



SCHEME OF DELEGATION

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| Approval Body: | MST Finance Committee |
| Approval Date: | March 2023 |
| Implementation Date: | March 2023 |
| Review Date: | Spring 2024 |
| Policy Version: | 5 |

| Version | Reviewed | Changes since last version |
|---------|---------------|--|
| 1 | March 2018 | <ul style="list-style-type: none"> • New policy |
| 2 | November 2019 | <ul style="list-style-type: none"> • Minor Changes. CFO |
| 3 | March 2020 | <ul style="list-style-type: none"> • Minor changes. Removal of COO. Updated reference to 2019 Academies Financial Handbook. 2020 EU procurement limits. |
| 4 | March 2021 | <ul style="list-style-type: none"> • Reference to AFH 2020. Removal of EU Procurement replaced by UK Public Contracts Regulations. • Authorising payments. |
| 5 | March 2023 | |

SIGNED

CHAIR OF TRUSTEES

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Section 1

Summary of Authorisation Limits

Introduction

A Scheme of Delegation is a requirement of the Academies Financial Handbook and the funding agreement for all Academies.

Academies are institutions which are in receipt of public funds, ultimately from budgets approved by parliament, the 'Scheme of Delegation' for MST is a continuation of the 'Schedule of Freedoms and Delegations' contained within the Academy Trust Handbook.

The "Authorisation Limits" or "Scheme of Delegation" sets out the levels of authority within Mulberry Schools Trust and within individual schools which come under the umbrella of the trust. Although it is up to the Trustees to determine authority limitations, the limits set need to be in line with the Academy Trust Handbook and the Funding Agreement.

The following limits have been agreed by Mulberry Schools Trust taking into consideration the Academy Trust Handbook and the Funding Agreement.

Pages following this summary give detailed information on all Authorisation Limits – starting with the overall Schedule of Freedoms and Delegations from the Academy Trust Handbook.

The authorisation limits contained within the scheme of delegation assume that all financial decisions will be made within the budgetary resources agreed by the Mulberry Schools trust board for the academic year.

EXTRACT FROM THE ACADEMY TRUST HANDBOOK 2022

Summary of freedoms and delegations

5.65 This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section [5.60](#). Trusts under a [financial notice to improve](#) will have their delegated authorities revoked under section [6.21](#).

| | | |
|--|---|---|
| Novel, contentious and repercussive | Novel, contentious and repercussive transactions | ESFA agreement required [5.5] |
| Special payments | Staff severance and compensation | ESFA agreement required if £50,000 or more before tax [5.10] and [5.15] . |
| | Ex gratia payments | ESFA agreement required [5.18] |
| Write-offs and liabilities (subject to £250,000 ceiling) | Writing-off debts and losses | ESFA consent required if exceeds: <ul style="list-style-type: none"> • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.19] and [5.20] |
| | Entering into guarantees, indemnities or letters of comfort | |
| Acquisition and disposal of fixed assets | Acquiring freehold land/buildings | ESFA agreement required [5.23] |
| | Disposing of a freehold on land/buildings | ESFA agreement required [5.23] |
| | Disposing of heritage assets | ESFA agreement required [5.23] |
| | Other disposals | Trust has full discretion [5.24] |
| Leasing | Taking up a finance lease | ESFA agreement required [5.27] |
| | Taking up a leasehold on land and buildings | ESFA agreement if lease term seven years or more [5.27] . |
| | Taking up any other lease | Trust has full discretion [5.26] |
| | Granting a lease on land and buildings | ESFA agreement required [5.27] . |
| GAG | GAG carry forward | No limits if trust eligible [5.29] . |

| | | |
|----------------------------|--|---|
| | Pooling by MATs | No limits (except PFI) if trust eligible [5.30] . |
| Borrowing | Loan, overdraft | ESFA agreement required [5.33] |
| | Credit cards (for business use) | Trust has full discretion provided charges not incurred [5.33] |
| Related party transactions | Supplies to the trust from related parties | ESFA agreement required over £20,000 and over associated limits in 5.42 . |

Authorisation limits within Mulberry Schools Trust

(a) Market Testing

| Process to be used | Value of goods or services (ex VAT) |
|---|-------------------------------------|
| No specific number of quotes however value for money must be demonstrated | Less than £1,000 |
| Two written quotes | £1,001 - £10,000 |
| Three written quotes | £10,001 -20,000 |
| Tendering | Over £20,000 |

Quotations and tenders are accepted from bona fide suppliers only.

Additional quotations may obtained where better value might be achieved. Documentary evidence of all quotations will be obtained and attached to the purchase order and appropriately authorised. Where a quotation other than the lowest is accepted, the reasons in line with the school's Best Value Statement for its acceptance are documented, attached to the purchase order, and reported to the Local Governing Body/Trust Board meeting. Such decisions will be recorded in the minutes of that meeting for future reference.

Exceptionally, the Finance Committee may determine that a tender process is not necessary, e.g., for the renewal of existing contracts, which may instead be subjected to market testing, or for purchases for which it would be impractical. For the latter, three competitive quotes would be obtained. These would be formally minuted and reported to the Trust Board meeting.

Orders below £10,000 are usually placed with suppliers from the list of regular suppliers held within the school's finance system.

Purchases with a value above the threshold (currently £177,89 excluding VAT as at

February 2023) must follow the UK Public Contracts Regulations 2015.

(b) Signing Work Orders / Purchase Orders / Invoices (if no purchase order raised in advance eg utility bills).

| Authorised by | Value of goods or services |
|---|---|
| Chair of Trustees | £50,000 + |
| Chief Executive Officer | 0 - £50,000 (in communication with LGB for expenditure above £20,000) |
| Chief Financial Officer | 0 - £25,000 (in communication with LGB for expenditure above £20,000) |
| | |
| Headteacher/Principal/Exec Principal | 0 - £10,000 |
| Deputy Headteacher/Finance & Business Manager | 0 - £5,000 |

(c) Payment instructions

| One signature must be: | Value of goods or services |
|---|--|
| CEO or CFO | £50,000+ |
| CEO or CFO | £0 - £50,000 (in communication with LGB for expenditure above £20,000) |
| CFO | 0 - £25,000 (in communication with LGB for expenditure above £20,000) |
| | |
| Headteacher/Principal/Exec Principal | 0 - £10,000 |
| Any two from list of authorised signatories | 0 – £5,000 |

A signatory to the original order cannot make payment (cheque or bacs) made payable to

themselves.

Cheque / bacs signatories:

1. Vanessa Ogden - CEO
2. Ruth Smith – First Deputy Headteacher
3. Jill Tuffee – Associate Headteacher
4. Sally Vincent – Principal (UTC Payments)
5. Paul Doel – Chief Finance Officer
6. Ruth Holden – Executive Principal
7. Alice Ward (MSfG Payments)
8. Paramjit Bhutta - Headteacher

(d) Payroll Adjustments

| Authorised by | Adjustment |
|---|---|
| CEO with Trustee/Governors' Approval | Unbudgeted new positions, promotions, points for management, R&R etc. |
| Headteacher/Principal/Exec Principal/ Chief Financial Officer | Budgeted new positions, promotions, points for management, R&R etc. |
| HR lead at each school | Tax code adjustments, absentee returns etc. |

(e) Petty Cash

| Authorised by | Amount (inc VAT) |
|---|---------------------------------------|
| CEO/Headteacher/Principal/Exec Principal/ Chief Financial Officer | £1,000 (up to £25 reimbursed in cash) |

Under no circumstances will petty cash be used for:

- salaries & wages
- personal purposes or borrowing
- cashing of personal cheques
- transactions exceeding £100 (except in exceptional circumstances approved by the Headteacher/CEO with the reasons clearly recorded)

Any income received by the school for whatever purpose, must be paid into the bank account

and not used as petty cash.

No one may authorise a petty cash voucher where they are also the recipient.

(f) Virements

| Authorised by | Amount (ex VAT) |
|--------------------------------------|---|
| MST Finance Committee | £50,000+ |
| CEO | £50,000 (in communication with LGB for expenditure above £20,000) |
| Chief Financial Officer | 0 - £25,000 (in communication with LGB for expenditure above £20,000) |
| | |
| Headteacher/Principal/Exec Principal | Up to £10,000 |

(g) Asset Disposal

This applies to any deficiencies of individual items of stock and equipment, and individual items of equipment and materials that have become surplus to requirements, unusable or obsolete.

| Authorised by | Estimate or realisable value |
|---|---------------------------------|
| MST Finance Committee | Disposal of assets over £10,000 |
| Local Governing Body for School | Over £1,000 |
| CEO/Headteacher/Principal/Exec Principal/ Chief Financial Officer | £50 - £1,000 |
| Finance & Resources Manager | Up to £50 |

(h) Debt write-offs

| Authorised by | Amount |
|--|--|
| MST Board | £10,001 - £45,000 (for individual items) |
| MST Finance Committee | £5,001-£10,000 |
| CEO | Up to £5,000 |
| Headteacher/Principal/Exec Principal/CFO | Up to £1,000 |

All debts written off are reported to the MST Board.

(i) Travelling and Subsistence Claims

| Claim made by: | Approved by: |
|--|--|
| CEO | CFO with Deputy Head countersignature |
| Headteacher/Principal/Exec Principal/ /CFO | CEO |
| Assistant Headteacher | Headteacher |
| Teacher | Headteacher or budget holder / manager |
| Other member of staff | Headteacher or budget holder / manager |

No one may approve his or her own travelling and subsistence claim. Furthermore, no one may approve the travelling and subsistence claim of another staff member if they themselves were participants to the same events. For example, the deputy head and another teacher attend a seminar and both incur travel and subsistence expenses. The deputy headteacher may not approve the travel and subsistence claim of the other teacher; it has to be approved by someone who did not participate in the seminar e.g. the headteacher or other authorised budget manager/holder.

(j) Communicating with the bank

| | |
|---------------------------------------|--------------------------------|
| Cheques signatories | As per cheque limits see above |
| Executive PA to CEO / Finance Officer | For enquiries |

(k) Transfers between MST bank accounts and MST Schools Accounts (not external to MST)

| Authorised by | Daily single transaction limit |
|---------------|--------------------------------|
| CEO | Over £100,000 |
| CFO | Up to £100,000 |

Note: The trust schools operate bacs /faster online bak payments. Authority limits remain to individual payments and so a batch run will incorporate a number of individual payments which are individually authorised in line with the SOD.

Officers with authority to approve BACS / Faster Payments are:

Cheque signatories plus Susan Armstrong – Senior Finance Officer at MAS.

(l) Receiving Goods

As set out in the separation of duties, a person placing an order must not sign for their delivery. Deliveries of goods are checked prior to signing of their receipt to avoid discrepancies. If the person is unable to check the goods then they must state on the delivery note “goods have not been checked”. .

Deliveries are normally signed for by a member of the administrative team. As soon as practicable, goods are transferred to the department concerned for further checking. High value items are placed in locked storage as soon as possible following the delivery.

(m) Time sheets

| Claims made by: | Approved by: |
|---|---|
| Temporary staff (supply teachers) | Deputy Headteacher or Cover Supervisor |
| Temporary staff (support staff) | Head of department, CFO or line manager |
| Overtime/OOSHL/extra duty claims (all additional hours approved in advance except in emergency) | Head of department, CFO, CEO or line manager |
| Contractors | Headteacher, Principal, Exec Principal, Deputy head, COO, CFO or other designated person. |

All time sheets must be on the basis of an agreed commitment from the school for the work undertaken e.g. supply teacher booking.

(n) Finance system users

The access control mechanisms within the finance system are employed to restrict the

activities of each user. The following matrix shows the access levels of each user.

| | Records | Transactions | Other** |
|---------------------------|---------|--------------|---------|
| CFO | Yes | Yes | Yes |
| Finance Manager in school | Yes | Yes | Yes |
| Finance/ | Yes | Yes | Yes |
| Office Manager | Yes | Yes | No |

(o) Miscellaneous

| | Completion of bank reconciliation | Authorisation of bank reconciliation | Authorisation of Petty Cash Limit | Maintenance of inventory |
|---------------------------|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| CFO | No | Yes | Yes | Yes |
| Finance Manager in school | Yes | No | No | Yes |
| Finance Officer | Yes | No | No | No |
| Office Manager | No | No | No | No |

(p) Ex-Gratia Payments

The full MST Board can authorise ex-gratia payments up to £2,500 to staff which come under the remit of the normal pay policy . All payments are to be recorded in the minutes. Ex-gratia payments for other purposes, such as to avoid legal action as a result of “official inadequacy” or to meet hardship caused by official failure or delay cannot be made without the agreement of the Education and Skills Funding Agency.

Section 2

Scheme for the Delegation of the Board of Trustees

Financial Powers and Duties

POWERS AND DUTIES RESERVED FOR THE Board of Trustees

The MST Board is responsible for:-

1. Approving a written scheme of delegation of its financial powers and duties. The scheme must satisfy the Boards ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the MST schools. The Scheme of Delegation complements the Education Funding Agencies Academies Financial Handbook and the Funding Agreement and operates in conjunction with these documents.

The Scheme of Delegation is reviewed and approved by the Trustees on an annual basis.

| FINANCIAL | Area | Members | Trustees | CEO | LGB | Head/ Assoc Principal |
|-----------|--|---------|--|--|---|---|
| | Financial Policies – establishing of policies and procedures to ensure compliance with the Trust's financial and reporting requirements | | Determine and approve policies | Review compliance with policies Report any issues or non-compliance to the Board and act to bring into compliance | Review delivery and compliance with policies and procedures Report any issues or non-compliance to the CEO | Deliver compliance with finance policies and procedures |
| | Delegated Budgets and Finances - in the form of a scheme of delegation of financial authority to the Academies | | Determine and approve the scheme of financial delegation | Deliver on financial limits to the Board Review effectiveness of limits | Review impact of limits on school provision Comply with limits and recommend change as | Comply with limits Evaluate and report impact to LGB |

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|---|--|---|--|--|--|
| | | | | appropriate to the Board limits | |
| Proportion of the budget to be held centrally by the Trust | | Determine financial model for the Trust | Review the proportion of budget needed to support central services | Review delivery of contribution to central Trust budget Comply with limits | Comply with limits Evaluate and report impact to LGB |
| Area | Members | Trustees | CEO | LGB | Head/ Assoc Principal |
| Funding Model - agreeing a funding model across the Trust and develop an individual funding model for the Academies so as to secure the Trust's financial health in the short term and the long term | Determine the philosophy, aims and vision and review the model | Determine and approve the funding model based on values of the Trust as determined by the Members and as recommended by the CEO and central services team | Recommend a funding model to the Board for approval Review and recommend plans for development based on evaluations of impact | Consult with the Board Review compliance with the overall financial plan for the school, recommending any change to CEO | Comply with funding model Evaluate and report impact of funding model to LGB, making recommendations for change to be considered if appropriate |
| Maintaining oversight of the effective delivery of the Trust central services | | Determine effectiveness | Review and report to the Board on effectiveness, economy and | | |

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|--|---|--|---|---|--|
| | | Review and recommend any change in practice | efficiency of central services Deliver effective central service | | |
| Deciding long term financial planning and resourcing across the Trust, ensuring its financial health and long term sustainability | | Determine long term financial plan Review and recommend any change in planning required to deliver a healthy and sustainable financial future for the Trust | Review and report to the Board on financial health of the MAT and all its schools Consult with LGBs Recommend any development or change for the Board's consideration | Review financial health and report to CEO / Board Deliver financial plans and comply with limits | Evaluate the effectiveness of the school concerned on compliance and delivery of long-term financial plans Deliver financial plans and comply with limits |
| Area | Members | Trustees | CEO | LGB | Head/Assoc Principal |
| Considering and presenting for approval to the Trust Board a 3 year Budget Plan taking account of the Trust Development Plan priorities and, within this framework, present an annual Budget to the Trust Board for approval. | Determine the philosophy, aims and vision | Determine 3 year budget Review and approve budget prioritisation | Consult with LGBs, review and recommend 3 year budget plan and priorities | Review plan and report to CEO on expenditure | Comply with budget and deliver on priorities |
| Monitoring the Trust's annual budget including the budget for each school as well as reviewing reports on financial management, end of year accounts and latest monthly management accounts and termly forecasts | | Determine annual budget Review reports from the CEO on expenditure and | Report to the Board on monitoring of financial expenditure Review forecasts across the Trust and | Review the school's compliance with annual budget and expenditure | Comply with budget and deliver on expenditure plan Report monitoring of expenditure to the |

| | | | | | | |
|--|---|--------------------------|--|---|--|--|
| | | | financial management | recommend any plans for saving / retrenchment | Report to the CEO / Board | board |
| | Producing financial statements and reports in accordance with the requirements of the ESFA's Academies Financial Handbook and ensuring financial compliance and that the Trust fulfils other regulatory duties | | Review and approve financial statements, checking compliance | Report to the Board and ensure compliance with ESFA requirements across the Trust | Review the school's compliance with ESFA requirements | Work with the CEO in producing the accounts |
| | Reviewing and approving the Annual Report for the Trust | Review the Annual Report | Receive and approve the Annual Report | Deliver the Annual Report – arrange for auditing and filing of annual report and accounts | Comply by keeping proper records in respect of the school and providing such information to assist the Trust in preparation of the Annual Accounts | Comply by keeping proper records in respect of the school and providing such information to assist the Trust in preparation of the Annual Accounts |

| | Area | Members | Trustees | CEO | LGB | Head/ Assoc Principal |
|--|--|---------|---|---|---|--|
| | Considering and reviewing decisions relating to the finance systems employed by the Trust, the MIS system, the banking service and the building management system used by the Trust and its schools | | Determine finance systems and services and the BMS and MIS used by the Trust Review effectiveness Approve changes where appropriate | Report on effectiveness of systems and services for finance, MIS and BMS used by the Trust Recommend change as appropriate | Review the school's use of systems and services and ensure compliance | Comply with and deliver services for the school concerned |
| | Establishing, monitoring and reviewing the risk register for the Trust and its schools and to ensure where necessary there is a risk mitigation plan | | Determine the risk register Review and approve the risk register as it is updated | Report to the Board on monitoring of the risk register and updates / changes | Review the school's risk register and report to the CEO any change | Deliver the risk register, reporting to the LGB any change |
| | Examining monitoring reports on the income and expenditure of all public funds (i.e. the sources of the Trust's funding) and reporting the financial situation to the Trust Board each term | | Review reports of income and expenditure | Report monitoring of income and expenditure in schools across the Trust | Review monitoring reports of income and expenditure and report to the Board | Report to the CEO / LGB income and expenditure of all funds held by the school concerned |
| | Appointing auditors of the Trust's financial processes on an annual basis, as well as auditors of the Trust's accounts, so that the Trust Board can monitor probity and good practice in financial matters | | Determine and approve the appointment of the auditors | Deliver the appointment of the auditors | | |
| | Reviewing and approving the auditor's letter and | | Review the auditor's letter and | Report the auditor's letter | Review the auditor's letter | |

| | | | | | | |
|--|-------------------------------------|--|----------------------------------|--|--|--|
| | recommending it to the Board | | recommend actions as appropriate | | | |
|--|-------------------------------------|--|----------------------------------|--|--|--|

| | Area | Members | Trustees | CEO | LGB | Head/ Assoc Principal |
|--|--|---------|--|---|---|--|
| | Ensuring that actions required by auditors are implemented effectively and their impact monitored regularly | | Review regular reports from the CEO on actions required by the auditor | Report to the Board on progress against actions required in the auditor's letter | Review compliance of the school concerned with actions required by the auditor's letter | Deliver compliance with actions required by the auditor's letter |
| | Ensuring adequate financial and asset management systems are in place across the Trust and all its schools | | Determine and approve financial and asset management systems Review their use | Report to the Board on effective use across the Trust of the financial and asset management systems | Review the compliance of the school concerned with financial and asset management systems Report compliance to the CEO | Deliver compliance with the asset and financial management systems of the school concerned |

Section 3

Definition of Phrases in respect to Powers and Duties (contained in section 2)

In Section 2 the phrases used have the following meanings:

Consult: the individual/group that should be consulted as part of the process of completing a task.

Deliver: the individual/group that has responsibility for undertaking the task delegated to them and reporting on its delivery at suitable intervals. In the case of the CEO this will be at Trust level. In the case of the Principal this will be at Academy level.

Determine: the individual/group that has primary responsibility for ensuring the task is completed and determining how the Trust and/or Academies (as appropriate) will undertake the task including determining appropriate milestones and targets to be reported against.

Develop: the individual/group that has responsibility for developing proposals relating to a task for discussion and approval by the appropriate decision-making individual/group.

Recommend: the individual/group that should make recommendations as to how a task should be completed. In the case of (i) the CEO they will be making recommendations to the Board and/or LGB (as appropriate), (ii) the LGB will be making recommendations in relation to their Academy to the Board, CEO and/or Principal (as appropriate) and (iii) the Principal they will be making recommendations in relation to their Academy to the CEO and/or LGB (as appropriate).

Report: the individual/group that has responsibility for reporting on the delivery of tasks. In the case of (i) the CEO they will be making reports to the Board and/or LGB (as appropriate), (ii) the LGB they will be making reports in relation to their Academy to the Board and/or CEO (as appropriate) and (iii) the Principal they will be making reports in relation to their Academy to the CEO and/or LGB (as appropriate).

Review: the individual/group that has responsibility for reviewing whether a task is being carried out satisfactorily and where appropriate requiring action to be taken to ensure task is delivered appropriately. In the case of (i) the Board they will be reviewing the CEO and/or LGB (as appropriate), (ii) the CEO they will be reviewing the Principal and (iii) the LGB they will be reviewing the Principal and his leadership team.

Comply: the individual/group will follow agreed policies and procedures. For the purposes of this document, the terms Headteacher/Principal apply to the Executive Headteacher and Acting Associate Principal, both of whom will be a Governor on their LGB

Section 4

Some of the Trustees responsibilities outlined in Section 2 are delegated to the Finance Committee and the Audit Committee. The Terms of Reference for each of the committees are detailed in this section.

The Finance Committee Terms of Reference

Purpose of the Committee

The purpose of this committee is to ensure oversight of all of the financial affairs of the Trust, including advising the Trust Board on setting the budget. This committee also examines the longer term financial sustainability of the Trust and its schools, monitoring performance against budget, ensuring an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved. This committee maintains oversight of the Trust's central support services. The committee will also oversee the effectiveness of the Trust's risk management, financial accounting and reporting systems and policies.

This committee is to be notified of all decisions or recommend-actions by the Trust Board or other Committees which have a budgetary consequence. Amongst other things relating to the purpose described above, activities of the committee will include:

Finance

- Preparation and review of financial policy documents as required.
- Examining and agreeing on the level of delegation to the schools and their Principals for day-to-day financial management via the financial policies, recommending annually the updated scheme of delegation for the Trust and its schools.
- Deciding and then advising the Board of Trustees on the proportion of the budget to be held centrally by the Trust.
- Maintaining oversight of the effective delivery of the Trust central services.
- Deciding long term financial planning and resourcing across the Trust, ensuring its financial health and long term sustainability.
- Considering and presenting for approval to the Trust Board a 3 year Budget Plan taking account of the Trust Development Plan priorities and, within this framework, present an annual Budget to the Trust Board for approval.
- Monitoring the Trust's annual budget including the budget for each school as well as reviewing reports on financial management, end of year accounts and latest monthly management accounts and termly forecasts.

- Reviewing the efficient allocation of financial resources, reporting regularly to the board on value for money.
- Producing financial statements and reports in accordance with the requirements of the ESFA's Academies Financial Handbook and ensuring financial compliance and that the Trust fulfils other regulatory duties.
- Reviewing and approving the Annual Report for the Trust.
- Considering and reviewing decisions relating to the finance systems employed by the Trust, the MIS system, the banking service and the building management system used by the Trust and its schools.
- Establishing, monitoring and reviewing the risk register for the Trust and its schools and to ensure where necessary there is a risk mitigation plan.
- Examining monitoring reports on the income and expenditure of all public funds (i.e. the sources of the Trust's funding) and reporting the financial situation to the Trust Board each term.
- Appointing auditors of the Trust's financial processes on an annual basis, as well as auditors of the Trust's accounts, so that the Trust Board can monitor probity and good practice in financial matters.
- Reviewing and approving the auditor's letter and recommending it to the Board.
- Ensuring that actions required by auditors are implemented effectively and their impact monitored regularly.
- Ensuring adequate financial and asset management systems are in place across the Trust and all its schools.

Premises and Estate

- Deciding on and advising the Trust of priorities, including Health and Safety, for the maintenance and development of all premises belonging to schools in the Trust.
- Receiving and approving a three year strategy and annual improvement plan for the estate together with the budget, before presenting it to the Board.
- Considering and recommending to the Board plans for capital development works.
- Reviewing new builds / refurbishments relating to the new schools.

- Approving plans for the development of ICT services and resources across schools in the Trust.
- Ensuring all LGBs hold and review annually an Accessibility Plan.

Staffing and HR

- Reviewing and approving HR policies on a planned basis taking account of best practice, legal developments and the culture of the Trust. As required, hearing final level appeals about grievances and dismissals, disputes over pay and conditions that have not been resolved at LGB level. Ensuring there is a fair and lawful recruitment process in place throughout the Trust and its schools and that staff within the Trust are treated fairly and have excellent conditions of employment.
- Considering proposals from LGBs and their principals for re-structuring of staff bodies, the creation of new posts within their staffing structure or other expenditure relating to reduction or expansion of staff that falls outside the limits imposed by the scheme of delegation.
- Considering proposals from LGBs and their principals about the development of their schools' staff.
- Determining the terms and conditions for staff in schools transferring into the Trust.

Membership

There shall be between three and seven members of whom all shall be Trustees. Membership will be agreed on an annual basis at the first meeting of the Trustees in the school year. The Chief Executive Officer shall be an ex-officio additional member. The chair (who may not be a person employed by the Academy Trust) shall be appointed by the Board of Trustees. The chair's term of office shall be three years.

Meetings

This committee will meet at least once a term, usually in advance of a main Trust Board meeting, with additional meetings as required. The Clerk shall be appointed by the Board and shall attend and service Committee meetings, including circulating the agenda and papers before each meeting, and preparing the minutes.

Declarations of interest

Members of the Committee, whether they are Trustees or not, must declare personal and pecuniary interests, loyalties and duties, in the same circumstances as apply to the Board.

Quorum and voting

It is generally expected and encouraged that decision making by the Committee should be by consensus. However, it is recognised that there will be occasions where a formal vote is necessary. Members of the Committee shall have one vote each. This is subject to any member of the Committee having an interest, loyalty or duty that conflicts or is reasonably likely to conflict with interests of LPA in which case the member must declare his or her interest for the particular item and must not vote on or be present for the vote on that item.

The quorum for each Committee shall be three non-conflicted members of whom all must be Trustees. Voting shall be by majority decision unless the Trustees impose a higher threshold for any matter or on any Committee. Where necessary, the chair of the Committee may have a second or casting vote, provided that s/he is not prevented by a conflict of interest from participating in the voting.

- i. Meetings will be chaired by the chair of the Committee. In the absence of the chair, the Committee will elect a temporary replacement from among the Governors present at the Committee meeting.
- ii. In the absence of the clerk the Committee will elect a replacement for the meeting.
- iii. The Committee will meet as often as is necessary to fulfil its responsibilities and at least once each term.
- iv. The clerk to the Committee will circulate an agenda for each meeting and papers ideally a week before the sub-committee meeting.
- v. Attendance at each Committee meeting, issues discussed and recommendations for decisions will be recorded. The written record of each meeting will be submitted to the next meeting of the Committee.
- vi. The chair of the Committee will be responsible for giving an oral summary of the Committee's deliberations if necessary at meetings of the Board of Trustees.
- vii. The Committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues.

- viii. In the event of a need to make genuinely urgent decisions between meetings on matters falling within the remit of the Committee, the Chair of the Board of Trustees, in consultation with the Chief Executive Officer and chair of the Committee, will take appropriate action on behalf of the Committee. The decisions taken and the reasons for urgency will be explained fully at the next meeting of the Committee.

The Committee's chair will meet with the Chair of the Board of Trustees and the Chief Executive Officer at the beginning of each school year to plan the work of the Committee.

Any Trustee may attend any meetings of the Committee by arrangement with the CEO and the Chair of the Board of Trustees.

Reporting

The minutes of every meeting shall be recorded and submitted to the following meeting of the Board of Trustees. They shall also be circulated to the LGBs of The Mulberry Schools Trust.

All expenditure by or on behalf of the Committee or legal commitments of any sort authorised by the Committee shall be recorded and reported promptly to the Trustees.

Delegated Authorities

The Finance Committee does not have its own budget and so any expenditure, including capital expenditure, or legal commitments of any sort may only be made with the prior consent of the Trustees. The Finance Committee shall not enter into any borrowing arrangements or operating or finance leases without the prior consent of the Trustees and the ESFA.

Audit Committee Terms of Reference

Purpose of the Committee

The purpose of the Audit Committee is to provide assurance over the suitability of, and compliance with, the financial systems, operational controls and risk management of the Trust. The Committee's work must focus on providing assurances to the Trust Board that all risks are being adequately identified and managed with particular regard to reviewing the risks to internal financial control at Trust and academy level. The Committee should be independent and objective and each member should have a good understanding of the objectives and priorities of the Trust. The outcome of the Committee's work will inform the governance statement that accompanies the Trust's annual accounts. In pursuance of this purpose the Committee's activities will include:

Responsibilities

Financial Management and Policies

- To Keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statement and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - (i) Critical accounting policies and practices, and any changes in them;
 - (ii) Decisions requiring a major element of judgement;
 - (iii) The extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed;
 - (iv) The clarity and transparency of disclosures;
 - (v) Significant adjustments resulting from the external audit;
 - (vi) The going concern assumption;
 - (vii) Compliance with accounting standards;
 - (viii) Compliance with DfE and legal requirements.
- To review the Trust's policy and procedures for handling allegations from whistle-blowers.
- To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption.

- To receive reports on the outcome of investigations of suspected or alleged impropriety.
- To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- To ensure that any significant losses are investigated and reported to the DfE where required.
- To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- To review the adequacy and robustness of risk registers.
- To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, the Responsible Officer, the external auditor and any other relevant independent assurances or reports (e.g. from the National Audit Office).
- To review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Trust Board.
- To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

Internal audit

- To review the programme and ensure that the function is adequately resourced.
- To review the reports and recommendations, together with the adequacy of management's response.
- To monitor the implementation of action agreed by management in response to reports from the external and internal auditor.

