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**THE GRYPHON**  
Multi Academy Trust

**AUDIT AND FINANCE COMMITTEE**  
**TERMS OF REFERENCE**





## **FINANCE, AUDIT AND COMPLIANCE COMMITTEE**

### **Terms of Reference**

#### **1.0 Constitution**

- 1.1. The Gryphon Trust Board of Directors ("the Board") has resolved to appoint a Finance, Audit and Compliance Committee ("the Committee").
- 1.2. The Committee's Terms of Reference and constitution are adopted by the Board and may only be amended by the Board.
- 1.3. The Committee shall comprise at least three directors, appointed by the Board each school year and as may otherwise be required. The Chair of the Board cannot be a member of the Committee. Employees cannot be members of the Committee. However, the Chief Executive Officer (Accounting Officer) and other relevant staff shall routinely attend meetings to provide information and to participate in discussions but shall have no voting rights. At least one member of the Committee shall have relevant financial or audit experience.
- 1.4. The Committee shall appoint a Chairman and Vice-Chairman at its first meeting each school year.
- 1.5. The Committee shall meet at least 6 times per school year and in advance of meetings of the Board.
- 1.6. A minimum of two members of the Committee shall be present for a meeting to be deemed quorate.
- 1.7. The Committee shall maintain a record of each meeting in the format it deems most appropriate



## **2.0 Authority**

- 2.1 The Board retains overall responsibility for the Trust's funds and does not delegate this responsibility to the Committee.
- 2.2 The Committee shall not appoint a sub-committee.
- 2.3 The Committee shall report to the Board on any findings or decisions taken in fulfilment of its duties, as set out in these Terms of Reference and/or the Schemes of Delegation.
- 2.4 The Committee is authorised to investigate any activity within its terms of reference or additionally delegated to it by the Board. It is authorised to request and be given any information it requires from any Director, governor, employee, external audit, internal audit or other assurance provider.
- 2.5 The Committee is authorised to obtain any outside legal or independent professional advice it considers necessary.

## **3.0 Overview of Responsibilities**

### **3.1 External Audit**

- 3.1.1 To consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- 3.1.2 To recommend the audit fees to the Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- 3.1.3 To oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the Members of the Trust to consider at any general meeting where the accounts are laid before Members.
- 3.1.4 To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
- 3.1.5 To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- 3.1.6 To review the performance of the external auditor on an annual basis.
- 3.1.7 To recommend to the Members, through the Board, the appointment/reappointment of the external auditor.



3.1.8 To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

### **3.2 Internal Scrutiny**

3.2.1 To set and review the internal scrutiny programme and determine the approach to the internal scrutiny function and to assess and recommend the appointment of the auditor to the board.

3.2.2 To review the reports and recommendations of the internal scrutiny, together with the appropriateness of management's response.

3.2.3 To monitor the implementation of action agreed by management in response to reports from the external auditor and internal scrutiny.

3.2.4 Annually, to agree a programme of work delivering internal scrutiny across the academic year. To report annually to the ESFA on the work performed and findings.

3.2.5 To 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 Board.

3.2.6 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

3.2.7

3.2.8 To ensure information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the trust and (for MATs) by constituent academies, is accurate and in compliance with funding criteria.

### **3.3 Risk Assurance**

3.3.1 At least annually, to undertake a risk mapping exercise to inform the Trust's approach to risk management, internal scrutiny and internal financial and non-financial controls.

3.3.2 To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.

3.3.3 To review the adequacy and robustness of the Trust's strategic risk register.

3.3.4 To ensure that risk assurance measures include oversight of risks at constituent academies.

3.3.5 To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and



assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports (e.g. from the ESFA).

- 3.3.6 To review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Trust Board.  
Policies
- 3.3.7 To approve and keep under review the Academy Trust's investment policy and reserves policy.
- 3.3.8 To review the Trust's policy and procedures for handling allegations from whistleblowers and allegations of fraud, bribery and corruption.
- 3.3.9 To receive reports on the outcome of investigations of suspected or alleged impropriety.
- 3.3.10 To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. In particular, the committee will consider and approve the delegation of financial and other policies and will review, approve, amend or reject policies in accordance with the policy framework.
- 3.3.11 To ensure that any significant losses are investigated and reported to the ESFA where required.
- 3.3.12 To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

#### **3.4 General**

- 3.4.1 To notify promptly 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.
- 3.4.2 To advise generally on the provision of resources and services to the Academy Trust.
- 3.4.3 To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge to the actions and judgements of the Executive in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:
- critical accounting policies and practices, and any changes in them
  - decisions requiring a major element of judgement
  - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed



- the clarity and transparency of disclosures
  - significant adjustments resulting from the audit
  - the going concern assumption
  - compliance with accounting standards
  - compliance with DfE and legal requirements.
- 3.4.4 To receive reports of notifiable breaches from the Data Protection Officer and to ensure compliance with data protection legislation.
- 3.4.5 To review or investigate any other matters referred to the Finance, Risk & Audit Committee by the Board.
- 3.4.6 To draw any significant recommendations and matters of concern to the attention of the Board.
- 3.4.7 To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness