



# **CUL Academy Trust Ltd Finance & General Purpose Committee Terms of Reference**

<b>Date Created:</b>	September 2014
<b>Last Review:</b>	November 2016
<b>Reviewed by:</b>	Governing Body
<b>Approval Date:</b>	3 <sup>rd</sup> November 2016
<b>Approval By:</b>	DESMOND JADDOO
<b>Next Review</b>	November 2018

## Finance and General Purposes Committee Terms of Reference

### 1. Purpose of Committee

- 1.1. The remit of this Committee is to exercise the powers and responsibilities delegated to it by the Governing Body in respect of all financial matters and day-to-day matters of the academy unless prevented from doing so by the Academies Act 2010, the academy's Articles of Association or by the Governing Body itself.
- 1.2. The Committee will act on behalf of the Governing Body; however the responsibility for the oversight, management and approval of the overall budget remains with the Governing Body.

### 2. Composition

- 2.1. The Committee shall be made up of a minimum of 3 members which will consist of at least 2 Governors.
- 2.2. The composition must include either the Principal or Vice-Principal and any additional Committee members appointed by the Governing Body or the Finance and General Purposes Committee with the approval of the Governing Body, provided they have the appropriate financial, asset management and human resource knowledge and / or experience required. It may include an additional amount of co-opted members provided they do not outnumber Governors.
- 2.3. The Committee will annually elect from its members a Chair who is not an employee of the academy. Approval of the chosen Chair must be sought from and given by the full Governing Body.

### 3. Quorum

- 3.1 Any decisions taken by the Committee must be determined by a majority of those Governors, including any Co-optees present and authorised to vote.
- 3.2 Decisions can only be ratified where the majority of Committee members present are members of the Governing Body to approve the decision.

### 4. Accountability

- 4.1. All actions and decisions of the Committee will be reported directly to the Governing Body. Minutes of Committee meetings must be made available to the Governing Body on request.

- 4.2. The Governing Body will annually review the constitution, membership and terms of reference of the Committee and will have the discretion to make alterations where appropriate.

## **5. Meetings**

- 5.1. The Committee will hold a minimum of one meeting per term and will meet with internal and external auditors without the presence of the Principal and any other employees of the academy. A calendar of meetings will be produced at the beginning of each academy year and presented to the Governing Body. Should it become necessary, any 2 Committee members may request an additional meeting at any time.
- 5.2. A minimum of at least 7 days' notice will be given for the meeting and the Clerk will be provided with any relevant documents at least 10 days before the meeting to be distributed to recipients no less than 7 days prior to the meeting.
- 5.3. The Principal and the Clerk have the right to attend all Committee meetings. New Governors also have the right to attend a Committee meeting in order to gain an understanding of the Committee and the Governing Body on a whole. Relevant staff members, who are not a member of the Committee, may attend all meetings to report and consult on the operations of the academy as a non-voting observer.
- 5.4. The Clerk will take the minutes of the meeting, however a Committee member (not being the Principal or other employee of the academy) may be appointed by the Committee in the absence of the Clerk to draft the minutes or as the Chair to facilitate the meeting.

## **6. Responsibilities and Duties**

### **6.1. Areas of Responsibility**

- Act on all financial, premises and relevant staffing matters delegated to it by the Governing Body, primarily:
  - Set the financial parameters for the Principal and other applicable members of staff, outlining powers of delegation in line with the academy's Funding Agreement and approve any subsequent amendments to the Financial Standing Orders and Financial Delegations to the Principal.
  - Oversee the implementation of the spending plans of the Principal as delegated and monitor all expenditure in line with the approved Financial Scheme of Delegation of the academy, feeding back to the Governing Body any concerns.
  - Review the annual budget for approval, considering the parameters (including for voluntary contributions) and any proposed revisions and indicating any proposed use of contingency reserves and surplus balances carried forward from the previous year.

