

**Terms of Reference:**

**Finance Committee:**

The board of directors (the Trust Board) of Hamwic Education Trust (HET) has established a committee of the Trust Board to be known as the Finance Committee (the Committee).

**Committee Purpose:**

The Committee's purpose is to maintain a strategic oversight in relation to the monitoring and planning of the Trust's financial position and financial control systems. This enables the Trust Board to discharge its financial responsibilities correctly and to ensure the Trust remains financially viable.

**Membership:**

- The number of directors appointed to the committee by the Trust Board will be a minimum of 3 and a maximum of 5
- A Chair of the Committee will be appointed by the Trust Board
- The Committee will be supported by the Clerk to the Trust Board
- The DCEO Business and Chief Financial Officer will attend Committee meetings to provide information and advice
- Additional Trust staff will attend Committee meetings to provide information and advice when required

**Authority:**

The committee is authorised by the Trust board to:

- Undertake any activity authorised by these terms of reference
- Seek any appropriate information that it requires from any employee of the Trust and all employees are directed to co-operate with any request made by the Committee
- The Committee is authorised by the Board to obtain outside legal or other independent professional advice if it considers this necessary

**Quorum:**

- The quorum for each meeting will be 50% of the membership rounded up.
- Decisions of the Committee will be taken by a simple majority of those present
- No vote on any matter shall be taken at a meeting of the Committee unless a member of the Trust board is present
- The Chair of the Trust Board cannot also be the Chair of the Committee
- The Chair will have the casting vote where the vote is tied

**Meetings:**

- The Committee will meet at least three times per year
- Any two committee members can request that the Chair convene a meeting by giving no less than 14 days notice

- Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no few than seven clear days prior to the date of the meeting
- If the Chair is not able to attend the Committee a temporary Chair may be appointed for the purposes of the meeting by the Committee members
- A register of attendance shall be kept for each Committee and published annually
- The minutes of the Committee will be shared with the Trust Board
- Minutes will be produced, approved by the Chair and circulated to the members of the Committee within 14 days of the meeting.

#### **Responsibilities:**

#### **Financial Management & Policies:**

To keep under review, the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, prior to submission to the Trust Board, paying particular attention to:

- critical accounting policies and practices, and any changes in them
- decisions requiring a major element of judgement
- the going concern assumption
- compliance with accounting standards
- compliance with DfE and legal requirements.

To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.

#### **Financial Procedures:**

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 make recommendations for improvement.

#### **Budgeting:**

- To contribute to the formulation of the Academies strategic plans, through the consideration of long term financial priorities and proposals, in consultation with the relevant School Leader and with the stated and agreed aims and objectives of the relevant Academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year. This will include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in each of the Academies' strategic plans.
- To consider the spending plans of other committees and report back and advise the Trust Board.
- To delegate the day to day management of the approved budget to the relevant School Leader, within agreed authorisation limits.
- To consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board.
- To consider value for money.

- To consider and act upon matters not covered by other sub-committees.
- To review financial policy including consideration of long term planning and resourcing in accordance with each of the Academies' development plans.
- To review asset and premises maintenance strategy.
- To review and recommend Managed Service charge.

**Expenditure:**

To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the relevant Academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Trust Board.

**General:**

- To review or investigate any other matters referred to the Committee by the Trust Board.
- To draw any significant recommendations and matters of concern to the attention of the Trust Board.
- To review the Trust Risk Register in relation to the areas which the Committee has oversight.

**Policies:**

The following policies will be reviewed and scrutinised for recommendation to the Trust Board:

- Conflict of Interest
- Gifts and Hospitality
- Expenses Policy – Staff
- Expenses Policy – Director/Governors
- Trust Financial Handbook
- Investment
- Procurement
- Reserves

**Terms of Reference Review/Approval:**

The Committee will review its work and these terms of reference annually and will report the outcome and make recommendations to the Trust Board as appropriate.