



**The Kemnal Academies Trust
Finance Committee
Terms of Reference**

1 Introduction

- 1.1 The Finance Committee (the Committee) is a Committee of the Board of The Kemnal Academies Trust (the Board).
- 1.2 The Board has established the Committee to support it in the discharge of its responsibilities for financial scrutiny and oversight.

2 Role and Responsibilities of the Committee

- 2.1 The Role of the Committee is to
- 2.1.1 Ensure the highest standards of stewardship and propriety in the use of public funds and ensure proper accountability for the use of those funds, both at TKAT centrally and at constituent academies.
 - 2.1.2 Ensure efficiency and value for money in the organisation's activities
 - 2.1.3 Ensure that the Company operates within the regulatory frameworks imposed upon it by the Companies Act 2006, the Department of Education (DfE) and the Education Funding Agency (EFA).
- 2.2 The Responsibilities of the Committee are to
- 2.2.1 ensure sound financial management.
 - 2.2.1 ensure that significant legislative or regulatory issues, related to finance, impacting on the Board are identified and addressed appropriately.
 - 2.2.2 Receive and consider information on the financial performance of the Trust at least three times a year, taking action to ensure ongoing viability,
 - 2.2.3 understand and address variances between budget forecast and actual income and expenditure.
 - 2.2.4 Review proposed Annual Budgets, including forecasts of pupil numbers, and recommend approval to the Board,
 - 2.2.5 Review capital expenditure
 - 2.2.6 Monitor cash forecasts and ensure Trust has sufficient liquidity; monitor working capital
 - 2.2.5 Review initiatives to generate further income and implement cost savings across the Trust
 - 2.2.6 Review and update the Finance Committee Terms of Reference annually and recommend changes to the Board as necessary.

3 Membership

- 3.1 The members of the Committee shall be appointed by the Board. The Committee shall comprise a minimum of three directors having appropriate experience to discharge their roles and responsibilities. A quorum shall require two non-executive director members of this Committee.
- 3.2 The Chair of the Committee, who shall not also be the Chair of the Board, shall be nominated by the Chair of Board and approved by a formal Board resolution.
- 3.3 The duties and responsibilities of members of the Committee are in addition to those required of members of the Board.
- 3.4 A member of the Committee shall normally serve for three years. The appointment of a Committee member who ceases to be a Board member shall be terminated.
- 3.5 When deciding Chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.

4 Attendance at Meetings

- 4.1 The Director of Finance and Operations and the Head of Finance shall normally attend meetings. Other Board members not members of the Committee shall also have the right to attend.
- 4.2 The Committee may instruct any officer or employee of the Trust to attend to assist it with its discussions or provide expert advice on any particular matter.
- 4.3 As appropriate, the Committee may invite external advisers to attend meetings to provide legal, accounting and other advice on relevant agenda items.
- 4.4 The Committee may procure specialist advice ad-hoc at the expense of the Trust subject to budgets agreed by the Board.
- 4.5 The Committee may ask any or all of those who normally attend but who are not members of the Committee to withdraw to facilitate open and frank discussion of particular matters.

5 Frequency of Meetings

- 5.1 Meetings shall be held at least three times a year and scheduled to allow adequate time for Committee business
 - 5.1.1 once in each of the three academic term, at a time preceding the termly Board Meeting so that the Committee can report promptly to the Board and
 - 5.1.2 The Committee may also meet more frequently as circumstances require.
- 5.2 The Chair of the Committee shall convene a meeting upon request by any Committee member who considers it necessary.
- 5.3 The Board or Corporate Services may ask the Committee to convene further meetings to discuss particular issues on which they want the advice of the Committee.

6 Notice and Information Requirements

- 6.1 Corporate Services will appoint a Secretary to serve the Finance Committee. Meetings of the Committee shall be called by the Secretary as scheduled or at the request of the Chair of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be sent to each member of the Committee, any other person invited to attend and all other Board members no fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
- 6.2 For each meeting the Committee will be provided with
- 6.2.1 a report outlining financial performance year to date against the pre-agreed and apportioned budget including forecast for the balance of the year as appropriate. The report to highlight particular academies that are in risk of delivering a cumulative deficit on I&E.
- 6.3 As and when appropriate the Committee will also be provided with
- Draft and Final Budget proposals Reports on income generation and cost savings initiatives
- 6.4 Minutes of Committee meetings shall be kept for a period of at least 7 years.

7 Reporting Procedures

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. At the start of each meeting, the Secretary shall identify the existence of any conflicts of interest and minute them accordingly.
- 7.2 The Chair of the Committee shall report formally to the Board on proceedings after each meeting of the Committee on all matters within its roles and responsibilities and the minutes of the meetings shall be made available to the Board
- 7.3 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.4 If required by the Board, the Committee shall compile a report on its activities to be included in the Trust's annual Report & Accounts.
- 7.5 The Committee shall review its own performance, constitution and terms of reference at least once a year to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

By Order of the Board
Claire Lee
Company Secretary
March 2021