



**Falmouth MAT – Finance Committee
Terms of Reference**

Finance Committee (comprising Estates, Finance, Audit & HR)	
Role	<ol style="list-style-type: none"> 1. To assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling its responsibility to ensure sound management of the Trust’s finances and resources, including proper planning, monitoring and probity. Also ensuring appropriate audit controls. 2. To assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling its responsibility to ensure sound management of the Trust’s estate and physical resources. 3. To maintain an oversight of the Trust’s governance of all matters pertaining to the employment, welfare and professional development of all Trust employees. It must establish a control framework that recognises public expectations about governance, standards and openness. <p>To make appropriate comments and recommendations on such matters to the Trust Board on a regular basis. Major issues will be referred to the Trust Board for ratification.</p>
Membership	<ul style="list-style-type: none"> • Two Trustees (one appointed by the Board to be Chair) • Representatives from each of the schools Local Governing Boards across the Academy • Chief Executive Officer • Chief Financial Officer <p>Staff with lead responsibility for Estates, Finance and HR and any other member of the senior leadership team as required.</p> <p>(Only Trustees, Governors and the CEO have voting rights)</p>
Admin	<p>Administrative support will be provided by the Clerk to the Board.</p> <p>Agendas will be agreed in advance by the Chair of the Finance Committee. Papers will be circulated to members and attendees at least 5 working days in advance of the meeting wherever possible.</p> <p>Minutes of meetings will be taken and once approved in draft by the Chair of the Finance Committee, be circulated to Committee members and submitted to the next scheduled meeting of the Board.</p> <p>The Finance Committee will review these terms of reference and self-assess its performance against these terms of reference on an annual basis.</p>
Quorum	3 Committee members, including one trustee and the CEO.
Meetings /	Minimum 3 meetings per annum – usually termly

Frequency	
Delegated Decision Making Authority	Delegation of decision making within the delegated framework. Recommendations to Trust Board
Voting	Show of hands unless agreed to the contrary (excluding non-voting members)
Delegated Authority	Management of delegated MAT Budget Management of delegated Estates Budget Management of HR decision making within the delegated framework Authorisation limits as set out in the Scheme of Delegated Authority.
Conflicts of interest and related/connected party transactions	All members must declare any potential business interests at the start of each meeting as a standing agenda item and also during any meeting should a circumstance arise that is not on the agenda. The members must be mindful of the requirements of the Academies Financial Handbook for both related party and connected party transactions and must ensure that the rules are complied with.
Novel or contentious transactions	The committee must consider if there are any novel or contentious transactions arising from any agenda items or from the report from the accounting officer. A report must be made to the ESFA in line with the Trust's policy and the Academies Financial Handbook if such a transaction is identified.
Core duties	<ol style="list-style-type: none"> 1. Review information for each academy which will include KPI's as required by the ESFA guidance as follows: <ul style="list-style-type: none"> • Staff pay as percentage of total expenditure • Average teacher cost • Pupil to teacher ratio (PTR) • Class sizes • Teacher contact ratio • Proportion of budget spent on the leadership team • 3 to 5 year budget projections • Spend per pupil for non-pay expenditure lines compared to similar schools • School improvement plan priorities and the relative cost of options • List of contracts with costs and renewal dates to include reports on catering and cleaning contract performance, and review accordingly. 2. To review financial information for each academy and central function to include: <ul style="list-style-type: none"> • Actuals compared to budget – based on accruals accounting • Forecast outturn compared to annual budget • pupil numbers and school census compared to budget • Staff Sickness data • Supply teaching costs • Any claims or litigation • Any novel or contentious transactions at academy level

	<ul style="list-style-type: none"> • Any regularity issues identified at academy level <p>3. Trust level financial matters:</p> <ul style="list-style-type: none"> • Approve the annual balanced budget for submission to the ESFA by the deadline and recommend approval by the full Trust Board. • Formally notify the ESFA within 14 days if a deficit budget is being set. • Review the 5 year budgets for the Trust as a whole, including all academies and taking into consideration value for money • Review and publish statutory accounts for year end 31 August in line with the annual academy accounts direction by no later than 31 December for filing at the ESFA • Approve a scheme of delegation annually. • Provide guidance and assistance to the Accounting Officer in all matters relating to budget/finance and agree delegation to the Accounting Officer of the day to day financial management across the Trust in line with the finance policy • Review value for money during all discussions • Ensure compliance with any directions from the ESFA such as a Financial Notice to Improve. • Ensure bank accounts, financial systems and financial records are operated by more than one person. • Notify Edubase of any changes to the chair or CFO. • Must have a cautious approach to investments. • Must not approve any borrowing without the approval of the ESFA. • Must obtain approval to any settlement payment in line with the academies financial handbook. • Receive report on all Estates issues and consider any appropriate actions. • Ensure compliance with Bi-Annual inspection of premises and grounds for all academies • Approve the lettings and charges policy for the Trust <p>4. In line with the academies financial handbook it must:</p> <ul style="list-style-type: none"> • Ensure MAT wide staff data compliance. • Prepare appropriate HR Policies (for MAT Board approval) in line with ethos of Trust • Ensure agreed strategic HR objectives are achieved <p>5 In relation to audit:</p> <ul style="list-style-type: none"> • Oversee the trust's risk register and, on the advice of the CEO/accounting officer and CFO, conduct a regular review of risks • Take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook. • Agree an annual programme of internal scrutiny with the trust's internal auditors for checking financial systems, controls, transactions and risks. • Ensure that the programme of internal scrutiny delivers objective and independent assurance. • Provide assurance to the Trust Board that risks are being adequately identified and managed • Advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance
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	<p>processes, securing economy, efficiency and effectiveness (value for money)</p> <ul style="list-style-type: none"> • Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise senior management on any additional or alternative steps to be taken • Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit) • Monitor the effectiveness of auditors • Review the findings of the external auditors and agree any action plan arising from it • Ensure there is co-ordination between internal audit and external audit and any other review bodies that are relevant • Ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity • Consider the reports of the auditors and, when appropriate, advise the Trust Board of material control issues. • Encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees • provide minutes of all Finance Committee meetings for review at board meetings
Whistleblowing	The committee must comply with the requirements of the academies financial handbook and the Trust's finance policy in relation to whistleblowing.
Fraud	The committee must ensure that fraud is considered as part of the internal controls and assurance arrangements. Any reporting must be carried out in line with the Academies Financial Handbook and the Trust's finance policy. It must be a standing agenda item for consideration.