

**ST BARTHOLOMEW'S SCHOOL  
GOVERNORS' AUDIT & FINANCE COMMITTEE  
TERMS OF REFERENCE**

**AGREED BY THE FULL GOVERNING BODY SUMMER 2016**

**TO BE REVIEWED ANNUALLY BY THE AUDIT & FINANCE COMMITTEE**

**The Objectives of the Audit & Finance Committee are:**

1. To ensure that internal controls and systems are adequate and effective in order to manage risk;
2. To recommend the appointment or otherwise of the external auditors;
3. To ensure compliance with the Academies' Financial Handbook;
4. To ensure that the Annual Financial Statement can be recommended to the Governing Body for approval;
5. To ensure there are effective financial governance arrangements to manage school and private funds;
6. To ensure the school develops and maintains short, medium and long-term financial plans;
7. To ensure the school has a balanced annual budget and remains solvent.

**Membership**

The following roles will comprise the Membership of the Audit & Finance Committee:

- Finance Governor
- Accounting Officer
- The Chairs and Vice-chairs of the Curriculum Committees: Teaching & Learning, Learning & Achievement and Learning Resources.
- Any other Governor who has been appointed to the Committee based on their skills.

The following will attend meetings but will not be members of the Committee:

- Chair of Governors
- Vice-chair of Governors
- Responsible Officer if one has been appointed

The Chair and Vice-chair of the Committee shall not be employees of the School. The Chair will be elected from the membership of the Committee, however, the Chairs of the Curriculum Committees would not usually be considered.

The Finance Governor will usually be the Vice-chair of this Committee.

The work of the committee will be supported by:

- The Headteacher, who will also be the Accounting Officer;
- The Finance Manager.

### Meetings

The Clerk to the Governors will give notice of meetings. In cases of conflict of interest, an alternative clerk will be sought.

1. The meetings of the committee are open to all governors;
2. The Chair may request any other person to attend meetings in relation to their area of responsibility;
3. Meetings will be held once per term;
4. There will be an additional meeting during the Autumn Term to review the Annual Financial Statement;
5. Dates for the following academic year will be determined at the summer term meeting of the Full Governing Body;
6. A reminder will be sent to Governors at least one week in advance of the meeting, by the circulation of an agenda and related papers;
7. The conduct of meetings will be in accordance with the Articles of Association.

### Quorum

The quorum for this Committee shall be three Governors. This excludes Associate Members.

### Areas of Responsibility

The Audit & Finance Committee will consider matters relating to internal control and systems and will manage the Governors' relationship with the external auditors. In particular, the Audit & Finance Committee will:

1. advise the Governing Body on the adequacy and effectiveness of the system of internal control and its arrangements for risk management, control and governance processes, including those for securing economy, efficiency and effectiveness (value for money);
2. review the risks to internal financial control management documented in the Financial Risk Register and agree a programme of work that will address those risks;
3. periodically review the statement on internal control and make appropriate recommendations to the Governing Body;
4. advise the Governing Body on the appointment, reappointment, dismissal and remuneration of the external auditors, including work carried out on behalf of and at the request of the Responsible Officer (RO) or the Committee, ensuring that additional services which are undertaken remain compatible with audit independence and objectivity;
5. to monitor and review the performance of the school in relation to financial management standards and to ensure that the school is in compliance, by dealing with any outcomes of audits and assessments, ensuring that recommendations are acted upon.
6. monitor the effectiveness of external auditors;

7. agree the annual programme of the RO or the Committee with regard to risk control, including the review of financial controls, transactions and risks;
8. consider the reports of the RO if one has been appointed and auditors and if appropriate, advise the Governing Body of material control issues;
9. monitor the implementation of agreed audit recommendations;
10. ensure that all allegations of fraud and irregularity are appropriately investigated and control weakness are addressed;
11. recommend the Annual Financial Statement to the Members of the Academy Trust, including the Chair of Governors, for approval;
12. Receive and review reports from the Finance Manager on income, expenditure and commitments outstanding for all the school's activities during the financial year and to agree any expenditure or virement beyond the powers delegated to the Headteacher, as determined by the Financial Procedures.
13. To undertake short and long term financial planning, liaising and communicating with other Governors' committees as necessary:
  - a. Review the short term financial plans of the Academy by reviewing the budget (June) and recommending approval by the FGB (July) before submission to the EfA (31 July);
  - b. Reviewing the reserves unspent and carried forward (June) and recommending approval by the FGB (July) before they are submitted to EfA (31 July);
  - c. Reviewing the longer term plans/forecasts of the Academy in the form of 3 year forecasts, and addressing any going concern issues;
14. To receive the Finance Governor's Report, providing assurance or otherwise, on the Management Accounts and the Budget;
15. To review the Management Accounts and corresponding financial report termly for significant variances to the budget;
16. To review any material contracts for services drawn up by the school prior to their agreement by the Governing Body, noting any possible conflict of interest. To seek external professional advice regarding these as deemed necessary.
17. To support and advise the Headteacher, Finance Manager and Governing Body on all financial matters relating to the school, including:
  - a. Oversight of any capital projects;

- b. Review of the statutory accounts including the Trustee Report;
  - c. Involvement in transactions over the threshold for Governor involvement per the Financial Procedures to ensure competitive tendering and compliance with UK and European legislation;
  - d. Approving the accounting policies annually and recommend approval by the FGB (July).
18. To monitor and ensure the school's compliance in relation to relevant policies, rules and procedures as published from time to time by the Education Funding Agency, particularly with regard to the Academies' Financial Handbook.
19. To receive and review an inventory report on an annual basis, to be signed off once approved by the Chair of the Committee.
20. Review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience.
21. Review the Financial Procedures every three years.

Signed.....Date.....  
Chair