

## **Talent Education Trust (the Trust)**

### **Terms of reference for: Finance and Audit Committee in relation to Anglo-Portuguese School of London Limited (APSoL)**

#### **Terms of Reference**

The board of trustees (**Trust Board**) has established a committee of the Trust Board to be known as the Finance and Audit Committee (**Committee**). These are its terms of reference.

#### **Membership**

The Committee will be appointed by the Trust Board and will comprise no more than five and no fewer than three members, of whom a majority will be Trustees.

The Trust Board will appoint one of the members of the Committee as its chair (**Chair**). For the avoidance of doubt, if the Chair of Trustees is a member of the Committee, they must not be appointed as the Chair of the Committee.

[Employees of APSoL shall not be members of the Committee, but the Principal and the Chief Financial Officer may attend to provide information and participate in discussions.]

The Committee will elect a Clerk to the Committee.

#### **Attendance**

The Committee may ask the Principal, the Chief Financial Officer and any other member of the Leadership Team to attend meetings of the Committee either regularly or by invitation. Invitees have no right to attend Committee meetings.

The Committee will ask a representative of the external auditors and the head of internal audit to attend meetings as they consider necessary and in consultation with the representative of the external auditors.

The Committee will have at least one annual meeting, or part of one meeting, with each of the external auditor and the head of internal audit without the Leadership Team being present.

#### **Voting**

The quorum for each meeting shall be one half of the members of the Committee rounded up and a majority of those present must be Trustees. Decisions of the Committee shall be taken by a simple majority of those processes and voting. The Chair will have a casting vote on an equality of votes.

#### **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.

Meetings can be requested by the external or internal auditors if they consider that one is necessary.

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 Trust Board within seven working days of the meeting.

## **Authority**

The Committee is authorised by the Trust 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 Trust 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 the Committee shall be:

## **Finance**

- to consult with the Principal and the CFO, to draft the first formal budget plan of the financial year;
- to establish and maintain an up to date 3-year financial plan;
- to monitor and approve a budget position statement, including virement decisions at least termly and to report significant variations to the Trust Board;
- to annually review charges, expenses, letting policy and charges;
- to annually review the Finance policy and to check rules on procurement are followed;
- to determine whether sufficient funds are available for pay salary increments as recommended by the Principal and the CFO;
- to make decisions and advise the Trust Board on spending within and outside the delegated powers of the committee, including reviewing tenders/contracts when appropriate;
- to investigate financial irregularities (where appropriate) and monitor the investigation of those irregularities; and
- to ensure that the principles of best value are adhered along with the requirements of the Academy Trust Handbook.

## **Internal scrutiny**

- to oversee and approve the Trust's programme of internal scrutiny
- to ensure that risks are being addressed appropriately through internal scrutiny and 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 consider the major findings of internal audit investigations and the management's response, and ensure co-ordination between the internal and external auditors

- to report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks, how to address weaknesses in financial and other controls and drive improvements in the Trust's practices.
- to consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.

## External audit

- 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 and to review the external auditor's plan each year
- to review the annual report and accounts before submission to the Trust Board, focusing particularly on:
  - any changes in accounting policies and practices
  - areas involving a significant degree of judgement
  - 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 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 APSoL 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, APSoL's managers,
  - the auditor's use of technology, and
  - produce an annual report of the Committee's conclusions to advise the Trust Board and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.
- 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

## Personnel

- to consider and keep under review the impact and implementation of any strategies and policies for human resources and organisational development (including for:
  - the appointment and dismissal procedure for all staff;
  - disciplinary, grievance, capability, appeal and termination of employment cases;
  - Staff code of conduct
  - a Performance Management policy for all staff;
  - ensuring equality and diversity in the staff workforce;
  - a Pay Policy for all categories of staff and to be responsible for its administration and review;
  - Safer Recruitment and safeguarding checks;
  - Whistleblowing; and
  - Low level concerns.
- to liaise with the Leadership Team in respect of effective arrangements for consultation with staff as a whole and for negotiation and consultation with appropriately recognised Trade Unions and/or other representatives.
- to consider the details of restructuring programs/ oversee any process leading to a reduction in staff numbers;
- to ensure effective measures are in place to promote equality and diversity in employment;
- to keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence;
- to review the impact and implementation of the Trust wide strategy and policy in all matters relating to succession planning, recruitment, reward, retention, motivation and continuing professional development of the Trust's staff; and
- [to establish a pay committee to meet twice annually to review the pay and make decisions on pay including the Principal's pay];

## **Health and Safety**

- to ensure that Health and Safety legislation requirements are considered and appropriately prioritised;
- to consider and address the Health & Safety issues of the pupils, staff and other visitors to the Trust's premises and school trips and off-site activities undertaken by staff and pupils;
- to annually review the Health & Safety policy.

## **Premises**

- to advise all Trustees on priorities for the maintenance and development of the Trust's premises;
- to oversee and monitor a buildings and asset management plan;
- to oversee arrangements for repairs and maintenance;
- to consider recommendations on premises-related expenditure;
- to oversee and support with premises-related funding bids;
- to oversee arrangements for the use of Trust premises by outside users;

- to establish and keep under review an Accessibility Plan;
- to prepare information regarding premises, and in particular the disability provision, to be published in the School Profile each year.

### **Risk management**

- to develop and keep under review risk management (including maintaining a risk register) and measurement strategies together with the procedures for monitoring the adequacy and effectiveness of those processes
- to review the action and implementation of risk management policy
- to consider the Trust's risk profile relative to current and future strategy and identifying any such trends, concentrations or exposures and any requirement for policy change
- to receive 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

### **Review of effectiveness**

- 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 of the Committee are to:

- facilitate good communication between the Trust and its external auditor;
- increase the credibility and objectivity of financial reporting;
- strengthen the independence of the audit function; and
- improve the quality of the accounting and auditing functions.

**Adopted by the Board:** 12/12/2023

**Proposed date of review:** Annually