The Holy Spirit Catholic Multi Academy

'With grace and humility, glorify the Lord by your life.'

FINANCE, AUDIT & RISK COMMITTEE TERMS OF REFERENCE

The terms of reference for the Finance Committee were approved and adopted by The Holy Spirit MAC.

Policy Ratified on:	**15th July 2025**
Signed by Director of the Academy Trust Company	
Signed by the CEO	
Next Review:	**July 2026**

Introduction

The Board of Directors of the academy company is responsible for strategy. They set the vision, ethos and strategic direction. They determine the policy and procedures of the academies. They hold the Principals to account for the educational performance of the academies they lead. They monitor the use of the academies' budgets. They monitor, evaluate and review the strategic framework that underpins the running of the academies.

The Board provides for the strategic running of the academies by establishing core committees, devolving responsibilities and delegating tasks to those committees to undertake the key strategic functions required for running all the academies in a collaborative manner. The core committees focus on decision making in relation to strategy, policy and procedures to be implemented across all the academies.

Overall purpose

The main functions of this committee are to:

- Provide a robust financial environment, which meets all requirements regarding statutory compliance, ensuring solvency and probity, so that the financial resources made available to the academy company for running its academies are managed effectively and efficiently, to provide a quality education for the children in the academies that is value for money.
- Provide a strong policy, monitoring, evaluation and reporting framework so the academy company and its academies function in line with the Academies Trust Handbook, so the public money given to educate the children on roll is used effectively and efficiently, to ensure they make at least good progress in all aspects of learning, formation, attainment and progress.
- Enable the Board of Directors of the academy company to be accountable for the use of: public monies, diocesan charitable assets (premises and buildings) made available to provide Catholic education; and all other resources held in the ownership of the academies, by ensuring high standards of management and administration of the academies' finances and resources.
- Provide the Board of Directors with assurance over the suitability of, and compliance with, its financial systems and controls.
- Provide internal scrutiny which delivers objective and independent assurance.
- Provide assurances to the Board of Directors that risks are being adequately identified and managed by: reviewing the risks to internal financial controls and agreeing a programme of work to address, and provide assurance on, those risks.
- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations
- review the ratings and responses on the risk register to inform the programme of work
- have access to the external auditor, as well as their internal scrutineers

- Investigate any activity within its term of reference, and to seek any information it requires from staff, who are requested to co-operate with the committee as it conducts its investigations.
- Make recommendations to the Board of Directors as necessary and appropriate.

Membership

The membership is determined by the Board of Directors at its first meeting in the Autumn Term. There are 4 members of the committee.

- At least one member must have relevant financial experience.
- The Chair of the Board will not be a chair of this committee.
- Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.

- The Directors are:
    - Michael Green - Chair
    - Phil Richardson – Vice Chair
    - Philip Yeomans

Members of the committee have the right to seek independent advice, and secure the attendance of others with relevant experience and expertise. Expenditure must be with the prior approval of the Board of Directors.

- Those given permission to attend committee meetings as observers/advisers are: senior leaders and members of the finance team as required.

The Associate Members of the committee are:

- One Education Standards Committee Representative

Quorum

- Three (minimum).
- A majority of those present for a vote must be Directors.

Chair of committee:

- As elected by voting members of the committee at the first meeting of the year:
- The Chair of the Board of Directors may not be elected.

Vice chair of committee

- As elected by voting members of the committee at the first meeting of the year:
- The Chair of the Board of Directors may not be elected.

Clerk

- Appointed by the Board of Directors – **Lisa McCord**
- In the absence of the clerk, the committee may choose one of its members to clerk the meeting. The Principals do not clerk any meetings of the Board of Directors or any of its committees.

Meeting dates for the academic year

- At least **Three times** a year
- Dates: **Termly**

Date of review

- Annually **July**

Meetings

- Meetings will be conducted in accordance with the Board of Directors' Code of Practice.

Key area: Finance

Function

- To discharge the Directors' responsibilities with respect to:
    - The academies' budgets and any other funds, taking into account the need for a 3 year financial plan; and
    - The requirements in relation to the Academies Financial Handbook.
- To consult with the Principals to draft, scrutinise and agree a formal budget plan for the financial year for each academy and make recommendations to the Board of Directors for its approval, taking into consideration:
    - The funds available;
    - Resources available;
    - Forecasted pupil numbers;
    - Staffing;
    - Contractual liabilities;
    - The key priorities of the academies' improvement plan; and
    - Any anticipated changes with financial implications.
- To discharge the Directors' responsibilities with respect to adopting, implementing, monitoring, evaluating and reviewing the academies' policies for:
    - Managing the budget;
    - Financial monitoring, including at least termly monitoring the expenditure of the academy budget;
    - Charging and remissions;
    - Director's expenses;
    - Reviewing comparative financial statistics to aid benchmarking and decisions on value for money;
    - Keeping a register of pecuniary interests of Directors;
    - Receiving and responding to any audit reports to ensure issues raised are addressed; and
    - Addressing any queries, concerns or complaints arising.
- To discharge the Directors' responsibilities with respect to all voluntary funds held on behalf of the Board of Directors, including appointing an external auditor, ensuring they are audited annually, and receiving and responding to the audit report.
- To carry out any tasks delegated by the Board of Directors in relation to finance, e.g. advising on or deciding on:
    - Service level agreements;
    - Virement;
    - The level of financial delegation affords to the Principals and committees;
    - Considering and approving recommendations involving finance made by other committees; and

