

## 6. *Terms of Reference for Finance and Resources Committee*

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### ROLE OF FINANCE AND RESOURCES COMMITTEE

- 8.1 The Finance and Resources Committee operates under a Scheme of Delegation from the Trust Board. It must at all times adhere to its Terms of Reference. Its deliberations and actions should include proper planning, monitoring, probity and business professionalism in overseeing sound management of both the Trust and individual Academies finance and resource management.
- 8.2 The Finance and Resources Committee will make recommendations to the Arbor Academy Trust Board for consideration and ratification. This to include the strategic and operational direction of the Trust as a whole in respect of financial, operational, staffing and use of other resources to meet priorities set by the Trust Board.

### CONSTITUTION

- 8.3 The membership of the Committee will consist of:
- The Chief Executive
  - Three other Trustees
  - The Finance Director
  - An Independent Accountant
- 8.4 Other persons may also be invited to attend for all or part of any meeting, as appropriate. This includes external auditors and the Chair of the Local Governing Body and Heads of School when needed.
- 8.5 A Trustee, other than the Chief Executive, Chair or Vice-chair of the Trust Board will be appointed as Chair of the Finance and Resources Committee and will lead on feedback on recommendations for consideration by the Trust Board.

### SCHEME OF DELEGATION

- 8.6 All matters within the scope of Finance (as set out in the EFA Financial Handbook), Human Resources and other Resources as delegated by the Arbor Academy Trust. This to include any other matters which are outside of the remit of other committees which the Arbor Trust Board may ask the Finance and Resources Committee to consider and recommend appropriate action.
- 8.7 The key areas of delegation cover:
- Financial management of the Trust
  - Setting the budget for each Academy in the Trust
  - Determination of capital and building works
  - Procuring all service contracts and goods
  - Establishing HR policies for the Trust and all Academies
  - Appointments to the Executive Team

- Due diligence for potential schools joining the Arbor Trust

## 8.8 Scope

### Finance

- (i) Ensure that the Trust has in place all the financial policies and procedures required of a Multi-Academy Trust as laid out in the EFA Financial Handbook and to report to the Trust Board on any actions required to address any failure to meet those obligations.
- (ii) Review finance policies and procedures, including the application of proper financial controls and make recommendations for further improvement for consideration and adoption by the Trust Board.
- (iii) Ensure that risk assessment of all activities of the Trust are regularly carried out and report to the Trust Board any concerns arising from the risk assessment and such risks should be mitigated.
- (iv) Prepare the annual accounts of the Trust, setting out income and expenditure for both revenue and capital for approval by the Trust Board.
- (v) Ensure that internal and external auditing of the accounts of the Trust meet requirements laid out in the EFA Financial Handbook and to consider any recommendations made by the external auditors.
- (vi) Recommend to the Trust Board the annual top-slice of funding withheld from Academies within the Trust to cover responsibilities of the Trust. This to include maintaining adequate reserves and identification of funding for projects prioritised by the Trust Board
- (vii) Recommend to the Trust Board the funding to be delegated to each Academy in the Trust and draft income and expenditure for consideration and comment by the Local Governing Body.
- (viii) Consider any recommendations from the Chief Executive, Standards Committee and Local Governing Bodies where these may have implications for the agreed budget.
- (ix) Recommend to the Trust Board levels of delegated authority, including virement, to the Chief Executive, Finance Director, individual Academies and Heads of School.
- (x) Monitor and review monthly expenditure and virements in line with the Financial Scheme of Delegation.

- (xi) Monitor and review the impact of the use of grant funding on standards and achievement in relation to performance targets set across the Trust and for individual Academies.
- (xii) Monitor and review all revenue and capital expenditure in relation to school premises, maintenance, infrastructure and ICT and ensure value for money within the allocated budget.
- (xiii) Monitor and review all agreed Service Level Agreements and contracts made on behalf of the Trust and its Academies.
- (xiv) Monitor and review lettings and charging policies and ensure that Academies strike the right balance between meeting the local community needs and coverage of additional costs.
- (xv) Recommend to the Trust Board the viability of new Academy sponsorships and setting up of any free schools. This to include all due diligence and financial and risk assessments on any converting educational facility.
- (xvi) Undertake any other matter not falling within the remit of any other Committee.

#### Human Resources

- (xvii) Work with the Standards Committee to ensure that resources allocated to meet the overall Trust and individual Academy School Development Plans are adequately funded and supported to be successfully delivered.
- (xviii) Monitor and review implementation of all Trust Human Resource Policies (including Disciplinary, Capability, Grievance, Appraisal & Performance Management, Recruitment, Pay and Conditions, Adoption, Maternity Leave & Paternity Leave and Whistleblowing) within the constraints of national and local agreements.
- (xix) Work with the Chief Executive to establish a procedure for nominating representatives of the Trust Board to serve on any committees relating to Human Resource issues.
- (xx) Work with the Chief Executive to monitor and review staffing structure for all Trust Board appointments and their pay and conditions of service, including performance management arrangements.
- (xxi) Monitor and review the management of recruitment and retention for all staff employed by the Trust within the context of Trust HR policies and develop effective strategies to ensure that the Trust and individual Academies are able to recruit and retain staff.

- (xxii) Work with the Standards Committee to ensure that the staffing structure for each Academy is appropriate to meet the needs of the Academy as set out in the School Development Plan.

8.9 Operational matters

7. The Finance and Resources Committee should normally meet termly after the meeting of the Local Governing Body and before Trust Board.
8. A special meeting may be called if there is a significant Finance or Resource issue requiring a recommendation to be made to the Trust Board. A special meeting can be called by the Chief Executive or Chair of the Committee.
9. Quorum for a meeting will be two Trustees (including the Chief Executive)
10. Only Trustees on the committee have the right to vote. Decisions taken on a vote will be carried by a simple majority. If the vote is tied, the Chair will have a casting vote.
11. Any Trustee has the right to attend a meeting of the Committee and participate in the discussion. However, a Trustee who is not a member of the Committee does not have the right to vote.
12. The Chair of a Local Governing Body has the right to ask to attend a meeting of the Committee if there is an item that will impact upon an Academy for which the Local Governing Body has responsibility. It is for the Chair of the Committee in consultation with the Chief Executive to determine whether or not that request is agreed.
13. The Chief Executive has the right to invite any member of the Executive Team to attend a meeting of the Committee unless they have a pecuniary interest in matters being discussed.
14. Any meeting of the Finance and Resources Committee will be supported by the Arbor Academy Trust's appointed clerking service and will be fully minuted and recorded. All minutes will be approved and published within fourteen days of the meeting (subject to appropriate deductions) to the agreed recipients – which are likely to include:
  - All Trustees;
  - the Chairperson of the Arbor Trust Board; and
  - the Chief Executive Officer.
15. A copy of these minutes will be stored centrally and will be made available on request to interested parties.