Terms of Reference

Finance, Audit & Risk Committee

Approved by Trust Board (date)	**September 2026**
Version Number	**V4**

Record of revisions	
September 2023	References to internal audit amended to internal scrutiny
	2.3 – reworded for clarity
	3 year budget for recommendation added to reports received
	3.5 'mitigate' amended to 'manage'; 'wherever' changed to 'as'
	Academies Financial handbook amended to ATH
	Chair updated to Nigel Corbett
	Page 5 - Removed reference to Vice chair in table
May 2024	1.2: added 'ensure the Trust's strategic plans are costed'…
	1.3 added: ' including a review of increases or decreases against prior years' budgets and actions , in order to…'
	2.3 removed ' seek assurance'… and replaced with 'confirm annually' added: Such assurance to also be confirmed through the use of external audit or internal scrutiny every three years.
	2.5: added ' Review the charging and remissions policy at least every two years and recommend such to the trust board for ratification'
	31. removed 'keep under review' and replaced with ' seek confirmation from the trust central team that ……remain complaint'

	3.3 added 'management' to risk policy to correctly reflect the policy's title. Replace 'discussed' with 'ratified by'
	3.4 replaced 'collate' with 'receive'
	3.8 added ' Near misses and major incidents to be a standing item on every FAR agenda and any minute against such an item will be confidential.'
	4.23 Added …' through scrutiny of the audit planning document and letter of ethics'
	5.7 added …'draft….before publication'
	Reports received and working documents: added 'Internal Scrutiny reports' and 'This list is not exhaustive'
	Frequency of meetings increased from at least 3x pa to at least x5 pa
	Standing agenda items: added 'near misses and major incidents'
July 25	Replaced ESFA with DfE
	Replaced COO with CFOO
July 2026	Quorum changed from 3 to 2
	Attendance reduced from 80% to 66%
	Strategic Plan added to reports and documents list
	Frequency revised to at least 4x per year from at least 3x
	Membership relevant experience added
	Section 6 added
August 2026	Minor revisions to reflect updated Academy Trust Handbook (revisions in yellow)

The overall purpose of this committee is to assist the Trust Board in its statutory duty to supervise the broad direction of the Trust's financial affairs, ensure regulatory compliance and to oversee the risk and audit management process.

1. Financial planning and reporting

1.1 Review management accounts and key performance indicators (KPIs) and bring any significant matters of performance to the attention of the Board of Trustees.

1.2 Ensure the Trust's strategic plans are costed and conduct initial reviews of the financial aspects of the strategic plans in order to make recommendations for approval to the Board of Trustees.

1.3 Conduct initial reviews of the Trust's annual budget, including a review of increases or decreases against prior years' budgets and actions, in order to make recommendations for approval of the budget to the Board of Trustees.

2. Financial policies and procedures

2.1 Review and recommend to the Board of Trustees any new financial or investment policies or any revisions to existing financial policies. This specifically includes financial reporting policies, the reserves policy and the investment policy.

2.2 Define, with advisers, the Trust's investment strategy, policies and principles and the benchmarks by which they will be measured, for approval by the Board of Trustees.

2.3 Confirm annually that the INMAT financial procedures manual and all financial procedures are in accordance with the Academy Trust Handbook. Such assurance to also be confirmed through the use of external audit or internal scrutiny every three years.

2.4 Review the nature and levels of delegated authorities annually.

2.5 Review the charging and remissions policy at least every two years and recommend such to the trust board for ratification.

3. Internal controls and risk management systems

3.1 Seek confirmation from the central team that the Trust's management information systems remain adequate and compliant.

3.2 Annually review the effectiveness of the Trust's internal control and risk management systems.

3.3 Review the risk management policy and register and assess the Trust's risk appetite for each of the major risks identified and make recommendations to be ratified by the Board of Trustees.

3.4 Receive the findings and recommendations from the Executive Team and other committees, in relation to risk, into the Trust's Risk Register.

