



Light Hall School

The best from everyone, all of the time.



**Terms of Reference – Finance, Estates and
Risk Committee**

Terms of Reference – Finance, Estates and Risk Committee 2024/25

Membership:

- Membership shall consist of between 3 and 5 Trustees;
- The committee shall have such co-opted non-voting members as the Trust Board shall appoint. The Trustees may make recommendations for these appointments. Trust employees also shouldn't be on the committee
- The committee must elect its own Chair. The Chair of Trustees shouldn't be the chair of this committee.
- The Trust Board must nominate a clerk to the committee.
- Meetings may be clerked by any person nominated by the Full Trust Board, except for the Headteacher.

Quorum:

- The quorum shall be 3 (three) Trustees. The committee shall not meet without the appropriate member of SLT being present or a substitute nominated by him/her.

Meetings / Structure:

- The committee shall meet at 4 times per academic year
- To deal with all matters relating to auditing, internal scrutiny, finance and risk management that may be referred to by the board of Trustees
- To minute all meetings and report all decisions to the board of Trustees as a confidential item.

Key Purpose:

The overall purpose of the committee is to:

- monitor the school's policies relating to resources & risk issues – finance and premises;
- report to the Full Trust Board on the effectiveness of these policies and to recommend changes as appropriate.
- Oversee and approve the trust's programme of internal scrutiny
 - Internal scrutiny should take account of output from other assurance procedures to inform the programme of work, such as from external audits or ESFA reviews
- Ensure that risks are being addressed appropriately
- Report to the board on the adequacy of your trust's internal control framework, including financial and non-financial controls and management of risks

In carrying out all its responsibilities the committee must act:

- in partnership with the Headteacher;
- in accordance with statutory requirements;
- in accordance with any general principles set by the Full Trust Board;

Terms of Reference:

The Committee will:

Finance:

1. To approve the annual budget plan, (if approval has been delegated by the full Trust Board), taking into consideration the priorities of the School Improvement Plan.
2. To facilitate and review financial policies including consideration of long term planning.

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3. To be familiar with EFSA budget spending plans, formula funding structure and policies for financial delegation.
4. To monitor the school budget in the light of known activity and to take decisions in line with the Scheme of Delegation and in the interests of the school achieving its overall aims and objectives.
5. To ensure that restricted grants are spent in accordance with the terms and conditions of the grant.
6. To monitor school fund expenditure and ensure the audit of school funds for presentation to the Trust Board.
7. To ensure that the school has sound internal financial controls in place which safeguard the probity of its financial transactions and the reliability and accuracy of its financial records, including risk management strategies, register of business and pecuniary interests and an inventory list.
8. To ensure proper financial administration arrangements are in place that enables the Trust Board to fulfil its statutory responsibilities for financial management.
9. To act as advisers and consultants to the Trust Board on financial issues.
10. To consider audit reports on the school from the Operations Director and make recommendations to the Trust Board.
11. To be responsible for contractual arrangements in respect of items approved by the Trust Board. For example Financial Regulations including the opening of tenders and recommendations to the Trust Board concerning acceptance.
12. Review the Financial Scheme of Delegation.

Estates:

1. To be responsible for determining and recommending to the Full Trust Board the content of the annual maintenance programme in line with the School's five year facilities strategy, i.e. those aspects of maintenance funded from delegated and devolved budgets.
2. To be responsible for monitoring the fabric of the school premises and, within the budget provision, authorising maintenance work.
3. To be responsible for monitoring the performance of the cleaning, grounds maintenance and catering services.
4. To consider improvements/alterations to school premises and to make recommendations to the Trust Board.
5. To approve specifications for any work to the building to be undertaken by outside contractors which is funded from the delegated budget in line with the schools scheme of delegation.
6. To have oversight of the security of the premises.
7. To consider requests to improve/replace furnishings within the school, within the schools scheme of delegation.
8. To monitor the operation of the schools Health and Safety Policy Statement as far as it affects the school in order to safeguard the health and safety of employees, pupils and visitors to the school, and to make recommendations to the Trust Board.

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9. To be responsible for ensuring that contractors employed to undertake work on the premises carry adequate public and employer's liability insurance and operate within all current legislation.

Risk:

1. Review:
 - a. The external auditor's plan each year
 - b. The annual report and accounts
 - c. The auditor's findings and actions taken by the trust's managers in response to those findings
2. Assess the effectiveness and resources of the external auditor. The committee may consider:
 - a. The auditor's sector expertise
 - b. The auditor's understanding of the trust and its activities
 - c. Whether the audit process allows issues to be raised in an appropriate and timely way
 - d. The quality of the auditor's comments and recommendations
 - e. The personal authority, knowledge and integrity of the audit partners to effectively interact with, and robustly challenge, the trust's managers
 - f. The auditor's use of technology
3. Produce an annual report of the committee's conclusions to advise the board of trustees and members
 - a. This can include recommendations on the reappointment, dismissal or retendering of the external auditor, and their Oversight and approve the trust's programme of internal scrutiny
 - b. The external auditor's remuneration
4. Ensure that risks are being addressed appropriately through internal scrutiny
5. Report to the board on the adequacy of your trust's internal control framework (this includes financial and non-financial).
6. Have a written terms of reference describing its remit
7. Agree an annual programme of work to deliver internal scrutiny
8. Review the ratings and responses on the risk register to inform the programme of work, making sure checks are adjusted as appropriate each year
9. Agree who'll perform the work
10. Consider:
 - a. Reports at each meeting from those carrying out the work
 - b. Progress in addressing recommendations
 - c. Outputs from other assurance activities by third parties, including Education and Skills Funding Agency (ESFA) financial management and governance reviews, funding audits and investigations
11. Have access to, and consider the quality of, the external auditor and those carrying out internal scrutiny

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Calendar of Business

The committee will meet at once per term. The items of business that may be discussed during the first meeting of each term are outlined below.

Autumn term

- Elect a chair of the committee.
- Confirm meeting dates, if these have not already been established, at the end of the previous academic year.
- Review the committee membership and plan to fill any vacancies.
- Review the annual updates to the Academies Handbook
- Agree a programme of work to deliver internal scrutiny that provides necessary coverage across the year, using the Trust's risk register to inform the programme.
- Review the internal and external audit plan for the forthcoming academic year.
- Review the Trust's budget forecast returns to ensure they are accurate and compliant with funding criteria.
- Advise on the content of the governance statement to be presented alongside the finalised accounts.
- Consider the internal scrutiny report and discuss the progress made against recommendations made regarding enhancing financial and other controls and risk management.

Spring term

- Discuss progress in addressing any recommendations made at the previous meeting or by third parties.
- Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations.
- Discuss the implications of the result of the accounting officer's statement of regularity
- Consider the internal scrutiny report and discuss the progress made against recommendations made regarding enhancing financial and other controls and risk management procedures.

Summer term

- Discuss progress in addressing any recommendations made at the previous meeting or by third parties.
- Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations.
- Consider the internal scrutiny report and discuss the progress made against recommendations made regarding enhancing financial and other controls and risk management.
- Agree the committee's annual report to the board of Trustees and accounting officer.
- Re-visit findings from external auditors and review actions in response to audits.
- Review and challenge the internal and external audit strategy.
- Consider the committee's own effectiveness.