
Derby Diocesan Academy Trust (Company No. 08980079) ("DDAT") and Derby Diocesan Academy Trust 2 (Company No. 09442311) ("DDAT2")¹

Finance and Audit Committee Terms of Reference

Membership

Membership and terms of reference will be reviewed annually by the Board of Directors. Membership will comprise of the Chair and up to 6 members appointed by the Board. The Committee will include a minimum of two Directors. The Accounting Officer and Chief Financial Officer should attend to provide information and participate in discussions.

The Chair of Trustees should not be Chair of the Committee. Employees of the Trusts should not be Committee members. At least one member of the Committee should have recent or relevant accountancy, or audit assurance, experience. Where there is an equal division of votes, the Chair of the meeting shall have a casting vote in addition to any other vote they may have.

Meetings

The Finance Committee will meet as necessary and at least three times a year. The Chair of the Committee will be appointed annually by the Board of Directors. The Committee will not normally appoint a Vice-Chair. If the Committee Chair is not present at the meeting, the members will elect a Chair for the meeting from amongst their number.

All meetings will be minuted and full reports given at every future full DDAT Board meeting. The Clerk will be responsible for ensuring the agendas are produced, minutes of the meeting are taken and a report presented to the subsequent Board of Directors meeting.

Quorum

The Committee will require a quorum of two members, both of whom shall be Directors of the Trusts.

Clerking Arrangements

The Finance Committee will keep regular minutes of its transactions and the Clerk will ensure that appropriate clerking arrangements are in hand for the Committee. Normally this will be the Clerk to the Trusts.

Purpose

The purpose of this particular Committee is to monitor the work of the Trusts in terms of their financial, governance, risk management and internal controls and strategy.

- To actively monitor and challenge the financial and cash position of both Trusts regularly.
- To provide more focused and detailed challenge and support to the Board.
- To provide the Board with assurance that the underlying processes are robust and fit for purpose.
- To direct the Trusts' programme of internal scrutiny and external audit.

¹ the companies are also referred to in these minutes as "Trusts" or each a "Trust".

Authority

- The Committee is a Subcommittee of the Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- The Committee is authorised to:
 - Request any information it requires from any employee, external audit, internal audit or other assurance provider.
 - Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

Responsibilities

- To ensure sound monitoring and scrutiny of the Trusts finances and resources.
- To give guidance to officers and make recommendations so as to constantly improve the management of the Trusts' resources and ensure legal compliance.
- To safeguard the assets and investments of the Trusts and its respective educational establishments.
- To receive a termly budget report from the CEO or other Officer.
- To monitor monthly expenditure, and make reports to the Board, drawing matters of merit and concern to their attention.
- To aid forward planning of financial resources, whilst considering the Trusts indicative funding as notified annually by the DfE, and whilst monitoring student intake numbers, curriculum and staffing costs and capital expenditure requirements, and to formulate and keep a three-year budget plan.
- To review any subsidiary trading companies, joint ventures, letting and leasing arrangements.
- To receive the Auditors report and make recommendations to the Board and to provide oversight to ensure that actions points noted by the auditors are completed.
- To advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit).
- To monitor the effectiveness of auditors.
- To ensure all areas of insurance are adequately covered annually and assist with asset registers if required.
- To support academies and follow ESFA guidelines in applying for grants.
- To ensure financial compliance. To investigate and report on any financial irregularities, including whistleblowing in very serious cases.
- To work within an agreed framework for procurement, so as to ensure quality, fairness and consistency.
- To consider and recommend acceptance / non-acceptance of the Trusts budget at the start of each financial year and as appropriate.
- To review the charging and remissions policy from time to time.
- To review the risks of internal financial control and to agree a programme of work that addresses these risks, and to inform the statement of internal control to provide assurance to the external auditors.
- To report to the Board on the adequacy of the trust's financial and other controls and management of risks (covered in the above or keep separate)?
- To take delegated responsibility on behalf of the Board of Trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk

- analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
- To consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations
 - To review the Trusts' Pay Policies annually, to take account of statutory guidance, local and national developments and to make appropriate recommendations to the Board of Directors.
 - To monitor and review expenditure on a regular basis and ensure compliance with the terms of the Funding Agreement, drawing any matters of concern to the attention of the Board of Directors.
 - To review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
 - To encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees