

The Park Federation Academy Trust

Finance and Operations Committee (FOC)

Terms of Reference

Purpose:

The purpose of the FOC is to assist Board of Directors' decision-making by enabling more detailed consideration to be given to strategic finance, operations and policy matters. It is also, on behalf of the Board, to ensure sound management of the Trust's finances and resources including planning, monitoring and probity.

Authority:

The FOC is authorised to:

- a. Approve indicative central and individual academy budgets
- b. Approve major expenditure¹ and use of reserves
- c. Approve annual pay awards in terms of affordability
- d. Set levels of contingency funding to be held
- e. Set strategic policy direction on behalf of the Board of Directors, subject to ratification by Board members.
- f. Make recommendations on individual Academy Development Plans and devolve routine oversight to the Chief Executive Officer (CEO).

Membership:

The FOC comprises at least three Board Directors appointed by the Board. The CEO, Chief Operating Officer and other relevant Trust employees will attend as required.

Chair:

The members will elect a Committee Chair on an annual basis. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Clerk:

The Clerk to the Committee will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Quorum:

Quorum for the necessary transaction of business will be 3 members.

Frequency of Meetings:

The Committee shall meet four times per year and additionally as required with the following standing agenda items.

In Attendance:

Managers in the Central Trust team will attend as required.

Notice of Meetings:

Meetings will be called by the Clerk and dates set in the Federation annual governance cycle. Extraordinary meetings may be called with a minimum of 5 days' notice.

Minutes:

The Clerk shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. Draft Minutes will be circulated for approval by committee members within 3 weeks of meetings. The Chair will report on proceedings to the Board.

Duties:

In the conduct of their duties, members of the Committee are to be guided by the Nolan Principles of Public Life² and statutory requirements, in particular those set by the Education & Skills Funding Agency (ESFA). The Committee has a duty to report any matters of significance or concern to the Board of Directors or make recommendations for improvement where shortcomings are identified in a timely manner and by the most appropriate channel. Specifically, the Committee is to:

Exercise Financial Control

- i. Set and ensure consistent application of accounting policies.
- ii. Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year including the level and use of any contingency fund or balance, ensuring the compatibility of all such proposals with the development priorities of individual Academies, the Central Trust³ and the Trust as a whole.

² Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty & Leadership.

³ The part of the trust that provides shared services.

- iii. Assess each academy's indicative budget as notified annually by the Department for Education (DfE) via the ESFA and to assess its implications for the singular academy and the Trust as a whole, in advance of each financial year and in consultation with the Chief Executive Officer (CEO), Chief Operating Officer (COO) and respective Academy Principal.
- iv. Assess the indicative budget of the Central Trust as determined by the aggregated annual academy contributions to the Central Trust for the provision of central services.
- v. Agree Academy & Central Trust budgets by 3rd week of July annually and in time to submit to ESFA by its 31st July deadline.
- vi. Evaluate and manage financial risk.
- vii. Ensure, through working with the PPC, that annual pay awards, including variable compensation, are affordable.
- viii. Monitor and review expenditure, including banking arrangements, on a regular basis for compliance and against budgetary control totals.
- ix. Ensure compliance and value for money in tendering processes.
- x. Work with the Audit Committee, the Responsible Officer and Auditors in support of the audit process and in response to audit findings.
- xi. Recommend to the Board of Directors the appointment or reappointment of the Trust's external auditors.
- xii. Prepare financial sections within the Annual Directors/Trustees Report for filing in accordance with Companies Act, Charity Commission and ESFA requirements.

Provide strategic oversight of Operations

- xiii. Ensure all compliance requirements applicable to the Trust's operations are known, understood and being met.
- xiv. Evaluate and manage risks to strategic operations.
- xv. Provide strategic direction for and oversight of:
 - Financial policy and procedures
 - Technology operations and policy, including data protection
 - Human Resources management
 - Estates and Facilities Management
 - Health & Safety at Work
 - Safeguarding
 - Compliance, Whistleblowing & Fraud

and ensure that regular reviews are conducted of the Trust's policies and procedures.

Board of Directors

Signed by:  _____

7th December 2019.

Muralee Nair - Chair of Board

