THE GREEN SCHOOL TRUST

Finance, Audit and Risk Committee
Terms of Reference
2026-27

1. Purpose

The Finance, Audit and Risk Committee is a committee of the Board of Trustees established to provide detailed financial scrutiny, oversight, assurance, audit and risk management on behalf of the Directors.

The Committee shall provide assurance to the Board regarding the adequacy and effectiveness of the Trust's financial management, internal control systems, risk management arrangements, governance processes, compliance obligations, and internal and external audit functions.

The Committee shall support the Board in fulfilling its statutory responsibilities under the Academy Trust Handbook, Funding Agreement, Companies Act 2006, Charity Law, Charity Commission requirements, Department for Education (DfE) requirements, and other relevant legislation and guidance. The Committee shall support the Board in ensuring the Trust remains financially sustainable and operates as a going concern.

2. Authority

The Committee is authorised by the Board of Trustees to:

- Investigate any activity within its terms of reference.
- Seek any information it requires from trustees, employees, auditors, professional advisers, contractors, or external parties.
- Require attendance at meetings from members of the executive leadership team, Chief Executive Officer, the Director of Finance, Accounting Officer, Governance Professional, Internal Scrutiny Provider, External Auditors, or any other relevant persons.
- Obtain independent professional advice where necessary, subject to Board approval where costs are significant.
- Review any financial, audit, risk or governance matter delegated to it by the Board.

The Committee acts on behalf of the Board and reports regularly to it. Responsibility for decisions remains with the Board unless specifically delegated.

The Committee has no authority to commit the Trust to expenditure or financial obligations beyond powers delegated to it by the Board.

3. Membership

Composition

The Committee shall consist of a minimum of three trustees appointed by the Board.

The Committee shall collectively possess:

- Financial expertise;
- Audit and assurance knowledge;
- Risk management expertise;
- Understanding of academy trust governance;
- Knowledge of compliance and internal control frameworks;
- Sufficient financial knowledge to challenge and hold executive leaders to account.

The Chair of Trustees may be a member of the Committee but shall not serve as Chair of the Committee.

Employees of the Trust shall not be voting members of the Committee.

The following may attend meetings by invitation but will not be members of the Committee:

- Chief Executive Officer / Accounting Officer;
- The Director of Finance ;
- Governance Professional;
- Internal Scrutiny Provider;
- External Auditors;
- Other senior leaders or advisers as required.

Chair

The Committee shall appoint a Chair annually from among its trustee members.

4. Quorum

The quorum shall be three members or one-half of the membership, whichever is greater.

A majority of those present must be trustees.

5. Meetings

The Committee shall meet at least four times each academic year and more frequently where required to fulfil its responsibilities.

Additional meetings may be convened by the Chair as necessary.

The Committee may hold separate sessions with:

- External Auditors;
- Internal Scrutiny Providers;
- The Director of Finance;
- The Accounting Officer;
- The Chief Executive Officer;

without other members of management present where appropriate.

The Governance Professional shall provide clerking support and maintain records of meetings.

The Committee shall report regularly to the Board and provide minutes, recommendations and assurance reports following each meeting.

6. Responsibilities

A. Financial Oversight

The Committee shall:

- Provide robust financial scrutiny and oversight of the Trust's financial affairs.
- Support the Board in ensuring proper stewardship of assets and efficient use of resources to maximise educational outcomes for pupils.
- Review and recommend the annual budget to the Board for approval.
- Review significant budget revisions / variances before submission to the Board.
- Review management accounts each month and financial performance throughout the year (the Academy Financial Handbook outlines the expectation in terms of timeliness and details that needs to be included)..
- Monitor actual performance against approved budgets.
- Review income and expenditure reports, balance sheets, budget variance analyses and financial forecasts.
- Review cash flow forecasts and cash management arrangements.
- Monitor the Trust's liquidity position.
- Review reserves levels and monitor compliance with the Trust's reserves policy.
- Recommend changes to reserves policy where appropriate.
- Monitor financial sustainability and going concern assessments.
- Provide assurance to the Board regarding the Trust's financial viability.
- Review assumptions underpinning budgets and forecasts, including pupil number projections, staffing costs, inflation assumptions, reserves and capital expenditure.
- Promote and monitor curriculum-led financial planning.
- Review significant financial policies and procedures.

