



## **Finance & Audit (F&A) Committee**

### **Terms of Reference (TORs) & Key Performance Indicators (KPIs) – 2019-2020**

#### **Membership**

Six Governors (Trustees/Directors\*), including the Headteacher.

The CFO (Chief Financial Officer) will be in attendance at each meeting but will not be a member and cannot vote.

[The Finance, Facilities & Human Resources Manager normally holds the role of Company Secretary and Chief Financial Officer (CFO).]

#### **Chairmanship**

Any Governor, excluding the Headteacher and Staff Governors.

#### **Clerk/Minutes**

The Clerk to the Governing Board will minute F&A meetings. In the absence of the Clerk a Governor, who is not the Chair of the Committee nor the Headteacher, will take notes. The minutes, unless designated confidential, will be distributed to the Committee and will be available to all members of the Governing Board.

#### **Quorum**

Three members of the F&A Committee, two of whom must not be Staff Governors.

#### **Frequency of Meetings**

Termly (6).

#### **The Governing Board has delegated the following tasks to the F&A.**

1. Monitor the school's performance against the KPI's, page 4, agreed by the FGB (Full Governing Board).
2. Consider the school's indicative funding and forecast expenditure. Agree the deployment of resources, in advance of the financial year. Promptly report significant issues or concerns to the FGB.
3. Adhere to the aims detailed in the SIP (School Improvement Plan) and the OLTP (Oldfield Long Term Plan):
  - a. To achieve good value for money.
  - b. To provide a pleasant and stimulating environment in which to learn and work. To take measures to reduce the school's environmental impact and make real cash savings while enhancing the teaching and learning element of sustainable working practices with the school.
  - c. To maintain good student: teacher ratios.
4. Scrutinise the school's draft annual budget; if satisfied, recommend the draft for adoption by the FGB.

5. Scrutinise recommendations for expenditure to be adopted each year, including the level and use of any contingency fund or balances. Ensure the expenditure proposals reflect the priorities set out in the SIP and the OLTP.
6. Consider and plan for the financial implications of decisions made in the Governing Board's other committees.
7. Ensure the annual accounts are produced in accordance with the requirements of the Companies Act, DfE and ESFA guidance issued to academies.
8. Annually review and act on changes to the Academies' Financial Handbook to ensure compliance; ensure all Governors/Trustees are aware of the Board's responsibilities.
9. Ensure that all related party transactions will be declared to the EFSA in advance. Any related party transactions exceeding £20K, either individually or cumulatively, would be approved in advance by the EFSA.
10. Authorise changes to the school's staffing structure, if there are large financial implications to the school.
11. Receive and consider management accounts, which set out the academy's financial performance and position in relation to its budget, at every meeting, as required by the Financial Handbook 2019.
12. Authorise the award of contracts and expenditure over £25,000.
13. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures within the school and where appropriate to make recommendations for improvement.
14. Review the Internal Audit reports on the effectiveness of the financial procedures and controls before they are reported to the FGB.
15. Receive internal and external auditors' reports and recommend action to the FGB where appropriate.
16. Recommend the appointment or reappointment of the auditors to the school to the FGB.
17. Taking account of Estate priorities, make recommendations to the FGB in relation to:
  - a. General condition, usage and development of the school buildings, their fabric and sites;
  - b. The provision of resources and services;
  - c. Proposals for the acquisition or disposal of buildings, site and equipment;
  - d. Health and Safety requirements.
18. The F&A Committee will:
  - a. Consider project management reports on works being undertaken by building contractors.
  - b. Develop the long term plan for buildings and site to meet any curriculum, capacity and health and safety requirements;
  - c. Consider and agree to any project to improve existing or to provide new facilities;
  - d. Health & Safety:
    - Review the school's policy in March (Term 4) each year;
    - Monitor Health & Safety matters by receiving a regular report from the school;
    - Nominate a Link Governor for Health & Safety;
    - Receive a report from the Link Governor for Health & Safety in March (Term 4) each year.
  - e. Monitor the operation of the school's catering arrangements.
19. Develop and approve the long-term financial plan.

20. Monitor the Risk Register and alert the FGB to changes promptly. Provide an annual report to the FGB.

The Committee has been delegated monitoring responsibility for the following risks:

- RO1 – Funding;
- RO2 - Public Health Hazard;
- RO3 – Sixth Form;
- R06 – IT Systems Failure;
- R07 – Maintenance;
- R08 – Business Continuity; severe weather
- R09 – Business Continuity – lack of capital investment
- R11 – Health & Safety;
- R14 – GDPR – Subject Access Request
- R15 – GDPR – Non-compliance with GDPR leading to external intervention
- R17 – Teacher Pensions

21. Annually review the Trust’s Scheme of Delegation and recommend necessary changes to the FGB.
22. Regularly review the Trust’s Funding Agreement to ensure compliance.
23. Prepare an annual report on the financial performance of the Trust for approval by Members.
24. Review the policies\*\* delegated to the F&A, according to the agreed schedule.
25. Ensure buildings and personal liability insurance are in place.
26. Agree the school’s enrichment/extracurricular offer, including any additional services required. (All committees contribute.).
27. Monitor the impact of Year 7 Catch-up and Pupil Premium Grant and ensure that Impact Statements are published on website, to comply with requirements of the Funding Agreement.

**\*\*The following policies are delegated to the F&A Committee:**

Charging and Remissions
Health and Safety
Accessibility
Financial Regulations (Includes the School’s Investment & Reserves Policies)
Risk Management

These Terms of Reference are subject to **Annual Review (Term 1)**

**Approved: 24<sup>th</sup> October 2019**

**Next Review: Term 1 2020**

### Finance & Audit (F&A) Committee - KPIs

Responsibility - according to committee TORs	Evidence - What	Evidence - Where	Evidence - When	SLT owner	RAG
1. Monitor the school's performance against the F&A Committee's KPI's, as agreed by the Full Governing Board.	SIP F&A Pillar KPIs: F&A minutes	F&A Committee meetings School Improvement Plan	Annually At each meeting		
2. Consider the school's indicative funding and forecast expenditure. Agree the deployment of resources, in advance of the financial year. Promptly report significant issues or concerns to the FGB.	Finance & Facilities Manager Financial Reports: F&A Minutes FGB Minutes SIP F&A Pillar KPIs:	F&A Committee meeting FGB Minutes GovernorHub School Improvement Plan	Each meeting		
3. Adhere to the aims detailed in the SIP (School Improvement Plan) and the OLTP (Oldfield Long Term Plan): a. To achieve good value for money. b. To provide a pleasant and stimulating environment in which to learn and work. To take measures to reduce the school's environmental impact and make real cash savings while enhancing the teaching and learning element of sustainable working practices with the school. c. To maintain good student: teacher ratios.	SIP F&A Pillar KPIs	F&A Committee meetings School Improvement Plan	At each meeting		
4. Scrutinise the school's draft annual budget; if satisfied, recommend the draft for adoption by the FGB.	F&A Minutes FGB Minutes	F&A Committee meeting FGB meeting	Annually		
5. Scrutinise recommendations for expenditure to be adopted each year, including the level and use of any contingency fund or balances. Ensure the expenditure proposals reflect the priorities set out in the SIP and the OLTP.	F&A Minutes Finance & Facilities Manager Financial Reports:		Annually	HT	

<b>Responsibility - according to Committee TORs</b>	<b>Evidence - What</b>	<b>Evidence - Where</b>	<b>Evidence - When</b>	<b>SLT owner</b>	<b>RAG</b>
6. Consider and plan for the financial implications of decisions made in the Governing Board's other committees.		F&A Committee and FGB meetings	At each meeting as appropriate	HT	
7. Ensure the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies.		F&A Minutes AGM Minutes	Annually		
8. Annually review and act on changes to the Academies' Financial Handbook to ensure compliance; ensure all Governors are aware of the Board's responsibilities.			Annual – Term 1		
9. Ensure that all related party transactions are declared to the EFSA in advance. Any related party transactions exceeding £20K, either individually or cumulatively, would be approved in advance by the EFSA.			As required		
10. Authorise changes to the School staffing structure, if there are large financial implications to the school.		F&A Minutes	As required		
11. Receive and consider management accounts, which set out the academy's financial performance and position in relation to its budget, at every meeting, as required by the Financial Handbook 2018.			Termly		
12. Authorise the award of contracts and expenditure over £25,000.			Contracts review cycle		
13. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures within the school and where appropriate to make recommendations for improvement.	Audit Visits	Audit Reports F&A Minutes	3 times per annum		
14. Review the Internal Audit reports on the effectiveness of the financial procedures and controls before they are reported to the FGB.	Audit Visits	Audit Reports F&A Minutes	3 times per annum		

