



**Aston Community  
Education Trust**

# Finance, Risk, Audit & People Committee Terms of Reference

**DATE:** July 2025

**APPROVED BY:** Trust Board

**REVIEW DATE:** July 2026

**CHAIR OF THE COMMITTEE:** to be confirmed at meeting 1



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## PURPOSE & RESPONSIBILITIES

### The committee will monitor, evaluate and report on:

#### Finance

1. review an annual budget, ensuring resources are allocated in line with the trust's strategic priorities and curriculum plans
2. present the annual balanced budget to the trust board for approval
3. review and approve a realistic three-year financial plan, taking into account the trust's vision, known risks and opportunities
4. receive the trust's management accounts in order to monitor the trust's cash position and income and expenditure against the approved budget
5. review pupil number estimates (that underpin revenue projections) termly
6. report back to each meeting of the trust board, alerting them to potential problems and significant variations to the approved budget at the earliest opportunity
7. ensure that the trust board's approach to pay and benefits is transparent, proportionate and justifiable
8. develop a framework for the pay of the senior executive leader and the leadership team
9. comply with statutory requirements to publish trust staff rates of pay and benefits.
10. ensure that sufficient funds are allocated for staff pay increments
11. review and approve any adjustments to the trust's approved budget (subject to the scheme of delegation)
12. approve expenditure and virements of sums **over £75,000, sums** below this amount are delegated to the trust's senior executive leader
13. undertake detailed scrutiny and recommend approval of the school resource management self-assessment checklist annually
14. ensure that the trust's financial procedures are complied with
15. review and act upon any issues identified by benchmarking against similar trusts, internal or external scrutiny
16. ensure that the trust follows basic procurement rules and achieves best value for money when acquiring goods and services
17. reporting on reserves management, including ensuring a clear plan for reserves management.

#### Audit and Risk

1. oversee and approve the trust's programme of internal scrutiny
2. support development and review of the trust's risk management policy, setting out the framework the trust has adopted for risk management.
3. ensure that risks are being addressed appropriately through internal scrutiny
4. evaluate the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks and report this to the trust board
5. assess whether procedures are designed effectively and efficiently, and check whether agreed procedures have been followed
6. review the external auditor's plan each year
7. review the annual report and accounts
8. review the auditor's findings and actions taken by the trust's managers in response to those findings



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9. review findings from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations
10. assess the effectiveness and resources of the external auditor – refer to section 4.15 of ATH
11. produce an annual report of the committee’s conclusions on the above assessment to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration
12. to seek assurance that the risks identified are those which may occur, for example, operational risk, financial risk, compliance risk, regulatory and legal risk, major accident
13. review the ratings and responses on the risk register to inform contingency and business continuity planning and the programme of work, ensuring risks and control measures are adequately identified and modified as appropriate
14. provide reports for each full trust board meeting, highlighting emerging risks or significant anomalies at the earliest opportunity
15. agree a programme of work annually to deliver internal scrutiny that provides coverage across the year
16. agree who will perform the work
17. consider reports at each meeting from those carrying out the programme of internal scrutiny
18. consider progress in addressing recommendations
19. recommend to members the appointment of an external auditor (in accordance with the trust’s articles of association)
20. receive the external auditors’ annual plan, annual report, and accounts and recommend appropriate actions to the trust board in response to the findings
21. to review the trust’s insurance cover in compliance with its legal obligations

#### People

1. review the staffing structure of the trust, ensuring that it meets the requirements of the trust development plan, the curriculum and is affordable
2. review staff work-life balance, working conditions and wellbeing, including monitoring staff absence rates
3. oversee the operation of the appraisal policy, including making arrangements for the senior executive leader’s performance management
4. ensure that staffing procedures (including recruitment procedures) comply with equality legislation and safer recruitment practice
5. monitor the provision of staff training and CPD, ensuring sufficient budget is allocated

#### Premises, health and safety responsibilities

1. approve the trust-wide estate vision, strategy and asset management plan, ensuring the trust is aware of and compliant with the DfE Good Estate Management Standards
2. ensure that safeguarding policies, procedures and training is effective and complies with the law at all times, having regard to statutory guidance [Keeping Children Safe in Education](#)
3. receive an annual health and safety audit report and monitor any arising actions
4. receive regular reports on accident statistics, near misses, incidents of violence or aggression
5. ensure that a process is in place to approve educational visits, ensuring that health and safety planning and risk assessments have been undertaken for them