    - Financial implications of deciding on adopting any policy under consideration with significant budget implications.
- To arrange appropriate Director training to ensure Directors know and understand:
    - The statutory requirements and financial regulations regarding financial management of the academy company and its academies;
    - The requirements of the Academies Financial Handbook; and
    - Any other matter related to finance identified through an audit of the Board of Directors' (and Academy Representatives) knowledge, skills and experience or at the request of Directors.
- Review the scheme of delegation annually
- To prepare for the full Board of Directors an annual summary report, which reviews how the committee has discharged its responsibilities in relation to managing the academies' budgets and other funds, in order to benefit the pupils of the academies and impact on their learning, formation, attainment and progress.

Key area: Resources and Premises

Function

- To discharge the Directors' responsibilities with respect to all matters related to the general resources and academy premises, grounds, security, health and safety, and the general environment.
- To discharge the Directors' responsibilities with respect to:
    - Adopting, implementing, monitoring, evaluating and reviewing the academies' policy on resourcing subjects and aspects of the curriculum, and general resourcing of the accommodation, administration and functioning of the academies; and
    - Addressing any queries, concerns or complaints arising.
- To discharge the Directors' responsibilities with respect to:
    - Adopting, implementing, monitoring, evaluating and reviewing the academies' Health and Safety Policy, including matters related to security and safeguarding; and
    - Addressing any queries, concerns or complaints arising.
- To discharge the Directors' responsibilities with respect to:
    - Adopting, implementing, monitoring, evaluating and reviewing the academies' Lettings Policy; and
    - Addressing any queries, concerns or complaints arising.
- To discharge the Directors' responsibilities with respect to:
    - Adopting, implementing, monitoring, evaluating and reviewing the academies' Accessibility Plan; and
    - Addressing any queries, concerns or complaints arising.
- To carry out tasks delegated by the Board of Directors relating to premises matters, for example:
    - Keeping under review the academies' Asset Management Plan;
    - Carry out an annual inspection of the premises and grounds and receive reports from staff and agree a statement of priorities for maintenance, refurbishment and improvement;
    - Agree the costs and arrangements for maintenance, repairs, refurbishment, redecoration, and improvement in accordance with the academies' budget allocations;
    - Overseeing the preparation, finalising, and implementation of contracts concerning premises related work;
    - Ensure an annual safety check of all electrical equipment used in the academies is carried out; and
    - Agree the allocation of funding for resourcing subjects and aspects of the curriculum, and the general resourcing of the accommodation, administration and functioning of the academies.
- To arrange appropriate Director training to ensure Directors know and understand:
    - The regulations relating to premises, accessibility, health and safety; and
    - Any other related matter identified through an audit of the Board of Directors' (and ESC Representatives) knowledge, skills and experience or at the request of Directors.

- To prepare for the full Board of Directors an annual summary report, which reviews how the committee has discharged its responsibilities in relation to managing the resources and premises, in order to benefit the pupils of the academies and impact on their learning, formation, attainment and progress.

Key area: Audit

Function

- To advise the Board of Directors on the adequacy and effectiveness of the academy company's: internal financial controls, risk management and value for money systems, taking account of the current Schedule of Requirements in the current Academies Financial Handbook.
- To review the minutes and reports of the committees set up by the Board of Directors.
- To ensure the aims, objectives and performance targets of the academy company and its academies are achieved in the most efficient and effective manner.
- To monitor and review the effectiveness of the company's internal audit service.
- To advise the Board of Directors on the appointment, re-appointment, dismissal and remuneration of the external auditor.
- To discuss with the external auditor the nature and scope of the planned audit and to ensure that the external auditor has the full co-operation of staff.
- To consider all relevant reports by any committees, the Principals, the Accounting Officer, [Business Manager] and the appointed external auditor.
- To review the risks to internal financial control of the academy company and agreeing a programme of work to address those risks, as well as ensuring the risks are addressed accordingly.
- Oversee and approve the trust's programme of internal scrutiny
- Ensure that risks are being addressed appropriately
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.
- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations
- The audit and risk committee must receive regular updates by the internal scrutineer(s) carrying out the programme of work, incorporating:
    - a report of the work to each audit and risk committee meeting
    - an annual summary report to the audit and risk committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.
- To review arrangements by which staff may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters; ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow up action.
- To carry out any other tasks delegated by the Board of Directors.
- To prepare for the Board of Directors an annual summary report, which reviews how the committee has discharged its responsibilities and duties.
- The trust must submit its internal scrutiny summary report to ESFA by 31 December each year when it submits its audited annual accounts.

Specifically, the audit and risk committee must:

- 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. Considerations may include:
    - the auditor's sector expertise
    - their understanding of the trust and its activities
    - whether the audit process allows issues to be raised on a timely basis at the appropriate level
    - the quality of auditor comments and recommendations in relation to key areas
    - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
    - the auditor's use of technology
- report the committee's conclusions annually to the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.