- Establish and maintain a financial plan taking into the account forecast projections and the priorities of the Academy Improvement Plan within the constraints of available information, including any building development and capital investments.
- Review the annual financial statements summarising the academy's financial position and consider any matters raised in the accompanying management letter.
- Ensure effective financial and audit systems are in place to enable accurate accounts and effective risk management is maintained, particularly in respect of private funds and approve a Statement of Internal Control.
- Monitor and review all aspects of maintenance and repair or improvement to the buildings, grounds and plants, ensuring all health and safety requirements are met and noting any leasing arrangements.
- Ensure the academy is sufficiently staffed for the fulfilment of the academy's teaching objectives and effective operation of the academy in line with the annual and longer-term salary budgets, considering any other costs relating to personnel and ensuring sufficient funds are set aside for pay increments.
- Offer advice to the Governing Body, Senior Leaders and Finance Team in respect of financial matters as and when required.
- Consult other Committees with regards to the delivering of the Academy Improvement Plan and make necessary recommendations to the Governing Body for improvement.
- Consider safeguarding and equalities implications when undertaking all Committee functions.
- Review the terms of reference and membership of the Committee making necessary recommendations to the Governing Body.

## 6.2. **Further Duties**

- Review, adopt and monitor the implementation of relevant financial, staffing and premises policies, in particular charging and remission, bursary and scholarships, pay policy, flexible working, grievance and disciplinary, conduct, health and safety, etc.
- Ensure the academy's compliance with the financial procedures of the academy and requirement of the regulators, including the registration of business interests.
- Review all significant contracts of the academy in line with the agreed delegated authority levels and make all decisions in respect to service level agreements for Governing Body approval.
- Review the process of forecasting to ensure that it is appropriate and effective.
- Review the quality, format and presentation of the management accounts and other management information and recommend improvements.
- Approve the banking arrangements including overdraft facilities, deposit and investment arrangements and cheque signatories in line with the Financial Standing Orders.

- Retrospectively review the virements and budget revisions made by the Principal or Business Manager to the maximum of value of £30,000 and approve any requests above £100,000 per item.
- Consider and make recommendations on the appointment, reappointment and removal of any external auditor, approving the terms of engagement and the remuneration to be paid and oversee the academy's relationship with the external auditor.
- Review, with the external auditors, the findings of their work, including any major issues that arose during the course of the audit, resolved and unresolved.
- Consider annually whether there is a need for an internal audit where no such function exists.
- Undertake a risk assessment to identify financial and other strategic operational risks which are to be monitored, mitigated and managed using a risk plan and reflected in an approved business continuity plan.
- Arrange necessary inspections of the premise and assess the academy's insurance cover to ensure it provides adequate protection against risk.
- Have oversight of the asset management, ensuring disabled access and that there are no shortfalls in the minimum standards relating to Health & Safety Regulations and establish a building maintenance plan, outlining responsibilities for maintenance and expenditure.
- Ensure that the Governing Body's responsibilities regarding litter, refuse and excrement are discharged according to section 89 of the Environmental Protection Act 1990, so far as is practicable.
- Appoint and monitor any architects, builders, ground maintenance teams, surveyors etc according to established procedures laid down by the Governing Body or the Committee.
- Recommend to the Governing Body staffing procedures, ensuring that they are appropriately implemented and followed and comply with safer recruitment practice and equalities legislation with respect to discipline and grievances.
- Oversee any process leading to staff reductions and consult with staff where necessary.
- Consider disciplinary matters and dismissals where these functions have not been delegated to the Principal under the Staffing Regulations 2009 or are to be brought to the Appeals Committee.

## **7. Delegated Authorities**

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- 7.1. All delegated authority exercised shall be reported at the subsequent meeting of the Committee and subsequently the Governing Body, where possible in the form of a report which will outline the cumulative financial impact this had in any one financial year.
- 7.2. Any matter which is new or controversial, or which represents a material change to a policy previously agreed by the Committee may not be dealt with under delegated authority of the Committee and will be referred directly back to the Committee.

7.3. Where an action will result in the parameters outlined in the budget plan not being met within the specified time frame, delegated authority will not be used.

Signed (Chairperson): [Signature]  
Print Name: D J ADDO  
Approval Date: 3/11/2016.