

TERMS OF REFERENCE

Finance and Resources Committee Terms of Reference (TOR) (V2 Sept 2024)

The role of the Finance and Resources Committee (the committee) is to help shape, make recommendations and provide oversight for the trust of the use of resources and financial matters, providing strategic direction on matters including budgeting and financial planning, monitoring and reporting, good estates and IT management. The committee ensures the trust operates within budget and is able to fund short, medium and long term plans.

AUTHORITY

The Committee is a committee of the Board and is authorised to undertake any activity within its terms of reference. The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.

The Committee may:

- Seek any appropriate information that it requires from any employee of the Trust and all employees shall be directed to co-operate with any request made.
- Obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary. Such a person shall not be entitled to vote.

The Resources Committee has no executive powers or operational responsibilities/duties other than those set out in this TOR.

COMMITTEE MEMBERSHIP

The Committee shall have up to six members; one should be qualified in finance and appointed by the trust board. In addition, Advisory, non voting committee members may also be appointed by the board.

The meeting will be quorate if 3 members are present. Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the matter. Where there is an equal division of votes the Chair shall have a casting vote.

DECISIONS OUTSIDE OF MEETINGS

Decisions may, at times, be required outside of meetings. In such circumstances trustees can vote via e-mail through the Governance Professional/Clerk. Where there is an equal division of votes, the Chair of the committee shall have a second or casting vote. The Governance Professional will keep a record of e-mail responses to the decision. At the next committee meeting the decision will be formally ratified, and recorded in the minutes.

DUTIES

Strategy and process

1. To ensure awareness of changes in to legislation and the operating environment which may impact the Trust
2. To approve and monitor the implementation of the finance and estates strategy and direct action where necessary.
3. To review and recommend the Investment Policy to the Trustee Board, ensuring financial risk is managed
4. To ensure procedures for ensuring effective implementation, control and operation of financial procedures are in place, including the setting up of bank accounts
5. To review the strategy for reserves management, including a clear plan set out in the reserves policy.
6. Approve policies as listed in the policy delegation list
7. Ensure the trust follows the DfE's H&S responsibilities and duties for schools and HSE guidance for education
8. Manage the school estate strategically, ensuring good estates management governance to maintain the estate in a safe working condition.
9. Monitor environmental sustainability reports/progress
10. Have in place a regularly reviewed and tested Emergency Plan
11. Monitor the IT Strategy and DfE Cyber Security Standards

Funding

1. To consider the implications of the Education Skills Funding Agency (ESFA) annual funding proposal and the impact on budgets, drawing any matters of significance or concern to the attention of the Trust Board
2. To review each year the financial resources available to the Trust, with a report on the principal internal allocation of resources, and to scrutinise and recommend a budget to the Trustee Board
3. To contribute to the formulation of the Academies strategic plans, through the consideration of financial priorities and proposals
4. To ensure the Trust's income generating activities are allowed within the Articles of Association
5. Consider and approve proposals for income generating activities that fall outside of the Trusts charitable objectives; making recommendations to the Board of Trustees

Budgeting

1. Provide overview and scrutiny to the development of the medium and long term financial models (MTFM and LTFM)
2. Ensure the MTFM and LTFM is designed, developed, delivered, managed and monitored appropriately
3. To receive a proposal and approve the broad budget headings and areas of expenditure to be adopted each year

4. Approve the levels of contingency funds that may be held and the use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Academies' strategic plans
5. To delegate the day to day management of the approved budget to the relevant Principal/ Headteacher, within agreed authorisation limits
6. To consider requests for material changes to budget and make appropriate recommendations to the Trust Board

Financial Performance

1. Review the judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:
 - The extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - Significant adjustments resulting from the audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with DfE and legal requirements.
2. Review the integrated performance of the Trust
3. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the relevant, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Trust Board
4. Review the in-year delivery of any annual efficiency savings programmes
5. Review the financial implications of the Apprenticeship Service provided by the trust.

Expenditure

1. To receive reports on major items of capital expenditure in excess of £100k including land and buildings, including expenditure and disposal.
2. To oversee the financial implications of new and significant land and building leasing arrangements and to make recommendations to Estates Committee on the financial impact
3. To oversee the financial implications of and expenditure on detailed schemes for the development, maintenance and enhancement of the Trusts estate
4. scrutinise estates and IT spending over £100K
5. Monitor progress on estates capital and revenue projects;
6. To approve items as per the Schemes of Delegation

Investment

1. To recommend to the Trustee Board, the allocation of funds for investment, indicating the liquidity requirements attached to the funds

2. To track financial exposure; to review the trust's investments and investment policy on a regular basis
3. To consider new investments and make a recommendation to the Trustee Board
4. To receive reports on the performance of investments

Controls

1. To approve delegated authority limits and financial scheme of delegation
2. To approve bank signatories
3. To approve policy on the use of company credit cards
4. To receive reports on the management of assets including premises and their security.
5. To confirm that an asset recording system is in place, including an inventory and fixed asset register.

General

1. Reviewing or investigating any other matters referred to the Committee by the Trust Board.
2. Drawing any significant recommendations and matters of concern to the attention of the Trust Board.
3. To appoint the Trusts banker(s) and approve the designation of bank account signatories

Accounts & Audit

1. To review of the accounts and management's letter of representation to the external auditors, prior to submission to the ARAC
2. To receive the results of financial audits and agree actions as required

Risk Management Framework

Identify and areas of risk, gaining assurance that the financial and Operational risks are being effectively managed and reporting to the Audit and Risk Committee on any high risks or risks that are above the agreed appetite to risk, including but not limited to:

1. Energy and Utilities
2. Environmental Performance and Waste Management
3. Statutory Maintenance
4. Health and safety
5. IT
6. Governance
7. Financial risks
8. Security Operations

Advice and guidance

The Finance and Resources Committee advises the Board of Trustees on the:

1. Solvency of the Trust and the safeguarding of its assets
2. Overall financial strategy and financial forecasting
3. Annual estimate of income and expenditure
4. Capital Plan and Annual Capital Programme
5. Annual accounts
6. Financial forecasts
7. Financial implications of the acquisition and disposal of land and property, and proposals for the development of the Trusts estate

Reporting Procedures

Minutes will be presented at the next Full Board meeting identifying (i) decisions made, (ii)

recommendations to the Trust Board, (iii) any items for the information of the Trust Board and (iv) items for further discussion by the Trust Board.