Responsibility - according to Committee TORs	Evidence - What	Evidence - Where	Evidence - When	SLT owner	RAG
15. Receive internal and external auditors' reports and recommend action to the FGB where appropriate.	Audit Reports	F&A Minutes FGB Minutes	3 times per annum		
16. Recommend the appointment or reappointment of the auditors to the school to the Full Governing Board.	Finance & Facilities Manager Financial Reports:	F&A Minutes FGB Minutes	Annual – Term 3		
17. Taking account of Estate priorities, make recommendations to the FGB in relation to: a. General condition, usage and development of the school buildings, their fabric and sites; b. The provision of resources and services; c. Proposals for the acquisition or disposal of buildings, site and equipment; d. Health and Safety requirements.	SIP Plan Capital Spending Plan	F&A Minutes FGB Minutes	Termly, or as needed		
18. The F&A Committee will: a. Consider project management reports on works being undertaken by building contractors. b. Develop the long term plan for buildings and site to meet any curriculum, capacity and health and safety requirements; c. Consider and agree to any project to improve existing or to provide new facilities; d. Health and safety (H&S): Review the school's policy in <b>March (term 4)</b> each year; monitor health and safety matters by receiving a regular report from the school; nominate a Link Governor for H&S; receive a report from the Link Governor for H&S in <b>March (term 4)</b> each year. e. Monitor the operation of the school's catering arrangements.	HT Reports Finance & Facilities Manager Financial Reports:	F&A Minutes FGB Minutes	Termly, or as needed		

Responsibility - according to Committee TORs	Evidence - What	Evidence - Where	Evidence - When	SLT owner	RAG
5. Develop and approve long term financial plan.	HT Reports Finance & Facilities Manager Financial Reports:	F&A Minutes FGB Minutes			
<p>6. Monitor the Risk Register and alert the FGB to changes promptly. Provide an annual report to the FGB.</p> <p>The Committee has been delegated monitoring responsibility for the following risks:            RO1 – Funding;            RO2 - Public Health Hazard;            RO3 – Sixth Form;            R06 – IT Systems Failure;            R07 – Maintenance;            R08 – Business Continuity - severe weather            R09 – Business Continuity – lack of capital investment            R11 – Health &amp; Safety;            R14 – GDPR – Subject Access Request            R15 – GDPR – Non-compliance with GDPR leading to external intervention            R17 – Teacher Pensions</p>	Risk Register HT Report	F&A Minutes FGB Minutes H&S Meeting Notes			
7. Annually review the Trust’s Scheme of Delegation and recommend necessary changes to the FGB.	Scheme of Delegation Clerk Report Academies Financial Handbook	F&A Minutes FGB Minutes Website	Term 1		
8. Regularly review the Trust’s Funding Agreement to ensure compliance.	Finance & Facilities Manager Report	F&A Minutes FGB Minutes			

<b>Responsibility - according to Committee TORs</b>	<b>Evidence - What</b>	<b>Evidence - Where</b>	<b>Evidence - When</b>	<b>SLT owner</b>	<b>RAG</b>
9. Prepare an annual report on the financial performance of the Trust for approval by Members.	HT Report F&A Chair Report Chair of GB Report Finance & Facilities Manager Report	F&A Minutes FGB Minutes Annual Accounts EFSA Website			
10. Review all of the policies** delegated to the F&A according to the agreed schedule.	HT Reports Finance & Facilities Manager Financial Reports Policy Review Cycle	F&A Minutes FGB Minutes Website			
11. Ensure buildings and personal liability insurance are in place.	HT Reports Finance & Facilities Manager Financial Reports	F&A Minutes			
12. Agree the school's enrichment/extracurricular offer, including any additional services required. (All committees).	HT & SLT Reports	Committee Minutes (all)			
13. Monitor the impact of Year 7 Catch-up and Pupil Premium Grant and ensure impact statements are published on the school website.	HT & SLT Reports	Curric. & F&A Minutes			