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|                                       | <p>6. ensure that inspections of the trust premises and equipment take place (annually and at appropriate intervals), and a report is received identifying any issues</p> <p>7. monitor the health and safety training that staff and trustees undertake</p> <p><b>IT &amp; Cybersecurity</b></p> <p>1. Ensure the Trust is working towards the six core DfE Digital and Technology Standards</p>   |
| <p><b>POLICIES AND COMPLIANCE</b></p> | <p>The committee will review and ratify the following ACET policies</p> <ul style="list-style-type: none"> <li>- Finance Policies (Reserves, Charging and Remissions, Gifts and Hospitality, Investment)</li> <li>- Health &amp; Safety &amp; Premises Management</li> <li>- Supporting pupils with medical needs</li> <li>- Risk Management</li> <li>- HR Policies (Executive Pay, EDI, Disciplinary, Grievance, Staff Conduct/ Code of Conduct Capability, Modern Slavery Statement &amp; Gender Pay Gap Report)</li> <li>- Cybersecurity, Disaster Recovery &amp; IT Incident Management</li> <li>- Whistleblowing</li> <li>- Business Continuity Plan</li> </ul>  |
| <p><b>MEMBERSHIP</b></p>              | <p>The Finance Audit People &amp; Risk Committee will consist of no fewer than <b>four</b> Trustees. Members of the committee are appointed annually.</p> <p>The Chair of the Trust Board cannot be Chair of this committee.</p> <p>At least one of the committee members will hold relevant finance, audit and risk experience.</p> <p>Up to three external co-opted members may also be appointed who are not members of the Board. The Board may not co-opt an employee of the Academy Trust if the result would be that the number of committee members who are employees of the Trust (including the CEO) would exceed one third of the Committee.</p> <p>Members of the Executive Team may be in attendance and shall attend meetings as and when required by the Chair.</p> <p>Staff employed by the Trust should not be members of the Finance, Audit People &amp; Risk Committee.</p> <p>The Chief Finance Officer and other members of the Trust’s staff may be invited to attend but will have no voting rights. the Accounting Officer (CEO) may also be invited to attend meetings, in order to provide information and participate in discussions</p> <p>The Finance Audit People &amp; Risk Committee is responsible to the Board.</p> <p>The Committee’s Terms of Reference are adopted by the Board and may only be amended with the approval of the Board.</p> <p>The Chair and Vice Chair of the committee will be elected annually by the Committee. If the Chair is absent from a meeting, the vice chair shall act as chair for the purpose of the meeting. Members of the Executive Team may be in attendance and shall attend meetings as and when required by the Chair.</p> |
| <p><b>QUORUM</b></p>                  | <p>Subject to Article 119, the quorum for a meeting of the Trustees, and any vote on any matter thereat, shall be any <b>three</b> Trustees, or where greater, any one third (rounded up to a whole</p>   |

number) of the total number of Trustees holding office at the date of the meeting, who are in each case present at the meeting and entitled to vote on the matters to be resolved.

Decisions to be made at meetings of the Committee shall be determined by a majority of votes of eligible members present and voting. Where there is an equal division of votes the Chair shall have a second or casting vote. If a member of the Committee withdraws from the meeting due to a conflict (or potential conflict) of interests, the meeting must still be quorate in order for a vote to be conducted.

## MEETINGS

The Governance Leader shall be the Clerk to the Committee. However, the Governance Leader can be required to withdraw from that part of any meeting at which their remuneration (or any other matter relating to the Clerk within the remit of the Committee) is to be discussed. In these circumstances, one of the Committee members will act as a temporary Clerk to minute the proceedings of the Committee, or a deputy may attend.

The agenda for meetings will be agreed in advance by the Chair of the Committee and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.

Minutes of meetings will be taken and will be submitted in the next scheduled meeting of the Board, once approved in draft by the Chair of the committee.

The committee will meet at least once per term. The Chair or any two members may call an additional meeting.

All meetings will have a hybrid function



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