

# MAGDALEN COLLEGE SCHOOL

## GOVERNORS' FINANCE, RESOURCES and AUDIT, RISK and ASSURANCE COMMITTEE

### Terms of Reference

#### **Membership**

Membership of the Committee shall be determined by the Governing Body.  
The Chair of this Committee should not be the Chair of Governors

#### **Quorum**

The quorum shall be three non-staff governors. Any meeting which is not quorate must be abandoned and must be reconvened to address the outstanding agenda.

#### **Meetings**

The Committee shall meet at least once a term and otherwise as required.

#### **Policies**

The policies as listed in the Committee Policy List are the responsibility of the Committee.

#### **Areas of Committee responsibility:**

##### **1. FINANCE and RESOURCES**

**To hold senior staff to account for Plans, Management, Performance and Outcomes in relation to:**

###### (a) Finance

The development of 3 to 5 year financial plans, risk assessment and assumptions to support the School Improvement Plan, Ongoing and future capital works programmes and risk mitigation.

The request for funding from DfE, other agencies, Local Authority and other sources and the impact of annual funding provision on the 3 to 5 year plans.

The use of the financial resources provided in year through the Department of Education (DfE), other Government agencies, the Local Authority and any other sources.

The distribution of the financial resources in the annual budget in accordance with the School Improvement Plan and the requirements and priorities set by the Governing Body in conjunction with other governor committees.

The regular analysis, review and reporting of the Management accounts in year and proposals to revise allocations.

A full appraisal of the financial performance at year end and the implications, if any, for the next year; including the Trust financial sustainability and ability to operate as a going concern.

Demonstration of how the Trust has secured Value for Money

The impact of any changes to the Academy Trust Handbook and demonstration that such changes are embedded in the business of the school.

The implementation of recommendations in the Auditor's management letter within the agreed timescale.

(b) Health, Safety and Environmental Protection

Required actions are taken in response to identification of risks within agreed timeframes.

The agreed action plans from regular and mandatory reviews and inspections and from the recommendations of the Health and Safety Sub Committee.

(c) Resources

The progress of major building works and improvements, risks to delivery on time and on budget

School building development plans, upgrade of facilities and major replacement plans in support of the School Improvement Plan, growth in pupil numbers and efficient use of resources.

Actions taken from the Asset Management Plans including periodic condition surveys of buildings (interior and exterior), grounds and St Johns conservation areas.

Maintenance, Caretaking (including security), Decorating and Cleaning, Catering provision, lettings and contract management.

## **2. AUDIT, RISK and ASSURANCE**

**To provide the Governing Body with assurance in relation to the adequacy of finance and resource controls and risk management.**

**SEE ADDENDUM for details**

- 3. To provide regular reports and recommendations to the Governing Body and ensure all Governors are kept informed of the Committee Activities.**
- 4. Review regularly and recommend to the Governing Body all Policies which are the responsibility of this Committee and to validate adherence from time to time. To provide a subcommittee or panel of appropriate size when needed to execute governor responsibilities in connection with these policies.**
- 5. To Advise the Governing Body on the appointment, reappointment, dismissal and remuneration of the External Auditor and on the scope of work and effectiveness of the External Auditor.**
- 6. Ensure that all allegations of fraud and irregularity are properly followed up.**
- 7. Approve contracts for goods and services within the delegations of authority.**

### **8. Reporting**

The Chair of the Committee shall provide minutes of the Committee to the Governing Body after each meeting. The Committee will include in the annual accounts a report summarising how it has discharged its responsibilities during the year

Reviewed by committee: 15 November 2021

Adopted by FGB: 7 December 2021

*Terms of Reference to be reviewed annually.*

# MAGDALEN COLLEGE SCHOOL

## **ADDENDUM** to the Governor's Finance, Resources and Audit, Risk and Assurance Committee Terms of Reference

### **AUDIT, RISK AND ASSURANCE**

**Note: In this section employees of the Trust shall not participate**

#### **Areas of Committee responsibility:**

1. Financial Reporting
2. Adequacy of Trust Internal Controls and Risk Management Systems
3. Whistleblowing and Fraud
4. Data Security and Information Assurance
5. Internal Audit
6. External Audit

#### 1. Financial Reporting

The Committee shall

- monitor the integrity of the financial statements of MCS and any formal announcements or returns relating to its financial performance and compliance with legal and regulatory requirements.
- review the content of the annual report and accounts and advise the Governing Body on whether, as a whole, it is fair, balanced and understandable and provides information necessary for stakeholders to assess MCS performance.
- review and challenge where necessary:
  - The consistency of and any changes to accounting policies
  - Methods used to account for significant or unusual transactions
  - Accounting standards have been followed

#### 2. Internal Controls and Risk Management Systems

The Committee shall

- Monitor and keep under review the effectiveness of internal controls and risk management systems established by MCS to identify, assess, manage and monitor financial and non-financial risks
- Review and monitor high priority risks and the associated mitigations or controls by MCS
- Ensure all categories of risk are being adequately identified, reported and managed
- Review MCS and Internal Auditor's reports on the effectiveness of the systems of internal control and risk management to include compliance with delegated financial authorities, robust financial plans and budget forecasts/outturn
- Review and approve the statements to be included in the annual report concerning internal controls and management of risk
- Keep under review governance arrangements and report any recommendations for change to the Governing Body

### 3. Whistleblowing and Fraud

The Committee shall

- Review the arrangements at MCS, at least annually, for its employees to raise concerns, in confidence, about wrongdoing in financial reporting or other matters.
- Ensure that arrangements allow proportionate and independent investigation of such matters and appropriate follow up action
- Review the procedures, at least annually, for fraud prevention and detection including at each meeting the fraud register
- Review the procedures for the prevention of bribery at least annually

### 4. Data Security and Information Assurance

The Committee shall

- Monitor and seek assurance on the management of risks relating to the security of data and information including cyber security and cybercrime threats

### 5. Internal Audit

The Committee shall

- Approve the appointment, terms of engagement and remuneration for independent services provided
- Monitor and review the effectiveness of the Internal Audit service
- On an annual basis review the requirement for each Internal Audit activity
- Review and approve the next year internal audit plan and scheme of work
- Receive and review all reports directly from the Internal Auditor and MCS responses to the findings and recommendations
- Ensure all audit recommendations are implemented in a timely manner and closed out
- Ensure the Report of findings, recommendations and conclusions are made available to all Trustees promptly and submitted to ESFA by 31 December each year

### 6. External Audit

The Committee shall

- Approve the terms of engagement and remuneration for services provided
- Discuss with External Auditor, before the audit begins, the nature and scope of the audit
- Review with the External Auditor the findings of their work, including, any major issues that arose during the audit, key accounting and audit judgements, levels of errors identified during the audit, explanations provided by MCS and the External Auditor as to the reason for errors remaining unresolved
- Review the audit representation letters before consideration by the Governing Body
- Assess at the end of the audit cycle, the effectiveness of the audit process and consider the robustness and perceptiveness of the External Auditor in handling key accounting issues and audit judgements identified, and their handling of questions of the Committee, including those relating to systems of internal control and risk management
- Develop and implement proposals for tendering for external audit services – as required