



EKO TRUST
FINANCE & AUDIT COMMITTEE
TERMS OF REFERENCE (vo.1)

1. POWERS OF THE TRUST BOARD OF DIRECTORS

- 1.1. The Directors of the Trust Board shall establish the Finance & Audit a Committee as Trust Committee as empowered by the Trust's Articles of Association (Article 100b).
- 1.2. The Directors shall determine and approve the Committee' Terms of Reference and shall review the Terms at the start of each academic year (Article 101).
- 1.3. The Directors shall determine and approve the delegation of powers, responsibilities and duties to the Committee and shall review this Scheme of Delegation at the start of each academic year (Article 105).
- 1.4. The Directors shall have the right to intervene in the governance of an individual Academy where it has serious cause for concern that there is financial mismanagement or failure to operate within budget.
- 1.5. The Trust Scheme of Delegation is attached as [Annex 1](#).

2. POWERS OF THE FINANCE & AUDIT COMMITTEE

The Committee shall exercise the powers, responsibilities and duties delegated by the Trust Board as set out in the Terms of Reference and Scheme of Delegation, and in particular:

- 2.1. to prepare and recommend to the Trust Board the Trust and Academy Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Directors (SoD 5.1-2),
- 2.2. to review, recommend to the Trust Board and monitor the individual Academy annual budgets that are proposed by each Local Governing Body with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.12-13),
- 2.3. to review, recommend to the Trust Board and monitor the Trust annual budget that consolidates individual Academy budgets with Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit (SoD 5.5-6),
- 2.4. to identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member academies through joint commissioning and procurement,
- 2.5. to review and approve the Trust and Academy Interim Year End financial reports prior to audit (SoD 5.7 & 5.14),
- 2.6. to review and recommend to the Trust Board the appointment and re-appointment of the Trust's auditors (SoD 5.3),
- 2.7. to plan and oversee the statutory audit of Annual Accounts for the Trust and each Academy,
- 2.8. to review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation (SoD 5.8),

- 2.9. to review and recommend to the Trust Board the Trustees Report (SoD 5.9),
- 2.10. to prepare and recommend to the Trust Board and implement the Trust action plan in response to the auditor's management letter (SoD 5.11),
- 2.11. to plan, oversee and monitor the internal audit of Trust and Academy compliance with the Trust's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance (SoD 5.1-2),
- 2.12. to prepare and approve policies relating to the Trust's financial governance and operation including;
 - 2.12.1. Procurement,
 - 2.12.2. Anti-Fraud and Corruption
 - 2.12.3. Investment.
 - 2.12.4. Disposals and write-off of stock assets
- 2.13. to consider and respond to proposed Teachers Annual Pay Award and Support Staff Annual Pay Awards (SoD 3.4-5).
- 2.14. to recommend to the Trust Board expenditure above the OJEU limit having completed the necessary procurement (SoD 6.4)
- 2.15. to consider and respond to proposed compensation payments up to £50,000 or the limit set by the Education Funding Agency (SoD 6.5).

3. COMPOSITION AND APPOINTMENT OF THE FINANCE & AUDIT COMMITTEE

- 3.1. The composition of the Finance & Audit Committee shall be as follows;
 - 3.1.1. Directors with relevant knowledge, skills and expertise in finance, accountancy, compliance, commerce and business,
 - 3.1.2. Chief Executive Officer,
 - 3.1.3. Persons with finance, accountancy or commercial expertise who will be appointed by the Trust Board and
 - 3.1.4. Further Trust Directors such that the Committee has a majority of Directors.
- 3.2. The membership of the Committee shall be detailed as [Annex 2](#).

4. TERM OF OFFICE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

- 4.1. The Term of Office for all Members is 4 years.
- 4.2. On appointment Members are each required to familiarise themselves and to agree to comply with;
 - 4.2.1. Trust Articles of Association,
 - 4.2.2. Trust Master and Supplementary Funding Agreements
 - 4.2.3. Trust Financial Regulations,
 - 4.2.4. Academies Finance Handbook,
 - 4.2.5. these Terms,
 - 4.2.6. current relevant financial legislation and guidance for academies.

5. MEETINGS OF THE COMMITTEE

- 5.1. The Committee shall meet at least once per term and in particular;
 - 5.1.1. The Committee shall meet at the appropriate times set out in the Trust Governance Planning Calendar

- 5.1.2. The members will receive notice of each meeting seven (7) clear days before the date of the meeting.
- 5.1.3. The agenda, papers and minutes of Committee meetings will be sent to the Clerk to the Directors when they are issued to members
- 5.1.4. Minutes will be signed by the Committee' Chairs at the next meeting to verify that the minutes are a true record.

- 5.2. Quorum for a meeting of the Committee will be half the members and a majority of members present being Trust Directors.
- 5.3. Each question to be decided at a meeting of the Committee shall be determined by a majority of votes of members present and eligible to vote on the question. The Chair shall have the casting vote in the case of equal votes for and against the decision.

6. APPOINTMENT OF THE COMMITTEE' CHAIRS

- 6.1. The Trust Board shall appoint the Chair, noting any recommendation from the Committee.
- 6.2. The Trust Board shall have the right to remove the Chair and/or Vice Chair, specifically in circumstances where they have cause for concern that there is financial mismanagement within the Trust.
- 6.3. The term of office for Chair and Vice-Chair will be 1 year and they shall be appointed at the first meeting of the Trust Board each school year.

7. APPOINTMENT OF A CLERK

- 7.1. The Trust Board shall appoint a Clerk to the Committee.

DECLARATION

The Finance & Audit Committee at their meetings on 16th November 2016 resolved to adopt these Terms of Reference. A copy has been forwarded to the Clerk to the Directors for the formal Trust Board records. These Terms of Reference will be reviewed annually at the start of the academic year.

Signature 
(Chair of the Finance & Audit Committee)

Date of signature 16.11.2016

ANNEX 1: Trust Scheme of Delegation
ANNEX 2: Committee membership

