

Finance, Resources, Audit and Risk Committee (FRAR)

Terms of Reference

Date Last Approved by Trustees:	July 2024
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1. Constitution

The Board of Trustees of Endeavour MAT (the Trust Board) has established the Finance, Resources, Audit and Risk Committee (the Committee). The Trust Board has delegated authority to the Committee to oversee all financial matters as well as all matters relating to premises (resources), audits (internal and external) in relation to finance, premises and health and safety and regular monitoring of the risk register.

2. Membership

- 2.1. The Committee shall comprise of between three and five Trustees appointed by the Board of Trustees.
- 2.2. The Chair of Trustees may attend the Committee but may not chair it and will not be a voting member of the Committee.
- 2.3. The Chair and Vice Chair of FRAR will be appointed by the Committee annually. In the absence of the Chair the Vice Chair will act as Chair. The Committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair and Vice Chair. No person may act as a Chair unless they are members of the Trust Board.
- 2.4. The Executive will ensure that a Clerk is provided to take minutes at meetings of the Committee.
- 2.5. The Committee may invite attendance at meetings from persons who are not Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.
- 2.6. The CEO and COO will participate in all Committee meetings but will not be entitled to vote.

3. Proceedings of Committee Meetings

The proceedings of the Committee will fall under the Standing Orders of the Trust Board.

4. Authority

The Committee is authorised by the Trust Board to:

- 4.1 carry on any activity authorised by these terms of reference and delegated powers through the Trust's Scheme of Delegation;
- 4.2 seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to cooperate with any request made;
- 4.3 commission reports and services from third parties to enhance the Committee's scrutiny of the executive.

5. Reporting Procedures

- 5.1. The reporting procedures followed by the Committee will fall under the Standing Orders of the Trust Board.
- 5.2. The Committee will report in summary and, where considered necessary, in detail.
- 5.3. The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.

6. Scope and Responsibilities of the Committee

The Committee shall be responsible for the matters below.

6.1. Finance and Resources

The Committee shall:

- monitor the financial data and statements of the Trust, including its regulatory returns and any other formal statements relating to its financial performance and position;

- review and report to the board on significant financial issues and judgements. In all considerations the Committee will take into account the external auditor's report and observations;
- consider Endeavour MAT's funding and assessment of the implications for the schools in advance of the financial year, drawing any matters of significance to the attention of the LGBs;
- review the reserves and contingency policies, ensuring the compatibility of all proposals with the development priorities set out in the Trust's strategic plan;
- Undertake at Trust and school levels:
 - scrutiny of the draft financial accounts prior to their submission to the Board of Trustees for approval.
 - rigorous review of financial systems to ensure statutory compliance and financial probity
 - ensure application of significant accounting policies and recommend any changes to them;
 - review the management accounts on a monthly basis;
 - scrutiny of school and Trust annual budgets and forecasts and making recommendations to the Board of Trustees as appropriate ensuring they comply with Endeavour MAT funding agreement, memorandum and articles of association and the Academies Trust Handbook;
 - contribute to the formulation of the Trust's Strategic Plan, through the consideration of financial priorities and proposals.

6.2. Resources

The Committee shall:

- oversee the strategy and suitability of the Physical Resources (Estates) of all the schools and ancillary property and the strategic development of the site(s);
- review the application and management of all Health and Safety policies within the schools and elsewhere within the Estate;
- monitor and review IT systems with particular regard to Cyber Security.

6.3. Audit

- Internal Scrutiny

The Committee shall:

- approve the appointment or termination of appointment of the internal scrutineers in line with the options available under Department for Education and ESFA guidance;
- review and approve the role and mandate of internal scrutiny, monitor and review the effectiveness of its work, and annually approve the internal scrutiny agreement ensuring it is appropriate for the current needs of the Trust;
- review and approve the annual internal scrutiny plan to ensure it is aligned to the key risks of the Trust and receive regular reports on work carried out;
- ensure internal scrutiny has unrestricted scope, the necessary resources and access all required information;
- ensure the internal scrutiny has direct access to the Trust chair and Committee chair, providing independence from the senior leadership team and accountability to the Committee;
- review the actions taken by the senior leadership team to implement the recommendations of internal audit and to support the effective working of the internal scrutiny function;
- consider whether an independent, third party review of processes is appropriate.

- **External Audit**

The Committee shall:

- consider and make recommendations to the Trust Board, to be put to members for approval at the AGM, in relation to the appointment, reappointment and removal of the Trust's external auditor;
- oversee the selection procedure for the appointment of the audit firm;
- oversee the relationship with the external auditor;
- ensure it is satisfied with the external auditor's terms of engagement. The committee will ensure that the auditors remain independent and objective and declare any conflicts of interest and that they comply with the FRC's Ethical Standards;
- meet regularly with the external auditor at least once a year, to review its work and any issues arising from the audit;
- discuss the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - a discussion of any major issues which arose during the audit;
 - the auditor's explanation of how the risks to audit quality were addressed;
 - key accounting and audit judgements;
 - the auditor's view of their interactions with the senior leadership team; and
 - levels of errors identified during the audit;
 - the auditor's view of the Accounting Officer's approach and statement in the annual report and accounts relating to regularity.
- review any representation letter(s) requested by the external auditor before signing by the senior leadership team;
- review the management letter and the senior leadership team's response to the auditor's findings and recommendations;

6.4. Risk

The Committee shall:

- advise the board in agreeing the Trust's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Trust is facing in order to achieve its long-term strategic objectives;
- oversee the risk register, reporting on any significant changes;
- review and approve the statements to be included in the annual report concerning internal controls and risk management;
- Seek suitable assurance regarding:
 - the overall risk exposures of the Trust, including risk to the Trust's business model, and solvency and liquidity risks;
 - the adequacy and effectiveness of the Trust's processes and procedures to manage risk;
 - the ability of the Trust's risk management and internal control systems to identify the risks facing the Trust;
 - the right of direct access of the staff member leading on risk to the chair of the Trust Board and to the Committee.

7. Narrative Reporting

Where requested by the Trust Board, the committee shall review the content of the annual report and accounts, particularly in respect of its obligations and duties required under legislation, the Charities SORP and DfE guidance.

The Committee will support the Accounting Officer in providing assurance to the ESFA and Parliament that public funds have been used appropriately.

8. Compliance, Whistleblowing [speaking up] and fraud

The Committee shall:

- 8.1. review the adequacy and security of the Trust's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- 8.2. review the Trust's procedures for detecting fraud;
- 8.3. review the Trust's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 8.4. review regular reports relating to the adequacy and effectiveness of the Trust's anti-money laundering systems and controls;
- 8.5. keep under review the adequacy and effectiveness of the Trust's compliance function.