



RESOURCES AND AUDIT COMMITTEE TERMS OF REFERENCE

Inspire Partnership Academy Trust

Date approved by trustees: 03.04.19

Inspire Trust Board

Purpose of the Resources and Audit Committee

The purpose of the Resources and Audit Committee is to ensure oversight of all of the financial and resource affairs of the Inspire Trust including advising the Board of Trustees (the Trustees) on setting the budget.

The Resources and Audit Committee also examines the longer term financial sustainability of the Trust and its academies, monitoring performance against budget, ensuring an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved.

The Resources and Audit Committee maintains oversight of the Trust's central support services. The committee will also oversee the effectiveness of the Trust's financial accounting and reporting systems and policies.

The Trust's Work Plan will reflect the schedule of items to be reviewed by the Resources and Audit Committee throughout the year.

The Resources and Audit Committee is to be notified of all decisions or recommendations by the Trustees or other Committees which have a budgetary consequence.

Membership

There shall be at least three members: The Chair (who is a trustee), one more trustee and the CEO, with a maximum number of nine members. The membership will be agreed on an annual basis at the first meeting of the Trustees in the academic year. The Chair (who may not be a person employed by the Trust) shall be appointed by the Trustees. The Chair's term of office shall be no more than four years.

Members of the Committee, whether they are Trustees or not, must declare personal and pecuniary interests, loyalties and duties, in the same circumstances as apply to the Trustees.

Staff employed by the Trust should not be members of the Committee, but may attend to provide information and participate in discussions.

Quorum and voting

It is generally expected and encouraged that decision making by the Resources and Audit Committee should be by consensus. However, it is recognised that there will be occasions where a formal vote is necessary. Members of the Resources and Audit Committee shall have one vote each.

This is subject to any member of the Resources and Audit Committee having an interest, loyalty or duty that conflicts or is reasonably likely to conflict with interests of the Resources and Audit Committee in which case the member must declare his or her interest for the particular item and must not vote on or be present for the vote on that item.

The quorum for each Resources and Audit Committee shall be three non-conflicted members. Voting shall be by majority decision. The Chair of the Resources and Audit Committee to have a casting vote, if the vote is tied.

Meetings

This Resources and Audit Committee will hold at least three meetings in every academic year, usually at least three weeks in advance of a main Trust Board meeting, with additional meetings as required.

Meetings will be chaired by the Chair of the Committee. In the absence of the Chair, the Committee will elect a temporary replacement from among the nominated representatives present at the Committee meeting.

Attendance at each Committee meeting, issues discussed and recommendations for decisions will be recorded. The written record of each meeting will be submitted to the next meeting of the Committee.

The Chair of the Committee will be responsible for giving an oral summary of the Committee's deliberations if necessary at meetings of the Trustees.

The Resources and Audit Committee's Chair will meet with the Chair of Trustees and the Chief Executive Officer at the beginning of each academic year to plan the work of the Resources and Audit Committee.

Reporting

The minutes of every meeting shall be recorded and submitted to the following meeting of the Trustees. They shall also be circulated to the Local GBs of the Trust.

All expenditure by or on behalf of the Resources and Audit Committee or legal commitments of any sort authorised by the Resources and Audit Committee shall be recorded and reported promptly to the Trust.

The Resources and Audit Committee shall make recommendations of expenditure, including capital expenditure, or legal commitments seeking the prior consent of the Trustees before entering into any arrangements.

The Resources and Audit Committee shall not enter into any borrowing arrangements or operating or finance leases without the prior consent of the Trustees and the Education and Skills (ESFA) Funding Agency, where necessary.

Key Responsibilities

Amongst other things relating to the purpose described above, activities of the committee will include:

Finance

- Preparation and review of financial policy documents as required.
- Examining and agreeing on the level of delegation to the academies and their Executive Headteacher/Headteachers or equivalent for day-to-day financial management via the financial policies, recommending annually the updated Scheme of Delegation for the Trust and its academies.
- Advising the Trustees on the proportion of the budget to be held centrally by the Trust.
- Maintaining oversight of the effective delivery of the Trust's central services.
- Deciding long term financial planning and resourcing across the Trust, ensuring its financial health and long-term sustainability.
- Monitoring the Trust's annual budget including the budget for each academy as well as reviewing reports on financial management, end of year accounts and latest monthly management accounts and termly forecasts.

- Approving Local GB's recommendation of each academy's draft budget to ensure any possible future liabilities have been taken into account.
- Reviewing the efficient allocation of financial resources, reporting regularly to the Trustees on value for money.
- Producing financial statements and reports in accordance with the requirements of the ESFA's Academies Financial Handbook and ensuring financial compliance and that the Trust fulfils other regulatory duties.
- Reviewing and recommending the Annual Report for the Trust.
- Examining monitoring reports on the income and expenditure of all public funds (i.e. the sources of the Trust's funding) and reporting the financial situation to the Trustees each academic term.
- Ensuring adequate financial and asset management systems are in place across the Trust and all its academies including the internal financial, controls that both the Trust and individual academies should have in place.
- To approve the Investments Policy to manage, control and track financial exposure and ensure value for money, to review the Trust's investments and investment policy on a regular basis.

Premises and Estate

- Deciding on and advising the Trust of priorities, including Health and Safety, for the maintenance and development of all premises belonging to academies in the Trust.
- Considering and recommending to the Trustees plans for capital development works.
- Reviewing new builds and refurbishments relating to the academies and any new schools.
- Approving plans for the development of ICT services and resources across academies in the Trust.
- Ensuring all Local GB hold and review annually, an Accessibility Plan.

Staffing and Human Resources (HR)

- Reviewing and approving HR policies on a planned basis taking account of best practice, legal developments and the culture of the Trust.
- As required, hearing final level appeals about grievances and dismissals, disputes over pay and conditions that have not been resolved at Local GB level.
- Ensuring there is a fair and lawful (in line with Safer recruitment expectations) recruitment process in place throughout the Trust and its academies and that staff within the Trust are treated fairly and have excellent conditions of employment.
- Considering proposals from Local GBs and their Executive Headteacher / Headteacher or equivalent for re-structuring of staff bodies, the creation of new posts within their staffing structure or other expenditure relating to reduction or expansion of staff that falls outside the limits imposed by the scheme of delegation.
- Considering proposals from Local GBs and their Executive Headteacher / Headteacher or equivalent about the development of their academy's staff.
- Determining the terms and conditions for staff in schools transferring into the Trust.
- Ensuring implementation of the Trust's Performance Management Policy and staff appraisal.
- Pay Committee recommendations on annual performance related pay increases.

Audit

- Advising the Trustees on the adequacy and effectiveness of the Trust's and its member academies systems for internal financial control and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (proof of good value for money)
- Recommend the appointment of the external auditor
- Approve the cost of the external auditors and the terms and conditions of that agreement
- To agree with the external auditors the scope and objectives of their work
- Agreeing with the Trustees and CEO the relevant annual performance measures and indicators and monitoring of its effectiveness of the external auditors through these measures and indicators. Evaluate effectiveness of the service provided.
- To review the findings with the external auditors including discussion around any major issues and how they can be resolved, considering any key accounting judgments and levels of error.
- Produce an annual report to inform the governance statement for the Trustees and accounting officer which should include the committee's advice on the effectiveness of the risk management including the financial controls and the governance processes
- Recommend the annual auditor's report to the Trustees for approval
- Advise the Trustees on the relevant reports by the NAO the ESFA and any other funding agencies.
- Advise the Trustees on internal audit management and annual reports responding to any issues raised from the external audit including recommendations, actions and impact.
- Risk management – establish and monitor risk management plan and the risk register for the Trust, review annually and ensure where necessary there is an effective risk mitigation plan.
- Advise the Trustees on the Risk Management Plan and its adequacy and effectiveness
- Review the Trustees' register of relevant business and pecuniary interests
- Report and advise the Trustees on any alleged or proven fraud and irregularity In the Trusts financial and other control systems. To ensure that any concerns are managed and reported through the agreed process.
- Ensure that the Trust's whistleblowing policy is in place, is known by all staff and that it is effective.