

Committee: Board of Trustees of the City of London Academies Trust	Date: 5 September 2019
Subject: Appointment of Committees 2019-20	Public
Report of: Clerk	For Decision

Summary

Under the City of London Academy Trust's Articles of Association, the Trustees have the power to establish committees (Article 100) and subject to the wider Articles, determine the constitution, membership and terms of reference of any such committee. The membership of any committee of Trustees may include persons who are not Trustees, provided that with the exception of Local Governing Bodies, a majority of members of such committee shall be Trustees. The establishment, terms of reference and membership of any committee must be reviewed at least once every twelve months (Article 101).

The Board of Trustees of the City of London Academies Trust currently appoints to three committees, the Finance, Audit and Risk Committee, the Standards and Accountability Committee and the Remuneration Committee. Trustees are invited to review the membership and terms of reference of those three committees ahead of appointing those committees for the 2019-20 academic year and to review the terms of reference of the Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees for the 2019-20 academic year.

Recommendations

Trustees are asked to:

1. Appoint the membership of the Finance, Audit and Risk Committee;
2. Appoint the membership of the Standards and Accountability Committee;
3. Appoint the membership of the Remuneration Committee;
4. Review and approve the terms of reference of the Finance, Audit and Risk Committee;
5. Review and approve the terms of reference of the Standards and Accountability Committee; and,
6. Review and approve the terms of reference of the Remuneration Committee, Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees.

Main Report

Background

1. This report sets out the 2018-19 membership and terms of reference of the Board's committees which comprise the Finance, Audit and Risk Committee, the Standards

and Accountability Committee and the Remuneration Committee, as well as the terms of reference of the Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees. Under the Trust's Articles of Association, Trustees are obliged to review the appointment, membership and terms of reference of these committees at least once every 12 months. The committees' terms of reference are attached as Appendices 1-3 to this report.

Finance, Audit and Risk Committee

2. Trustees are invited to appoint committee members for the 2019-20 academic year. Trustees should appoint sufficient membership of the Committee that they are confident a quorum of three committee members can be achieved at each meeting. Trustees should also be confident that a majority of committee members at each meeting will be Trustees (rather than non-Trustee committee members such as Trust staff).
3. In line with the Academies Financial Handbook (effective from 1 September 2019) Trusts must establish an audit committee appointed by the Board, either a dedicated committee or combined with another committee, to advise on the adequacy of financial and other controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit.
4. In Trusts with an annual income of over £50m, a dedicated Audit Committee must be appointed. For Trusts such as the City of London Academies Trust where the annual income is below this figure, the audit function can be included within another committee. During 2018-19 the audit function was assigned to the Finance, Audit and Risk Committee.
5. In the case of the City of London Academies Trust where a combined Finance and Audit Committee is established, staff of the Trust may be members but must not participate as committee members when audit matters are discussed.
6. The Chair of Trustees should not be the Chair of the Audit Committee.
7. With this in mind, Trustees are invited to review the Committee's terms of reference in Appendix 1, and particularly to consider whether to continue with the existing arrangement which specifies that the chairmanship of the Finance, Audit and Risk Committee is taken by the Vice Chairman of the Board of Trustees
8. In 2018-19 the membership of the Finance, Audit and Risk Committee comprised:
 - Andrew McMurtrie (Chairman to June 2019)
 - Peter Bennett (Chairman for remainder of year)
 - Dawn Elliott
 - Lucas Green
 - Deputy Clare James
 - Mark Emmerson (for Finance matters only)

Standards and Accountability Committee

9. Trustees are invited to review and approve the Committee's terms of reference in Appendix 2.

10. In 2018-19 the membership of the Standards and Accountability Committee comprised:

- Eamon Martin (Chairman to December 2018)
- Roy Blackwell (Chairman for remainder of year)
- Ann Holmes
- Andrew McMurtrie
- Dhruv Patel

11. In appointing to the Committee, Trustees should appoint sufficient membership of the Committee that they are confident a quorum of three committee members can be achieved at each meeting. Trustees should also be confident that a majority of committee members at each meeting will be Trustees (rather than non-Trustee committee members such as Trust staff).

Remuneration Committee

12. Trustees are invited to review and approve the Committee's terms of reference in Appendix 3.

13. In 2018-19 the membership of the Remuneration Committee was as follows.

- Roy Blackwell
- Eamon Martin
- Andrew McMurtrie

14. In appointing to the Committee, Trustees should appoint sufficient membership of the Committee that they are confident a quorum of two committee members can be achieved at each meeting.

Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees

15. Trustees are invited to review and approve the Committees' terms of reference in Appendix 3.

16. The Board does not appoint to the membership of these committees.

Appendices

- Appendix 1 – Finance, Audit and Risk Committee Terms of Reference
- Appendix 2 – Standards and Accountability Committee Terms of Reference
- Appendix 3 – Remuneration Committee, Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees Terms of Reference

Kerry Nicholls

Committee and Member Services Officer

City of London Academies Trust

T: 020 7332 1262

E: kerry.nicholls@cityoflondon.gov.uk

FINANCE, AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

Composition

The Finance, Audit and Risk Committee will consist of the following members:

- MAT Director Deputy Chairman as Chairman
- MAT Director
- MAT Director
- MAT Director
- Accounting Officer

Frequency of Meetings and Proceedings

The Committee will meet three times each year

- November – post audit report and Financial Statements;
- Spring – risk management and business continuity;
- Summer – audit planning.

...and at such other times as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

Reporting

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

Purpose

The Committee's role is one of oversight. It is tasked with reviewing the overall Financial position and risk profile of the Trust for appropriateness, monitoring the risk management techniques employed at all levels within the Trust and receiving the Auditor's report before Board Approval.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

Objectives

The Committee has the following objectives:

1. External Auditor's Report

The Committee will receive and review the annual post audit report from the External Auditors, Buzzacott LLP on any weakness/errors found during the course of the annual audit.

2. Internal Assurance Audit

The Committee will review the reports in order to discuss potential control and risk issues which could represent a significant weakness in the Trust's internal control framework.

Internal Assurance Reports are provided by way of a contract with TIAA, the Trust's Auditors. The Internal Assurance audit and report is completed and prepared by a suitably qualified individual. The findings of the audit are then reported to the Chair of the Finance, Audit and Risk Committee.

Additional responsibilities include:

- a) Consideration of management's response and action taken in respect of external or Internal Assurance audit recommendations;
- b) Monitoring to ensure that there are no unjustified restrictions or limitations on the work performed by Auditor or the Internal Assurance;
- c) Review of examinations conducted by external agencies and any corrective action taken.

3. Risk Management

To review the effectiveness of risk management systems within key areas of Trust operations:

- a) Monitoring the risk profile of the business against the Board's desired risk appetite;
- b) Monitoring the effectiveness and output of the annual risk management process;
- c) Assessment of the overall population of risk within the risk registers, including any changes during the period;
- d) Consideration and challenge of risk prioritisation as provided by the risk owners, including discussion of any discrepancies;
- e) Ensuring that risk management is appropriately embedded within line management and that this process is monitored;
- f) Monitoring the effectiveness of Trust-wide policies;
- g) Receive reports from internal H&S Committees.

4. Business Continuity

To develop and continually monitor the effectiveness of a business continuity plan and to periodically test the underlying assumptions of the plan.

5. Finance

- a) To receive regular financial reports from the Academies within the MAT and report on its Financial viability to the Board;
- b) To receive and recommend the annual budget to the Board;
- c) To receive and recommend the Annual Financial Statements

Authority

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
- c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

STANDARDS AND ACCOUNTABILITY COMMITTEE TERMS OF REFERENCE

Composition

The Standards and Accountability Committee will consist of the following members;

MAT Chairman
Chief Executive Officer
MAT Director
MAT Director
MAT Director
Chief Operations Officer

Frequency of Meetings and Outline Proceedings

The Committee will meet at least three times each year;

- November – Outcomes, targets and action planning scrutiny meetings + Safeguarding;
- Spring – Leadership Performance Review + Self Evaluation Reports (Secondary) + Safeguarding;
- Summer – Predicted Outcomes - Self Evaluation Reports (Primary).

...and at such other time as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

Reporting

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

Purpose

The Committee's role is one of oversight. It is tasked with reviewing the provision, standards, governance and leadership performance of all CoLAT academies. It will provide a performance profile to the Trust Board and agree/monitor the effectiveness of interventions to support relative under-performance.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference to assist the decision making of the Governing Body/Board of Directors by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure a strategic and systematic approach to promoting high standards of educational achievement.

Major issues will be referred to the full governing body for ratification.

Objectives

Subject to the requirements of current legislation and the policies adopted under the Funding Agreement, the Committee is authorised:

1. To hold individual academies to account for their academic outcomes;
This will be achieved by:
 - a) Scrutiny of academy examination/test results, progress and other key performance indicators using international, national, local and Trust benchmarks for achievement;
 - b) Periodic reviews of the performance of academy leadership including governance;
 - c) Review of Academy Self Evaluation reports;
 - d) Reports from the CEO and COO on school monitoring visits;
 - e) Receiving regular updates on predicted grades versus targets.
2. To identify and manage risk associated with the under-performance of an Academy;
This will be achieved by:
 - a) Identifying Academy deficits against Outstanding OFSTED Criteria and Trust benchmarks;
 - b) Challenging, reviewing and monitoring LGB/Academy improvement to Outstanding plans;
 - c) Where necessary recommending direct leadership intervention direction and/or support.
3. Monitoring the adherence to/compliance with statutory requirements;
4. Monitoring the adherence to/compliance with agreed Trust policies;
5. To contribute to the formulation of the Trust Development Plan, through the consideration of curricular priorities and proposals, in consultation with the CEO, within the stated and agreed vision, aims and objectives of the Trust;
6. To monitor and review the implementation of the Trust Development Plan including any associated strategic staff and governor training programmes;
7. To monitor and keep under review the Trust policy on health and safety particularly in relation to educational visits and other out-of-school trips;
8. To consider and recommend strategies for the development and maintenance of strong Academy parent, community and commercial links and monitor and review progress;

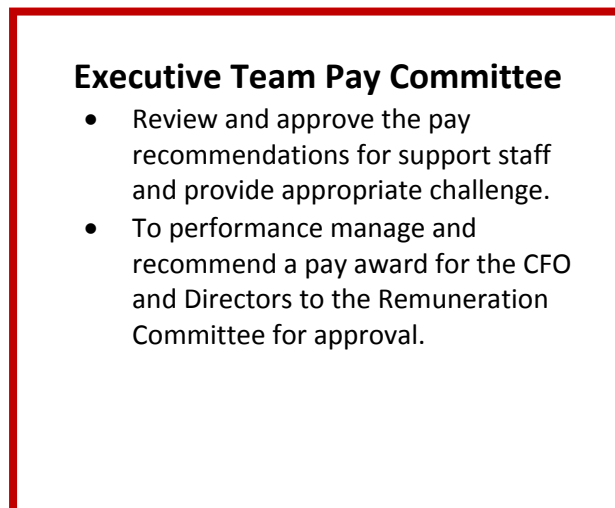
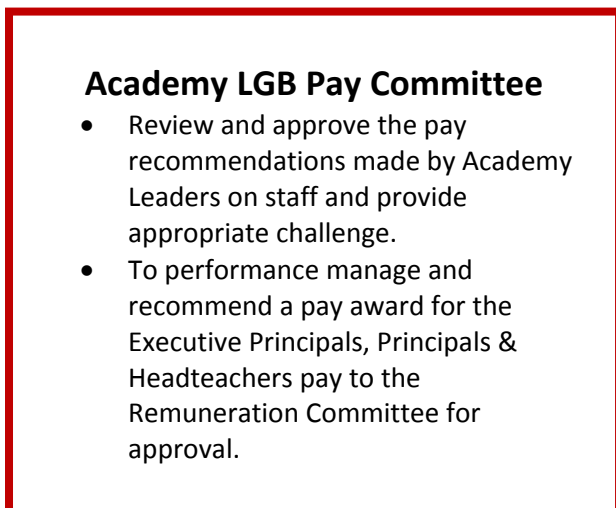
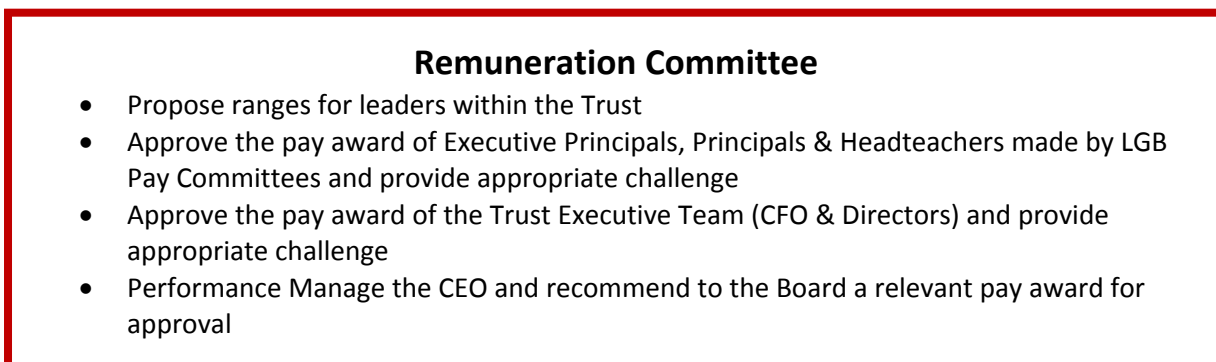
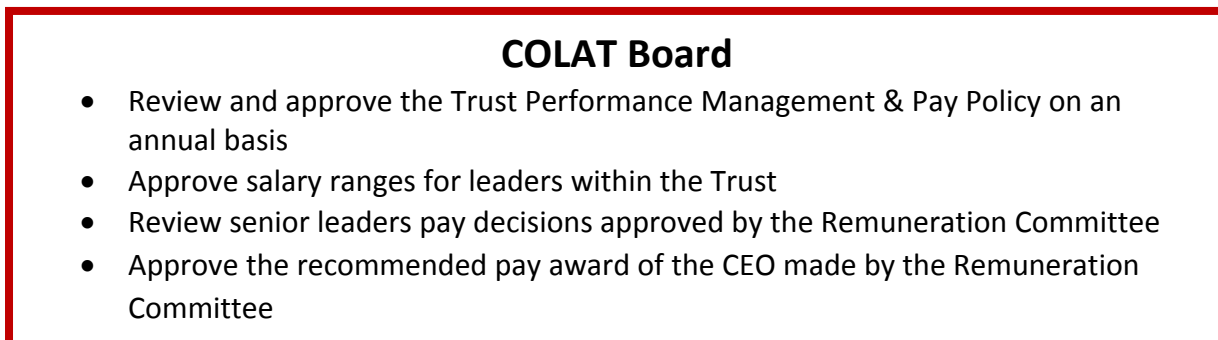
Authority