External Audit

- To oversee the process for selection of the external auditor and make appropriate recommendations to the Trust Board and members for consideration at the annual general meeting. *NB Currently, the Finance*

Committee oversees the appointment of the auditors and so, once the Audit Committee is required, this duty will transfer to the Audit Committee's remit.

- To consider the appointment of and assess independence of the external auditor, ensuring that key personnel are rotated at appropriate intervals.
- To ensure that any provision of non-audit services does not impair the external auditors' independence or objectivity.
- To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the auditor receives the fullest co-operation.
- To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- To review the performance of the external auditor on an annual basis.
- To recommend to the Trust Board the appointment/ re-appointment of the external auditor.
- To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

General

- To review or investigate any other matters referred to the Committee by the Trust Board.
- To draw any significant recommendations and matters of concern to the attention of the Trust Board.

Membership

The Committee will comprise three Trustees each appointed by the Trust Board. No member shall be an employee of the Trust. When making the appointments the Trust Board shall ensure that the Committee collectively has a good range of skills and experience in relation to governance, risk and control and at least one member of the Committee has recent relevant financial experience to allow them to competently analyse the financial statements and understand good financial management disciplines.

The Trustees will appoint (and may remove) one of the members of the Committee with relevant experience to be chair.

The Committee may co-opt members (who need not be Trustees) for a period of time (not exceeding one year and with the prior approval of the Trustees) to provide specialist skills, knowledge and experience that the Committee needs at any particular time. No more than two members may be co-opted at any one time. Co-opted members must comply with all the qualification, safeguarding and conflict of interest management requirements that are imposed on Trustees.

The Trust Board may at any time remove or replace a Trustee on the Audit Committee.

Meetings

The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.

The Clerk to the Committee shall be appointed by the Board and shall convene, attend and service the meeting including circulating the agenda and papers, preparing the minutes and forwarding any report and recommendations to the Trust Board.

Declarations of interest

Members of the Committee must declare personal and pecuniary interests, loyalties and duties at every meeting.

Quorum and voting

The quorum will be three members. Each member (including any co-opted member) has one vote. This is subject to any member of the Committee having an interest, loyalty or duty that conflicts or is reasonably likely to conflict with interests of the Trust in which case the member must declare his or her interest for the particular item and must not vote on or be present for the vote on that item.

Voting shall be by majority decision. Where necessary, the chair of the Committee may have a second or casting vote, provided that s/he is not prevented by a conflict of interest from participating in the voting.

The conduct of meetings will be as follows:

- Meetings will be chaired by the chair of the Committee.
- In the absence of the clerk the Committee will elect or appoint a replacement clerk for the meeting.
- The clerk to the Committee will circulate an agenda for each meeting and papers ideally a week before the Committee meeting.

- The Committee is authorised to invite attendance at its meetings by any persons to assist or advise on a particular matter or range of issues. It is expected that the CEO and the Accounting Officer will attend meetings and report to the Committee as required by the Committee.
- At every meeting the Committee shall decide whether to sit privately without any non-members present for all or part of the meeting.
- In the event of a need to deal with any urgent matters arising from the meeting or on matters falling within the remit of the Committee, the Chair of the Committee will consult with the chair of the Board of Trustees will take appropriate action and report to the Board on behalf of the Committee.

Reporting

Within 21 days of its meeting the Committee will produce and agree minutes of its meetings and provide a summary report for the Trust Board. The report will identify decisions made, recommendations to and information for the Trust Board and any items for discussion by the Trust Board. Minutes and Committee reports can be agreed by Committee members by email.

The Clerk will forward the Committee reports to the Trust Board in good time for the next Trust Board meeting.

The chair of the Committee will be responsible for giving an oral summary of the Committee's deliberations if necessary at meetings of the Trust Board and for clarifying any questions arising from the business of the Committee meeting.

Authority

The Audit Committee does not have its own budget. It is authorised to:

- carry on any activity authorised by these terms of reference;
- seek any appropriate information that it requires from any officer or employee of the Trust and all officers and employees shall be directed to co-operate with any request made;
- with the prior consent of the Trust Board and at the expense of the Trust, procure specialist advice on an ad hoc basis to support them on particular pieces of business;
- co-opt members as described above.