

CASTLEMAN ACADEMY TRUST
FINANCE & AUDIT COMMITTEE
TERMS OF REFERENCE

1. POWERS OF THE TRUST BOARD OF DIRECTORS

- 1.1. The Directors of the Trust Board shall establish the Finance Committee as a Trust committee as empowered by the Trust's Articles of Association (Article 100B).
- 1.2. The Directors shall determine and approve the Committee's Terms of Reference and shall review the Terms at the start of each academic year (Article 101).
- 1.3. The Directors shall determine and approve the delegation of powers, responsibilities and duties to the Committee and shall review this Scheme of Delegation at the start of each academic year (Article 105).
- 1.4. The Directors shall have the right to intervene in the governance of an individual school where it has serious cause for concern that there is financial mismanagement or failure to operate within budget.

2. POWERS OF THE FINANCE & AUDIT COMMITTEE

- 2.1. The Committee shall exercise the powers, responsibilities and duties delegated by the Trust Board as set out in the Terms of Reference and Scheme of Delegation, and in particular;
- 2.2. to prepare and approve the Trust and Academy Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Directors (SoD 5.1-2),
- 2.3. to review, recommend to the Trust Board and monitor the individual academy annual budgets, with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.12),
- 2.4. to oversee the financial governance and operation of Trust schools to comply with the Trust's financial regulations, policies and procedures, including monitoring the school's annual budget (SoD 5.11-12),
- 2.5. to review, recommend to the Trust Board and monitor the Trust annual budget that consolidates individual school budgets with Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit (SoD 5.5),
- 2.6. Monitor expenditure throughout the year.
- 2.7. to identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member schools through joint commissioning and procurement,
- 2.8. to review and approve the Trust and Academy Interim Year End financial reports prior to audit (SoD 5.6 & 5.14).
- 2.9. to review and recommend to the Trust Board the appointment and re-appointment of the Trust's auditors (SoD 5.3),
- 2.10. to plan and oversee the statutory audit of Annual Accounts for the Trust and each school (SoD 5.7),
- 2.11. to review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation (SoD 5.7),
- 2.12. to review and recommend to the Trust Board the Trustees Report (SoD 5.8),

- 2.13. to prepare and recommend to the Trust Board and implement the Trust action plan in response to the auditor's management letter (SoD 5.10),
- 2.14. to review and approve the annual Accounts Return to the Education & Skills Funding Agency (SoD 5.10),
- 2.15. Examine the level of insurance arranged and advise the Trust Board on any additional cover deemed necessary
- 2.16. Examine proposals with respect to insurance cover for long-term absence of staff
- 2.17. to prepare and approve policies relating to the Trust's financial governance and operation including;
 - 2.17.1. Procurement,
 - 2.17.2. Anti-Fraud and Corruption
 - 2.17.3. Investment
 - 2.17.4. Virement.
- 2.18. to consider and respond to proposed policies relating to the Trust's employment of staff including;
 - 2.18.1. Teachers Annual Pay Award (SoD 3.5),
 - 2.18.2. Support Staff Annual Pay Award (SoD 3.6).
 - 2.18.3. Leadership structure (SoD 4.3)
- 2.19. to consider and respond to proposals for the re-structuring and redundancy of staff (SoD 4.15-16).
- 2.20. to approve expenditure or contracts between the Upper Limit (as per Trust Finance Regulations) and the OJEU limit in force at the time.
- 2.21. to approve disposals and write-offs of stock and assets between the Upper limit (as per Trust Finance Regulations) and the limit set by the Education & Skills Funding Agency.
- 2.22. To review annually and agree the levels of financial authorisation as laid down in the Scheme of Delegation
- 2.23. to review, approve and monitor the Asset Management Policy and Plan (SoD 8.1) including;
 - 2.23.1. approval of commissioning and repairs between £10,000 and £49,999,
 - 2.23.2. approval of applications for capital funding.
- 2.24. to review and approve the Trust Health & Safety policy.
- 2.25. Advise on and monitor energy conservation matters.
- 2.26. Monitor performance under competitive tendering contracts.
- 2.27. Monitor the lettings policy.
- 2.28. To ensure that the Trust meets all requirements of Financial Management and Governance Self-Assessment.
- 2.29. To give due consideration to budget recommendations from School Standards Boards for the annual budget needed for pay, bearing in mind the need to ensure the availability of monies to support any exercise of discretion. The School Standards Board will make application for additional funding if required.

2.30. Formulate policy on dealing with repair and maintenance items.

3. COMPOSITION AND APPOINTMENT OF THE FINANCE & AUDIT COMMITTEE

3.1. The composition of the Committee shall be as follows;

3.1.1. Chief Executive Officer,

3.1.2. Persons with finance, accountancy or commercial expertise who will be appointed by the Trust Board,

3.1.3. Further Trust Directors such that the Committee has a majority of Directors.

3.1.4. Trust Finance Director is in attendance for reporting purposes.

4. TERM OF OFFICE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

4.1. The Committee Structure should be reviewed annually.

4.2. On appointment Members are each required to familiarise themselves and to agree to comply with;

4.2.1. Trust Articles of Association,

4.2.2. Trust Master and Supplementary Funding Agreements

4.2.3. Trust Financial Regulations,

4.2.4. Academies Finance Handbook,

4.2.5. these Terms,

4.2.6. current relevant financial legislation and guidance for academies.

5. MEETINGS OF THE COMMITTEE

5.1. The Committee shall meet at least once per term and in particular;

5.1.1. The Committee shall meet at the appropriate times set out in the Trust Meetings Calendar

5.1.2. The members will receive notice of each meeting 7 clear days before the date of the meeting.

5.1.3. The agenda, papers and minutes of Committee meetings will be sent to the Governance Operations Director when they are issued to members

5.1.4. Minutes will be signed by the Committee Chair at the next meeting to verify that the minutes are a true record.

5.2. Quorum for a meeting of the Committee will be half the members, with a minimum of three members, and a majority of members present being Trust Directors.

5.3. Each question to be decided at a meeting of the Committee shall be determined by a majority of votes of members present and eligible to vote on the question. The Chair shall have the casting vote in the case of equal votes for and against the decision.

6. APPOINTMENT OF THE COMMITTEE CHAIR AND VICE CHAIR

- 6.1. The Trust Board shall approve the Chair and Vice Chair who will be recommended by the Committee after election. The role of Chair shall be filled by a Director of the Board.
- 6.2. The Trust Board shall have the right to remove the Chair and/or Vice Chair, specifically in circumstances where they have cause for concern that there is financial mis-management in the Trust.
- 6.3. The term of office for Chair and Vice-Chair will be 1 year and they shall be appointed at the first meeting of each school year.

7. APPOINTMENT OF A CLERK

- 7.1. The Committee will ensure that the meeting is clerked.

DECLARATION

The Finance & Audit Committee at its meeting on 7th October, 2021 resolved to adopt these Terms of Reference. A copy has been forwarded to the Governance Operations Director for the formal Trust Board records. These Terms of Reference will be reviewed annually at the start of the academic year.

Signature
(Chair of the Finance & Audit Committee)

Date of signature