



WADE DEACON
TRUST

A COMMITMENT TO EXCELLENCE

AUDIT & COMPLIANCE COMMITTEE TERMS OF REFERENCE 2023-2024

Version Number: 02

Ratified by Trustees: 22nd November 2023

Next Review Date: 22nd November 2024

Link: Mr I Kirkham

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TO BE A
PART OF

1. CONSTITUTION

- 1.1. The Wade Deacon Multi Academy Trust Board of Trustees has resolved to establish an Audit & Compliance Committee to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control, risk management and statutory compliance. The Committee will also advise and aid the Board in ensuring the sound management of the Trust's finances and resources. This will include proper planning, monitoring and probity.
- 1.2. The Audit & Compliance Committee is responsible to the Trust Board.
- 1.3. The Committee's Terms of Reference are agreed and adopted by the Board and can only be amended with the approval of the Board.

2. MEMBERSHIP

- 2.1. The Committee will consist of a minimum of 3 Trustees who will be appointed by the Board. At least 1 member of the Committee should have relevant financial experience. The Chair of the Trust Board cannot be a member of the Audit & Compliance Committee.¹
- 2.2. The members of the Committee shall hold office from the date of their appointment until resignation or omission from membership on subsequent consideration by the Board. The Board will review Committee membership on an annual basis at the start of each academic year.
- 2.3. The Committee will appoint a Chair and Vice Chair.
- 2.4. The Clerk will attend all meetings.
- 2.5. The Chief Operating Officer will attend the meeting in an advisory capacity and will have no voting rights.
- 2.6. The following staff will attend meetings when appropriate:
 - 2.6.1. Chief Executive Officer
 - 2.6.2. Chief Financial Officer
 - 2.6.3. ICT & Operations Director
 - 2.6.4. HR Director
- 2.7. Any other members of staff or external professionals will be invited to attend relevant meetings as required.

¹ The Chair of the Trust will receive monthly updates on Compliance and Management Accounts from the Chief Financial Officer.

3. MEETINGS

- 3.1. The Committee will meet at least once per term (3 times per academic year), normally in advance of the Trust Board Meetings.
- 3.2. The quorum shall be 2 Trustees.
- 3.3. The administration of meetings will be managed by the Clerk to the Trustees. Agenda and papers will be circulated, whenever possible, to members of the Committee 7 days in advance of the meeting.
- 3.4. In addition to voting in person at a meeting, Trustees can vote on matters via e-mail to the Clerk to the Trustees (ahead of the meeting) or via video / telephone conferencing during the meeting.

4. AUTHORITY

- 4.1. The Committee will report to the Board on any decision taken in accordance with the Scheme of Delegation.
- 4.2. The Committee is authorised to investigate any activity within its term of reference or specifically delegated to it by the Board.
- 4.3. The Committee is authorised to obtain any legal and professional advice it considers necessary, normally in consultation with the Chair of the Trust Board.

5. CORE DUTIES

The main duties of the Audit & Compliance Committee are as follows:

- 5.1. Fulfil its responsibilities as set out in these Terms of Reference in line with the Trust's Funding Agreement, Articles of Association, Scheme of Delegation, Academies Financial Handbook, Academies Accounts Direction and the Trust's Financial Procedures Manual.
- 5.2. Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity and value for money.
- 5.3. Advise the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.

- 5.4. Advise the Board on the appointment, re-appointment, dismissal and remuneration of the external auditor.
- 5.5. Advise the Board on the need for and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.

6. RESPONSIBILITIES – FINANCE

The Audit & Compliance Committee will consider:

- 6.1. The monthly management accounts of the Trust, its Academies and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- 6.2. The revised forecast of estimated income and expenditure for the Local year for the Trust, its Academies and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- 6.3. The setting of the annual budget and 3 year plan for the Trust, its Academies and subsidiaries in advance of submission to the Education & Skills Funding Agency (ESFA).
- 6.4. The annual audited financial statements of the Trust for review by the Local Board
- 6.5. The monitoring and updating of financial policies and financial regulations of the Trust, its Academies and subsidiaries.
- 6.6. Review systems and policies relating to fraud and money laundering, ensuring adequate procedures are present to detect, record and report any irregularities.
- 6.7. Any other matters that can have a financial impact on the Trust, its Academies and subsidiaries.

7. RESPONSIBILITIES – AUDIT & RISK MANAGEMENT

The Audit & Compliance Committee will:

- 7.1. Recommend to the Board the appointment or reappointment of the external auditors of the Trust.
- 7.2. Review the external auditor's letter of engagement and annual planning documents and approve the planned audit approach.

