



Finance Committee Terms of Reference 2023-2024

Date last reviewed:

Signed by:

Chair of the
committee

Date:

Chair of governors

Date:

Contents:

1. [The role of the committee](#)
2. [Membership and quorum](#)
3. [Term of office](#)
4. [Meetings](#)
5. [Authority](#)
6. [Calendar of business](#)
7. [Duties](#)
8. [Monitoring and review](#)

1. The role of the committee

The finance committee is responsible for financial oversight and scrutiny, with a focus on financial planning and risks, reporting and monitoring.

The board of directors will not delegate overall responsibility for the trust's finances to the finance committee. The committee's delegated powers are set out in the trust's Scheme of Delegation of Financial Powers.

2. Membership and quorum

The finance committee will be appointed by the board of directors.

The minimum number of members on the finance committee will be three. This will be to ensure that there is an adequate number of members to hold a majority when voting on matters discussed by the committee.

The membership of the finance committee may include persons who are not directors, and who have been approved by the board of directors, provided that a majority of members of the finance committee are directors.

The quorum of the committee will be one half of the number of members within the committee, rounded up to the nearest full number.

Only appointed members of the committee will have the right to vote on any matters. The committee may appoint non-voting members who are able to provide advice to the committee – any non-voting members will be approved by the board of directors. Associate members may be members of the committee – they are able to offer advice to the committee but will only have voting rights as determined by the board of directors.

3. Term of office

The committee will be appointed annually by the board of directors.

Members of the finance committee will hold office from either the date of their appointment until their resignation, or their omission from membership of the committee on subsequent consideration by the governing board – whichever occurs first.

4. Meetings

The finance committee will meet as often as is necessary to fulfil its responsibilities, and at least once per term.

The chair of the committee, or any three committee members, will only call unscheduled meetings where necessary, and only as long as appropriate notice of at least seven days is given to other members. A shorter notice will only be given where the chair of the committee decides a particular finance issue requires addressing immediately.

The frequency and dates for committee meetings will be decided before the first Autumn term of the academic year.

The clerk to the committee will circulate an agenda, copies of minutes of the previous committee meeting, and any papers to be considered no fewer than five working days prior to the meeting.

The clerk will take minutes during committee meetings. The minutes will be approved by the chair of the committee before being circulated to committee members and the board of directors.

Confidential minutes will only be shared with committee members who were present at the meeting where the confidential item was discussed.

The committee will make the agendas, approved minutes and any reports, documents or papers considered for each meeting available for public inspection in line with the 'Academy trust handbook'. This excludes any

material relating to a named employee, proposed employee, pupil or candidate for admission or referral to the academy, and any matter which committee members are satisfied should remain confidential.

The committee may invite non-members to meetings to assist or advise on a particular matter. These attendees will not be entitled to vote on any matters.

Every matter to be decided upon will be determined by a majority vote – where there is an equal division of votes, the chair will have the deciding vote. Each member of the committee that is present at the meeting will be entitled to one vote.

A register of attendance will be kept for each meeting, and this will be published on the trust's website on an annual basis.

5. Authority

The committee is authorised by the board of directors to:

- Investigate any activity within its terms of reference.
- Seek any additional information it required from any employee, with all employees directed to cooperate with any request made by the committee.
- Obtain any external legal or independent professional advice where necessary.

6. Calendar of business

The finance committee will meet at least once per term. The standard items of business that will be discussed during the meetings are outlined below. Additional items will be added to the agenda as necessary and will be confirmed ahead of the meeting.

Autumn term 1

Reference number	Item description
1	Elect a chair of the committee.
2	Confirm meeting dates, if these have not already been established at the end of the previous academic year.
3	Receive a report from the CFO regarding budget spending ensuring that challenge is recorded.
4	Review the asset management plan.
5	Review the trust's strategic plans in line with the budget.
6	Complete the Autumn census.

Autumn term 2

Reference number	Item description
1	Receive a report from the CFO regarding the trust's budgeting and expenditure, ensuring that challenge is recorded.
2	Receive an evaluation report on the impact of the pupil premium spend in the last academic year.
3	Undertake a trust financial health check to evaluate how funding is distributed.
4	Complete the Governor Monitoring Checklist for Financial Efficiency.
5	Review the trust's Risk Register.
6	Receive information from the Autumn term census data.
7	Contribute to preparation of audited financial statements, auditor's management letter, internal scrutiny annual summary report and accounts submission coversheet to the ESFA.
8	Contribute to and publish the pupil premium report and strategy.

