



## UNITY SCHOOLS PARTNERSHIP ACADEMY TRUST

### FINANCE COMMITTEE TERMS OF REFERENCE

#### 1 Constitution

- 1.1 The Board of Directors hereby resolves to establish a Committee of the Board to be known as the Finance Committee (the Committee). The Committee is a non-executive committee of the Board of Directors and has no executive powers, other than those specifically delegated in these Terms of Reference.

#### 2 Aim

- 2.1 The Committee will provide an independent and objective view of the Trust's responsibility and accountabilities highlighted within the Articles of Association, Academies Financial Handbook and the Trust Scheme of Delegation. In the event of uncertainty regarding these terms of reference the scheme of delegation and/or articles the latter takes the priority.
- 2.2 The key function of this committee is to drive deeper into the financial figures than the main Board and to ensure the management accounts are reviewed every month and are more easily understood by the main Board.

#### 3 Scope

- 3.1 The Committee has overarching responsibility for monitoring specific elements of the reporting and processes relating to finance and financial information; compliance with accounting policies; independence of internal and external audit; and the control environment including, the prevention and detection of fraud which complements the work of the Audit Committee and does not replace it.

#### 4 Membership

- 4.1 The Committee shall be appointed by the Board of Directors from amongst the Non-executive Directors of the Trust and shall consist of no fewer than three members, one of whom has recent and relevant finance experience. One member of the Committee should be elected by the members as Chair of the Committee to report to the Board of Directors.
- 4.2 A quorum will be two members.

#### 5 Attendance at Meetings

- 5.1 The Finance Director, Chief Executive and the Trust Secretary will normally attend all Committee meetings.
- 5.2 A representative of the Trust's External or Internal Auditors may be invited if deemed necessary.
- 5.3 Other members of the Board of Directors have the right of attendance at their own discretion.
- 5.4 All other attendances will be at the specific invitation of the Committee.
- 5.5 The Committee will have the over-riding authority to restrict attendance under specific circumstances.
- 5.6 Attendance at meetings will be recorded as part of the normal process of the meeting. A record of attendance will be reported as part of the Committee's Annual Report.

#### 6 Frequency of Meetings

- 6.1 Meetings will normally be held each month where a full board meeting is not scheduled.
- 6.2 Special meetings may be convened by the Board of Directors or the Chairman of the Committee
- 6.3 The External Auditors may request a meeting if they consider that one is necessary.

## **7 Authority**

- 7.1 The Board of Directors authorises the Committee to investigate any activity within its duties (as detailed below) and grants to the Committee complete freedom of access to the Trust's records, documentation and employees. This authority does not extend, other than in exceptional circumstances, to personal information on either staff or pupils.
- 7.2 The Committee may seek any information (excluding personal information, other than in exceptional circumstances) or explanation it requires from the Trust's employees who are directed to co-operate with any request made by the Committee.
- 7.3 The Trust Board authorises the Committee to obtain external professional advice or expertise if the Committee considers this necessary.

## **8 Duties and Responsibilities**

### **8.1 Financial Monitoring**

- 8.1.1 To monitor the income and expenditure throughout the year of all trust funds against the annual budget plan in monthly management accounts produced by Director of Finance (delegated to the Head of Finance).
- 8.1.2 To monitor monthly accounts for all supported schools.
- 8.1.3 To consider any changes to accounting policies.
- 8.1.4 To consider and propose to the Board its recommendation for a reserves policy.
- 8.1.5 To consider and propose to the Board its recommendation for a strategic capital investment plan.
- 8.1.6 To monitor financial risk.

### **8.2 Relationship with other Committees**

- 8.2.1 To receive the reports of the Audit Committee on the effectiveness of the financial procedures, controls and risk, and arrange for any actions required to be taken in timely manner.

## **9 Reporting, Accountability, Monitoring and Review of Effectiveness**

- 9.1 The Minutes of the Finance Committee meetings shall be formally recorded and submitted to the Board of Directors along with a report of its activities no less often than three times a year; The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.
- 9.2 The Committee shall review its terms of reference annually.
- 9.3 The Committee shall carry out a self-assessment in relation to its own performance no less than once every two years, reporting the results to the Board of Directors.
- 9.4 An annual report of the activities of the Committee shall be presented to the Board of Directors and the Council of Governors, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- 9.5 A separate section of the Trust's annual report will describe the work of the committee in discharging its responsibilities.
- 9.6 The Committee will agree on an annual basis a reporting framework. This determines standing items for the agenda and items for regular reporting.
- 9.7 Maintain and monitor performance against the agreed reporting framework.
  - 9.8 Follow-up agreed actions to ensure these are implemented in a timely and effective manner.