## RINGWOOD SCHOOL GOVERNING BODY

## TERMS OF REFERENCE

## Audit, Risk and Finance Committee

The Governing Body of Ringwood School has established an Audit, Risk and Finance Committee and in accordance with the Accounts Direction Handbook 2016, this Committee shall be responsible for ensuring the Trust has in place internal control procedures and internal scrutiny processes, as follows:

**Internal control**
***The academy trust must have in place sound internal control, risk management and assurance processes.***
The Academy trust must establish a control framework that recognises public expectations about governance, standards and openness.

**Internal scrutiny**
***The trust must have in place a process for checking its financial systems, controls, transactions and risks.***
Academy trusts must establish a committee, appointed by the board of trustees, to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Taking into account the differing risks and complexity of their operations all trusts with an annual income over £50 million must have a dedicated audit Committee and all other trusts have flexibility to establish either a dedicated audit committee, or to include the functions of an audit committee within another committee.

### 1. Membership

1.1 Membership of the Committee shall comprise a minimum of five members.

1.2 The Committee may include persons who are not members of the Governing Body.
*If an external member is to be appointed to the Audit Committee, it should be noted that it would be inappropriate to consider an employee of the School's auditors, bankers, insurance brokers, solicitors or HR Advisors.*

1.3 The Committee will have at least one member with appropriate audit/finance/risk management experience.

1.4 As the trust operates a combined finance and audit committee, staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions. The Head Teacher as accounting officer, The Finance Manager and other relevant senior staff, should routinely attend the committee.

1.5 Each Committee will elect a chair from within its members, who will hold office for two years.

1.6 The Quorum for meetings will be three.

1.7 The Clerk to the Governing Body will be Clerk to the Committee

## 2. Frequency of Meetings

2.1 The Committee will meet six times a year in accordance with the meeting schedule approved by the Governing Body, but may schedule additional meetings as the Governing Body or Committee consider necessary.

## 3 Reporting Procedures

3.1 The minutes of all meetings of Governing Body Committees will be included in the papers for the next appropriate meeting of the Governing Body and will be reported upon at that meeting. The minutes of meetings will be published on the School website when they have been approved and signed by the Chair.

## 4 Conduct at Meetings

4.1 Members will act in accordance with the Governors Code of Conduct and meetings will be administered in accordance with these terms of reference.

4.2 Members will be asked to declare any conflict of interest at the start of each meeting and this will be recorded in the minutes.

## 5. Terms of Reference

5.1 The Committee's terms of reference shall be reviewed annually.

## 6. Audit Matters

6.1 The Committee shall consider and advise the Governing Body on the adequacy and effectiveness of the School's systems of internal control and its arrangements for risk management, control and governance processes. The Committee will produce an annual report to this effect.

6.2 The Committee shall ***advise*** the Governing Body on:

- The appointment, reappointment, dismissal and remuneration of the financial statements auditor and internal audit service (if provided).
- The External and Regularity Audit Plan.
- An appropriate programme of work to be delivered by independent assurance providers. This programme of work should be to be derived from the Committee's regard of the key risks faced by the School, the assurance framework in place and its duty to report to the Governing Body.
- Changes to relevant policy and procedure.
- Governance risks and their inclusion on the Risk Register.

6.3 The Committee shall ***be responsible*** to the Governing Body for:

- Ensuring that where a full internal audit service is commissioned the service provider complies with the standards set by the Chartered Institute of Internal Auditors and the Public Sector Internal Audit Standards.

- Regularly monitoring of audit recommendations from whatever source.
- Establishing and monitoring KPIs with regard to the performance of the external auditor, internal auditor or other assurance provider(s). *NB do we have KPIs for them? RS we do review their performance – were they timely, professional, thorough? NB are they written anywhere? RL we will review at January meeting as we don't have formal doc at the moment AGREED*

6.4 The Committee shall:

- Consider any additional services delivered by the external auditor, internal auditor or other assurance provider and ensure appropriate independence is maintained.
- Ensure appropriate cooperation and coordination of the work of the external auditor and internal auditor.
- Meet with the external auditor and internal auditor or other assurance provider, at least annually.
- Consider and advise on such other matters which from time to time the Governing Body may deem appropriate.

## 7. Fraud and Risk Management

7.1 The Committee shall be ***responsible to*** the Governing Body for:

- Reviewing the Risk Register.
- Reviewing, on an annual basis the Fraud, Bribery and Risk Management policies and procedures and recommending amendments as necessary.
- Ensuring that all allegations of fraud and irregularity are followed up.

## 8. Finance and Budgeting

8.1 The Committee shall be ***responsible to*** the Governing Body for finance and budgeting, review of income and expenditure, securing economy, financial efficiency and effectiveness (value for money) including:

- Oversight of the day-to-day operation of the Academy Finances, with due regard for the requirements of the Academies Financial Handbook and the Academy Funding agreement.
- In consultation with the Head-teacher and Finance Manager, recommending to the Board for approval the first formal budget plan of the financial year.
- Establishing and maintaining a 3-year rolling, indicative oversight of the Academy budget.
- Preparation and review of detailed financial policy statements, including consideration of long-term planning and resourcing.
- Monitoring the implementation and operation of the Academy's Financial Policy and Procedures
- Maintaining a Charging Policy for the school.
- Monitoring income and expenditure of all funds and reporting the financial situation to the Board.
- Recommending for approval by the Board the level of delegation to the Head teacher for the day-to-day financial management of the school.
- Recommending the amount which can be vired between budget headings by the Head teacher without prior agreement of the Board / committee.

- Oversight of the preparation of the year-end accounts and liaising with the Head-teacher, Finance Manager and external auditors.
- Monitoring the School's appointment of appointed contractors, preparation and implementation of contracts and to monitor and review arrangements for cleaning, grounds maintenance and school meals in line with procedures agreed by the governing body.
- The regular review of the Financial Policy and Procedures.

**9. Premises and Assets**

9.1 The Committee shall ***be responsible*** to the Governing Body for:

- Review of the Asset Management Plan.
- Oversight of capital expenditure on fixed assets.
- Overview of lettings
- Agreeing procedures to be followed for carrying out emergency work and to make recommendations about delegation to the Head teacher for taking appropriate action on behalf of the Governing Body in the event of an emergency.
- Monitoring and review of capital expenditure on CIF projects as required through the Buildings Committee.

**10. Compliance**

10.1 The Committee shall be ***responsible to*** the Governing Body for monitoring and review compliance with Health and Safety, data protection and other relevant legislation.

**11. Other Matters**

11.1 The Audit, Risk and Finance Committee may have direct access to Academy advisors and may commission additional audit reports as they deem appropriate, without reference to the Governing Body. The Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Governing Body and to request any information it requires from any employee, external audit, internal audit or other assurance provider. The Committee is authorised to obtain any outside legal or independent professional advice as it deems necessary.

The Committee may delegate its responsibilities to any number of sub-committees comprising at least three of its members.

**Updated September 2025**