Spring term

Reference number	Item description
1	Receive a report from the CFO regarding the trust's budgeting and expenditure, ensuring that challenge is recorded.
2	Publish the trust's audited financial statements on the website.
3	Complete and submit the audited accounts return.
4	Review arrangements for service level agreements and traded services, as appropriate.
5	Receive information from the Spring term census data.
6	Complete and submit the school resource management self-assessment tool (SRMSAT).
7	Receive and agree the draft budget.
8	Review committee purpose, effectiveness and functions.

Summer term

Reference number	Item description
1	Receive a report from the CFO regarding the trust's budgeting and expenditure, ensuring that challenge is recorded.
2	Evaluate spending in line with the trust's strategic plans.
3	Review the impact and effectiveness of the use of the pupil premium grant.
4	Complete and submit the budget forecast return (BFR).
5	Complete and submit the audited financial statements to Companies House.
6	Draft the financial scheme of delegation in time for the Autumn term.
7	Receive information from the Summer term census.

7. Duties

General

Reference number	Duty description
1	To observe and comply with the trust's trustee code of conduct at all times.
2	To comply with the current addition of the Academy trust handbook
3	To appoint a governance professional to advise and guide the finance committee of its duties and responsibilities, and to record minutes of all committee meetings.
4	To establish terms of reference for the finance committee and review these on an annual basis.
5	To deal with all matters relating to finance and budgeting that have been referred by the board of directors.
6	To keep up-to-date with any relevant legislation and advise the board of directors of when any relevant policies may need to be revised.
7	To minute all meetings and report all decisions to the board of directors as a confidential item.
8	To seek professional advice as necessary.
9	To attend relevant training when appropriate.
10	To report to the board of directors on the proceedings, recommendations and decisions of the committee.
11	To ensure that each academy within the trust is adequately insured or is a member of the risk protection arrangement (RPA).

Financial planning

Reference number	Duty description
1	To establish a three-year budget plan that aligns with the priorities of the trust's strategic plans and recommend this to the board of directors.
2	To draft and adopt a detailed annual budget plan which includes revenue and capital expenditure.
3	To make recommendations on the level and use of any contingency funds or balances, ensuring proposals for expenditure are in line with the development priorities outlined in the trust's strategic plans.
4	To ensure the annual budget plan considers the agreed priorities of the trust's strategic plans.
5	To consider the academy's indicative funding, notified via the EFSA, and draw any significant matters or concerns to the attention of the board of directors.
6	To determine whether sufficient funds are available for pay increments as recommended by the remuneration committee.
7	To consider and approve recommendations made by the premises committee on all aspects relating to trust premises.

Financial monitoring

Reference number	Duty description
1	To monitor the income and expenditure throughout the year of all delegated and devolved funds against the annual budget plan.
2	To recommend and evaluate the allocation of pupil premium funding within the annual budget.
3	To hold the trust to account for the spending of pupil premium funding and associated outcomes.
4	To review and monitor financial KPI's
5	To review the rates charged for the letting of premises within the trust.
6	To oversee the effective financial management of the trust through the SRMSAT (School resource management self-assessment tool)
7	To review, on an annual basis, the trust's financial procedures relating to assets and disposals.

8	To review and maintain the trust's policies for budget management, procurement, assets and disposals.
9	To review and maintain the trust's policies on fraud and financial irregularity.
10	To identify any significant losses and ensure these are investigated and learnt from.
11	To review the trust's risk register and internal financial controls, and make recommendations based on any findings to the board of directors.
12	To approve expenditure requests as necessary.
13	To approve the allocation of capital funds for capital projects, if delegated by the board of directors.
14	To monitor the expenditure of all voluntary and reserve funds kept by the trust.
15	To approve action where expenditure varies from the annual budget by +/- 10 percent.
16	To approve the award of certain high-cost contracts, as outlined in the trust's articles of association, and where delegated by the board of directors.

Financial reporting

Reference number	Duty description
1	To review reports from the CFO regarding the spending of the trust's budget throughout the academic year and report the findings to the board of directors.
2	To report any significant anomalies in the performance of the trust against the annual budget to the board of directors.
3	To receive and respond to audit reports on the delegated and devolved funds, and non-public funds.
4	To prepare financial statements for filing in accordance with the requirements set by Companies House, the ESFA, and the Charity Commission.
5	To prepare a programme of work that will provide assurance to the relevant stakeholders on the integrity of the trust's financial systems and demonstrate that risks are being minimised.

8. Monitoring and review

These terms of reference will be reviewed on an annual basis by the board of directors.

Upon review, this document will be signed by the chair of directors and the chair of the finance committee.

Changes to these terms of reference will be distributed to all members of the finance committee.