

FINANCE COMMITTEE **TERMS OF REFERENCE 2018-19**

Introduction

1. The Finance Committee is a committee of the Trust established under the terms of Clauses 100 to 104 of the Articles of Association of 2015.

Purpose of the Committee

2. The purpose of the Finance Committee is to advise the Trustees on:
 - a. the financial health and solvency of the Federation;
 - b. the financial implications of new initiatives and ventures;
 - c. the financial implications of the Federation's capital planning and development opportunities;
 - d. its actions and decisions as exercised under the Trust's Scheme of Delegated Authority.
3. The Committee is required to fulfil its responsibilities set out in these terms within the terms of:
 - a. the appropriate Priory policies, procedures and Finance Manual;
 - b. the Trust's Scheme of Delegated Authority;
 - c. each current DfE Academies' Financial Handbook;and in compliance with the requirements of the Funding Agreement between the Trust and the Education and Skills Funding Agency (or any successor funding body).

Membership and Operation

4. The Committee shall consist of a minimum of three Trustees appointed by the Trust. The Trust may appoint additional Trustees to increase the size of the Committee's membership. Membership of the Committee may also include additional persons who are not Trustees to add to the skills and expertise available. Such additional members (ie non-Trustees) will not be entitled to vote.
5. Members of the Trust's Audit Committee are not eligible for membership of this Committee.
6. The quorum shall be two Trustees appointed by the Trust. The quorum is the minimum number of members of the Committee necessary to conduct the business of the Committee.
7. The Committee shall be served by the Federation Clerk to the Trustees or his/her deputy.
8. The Chair will be appointed by the full Trust Board.

9. The Committee may appoint a Vice/Deputy Chair if it so wishes.
10. In the event of the Chair or Vice/Deputy Chair (if one exists) of the Committee being unable to attend, the remaining members shall elect one of their members as Chair for the meeting.
11. The Chair shall have the power to invite other individuals to attend any meeting if deemed appropriate to the business. Lead members of the Senior Leadership Team whose area of responsibility includes matters relative to the Detailed Responsibilities of the Committee listed below shall be expected to attend meetings of the Committee.
12. The Committee is entitled, wherever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules of quoracy) to exclude any, or all, participants and observers, except the Clerk to the Trustees.
13. The Committee shall undertake an annual review of these terms of reference, and recommend to the Trust Board the approval of any changes deemed necessary.

Detailed Responsibilities

14. Subject to the detailed requirements of the Trust's Finance Manual, the Committee shall consider and advise the Trustees on the following specific matters:

Finance

- a. the annual estimates of income and expenditure, other budgets and the financial forecasts for the Federation
- b. the procedure for expenditure on capital items, and to review the list of spending priorities
- c. the Trust's financial ability to implement pay progression for staff
- d. the management accounts of the Federation and its academies, and also to advise the Trust on the year-end accounts of the same
- e. the financial elements of risk management in the Federation, including staff and insurances
- f. any relevant taxation issues
- g. investments and borrowings, including treasury management policies
- h. the management and authorisation of purchases, procurement processes and projects in line with The Trust's Purchasing Policy
- i. proposed organisational changes, acquisitions and disposals, including sites and properties
- j. the content of the Finance Manual and a review of the same when appropriate
- k. consideration of the EFA's Annual Accounts Direction and Academies' Financial Handbook, including the annual statutory Value-For-Money Statement.

Facilities

- l. the maintenance and improvement or repair to the buildings, grounds and plant
- m. the appointment of architects, builders, ground maintenance teams, surveyors etc according to the established procedures
- n. expenditure and control of maintenance and improvement to the respective academy premises
- o. improvement and requirements for the smooth running of the academies, in relation to the premises

ICT

- p. the development, deployment and support of ICT services to underpin teaching, learning, research and administration systems
- q. priorities and resource requirements to ensure the Federation is best placed to take advantage of innovations and best practice in ICT development

Insurance

- r. the annual insurance/risk protection arrangements available to the Federation

Meetings

Committee meetings will be held on an as required basis but at least once a term.

The Clerk to the Trust shall be the Clerk to the Committee, keeping appropriate records of the proceedings. The agendas and minutes of Committee meetings shall be circulated to all Board members. Papers shall be available not less than five days before a meeting of the Committee.

The minutes of Committee meetings shall be subject to public disclosure under the Freedom of Information Act 2000. Where requests are made, the Clerk shall, with legal advice where necessary, release such information as is not subject to exemption under the terms of the Act.

The committee will liaise with such other committees and invite members of other committees to attend its meeting as should be deemed appropriate.

Any matters which may be in conflict with the work of another committee must be referred to the Trustees.

Any urgent matters may be circulated and agreed digitally out of Committee, with any decisions ratified at the next Committee.

- 15. The Committee is also tasked with the following matters of detail:
 - a. approving the signing of facilities and development contracts and agreements on behalf of the Trust where required in accordance with the Trust's Finance Manual or under the guidance or instruction of the Education Funding Agency or any successor body

- b. advising the Trust on expenses allowances payable to Trustees
- c. approving financial policies in relation to capitalisation, depreciation, treasury management, Federation investment and borrowings
- d. making recommendations to the Trust and Audit Committee on the strategic risk areas remitted by the Federation to the Committee

Delegated Functions

16. Subject to the detailed requirements of the Trust's Scheme of Delegated Authority, the Committee:
- (a) has the authority of the Trust to investigate any activity within its Terms of Reference; and
 - (b) may be requested to investigate anything by the Trust within the Committee's Terms of Reference.

The Committee may obtain independent professional advice in accordance with the Trust's procedures.