

The Keys Academy Trust

Finance and Audit, Pay and Personnel Committee Terms of Reference

Purposes of the committee

The over-arching purpose of the Trust and (by delegation) all its committees, is to deliver its vision: We are a family of distinctive schools at the heart of the diverse communities we serve. In line with our Christian ethos, we aspire to excellent learning and pastoral care for pupils and staff and are committed to being open and welcoming to all. We aim to serve our pupils, staff, parents, and their local community by providing our schools with the highest levels of academic rigour and pastoral care. Through this purpose, the Trust and its committees will enable its schools 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 Multi Academy Trust in terms of its financial control and to make appropriate recommendations on pay and personnel matters to the Trust, and to ensure that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk management.

Membership

- Membership and terms of reference will be reviewed annually by the Trust.
- The committee will comprise four Trustees (including the Chair of the Committee) and up to **three** members appointed by the Trust, including the chief financial officer.
- When the committee is operating as an Audit committee employees of the Trust will not be part of the committee, but the accounting officer and chief financial officer will attend to provide information and participate in discussions.

Quorum

The quorum shall have three trustees. (It is the responsibility of members to alert the clerk in the event of known non-attendance at a meeting).

Meetings

The committee usually meets twice a term but will meet at least four times a 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 are circulated to Board members and reported at subsequent Trust Board meetings.

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 Board of Trustees for approval and be reviewed annually.
- To review with the Chief Executive and the Chief Finance Officer the projected income of both the Trust and the schools compared to the estimated expenditure for at least three years and where there are any potential budget issues take such actions as may be appropriate or refer to the Trust.
- To recommend to the Trust financial sections for the Trust's Strategic Plan and oversee the financial section of any school development and improvement plan.
- To consider and agree the annual budgets prepared by the local Headteachers or LGBs (Local Governing Bodies) and by the Chief Finance Officer in respect of central functions and reviewed by the Chief Executive and Chief Finance Officer, on behalf of the Trust. The budgets for the individual Academies will be submitted to the ESFA (Education and Skills Funding Agency) by the Chief Finance Officer.
- To consider and explore the means of external finance available to the Trust.
- To consider and authorise where appropriate, all expenditures, contracts, asset disposals, durations or terms specified in the Finance Manual or Schemes of Delegation as beyond the authority of Officers, Headteachers and Chairs of LGBs. To report such decisions to the Trust 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 the Trust's financial viability.
- To consider regular budget monitoring reports and periodic strategic financial projections prepared by the Chief Finance Officer and submit reports to the Trust on the budget position, together with any proposed corrective action to address significant variances between expenditure and budget.
- To consider regular Cash flow projections to ensure the viability of the Trust. To consider and approve investment of funds in line with the Investment Policy.
- To prepare financial analysis and projections for the Trust's three-year Strategic Plan.
- 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.

- Where financial benchmarking is available, use it to compare expenditure with similar schools/academies and to review any value for money statement and efficiency and financial effectiveness throughout the Trust.
- Maintain a register of business interests for trustees and ensure that a register is maintained at a local level for LGB (Local Governing Body) governors.
- Review annually all insurance arrangements for the Trust.
- Consider reports and funding proposals from the Trust's committees and from the Chief Executive.
- Oversee the Business Continuity Plan.
- The Chief Financial Officer 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.

Audit Committee

- Ensure that the Trust's financial procedures (as set out in the Finance Manual and individual schemes of delegation) at both Trust and school levels are reviewed at least annually paying particular attention to any recommendations made by internal or external audit.
- To receive reports from the Internal/External auditor following each monitoring visit. To act on any recommendations after its consideration of such report.
- Review the Risk Register each term, (but at least on an annual basis).
- Agree and prepare the Annual Report and Accounts (in accordance with DfE/ESFA, Companies Act and Charity Commission requirements) for approval by the Trust.
- To investigate on behalf of the trustees any financial or administrative matter which may put the Trust at risk. This may include examining reports on special investigations and advising the Trustees accordingly.
- Security of assets including an asset register

Pay and Conditions

- To review the salaries of centrally employed staff each year, taking account of any recommendations made by officers of the Trust in respect of the annual appraisal process.

- To review and recommend to the Trust changes to the pay policy, having undertaken any appropriate consultation.
- To establish arrangements and monitoring facilities to achieve the aims of the Trust's pay policy in a fair and equitable manner.
- To oversee and monitor the application of the criteria set out in the Trust's pay policy in determining matters relating to the pay of members of staff.
- To consider and approve recommendations for discretionary payments.
- To consider and approve changes to job grading for existing/new posts.

Personnel

- To agree/ recommend any pay and personnel related statutory and other policies to be adopted across the Trust's schools- e.g. - e.g., appraisal, disciplinary, equality. Copies of policies will be on the Trust's website once established
- To set up appointment panels where required for staff at Headteacher and Deputy Headteacher level, for centrally employed staff and for such other posts as may be determined.
- To advise the Trust on the implication of any changes in employment legislation affecting it
- To receive, consider and approve changes to the management structure of the Trust's schools
- To be notified of any disciplinary/grievance and provide support as appropriate.
- To hear appeals against dismissal.

Powers of the committee

The committee shall have the power to require explanations, documents, or analysis from any employee of the Trust or any committee member and to make recommendations to officers, committees, and Trust. In the event of those recommendations not being accepted by an officer or committee, they must be referred for consideration to the Trust.

Recording and reporting of meeting

A governance professional is appointed to the committee, who will produce minutes of all meetings to be circulated before the Trustees' meeting following the committee meeting.

Review of terms of reference and membership

This will be undertaken annually by the Trust.