



**Oxford Diocesan Schools Trust**  
**Finance Committee – NEW Terms of Reference**

**Updated on 7 December 2015**

**Purposes of the committee**

The over-arching purpose of the ODST and (by delegation) all of its committees, is to deliver our vision: the belief in educational excellence. We aim to serve our pupils, staff, parents and their local community by providing academies with the highest levels of academic rigour and pastoral care. Through this purpose, the Board/Committee(s) will enable ODST's academies to be places where children and young people develop and thrive intellectually, socially, culturally and spiritually.

The specific purpose of this committee is to monitor the work of the academy trust in terms of its financial control.

**Membership**

- Membership and terms of reference will be reviewed annually by the board (see below).
  
- The committee will be comprised of four Directors (including the Chair of the Committee) and up to four members appointed by the Board. \* The Chief Operating Officer will attend in an advisory capacity.

**Quorum**

The quorum shall be three directors.

**Meetings**

The committee will meet as necessary and at least four times per year. The Committee shall elect a Chair annually who will be responsible for ensuring the agendas are produced, minutes of the meeting are taken and a report presented to the subsequent Board of Directors meeting.

**Terms of Reference**

**Finance**

- To produce a Financial Manual of guidance incorporating all the finance policies and Schemes of Delegation which will apply to the Trust and all Academies within it. The manual should be recommended to the full board of directors for approval and be reviewed annually.
  
- The Finance Director will report to the committee on an assessment of the budget position and financial management of each school wishing to join the Trust, which the committee will consider as part of the conditions for acceptance.

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- To review with the Chief Executive and the Finance Director the projected income of both the central Trust and the schools compared to the estimated expenditure for at least three years (or for the period of the individual Academy's Improvement Plans), and where there are any potential budget issues take such actions as may be appropriate or refer to the Board of Directors.
- To recommend to the Board financial sections for the Trust's Development Plan and oversee the financial section of any school development and improvement plan.
- To consider and agree the annual formula budgets prepared by the local headteachers or LGBs and by the finance director in respect of central functions and reviewed by the Chief Executive and Finance Director, on behalf of the Board of Directors. Agree those budgets with the individual Academies and submit to the EFA.
- To consider and explore all means of external finance available to the academy trust.
- To consider and ratify where appropriate, all expenditures, contracts, asset disposals or virements exceeding values, durations or terms specified in the Financial Handbook or Schemes of Delegation as beyond the authority of Officers, Heads and Chairs of LGBs. To collectively report such decisions to the Board as part of the regular reporting by the committee or to refer such decisions to the Board (with a recommendation) where the Finance committee considers there may be a strategic impact on ODST financial viability.
- To consider regular budget monitoring reports and periodic strategic financial projections prepared by the Finance Director and submit reports to the Board of Directors on the budget position, together with any proposed corrective action to address significant variances between expenditure and budget.
- To prepare financial analysis and projections for the Trust's 3 year Development Plan.
- In consultation with the Pay and Personnel Committee, consider the effect on the budget of changes in pay structure and of any new appointments or changes in existing employees' salaries. Reserve the right to review pay and salaries of individual schools' Headteachers.
- Ensure that the academy trust's formal financial procedures (as set out in the Financial Manual and individual schemes of delegation) at both Director and school levels are reviewed at least annually paying particular attention to any recommendations made by internal or external audit.
- Where financial benchmarking is available, use it to compare expenditure with similar schools/academies and to review the value for money statement and efficiency and financial effectiveness throughout the academy trust.
- Maintain a register of pecuniary interests for academy directors and ensure that a register is maintained at a local level for LGB governors.
- Review annually all insurance arrangements for the academy trust.
- Consider reports and funding proposals from the academy trust's improvement, Pay & Personnel and Ethos committees and from the Chief Executive and/or any other committee or working party of the academy trust.

- To receive reports from the Internal/External auditor following each monitoring visit. To act on any recommendations made by the Audit Committee after its consideration of such report.
- Oversee the Business Continuity Plan.
- Review the Risk Register on, at least, an annual basis.
- Agree and prepare the Annual Report and Accounts (in accordance with DfE/EFA, Companies Act and Charity Commission requirements) for approval by the Board.

### **Property and other areas**

- The committee will ensure that the academy trust has a planned site maintenance and development programme strategy for the schools within the trust, with appropriate timescales and costs.
- The committee will review the academy trust's overarching Health and Safety policy annually, and oversee the action plans of the individual school and ensuring that the academy trust takes all reasonable steps to comply with the Health and Safety at Work Act (1974) and related legislation.
- The committee will oversee building matters (especially those with a value exceeding a threshold in the Financial Manual) relating to the construction, improvement, site maintenance: together with insurance. (Cleaning, catering and upkeep of the academy buildings and grounds will be delegated to the LGB though the Trust will keep an oversight of such delegation)
- The committee will monitor and review external contracts (with a value in excess of that specified in the Financial Manual), considering proposals for renewal or otherwise as appropriate.
- The committee will review annually the academy trust's Letting Policy and oversee arrangements for the use of the academy trust's school premises.
- The committee will monitor the progress of new buildings, ensuring they are fit for purpose and represent best value.

### **Powers of the committee**

The committee shall have the power to require explanations, documents or analysis from any Member or employee of the Trust and to make recommendations to officers, committees and Board of the Trust: in the event of those recommendations not being accepted, they must be referred for consideration to the Board.

### **Recording and reporting of meeting**

A clerk is appointed to the committee, who will produce minutes of all meetings to be circulated before the full ODST directors' meeting following the committee meeting.

### **Review of terms of reference and membership**

This will be undertaken annually, by the full Board of ODST

Date last reviewed: July 19, 2018

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