

Grace Academy

Finance Committee - Terms of Reference

1. Membership for Finance Matters

2 Trustees (1 Chair)

CEO

Internal Auditor

Membership for Audit Matters

2 Trustees

Internal Auditor

Clerk: Clerk to LGB

Membership terms set out above are the minimum requirements.

2. Purpose

The Finance Committee is a sub-committee of the Governing Board. Its purpose is to assist the decision making of the Governing Board and the delegated responsibilities of the Local Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Board and LGB/AIB responsibilities to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. It establishes, monitors and reviews financial controls, systems, transactions and risks that take place or exist within the Trust.

The Committee will make appropriate comments and recommendations on such matters to the Governing Board and Local Governing Body on a regular basis. Major strategic issues will be referred to the Governing Board for their approval.

3. Meetings

The Committee aims to meet once per half term but more frequent meetings can be arranged if necessary. The meeting will be quorate if at least one Trustee is present and two other members.

4. Key areas of responsibility

These are set out in the Scheme of Delegation for the Trust and within the Academies Financial Handbook and the Academies Financial Regulations Manual.

Subject to the requirements of applicable legislative acts, the committee is authorised for the following functions:

- the initial review and recommendation of the annual budget.
- the regular monitoring of actual expenditure and income against budget.
- To review outturn forecasts for the current financial year.
- To review 3 year forecasts and any other financial plans as required.
- To have an overview of the facilities within the Trust.
- To ensure that each Academy is either adequately insured or are members of the RPA.
- To review the health and safety regime within the Academies.
- Approving the award of contracts between £60,000 and the OJEU.

- Ensuring that the Annual accounts are produced in accordance with all legal requirements.
- Reviewing the reports of the Responsible Officer (Internal Auditor) on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board.
- To put in place a process for independent checking of financial controls, systems and transactions.
- To establish, monitor and review the risks to the Trust.
- To agree a programme of works that will give assurance to internal and external stakeholders that financial systems are “sound” and risks are being “minimised”.
- To provide an annual report to the Governing Board and to prepare a report for inclusion in the annual statutory accounts of the Trust.

General

- To establish and maintain an up-to-date 3 year financial plan.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy, and with the financial regulations of the EFA, drawing any matters of concern to the attention of the Governing Board and/or the Local Governing Body.
- To contribute to the formulation of the Academy’s development plan, through the consideration of financial priorities and proposals, in consultation with the Principal, with the stated and agreed aims and objectives of the Academy.
- To make decisions on expenditure following recommendations from the Principal and ALT.
- To annually review charges and expenses policies.
- To make decisions in respect of local service agreements.
- To determine whether sufficient funds are available for pay increments as recommended by the Principal.
- 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.
- To monitor expenditure of all voluntary funds kept by the Academy.
- To consider and advise the Trust on the assessment of overall audit needs.
- To receive auditors’ reports and to recommend appropriate action in response to audit findings.
- To recommend to the Board the appointment or reappointment of the auditors of the Academy.
- To review the effectiveness of financial and other control systems.
- To oversee the Academy’s policy on fraud and irregularity.
- To ensure that any significant losses are identified, investigated, reported and learning opportunities shared as appropriate.
- To oversee the Academies Corporate Governance arrangements including the code of practise for Trustees, Governors and senior staff.
- To monitor the Academies arrangements to secure value for money.
- To advise the Governing Board on risk management by:

- Being familiar with risk management requirements;
 - Identifying the risks;
 - Introducing risk reduction measures as appropriate;
 - Keeping and up to date risk register.
- To create and review the policies and procedures below to ensure their effective implementation and operation (see typical items in table):

Date	Policy	Action
Autumn Term (1 st Half)	Academy charging policy; Pay Policy	Outturn review previous year Risk Register review
Autumn Term (2 nd Half)		Budget monitoring Initial budget planning for following academic year Self-evaluation exercise
Spring Term (1 st Half)		Budget monitoring Budget planning and staffing structure for following academic year
Spring Term (2 nd Half)		Budget monitoring Budget planning for following academic year Review committee purpose and functions
Summer Term (1 st Half)		Out-turn for current year Budget review for following academic year Start preparing for strategic financial planning
Summer Term (2 nd Half)		Budget review Progress on strategic financial planning Review of service contracting