- Monitor compliance with the Academy Trust Handbook and delegated financial authorities.

B. Finance Scheme of Delegation and Internal Controls

The Committee shall:

- Review annually the Trust's Finance Scheme of Delegation and recommend amendments to the Board.
- Review the effectiveness of delegated financial authorities.
- Review the adequacy and effectiveness of internal financial controls.
- Ensure appropriate segregation of duties is maintained across the Trust.
- Monitor compliance with financial procedures and delegated authorities.
- Review systems of internal control and governance arrangements.
- Ensure robust arrangements exist to safeguard Trust assets and funds.
- Oversee arrangements for fraud prevention, financial probity and irregularity reporting.

C. Budget Setting and Financial Planning

The Committee shall:

- Scrutinise and recommend the annual budget to the Board.
- Review and monitor medium and long-term financial planning.
- Review three-year financial forecasts.
- Monitor staffing structures and affordability.
- Consider financial implications of strategic decisions.
- Monitor sustainability of educational provision and future financial commitments.

D. Financial Monitoring and Statutory Returns

The Committee shall:

- Receive and review monthly management accounts and will scrutinize any variances to enable Trustees to be assured of financial propriety, value for money and the Trust is an ongoing concern.
- Monitor financial performance against budget and evaluate variances.
- Ensure timely corrective action is taken where material variances arise.
- Review the annual Budget Forecast Return (BFR) prior to Board approval.
- Monitor compliance with financial reporting requirements of:
    - DfE;
    - Companies House;
    - Charity Commission;
    - Funding Agreement requirements.
- Review any proposed deficit budget and recommend actions to the Board.

E. Procurement, Contracts and Value for Money

The Committee shall:

- Monitor the effectiveness of procurement arrangements.
- Ensure procurement activities comply with applicable legislation, Trust policies and procurement regulations.
- Review significant procurement exercises and contracts.
- Review major contracts, procurement activity and significant expenditure commitments.
- Seek assurance that expenditure demonstrates:
    - Regularity;
    - Propriety;
    - Value for money;
    - Feasibility.
- Promote economy, efficiency and effectiveness in the use of public funds.
- Monitor compliance with conflicts of interest requirements and related party transaction controls.

F. Investments and Cash Management

The Committee shall:

- Review and recommend the Trust's investment policy to the Board.
- Monitor investment activity and associated risks.
- Ensure security of funds takes precedence over income generation.
- Review banking arrangements and banking relationships.
- Monitor treasury and cash management arrangements.

G. Estates, Assets, Health and Safety and Capital Projects

The Committee shall:

- Monitor management of Trust assets.
- Review and oversee maintenance of the fixed asset register.
- Monitor asset protection arrangements and insurance coverage.
- Review major capital projects and estates programmes.
- Monitor Condition Improvement Fund projects and capital expenditure.
- Seek assurance regarding:
    - Estates management and compliance;
    - Health and safety arrangements;
    - Building safety obligations;
    - Management of asbestos;
    - RAAC and structural risks where relevant;
    - Asset management planning.
- Review compliance with statutory obligations relating to estates and health and safety.

- Monitor business continuity arrangements relating to premises and operations.

H. Risk Management

The Committee shall act as the Board's Audit and Risk Committee unless otherwise determined by the Board.

The Committee shall:

- Review and monitor the Trust's risk management framework.
- Review and monitor the Trust's risk register regularly.
- Assess and monitor:
    - Strategic risks;
    - Operational risks;
    - Financial risks;
    - Educational risks;
    - Safeguarding risks;
    - Estates risks;
    - Cyber security risks;
    - Compliance risks.
- Ensure risks are identified, assessed, mitigated and reported appropriately.
- Monitor implementation of risk mitigation actions.
- Review business continuity, disaster recovery and contingency planning arrangements.
- Recommend risk management improvements to the Board.
- Escalate significant risks to the Board where necessary.

I. Internal Scrutiny and Audit

The Committee shall:

- Oversee the Trust's programme of internal scrutiny.
- Recommend appointment or reappointment of internal scrutiny providers.
- Approve and monitor the annual internal scrutiny plan.
- Receive and review internal scrutiny reports.
- Review management responses to audit findings.
- Monitor implementation of agreed recommendations.
- Review the effectiveness of internal controls, governance arrangements, systems and transactions.
- Oversee relationships with external auditors.
- Review reports from external auditors.
- Monitor the independence and effectiveness of audit arrangements.
- Recommend appointment, reappointment or removal of external auditors.
- Review the annual audited financial statements before recommending them to the Board for approval.
- Ensure audit recommendations are addressed promptly.

J. Governance, Compliance and Regularity

The Committee shall:

- Review compliance with:
    - Academy Trust Handbook;
    - Funding Agreement;
    - Charity Law;
    - Companies Act 2006;
    - Charity Commission requirements;
    - Procurement regulations;
    - Data protection legislation;
    - Relevant employment legislation;
    - Other applicable statutory and regulatory requirements.
- Review the annual report and accounts before Board approval.
- Support the Board and Accounting Officer in securing:
    - Regularity;
    - Propriety;
    - Value for money;
    - Feasibility.
- Monitor related party transactions and conflicts of interest.
- Receive reports concerning:
    - Fraud;
    - Financial irregularity;
    - Significant control weaknesses;
    - Governance concerns;
    - Compliance breaches.

K. Insurance

The Committee shall:

- Review the adequacy of the Trust's insurance arrangements annually.
- Monitor participation in the Risk Protection Arrangement (RPA) or alternative insurance arrangements.
- Review significant insurance claims and risk management recommendations.
- Seek assurance that appropriate insurance cover is maintained.

L. Cyber Security and Digital Assurance

The Committee shall receive assurance regarding:

- Cyber security controls and resilience.
- Compliance with DfE Digital and Technology Standards.
- Filtering and monitoring arrangements.

- Data protection and information security controls including data breach processes..
- Disaster recovery and technology continuity arrangements.

M. Whistleblowing, Fraud and Irregularity

The Committee shall:

- Monitor the effectiveness of whistleblowing arrangements.
- Review the Trust's fraud response procedures.
- Receive reports regarding:
    - Whistleblowing concerns;
    - Fraud;
    - Theft;
    - Financial irregularity;
    - Serious financial misconduct.
- Seek assurance that concerns are investigated appropriately.
- Monitor investigations and management actions.
- Ensure staff understand reporting procedures and protections.
- Ensure lessons learned are implemented.
- Report significant matters promptly to the Board and relevant authorities where required.

7. Reporting

The Committee shall:

- Report to the Board following each meeting.
- Submit minutes and recommendations to the Board.
- Escalate any material concerns immediately.
- Provide assurance regarding financial management, risk and internal control.
- Submit an annual report to the Board on the effectiveness of the Committee and the adequacy of assurance arrangements.

8. Conflicts of Interest

Committee members shall:

- Declare any actual, potential or perceived conflicts of interest.
- Withdraw from discussion and decision-making where a conflict exists.
- Comply with the Trust's Register of Interests requirements.
- Ensure related party transactions are properly disclosed and managed.

9. Review of Effectiveness

The Committee shall undertake an annual review of:

- Its effectiveness;
- Membership and skills;
- Attendance and participation;
- The adequacy of assurance provided to the Board;
- These Terms of Reference.

Recommendations for amendment shall be submitted to the Board for approval.

10. Approval and Review

These Terms of Reference shall be reviewed annually.

11. Policies

These are the policies that the FAR Committee are to review:

Policy	Last approved	Next approval date	
Finance - Data retention schedule	Spring 2026	Spring 2027	Annual
Finance - Budget Setting & Monitoring Policy (this is set out in the Finance Policy sections 1 and 3)	Autumn 2025	Autumn 2026	Annual
Finance - Charging and Remission	Autumn 2025	Autumn 2026	Annual
Finance - Conflicts of Interest	Winter 2025	Autumn 2028	Every 3 years
Finance - Executive Pay Policy (with documented decision-making process) this is in the pay policy but there must be a statement on the website	N/A	N/A	Annual
Finance - Finance Policy	Autumn 2025	Autumn 2026	Annual
Finance - Financial Regulations / Financial Procedures Manual - this is part of the Finance Policy)	Autumn 2025	Autumn 2026	Annual
Finance - Anti Corruption Policy	Summer 2026	Summer 2029	Every 3 years
Finance - Gifts & Hospitality Policy	Autumn 2025	Autumn 2028	Every 3 years
Finance - Internal Scrutiny / Internal Audit Plan	Each year	Each year	Annual
Finance - Investment Policy (This is section 11 of the	Autumn	Autumn	Annual

Finance Policy)	2025	2026	
Finance - Competitive Tendering Policy	Autumn 2023	Autumn 2026	Every 3 years
Finance - Protection of Children's Biometric Information	Spring 2026	Spring 2027	
Finance - Reserves Policy (explained in annual report)	Autumn 2025	Autumn 2028	Every 3 years
Finance - Staff Pay Gap Report (not applicable yet until 250 staff members)	N/A	N/A	Annual
Finance - Statement of accounting policies (part of the audited annual report and accounts) inc Accounting Policy	Autumn 2025	Autumn 2026	Annual
Finance - Whistleblowing Policy	Autumn 2025	Autumn 2028	Every 3 years
Finance and estates - Lettings Policy	Spring 2026	Spring 2027	
Finance- Data Protection Policy	Spring 2026	Spring 2027	Annual
Finance- Risk Management Policy	Autumn 2023	Autumn 2026	Every 3 years
Finance, Audit & Risk - Accessibility Plan	Spring 2026	Spring 2029	Every 3 years
Finance, Audit & Risk - Anti-corruption and Fraud Policy	Summer 2026	Summer 2029	Every 3 years
Finance, Audit & Risk - Business Continuity Plan	Spring 2025	Spring 2026	Live document, with full annual review
Finance, Audit & Risk - Critical Incident Policy inc fire and lockdown	Spring 2026	Spring 2027	Annual
Finance, Audit & Risk - Educational Visits Policy	Summer 2026	Summer 2029	Every 3 years
Finance, Audit & Risk -Estate and Premises Management Policy Documents (to be developed)			Bi-annual
Finance, Audit and Risk - CCTV Policy	Summer 2026	Summer 2029	Every 3 years
Finance, Audit and Risk - First Aid	Summer 2026	Summer 2029	Every 3 years
Finance, Audit and Risk - Health and safety	Autumn 2026	Autumn 2027	Annual
Finance, Audit and Risk Emergency Lockdown TGSB	Spring 2026	Spring 2028	Every 2

			years
Finance, Audit and Risk Emergency Lockdown TGSG	Spring 2026	Spring 2028	Every 2 years
Finance, Premises, Health & Safety - Fire Evacuation	January 2024	January 2027	Every 3 years
Finance, Audit, Risk - Freedom of Information Publication Scheme	Summer 2026	Summer 2028	Every 3 years
Risk management - Establish risk register and conduct regular reviews	Ongoing	Ongoing	
Risk management - Maintain Trust contingency and business continuity plans	Spring 2026	Spring 2027	

Approved by the Board of Trustees on:

Review Date:

Chair of Trustees:

Chair of Finance, Audit and Risk Committee: