



FINANCE COMMITTEE TERMS OF REFERENCE

Declaration of Interests

It is vital that all members of this committee act, and are seen to act, impartially. All members are therefore required to complete a declaration of their business interests; these include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as parent, spouse, child, cohabitee and business partner where influence *could* be exerted by that person over another committee member or member of staff.

It is the responsibility of all committee members to ensure their declarations of business interests are kept up to date at all times, and to amend or update them as necessary. This will be a standing agenda item for each committee meeting, allowing members to declare any changes to their interests

The committee is concerned with monitoring the work of the Multi Academy Trust in terms of its financial control.

These Terms of Reference will be reviewed annually by the MAT Board of Directors.

Membership

The Finance Committee shall consist of at least four directors with the MAT Business Director, and other DBE officers as appropriate, in attendance. Others may be co-opted to serve on the committee as appropriate.

The Committee will appoint the Chair.

Quorum

The quorum shall be two directors (it is the responsibility of officers to alert the clerk in the event of known non-attendance at a meeting).

Powers of the Sub-Committee

The committee has full delegated decision making powers other than for decisions involving additional expenditure in excess of funds delegated to it under the scheme of delegation, which should be referred to the MAT Board of Directors.

Election of Committee chair

The chair will be elected at the first meeting of each academic year by the committee.

The Chair has the casting vote.

Recording and reporting of meeting

The Assistant Director (Schools) will be the clerk to the committee, and will produce minutes of all meetings to be circulated, where possible, before the full MAT Board meeting following the committee meeting.

Terms of Reference for the Finance Committee

Purpose

To assist the decision making of the MAT Board of Directors, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Multi Academy Trust's (MAT) finances and resources, including proper planning, monitoring and probity.

To act as an audit and risk committee with responsibility for reviewing the overall risk profile of the MAT for appropriateness and to monitor the risk management techniques employed at all levels.

To make appropriate comments and recommendations on such matters to the MAT Board of Directors on a regular basis and refer major issues to the MAT Board for ratification.

Terms of Reference Finance and Strategy

Subject to the requirements of the Companies Act 2006 and the Academies Act 2011 the committee is authorised:

- 1 To consider the indicative funding of the academies in the MAT, notified annually by the DfE, and to assess its implications for the MAT, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board of Directors.
- 2 To consider and recommend to the MAT Board of Directors acceptance/non-acceptance of the MAT's budget, at the start of each financial year.
- 3 To contribute to the formulation of the Trust development plans, through the consideration of financial priorities and proposals, in consultation with the CEO, with the stated and agreed aims and objectives of the MAT.
- 4 To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- 5 To act as the Pay Committee and on behalf of the MAT Board of Directors to approve the proposed salaries of the CEO and MAT Business Director.

- 6 To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the MAT, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the MAT Board of Directors.
- 7 To prepare the financial statements to form part of the annual report of the MAT Board of Directors and for filing in accordance with Companies Act and Charity Commission requirements
- 8 To recommend to the MAT Board of Directors the appointment or reappointment of the auditors of the Trust.

Terms of Reference – Audit

- 9 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- 10 To review and consider the reports of the Responsible Officer on the effectiveness of the financial procedures and controls and to recommend to the MAT Board of Directors action as appropriate in response to their recommendations.
- 11 To review the findings of the external auditors, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- 12 To review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the MAT's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.
- 13 To review the MAT's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- 14 To review the statement in the annual report and accounts on the Academy's internal controls and risk management framework;

Terms of Reference – Risk

- 15 To assess the scope and effectiveness of the systems established by management to identify, assess, manage, monitor and address financial and non-financial risks.

- 16 To review the effectiveness of risk management systems within key areas of MAT operations, monitoring the risk profile of the business against the Board's desired risk appetite and the effectiveness and output of the annual risk management process.
- 17 To ensure that risk management is appropriately embedded within line management and that this process is monitored
- 18 To assess the overall population of risk within the risk register, including any changes during the period

Terms of Reference – Business Continuity

- 19 To monitor the effectiveness of contingency and business continuity planning and to periodically test the underlying assumptions of the plans.