



PROSPER Learning Trust

Finance, Risk and Audit Committee

Terms of Reference

Core Purpose

The Finance, Risk and Audit Committee of Prosper Learning Trust has been established:

- To determine the overall scheme of financial delegation across the Trust
- To determine the annual Trust budget
- To determine each Academy's budget
- To monitor and review the Trust's income streams
- To monitor and review expenditure and ensure compliance with the Trust's overall strategic plan
- To prepare the annual financial report to the Trust Board
- To achieve internal scrutiny
- To monitor risk and ensure appropriate management strategies are in place
- To deliver objective and independent assurance for the Trust

In carrying out its role, the committee will adhere to the principles set out in the Academies' Financial Handbook.

Membership

The membership shall comprise of a minimum of three Trustees and the Trust Board will ensure the members have the necessary skills, background and experience to properly fulfil the committee's functions. Any two of these will be quorate.

The members are:

- Vice Chair of Trustees
- 2x Additional Trustees (minimum)
- Accounting Officer (CEO)
- Finance & Operations Director

Proceedings

The committee will meet at least three times per year.

The Chair of the Finance, Risk and Audit Committee will be the Vice Chair of Trustees.

The committee may invite attendance at meetings from persons who are not Trustees or Committee members to assist or advise on a particular matter or range of issues. Such persons shall not be entitled to vote should a vote be necessary.

Minutes will be forwarded to the Trust Board for consideration at its following meeting.

Responsibilities

Funding

1. Consideration and assessment of the place plus formula funding for each academy
2. Consideration of sources of additional funding

Budgeting

3. To contribute to the formulation of the Academies' strategic plans through consideration of financial priorities and proposals
4. To make recommendations on the broad areas of expenditure
5. To consider requests for additional expenditure and make recommendations to the Trust Board
6. To review financial policy, long term planning and resourcing in accordance with the Trust's development plans

Expenditure

7. To monitor and review expenditure to ensure compliance with overall strategic plans and DfE regulations
8. To report to the Trust Board on spending and projections

External Audit

9. To appoint an external, independent auditor
10. To receive and review the external auditor's report and to assess the appropriateness of management's response
11. To review the performance of the external auditor and to take action as necessary

Internal Assurance

12. To appoint an external, independent auditor to perform internal assurance reviews
13. To receive and review the internal assurance auditor's report and to assess the appropriateness of management's response
14. To review the performance of the internal assurance auditor and to take action as necessary

Financial Management & Policies

15. To keep under review the Trust's financial management and reporting arrangements providing constructive challenge to management paying particular attention to:

- Significant accounting policies and practices and any changes to them including
 - Scheme of Delegation
 - Financial Management Policy
 - Risk Management Policy and Procedures
 - Anti-Fraud and Bribery Policy
 - Expenses Policy
 - Gifts and Hospitality Policy
 - Treasury Management and Investment Policy
 - Reserves Policy
 - Assets and Disposal Policy
- Decisions requiring a major element of judgement
- Any unusual or complex transactions
- The clarity and transparency of disclosures
- Compliance with accounting standards
- Significant adjustments as a result of audit
- Compliance with DfE and legal requirements

16. To keep under review the Trust's policy on Whistleblowing

17. To keep under review policies and procedures for handling fraud, bribery and corruption

Risk

18. To keep under review the Trust's risk management policy and process

19. To keep under review the Trust's risk management register

20. To review, monitor and assess periodically major aspects of risk such as:

- Damage to the Trust's reputation
- Loss of funds
- Changes in government policy
- Risks to standards that may arise from expansion