- 7.3. Review all reports received from the external auditor (e.g. annual reports, management letter) and consider any issues raised and the associated management response and action plans. Reports should be referred to the Board for information or action.
- 7.4. Recommend to the Board the appointment or reappointment of the internal auditors of the Trust (Responsible Officer).
- 7.5. Review the internal auditor's planned schedule of work for the year and approve the planned audit approach.
- 7.6. Review all reports received from the internal auditor (e.g. annual reports, internal control findings) and consider any issues raised and the associated management response and action plans. Reports will be referred to the Board for information or action.
- 7.7. Undertake the annual review of the Trust's Risk Management systems including arrangements for risk management, control and governance processes.
- 7.8. Review the monitoring and assurance of the Trust's Risk Register.
- 7.9. Review the Trust's Scheme of Delegation and recommend any changes to the Board for approval.
- 7.10. Undertake an annual review of all insurance arrangements.
- 7.11. All discussions regarding the above will be clearly defined within the agenda and minutes.

8. RESPONSIBILITIES – HUMAN RESOURCES

The Audit & Compliance Committee will:

- 8.1. Review the Trust's arrangements for delivering HR services in order to meet statutory requirements and support schools to meet objectives, including but not limited to the HR Information System, appraisal, occupational health, safeguarding checks and general HR advice.
- 8.2. Review and make recommendations to the Board for approval of the development of new or revised salary structures and incentive plans.
- 8.3. Review the monitoring and assurance of the Trust's pension arrangements, including compliance with rolling auto-enrolment.
- 8.4. Review and approve the pay progression for the Chief Executive Officer (CEO)
- 8.5. Review the organisational structure and management succession plan on an annual basis.

- 8.6. Review the Employee Relations Strategy and provide recommendations to the Board for approval of any required amendments to the Trade Union Recognition Agreement and Collective Agreement.
- 8.7. Review HR policies and recommend approval to the Board where necessary and appropriate.
- 8.8. Review and make recommendations to the Board for approval of well-being related programmes and policies for staff.
- 8.9. Review the diversity and inclusion plan and goals of the Trust, including equality impact assessments on updated policies.
- 8.10. Review, annually, the Gender Pay Gap and Facilities Time statements and recommend approval to the Board.
- 8.11. Monitor the Trust's preparation for upcoming changes in employment law.

9. RESPONSIBILITIES – GOVERNANCE

- 9.1. For the Trust Board, the Audit & Compliance Committee will:
 - 9.1.1. Ensure the Trust Board undertakes annual self-evaluation, reviewing its composition in terms of skills, effectiveness, leadership and impact.
 - 9.1.2. Ensure that Trustees undertake annual skills audits.
 - 9.1.3. Ensure a governance action plan is maintained using information gathered from internal/external audits, skills audits and self-evaluations.
 - 9.1.4. Ensure that the governance action plan informs and supports recruitment, induction and training.
- 9.2. For LGBs, the Audit & Compliance Committee will:
 - 9.2.1. Ensure each LGB undertakes annual self-evaluation, reviewing its composition in terms of skills, effectiveness, leadership and impact.
 - 9.2.2. Ensure all LGB Governors undertake an annual skills audit.
 - 9.2.3. Ensure the LGB maintains a governance action plan using information gathered from skills audits and self-evaluations.
 - 9.2.4. Ensure that the governance action plan informs and supports recruitment, induction and training.

10. DETAILED RESPONSIBILITIES – OTHER

10.1. The Audit & Compliance Committee shall consider and advise the Trust Board on the following specific matters:

10.1.1. Review of other significant financial or related reports or submissions that impact on the Trust, its Academies and its subsidiaries. These are likely to involve the Department for Education, Education & Skills Funding Agency, other local authorities, Companies House, HMRC or similar regulatory bodies.

10.1.2. Recommend to the Board any changes to Trust structure including the acquisition of new Academies and setting up of new trading subsidiaries. Any recommendation will include a review of risk and due diligence processes.

10.1.3. Oversight of Health and Safety policy, including:

10.1.3.1. Critical Incident and Business Continuity planning;

10.1.3.2. Accident and RIDDOR reporting;

10.1.3.3. Statutory training;

10.1.3.4. Statutory compliance testing;

10.1.3.5. Fire risk assessments;

10.1.3.6. Asbestos risk assessments;

10.1.3.7. Premises and building conditions.

10.1.4. Review Website and Statutory policy compliance in line with the Trust funding agreement/s. The Committee will have an overview of the information that the Department for Education (DfE) recommends to be published on schools' websites.

10.1.5. Undertake GDPR review of arrangements for all schools' personal data. This will include schools' assurance that the appropriate governance and control measures are in place.