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
- c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

**CITY OF LONDON ACADEMIES TRUST
TERMS OF REFERENCE FOR DECISIONS ON REMUNERATION, POLICY AND PRACTICE**

FLOWCHART



City of London Academies Trust Board

Trust Board Remit

The purpose of the Trust Board is to establish a formal and transparent procedure for agreeing policy on pay determination and progression. In doing so the Board has established a Trust Performance Management Policy and Pay Policy.

These policies clarify the level of delegated powers from the Board to Trust leaders which ensures staff are performance managed and rewarded fairly and equitably.

To ensure pay awards receive approval, the Board has established a Remuneration Committee and Pay Committees. In establishing relevant committees, terms of reference are required, and these are clarified below:

City of London Academies Trust Remuneration Committee

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Remuneration Committee is to:

- Propose ranges for leaders within the Trust
- Approve the pay award of Executive Principals, Principals & Headteachers made by LGB Pay Committees and provide appropriate challenge
- Approve the pay award of the Trust Executive Team (CFO & Directors) and provide appropriate challenge
- Performance Manage the CEO and recommend to the Board a relevant pay award for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Trust's development plan.
 - The method of appraising the performance of the CEO is with the assistance of an independent external adviser.
 - The observance of all statutory and contractual regulations.

All decisions agreed by the Remuneration Committee will be reported annually to the Board.

Membership

The Committee shall consist of at least two Trust Board members and when required the Chief Executive Officer.

If required, the Trust HR Director and/or an independent external adviser may attend to provide guidance on process.

Only members of the Committee shall have the right to attend Remuneration Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Remuneration Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Remuneration Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

The HR Director shall service and minute the proceedings and decisions of all meetings of the Remuneration Committee, including recording the names of those present and in attendance.

The Remuneration Committee shall make whatever decisions it deems appropriate within its Terms of Reference and report to the Board accordingly. It will recommend to the Trust Board a pay award for the CEO for approval.

City of London Academies Trust Academy LGB Pay Committees

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Academy LGB Pay Committee is to:

- Review and approve the pay recommendations made by Academy Leaders on staff and provide appropriate challenge.
- To performance manage and recommend a pay award for the Executive Principals, Principals & Headteachers pay to the Remuneration Committee for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Academy's development plan.
 - The method of appraising the performance of the Executive Principals, Principals & Headteachers is with the assistance of the Trust's CEO or an independent external adviser, if required.
 - The observance of all statutory and contractual regulations.

Membership

For each Academy the committee shall consist of at least two Local Governing Body Members including the Chair and for performance pay review the Chief Executive Officer of the Trust.

If required, the Trust HR Director may attend/be contacted to provide guidance on process.

Only members of the Committee shall have the right to attend Pay Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Pay Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Pay Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

A clerk shall service and minute the proceedings and recommendations made of all meetings of the Pay Committee, including recording the names of those present and in attendance.

The Academy Pay Committee shall make approval whatever recommendations that it deems appropriate within its Terms of Reference. It will recommend to the Remuneration Committee a pay award for the Executive Principals, Principals & Headteachers pay for approval.

City of London Academies Trust Executive Team Pay Committees

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Executive Team Pay Committee is to:

- Review and approve the pay recommendations for support staff and provide appropriate challenge.
- To performance manage and recommend a pay award of the Trust Executive Team to the Remuneration Committee for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Trust's development plan.
 - The observance of all statutory and contractual regulations.

Membership

The Chief Executive Officer (Chair) and Chief Financial Officer.

If required, the Trust HR Director may attend/be contacted to provide guidance on process.

Only members of the Committee shall have the right to attend Pay Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Pay Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Pay Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

A clerk shall service and minute the proceedings and recommendations made of all meetings of the Pay Committee, including recording the names of those present and in attendance.

The Executive Team Pay Committee shall make approval whatever recommendations that it deems appropriate within its Terms of Reference. It will recommend to the Remuneration Committee a pay award for the Trust Executive Team for approval.