provide information for year-end and ESFA returns as necessary.	Provide information for year-end and ESFA returns as necessary.