



The Collegiate Trust  
Exceptional Education for All

## **Finance and Capital Committee - Terms of Reference**

1.9.2023

## **1. Introduction**

- 1.1 The Collegiate Trust (the “Trust”) recognises and delivers on the need to implement strong and effective audit, risk and financial procedures and fulfils obligations through its three levels of governance:
- The Members of the Trust appoint auditors, approve annual accounts and financial statements and monitor the performance of the Board of Directors in delivering exceptional education for all through the Annual Strategic Plan
  - The Board of Directors sets the strategic priorities for the Trust and holds to account the key executives of the Trust for the performance of schools within the Trust
  - The Local Governing Bodies lead and monitor the educational and financial performance of individual schools.
- 1.2 Because of these established levels of governance and the growth of the Trust from September 2023 the Trust has decided to separate the Audit, Risk & Finance Committee and form the Finance and Capital Committee (FCC) and Audit and Risk committee (ARC). The Trust shall review the committee structure annually.

## **2. Purpose of the Finance and Capital Committee**

- 2.1 Contribute to those aspects of the Trust’s Strategic Plan that affect the deployment of financial or other capital resources and subsequently to ensure they are used effectively and efficiently
- 2.2 Review, on behalf of the Board of Directors, those statutory policies and procedures which fall within the remit of the Committee and to recommend their approval to the Board, namely:
- Financial Policy and Procedures
  - Budget Plan
  - Budget Monitoring Process
  - Capital Plan
  - Master Funding Agreements
  - Charging & Remissions Policy
  - Fraud Policy
  - Investment Policy
  - Procurement Policy
  - Whistleblowing Policy

## **3. Membership of the Finance and Capital Committee**

- 3.1 The composition of the Finance and Capital Committee shall be as follows:
- 3 Directors
  - 2 Co-opted Governors

*Senior Executives who will attend this meeting as necessary but do not count towards quorum include CEO & CFO*

- 3.2 Trust, Parent and LA governors from the schools’ Local Governing Body will be invited to apply to be a member on the Finance and Capital Committee when a vacancy arises. If more applications are received than vacancies. The Chair of the Committee and the Governance Manager will review the skills and elect a member.
- 3.3 There will be an open invitation for Principals to attend any Finance and Capital Committee meeting.
- 3.4 The Chair of the Finance and Capital Committee will be the Director with financial oversight, this cannot be the Chair of the Trust Board or the Chair of the Audit and Risk Committee.
- 3.5 Terms of Office for committee members will run in conjunction with the terms of office in their specific role as Director or Governor in an LGB.

## **4. Proceedings of Committee Meetings**

- 4.1 The committee shall meet quarterley, but more frequent meetings can be arranged if necessary.
- 4.2 Committee meetings will be virtual and will be reviewed annually.
- 4.3 Quorum for any decisions to be made is 2 Directors and 1 Co-opted Governor.
- 4.4 Any matter to be decided by the committee must be determined by a majority. Each member is entitled to one vote. If there is an equal division of votes, then the Chair has the casting vote.
- 4.5 The agenda and papers will be placed on SharePoint five working days in advance of a meeting. If this is not possible the Governance Manager will notify committee members five days prior to the meeting.
- 4.6 Management accounts for each month will be placed on SharePoint by the end of the following month.

## 5. Funding

The committee will: -

- 5.1 Ensure all funding is received from the appropriate body.
- 5.2 Ensure all opportunities for external funding are perused and explored where appropriate.

## 6. Budgeting

The committee will: -

- 6.1 Review in detail the assumptions that support the draft annual income and expenditure budget, the budgeted capital expenditure programme and cash flow forecast for the next financial year. At a high level, to consider the reasonableness of the projections for the following year and to recommend them for approval to the Board of Directors.
- 6.2 Review and recommend to the Board of Directors for approval the Annual Budget Plan.

## 7. Asset Management

The committee will: -

- 7.1 Review annually the Trust's Fixed Asset Register.
- 7.2 Review the Capital Plan and ensure delegation of funds to the schools.

## 8. Financial Management & Policies & Procedures

The committee will: -

- 8.1 Advise the Board of Directors on the adequacy and effectiveness of the, scheme of delegation, and control and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets.
- 8.2 Consider and advise the Board of Directors on relevant reports by the National Audit Office (NAO), the ESFA and other funding bodies and, where appropriate, management's response to these.
- 8.3 Oversee the Trust's policies on fraud and irregularity and whistleblowing, and ensure that all allegations of fraud and irregularity are properly investigated, and reported to the Committee and the auditors, and that all significant cases of fraud or suspected fraud or irregularity are reported to the CEO or the Chair of the Trust.
- 8.4 On behalf of the Board of Directors, to review the appropriateness of financial regulations and controls, including accounting procedures, to safeguard the Trust's assets.
- 8.5 Review the monthly financial performance of the Trust and recommend actions to the Board of Directors.  
Monthly management accounts will contain at least:
  - Trust Management Accounts
  - Cash Flow
  - Balance sheets
- 8.6 Review the monthly financial performance of the Collegiate Trading Company and recommend actions to the Board of Directors.
- 8.7 Consider and approve the treasury management arrangements on an annual basis.
- 8.8 Recommend to the Board any changes to the Trust's banking arrangements.
- 8.9 Monitor at each meeting actual and forecast income and expenditure, capital expenditure, cash flow and balance sheet against budgets previously approved by the Board of Directors.
- 8.10 Monitor the effectiveness of procurement to ensure delivery of value for money.
- 8.11 Ensure the Committee abide by the principles set out in the Academy Trust Handbook.

Meeting	Key focus
October	Q4 – end of Year and Management accounts
January	Q1 and Management accounts
May	Q2 and Management accounts, verbal update on draft budget
July	Q3 and Management accounts Agree Budget Approve Capital Plan