



WINDSOR ACADEMY TRUST

FINANCE AND AUDIT COMMITTEE: TERMS OF REFERENCE

1 Values and Principles

The Finance and Audit Committee (the Committee) of Windsor Academy Trust (WAT) will at all times:

- observe the highest standards of impartiality, integrity and objectivity in relation to the governance of WAT;
- be accountable to its stakeholders and regulatory bodies for its activities;
- engage in a partnership with the Executive Team that enables and supports high and improving standards of education in all of the Trust's academies;
- act in accordance with the Trust's Governance Principles and Scheme of Delegation respect the important, confidential and sensitive nature of its work.

2 Powers and functions of the Finance and Audit Committee

The Committee's powers and functions are those delegated to it by the Trust's Board, as shown in the Trust's Scheme of Delegation. As currently determined, the Committee's responsibilities and functions include decision making on behalf of the Board, as well making proposals and recommendations for decisions made elsewhere.

The Committee has responsibility for the oversight of the Trust's finances, for setting specified financial policies and processes, and for making specified financial returns.

The Committee will maintain oversight of the Trust's financial, governance, risk management and internal control systems. Oversight will ensure that information submitted to DfE and ESFA that affects funding is accurate and in compliance with the funding agreement.

The Committee is responsible for reporting its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements. The Committee will advise the Board of Directors and Members on the reappointment, dismissal or retendering of the external auditor, and their remuneration.

3 Accountability of the Finance and Audit Committee

The Committee is accountable to the Board and reflects the Board's wider accountabilities.

4 The Business of the Finance and Audit Committee

The Committee will ensure that the responsibilities and tasks outlined in the Academies Financial Handbook (AFH) are discharged as outlined further in the Trust's Finance Policy Manual. It will direct the Trust's programme of internal scrutiny, ensuring that risks and issues are being addressed appropriately. It will report to the Board on the adequacy of the Trust's internal control framework (financial and non-financial) and the management of risks.

The Committee will develop and sustain a robust financial management framework for the Trust, with the aim of ensuring the sound financial management of the Trust's and its Academies' finances and resources, enabling resources to be used effectively and efficiently in order to maximise their impact on pupils' outcomes. The Committee will ensure that the Trust has in place proper arrangements for financial administration planning, monitoring and probity.

The work of the Committee must reflect a good understanding of financial performance data, and knowledge of the financial regulations that apply to the Trust. The Committee is required to determine compliance systems that give assurance that the Trust is meeting its statutory and legal responsibilities in relation to funding and finances.

The Committee will assist the Board in fulfilling its risk management responsibilities with particular reference to financial reporting, internal control, risk management, external audit and internal scrutiny; making appropriate comments and recommendations to the Board.

The Committee will:

- ensure effective reporting to the Board, and to other parties as appropriate
- encourage and promote collaboration between academies within the Trust, and with other schools and other sectors, including employers, locally and nationally to ensure that best practice is identified and promoted
- periodically review its policies and practice, making use of experiences and expertise outside the Board when appropriate
- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the Trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's members about the auditor's reappointment or dismissal or retendering

In carrying out its work the Committee will follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life (referred to as "the Nolan Principles" and set out in Annex 2), and will comply with:

- the Articles of Association
- the Principles of Governance
- the Academies Financial Handbook
- these terms of reference
- the scheme of delegation
- the conflicts of interest policy
- the code of conduct for Directors
- all other relevant policies of the Trust

The Committee is required to report to the Board on an annual basis:

- Evaluation of its own effectiveness
- Summary of its role and responsibilities and actions taken to discharge them, for inclusion in the Annual Report

5 Delegation of powers of the Committee

The Committee cannot delegate its powers. It can, however, make proposals to the Board for changes to the Scheme of Delegation.

The Committee may establish time-limited task groups as long as these relate directly to the delegated powers of the Committee, and to these terms of reference and provide for a more efficient and effective way of working.

6 Membership, Chair and Vice Chair of the Finance and Audit Committee

At the first meeting in each school year, the Board of Directors shall appoint from among their number between three and six members of the Committee as well as its Chair and Vice Chair. At least one member of the Committee should have recent or relevant accountancy, or audit assurance, experience.

The Chair of the Board should not be Chair of the Committee and employees should not participate as members when audit matters are discussed.

The main role of the Chair is to chair meetings of the Committee. He or she also provides leadership to the Committee and acts as the main point of contact between the Committee and the Board, and the COO.

The Chair has a second or casting vote in any case of an equality of votes at a meeting of the Committee.

It is recognised that periodic changes to the Chair and Vice Chair can be beneficial and the Board therefore expects that neither the Chair nor Vice Chair of the Committee will hold the same role for more than 6 years.

7 Meetings of the Finance and Audit Committee

There will be a minimum of three meetings of the Committee each academic year, one per school term. The dates of meetings will be determined by the Board.

In determining the dates and agenda for the Committee meetings, the Board and Committee will have regard to the requirements on them to:

- ensure good financial management and effective internal controls;
- comply with the Funding Agreement and the current version of the Academies Financial Handbook (or successor documents);
- ensure that the Board receives and considers information on financial performance at least three times a year; and take appropriate action to ensure ongoing viability against agreed budgets
- discharge their responsibilities as set out in the Scheme of Delegation
- take into account the roles of other elements of governance, so that suitable arrangements can be made for recommendations, proposals and consultation to be reflected in decision making.

The Committee will be advised by the CEO and COO, who will provide information and guidance on finance and regulatory practice and procedures.

The Committee will have a clerk who will take minutes of the meetings. The Chair will provide an update at the next Board of Directors' meeting following the Committee meeting. The final minutes of all Committee meetings will be reported to the Board of Directors for adoption. Activities of the Committee will be reported to the WAT Board on a termly basis.

The Chair of the Board of Directors, Chief Executive Officer/Accounting Officer, Executive Team, and the Principal Accountant (PA) may attend any meeting of the Committee. Other persons shall attend meetings at the invitation of the Committee. The Committee shall invite the External Auditors to attend the November meeting each year.

8 Risk Management

The Committee should be familiar with the principal financial and non-financial risks and uncertainties facing the Academy Trust and any subsidiary undertakings. These should be reflected in the Committee's decisions, recommendations, proposals and consultation responses.

9 The Management of Conflicts of Interest

The Companies Act 2006 imposes a statutory duty on Directors to avoid situations in which they have or could have an interest, which conflicts (or could conflict) with the interests of the Academy Trust. The duty is to:

- declare the nature and extent of any interest in any matter relating to the Academy Trust; and

- avoid any conflict of interest between that interest and the interests of the Academy Trust.

In addition, charity law and guidance issued by the Charity Commission confers obligations on the Directors to manage any conflict between a Director's duty to the Academy Trust and their own personal interests or for a Director to be influenced by conflicting duties to the Academy Trust and a third party.

Further details are set out in the Conflict of Interest Policy with which the Directors are obliged to comply.

10 Training and Development of Directors

Directors on the Committee are expected to keep up to date with developments in the financial and regulatory framework in which the Academy Trust operates.

The Board will ensure that it is able to appoint suitably knowledgeable and experienced Directors to the Committee. The Committee will work with the Board to develop succession plans and invest in the development of Directors to prepare them for the roles of member, chair and vice chair of the Committee.