

# Terms of Reference for the Genesis Education Trust Board Finance & Audit Committee

The board of trustees (the Trust Board) of Genesis Education Trust (the Academy Trust) has established a committee of the Trust Board to be known as the Finance committee (the committee). These are its terms of reference.

## Membership

The committee will be appointed by the Trustees of the Board and will comprise no more than five and no fewer than two members, a majority of who will be Trustees.

The Trustees of the Board will appoint one of the members of the committee as its chair (the **Chair**).

The Committee will elect a Clerk to the Committee.

## Attendance

The Committee may ask the Chief Executive Officer, the Chief Executive Officer and any other senior executive to attend meetings of the Committee either regularly or by invitation, in order to provide information.

## Voting

The quorum for each meeting shall be one half of the numbers of the Committee rounded up.

Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

The CEO will not vote as part of the committee when identifying audit trails/focus for external Audits.

## Meetings

The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time as the Clerk shall specify at the request of any member of the Committee. Information and documentation will be added to the Drive 7 days in advance of the meeting.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than seven working days prior to the date of the meeting.

## Minutes

The clerk will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of each Committee meeting will be sent to all members of the Committee and the Trustees of the Board within seven working days of the meeting.

## Authority

The Committee is authorised by the Trustees of the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any committee meeting with relevant experience and expertise if it considers this necessary.

## Duties

The duties of Committee shall be to:

- Develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy.
- Consider the Academy Trust's indicative funding, once notified by the ESFA, and to assess its implications for the Academy Trust, in consultation with the CEO and the Chief Operations Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees.
- Receive Regional Academies' budgets for approval from the Regional Board's Finance Committees
- Consider and recommend acceptance/non acceptance of the Academy Trust's budget to the Trustees
- Monitor any variances from the budget and ensure the ESFA is notified as required
- 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 Academy Trust development plan
- Liaise with and receive reports from the Educational Standards Committee and to make recommendations about the financial aspects of matters being considered by them
- Monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trustees of the Board
- Monitor and review procedures for ensuring the effective, implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangement and, where appropriate to make recommendations for improvement.
- Prepare the financial statement to form part of the annual report of the Trustees
- Ensure the Academy Trust's commercial and fundraising activities are carried out effectively.
- Examine and review new initiatives for financial development, including fundraising
- Oversee significant investment and capital financing decisions
- Approve and keep under review the Academy Trust's investment policy
- Approve and keep under review the Academy Trust's reserves policy

- Promptly notify the Trustees of the Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust
- Advise generally on the provision of resources and services to the Academy Trust
- Review on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.
- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal
- To discuss with the external auditor before the audit commences the nature and scope of the audit
- To review the annual financial statements before submission to the Trustees of the Board, focusing particularly on:
  - Any changes in accounting policies and practices
  - Areas involving a significant degree of judgment
  - Significant adjustments resulting from the audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with legal requirements
  - The clarity of disclosures
  - The consistency of accounting policies from year to year
- To discuss problems and reservations arising from the audit and any matters the external auditor may wish to discuss (in the absence of the management where necessary)
- To act as the body to whom the head of internal audit reports on the internal audit function and to discuss any issue that the head of internal audit may wish to raise (in the absence of the management where necessary)
- To review the internal audit function, consider the major findings of internal audit investigations and the management's response, and ensure co-ordination between the internal and external auditors
- To keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and the management's response.
- To develop and keep under review risk management and measurement strategies across the Academy Trust together with the procedures for monitoring the adequacy and effectiveness of those processes
- To review the action and implementation of risk management policy across the Academy Trust
- To consider the Academy Trust's risk profile relative to current and future Academy Trust strategy and identifying any such trends, concentrations or exposures and any requirement for policy change
- To review and review risk management and relevant regulatory information and reports

- To consider material breaches of the agreed risk limits, review the actions taken in response and to prevent a repeat occurrence
- To consider the effect on the rights of the Academy Trust of the findings of the internal audits or the external audits
- To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness

In discharging its duties the aims are to:

- Facilitate good communication between the Academy Trust and its external auditor
- Increase the credibility and objectivity of financial reporting
- Improve the quality of the accounting and auditing functions

## **Remuneration**

The duties are as follows:

- To consider, determine and keep under review a framework or policy the remuneration, benefits, and incentive of the Chief Executive Officer and such other members of the Executive Team as the Trustees of the Board shall from time to time direct
- In determining that framework, to seek evidence of the remuneration, benefits and incentives paid to senior executives in comparable employment within the commercial and voluntary sectors.
- To consider the outcome of every appraisal of the performance of the Chief Executive Officer and such other senior executives as the Board shall from time to time direct
- To make recommendations to the Trustees of the Board as to remuneration, benefit and incentives that should be paid to the Chief Executive Officer and such other senior executives as the Trustees of the Board shall from time to time direct with a view to ensuring that they are encouraged to enhance their performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Academy Trust and its progress towards fulfilling its objectives.
- To make recommendations to the Trustees of the Board as to the remuneration, benefits and incentives of newly appointed senior executives
- To determine the policy for and scope of pension arrangements, service agreements for senior executives, termination payments, and compensation commitments
- To consider other topics, as defined by the trustees of the board from time to time
- To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating and maximum effectiveness