



Astrea Academy Trust
INSPIRING BEYOND MEASURE

Terms of Reference

Finance and Budget Committee

2019/20

Date	October 2019
Written by	Head of Governance and Legal
Adopted by Trustees	October 2019
Review Date	July 2020, then annually upon publication of the Academies Financial Handbook

Terms of Reference for the Finance and Budget Committee

Membership and Meetings

1. A minimum of four Trustees will constitute the Finance, Risk and Audit Committee. Per Article 101 of the Trust's Articles of Association, additional members of the committee who are not Trustees may be appointed, but a majority of members must be Trustees. No employee of the Trust shall be a member of the committee.
2. The Chair of the committee, being someone other than the Chair of Trustees, will be elected annually from among the membership of the committee.

Responsibilities

Financial Management

3. To develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise this strategy.
4. To consider the Academy Trust's indicative funding, once notified by the ESFA, and to assess its implications for the Academy Trust, in consultation with the CEO and the Finance Director, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees.
5. To receive Academies' budgets for approval and consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees.
6. To monitor any variances from the budget and ensure the ESFA is notified as required.
7. To 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 balances, ensuring the compatibility of all such proposals with the development priorities set out in the Academy Trust development plan.
8. To liaise with and receive reports from the other committees and to make recommendations to those committees about the financial aspects of matters being considered by them.
9. To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.
10. To prepare the financial statement to form part of the annual report of the Trustees.
11. To examine and review new initiatives for financial development, including fundraising and ensure any commercial and fundraising activities are carried out effectively.
12. To oversee significant investment and capital financing decisions.

13. To notify promptly the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust.
14. To advise generally on the provision of resources and services to the Academy Trust.
15. To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge to the actions and judgements of the Executive in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:
 - critical accounting policies and practices, and any changes in them
 - decisions requiring a major element of judgement
 - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - the clarity and transparency of disclosures
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with DfE and legal requirements.

Policies

16. To approve and keep under review the Academy Trust's investment policy and reserves policy.
17. To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. In particular, the committee will consider and approve the delegation of financial and other policies and will review, approve, amend or reject policies in accordance with the policy framework.
18. To ensure that any significant losses are investigated and reported to the ESFA where required.
19. To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

General

20. To review or investigate any other matters referred to the Committee by the Board.
21. To draw any significant recommendations and matters of concern to the attention of the Board.
22. To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.