3.5 Ensure that appropriate management action is being taken to manage these risks as appropriate.

3.6 Regularly review the financial risks and ensure that the reserves policy adequately addresses these risks.

3.7 Review fundraising activities and gain adequate assurance that fundraising is being conducted in a fair and legally compliant manner.

3.8 Receive reports on the management of major incidents, "near misses" and lessons learned. Near misses and major incidents to be a standing item on every FAR agenda and any minute against such an item will be confidential.

4. External Audit and Internal Scrutiny

4.1 Consider and make recommendations to the Board of Trustees, for annual approval, in relation to the reappointment or removal of the Trust's external auditors.

The Committee will oversee the selection process for new auditors. If an auditor resigns the Committee will investigate the issues leading to this and decide whether any action is required internally.

4.2 Oversee the relationship with the external auditors including but not limited to:

4.21 making a recommendation to the Board of Trustees as to the approval of their remuneration, whether fees for audit or non-audit services, ensuring that they are sufficient to enable an adequate audit to be conducted

4.22 making a recommendation to the Board of Trustees as to the approval of their terms of engagement and the scope of the audit

4.23 annually assess their continued independence and objectivity through scrutiny of the audit planning document and letter of ethics

4.24 review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement

4.25 review the external auditor's findings and recommendations, and management's responses, and ensure all are received on a timely basis

4.26 review any letter of representation requested by the external auditors before it is signed by the Board of Trustees

4.3 The committee will advise the Board and the Accounting Officer on:

4.31 the planned activity and result of any internal scrutiny

4.32 the adequacy of management response to issues identified by audit activity

4.33 proposals for tendering for either Internal or External Audit

4.34 anti-fraud policies, whistle-blowing processes, and arrangements for special Investigations

4.4 Following any internal scrutiny work, the committee will be provided with a progress report which summarises -

4.41 key issues emerging from the work of the internal scrutiny

4.42 management response to the audit recommendations

4.43 work performed with a comparison to work planned

4.44 any resourcing issues affecting delivery of the objectives of the internal scrutiny

5. Review the annual accounts prior to their approval by the Board of Trustees, focusing, in particular, on:

5.1 key accounting policies and practices, and any changes in them

5.2 the extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed

5.3 compliance with accounting standards, the Charities Statement of Recommended Practice, the Companies Act, The DFE, and any other appropriate legal and regulatory requirements

5.4 decisions requiring a major element of judgement

5.5. significant audit adjustments

5.6 the going concern assumption

5.7 the draft Trustees' report before publication

6. Procurement

6.1 receive assurance that procurement is in line with DfE expectations.

7. The committee may:

7.1 co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience. Such additional members do not count towards a quorum and do not have authority to vote on any matter

7.2 procure specialist ad-hoc advice relevant to the work of the Committee at the expense of the organisation, subject to budgets agreed by the Board

7.3 in order to carry out its functions, seek any information it requires from any employee, through the Chief Executive and all employees are directed to CFOO operate with any request made by the Committee

Finance, Risk and Audit Committee	
Reports received & working documents	Prior meeting minutes Management Accounts KPIs Risk Register Investment Strategy Three year budget for recommendation Annual Report Financial Statement and Audit Report Trust Financial Handbook Academies Trust Handbook Articles of Association Internal Scrutiny reports Fraud register Strategic Plan This list is not exhaustive
Reports to	The Trust Board
Links to	Pay and Performance committee Estates, HR and IT committee
Status	Standing (permanent) committee
Frequency of meetings	At least 4x per year unless otherwise agreed by the TB
Minimum required attendance	66%
Chair	Nigel Corbett
Standing agenda items	Management Accounts Risk Register KPIs Near misses and major incidents
Minute taker	Head of Governance and Compliance
Quorum	Two Trustees not including the CEO
Committee performance review	Annual Review conducted by Chair of Trustees
Membership	At least 4 Trustees In attendance (by invitation): CEO CFOO Auditors invited At least one member of the Committee will have recent or relevant accountancy or audit assurance experience