



## **TERMS OF REFERENCE**

### **Finance Operations and Risk Committee (FORC)**

#### **1. OVERVIEW**

1.1 FORC is responsible for the execution oversight, governance and validation of the Trust's responsibilities to the Secretary of State as outlined in the extant version of the Academies Financial Handbook (AFH).

1.2 FORC has high level responsibility and ownership of financial operations, controls and fiscal governance as well as accountability for all broader business support and central services functions.

#### **2. COMPOSITION**

2.1 The FORC is to comprise:

2.1.1 *Not less than* 4 Directors of NCEAT;

2.1.2 The Chief Executive Officer in the role of Accounting Officer shall be ex-officio (non-voting)

2.1.3 The Director of Finance and Central Services shall be ex-officio (non-voting)

2.2 Principals of NCEAT schools and other officers will be invited to attend as required by Directors.

2.3 The Clerk to the Board of Trustees is to serve as Clerk to FORC.

2.4 FORC shall appoint a Chairperson from those at 2.1.1 who shall be required to stand for re-election at the first FORC meeting of each academic year.

2.5 As a delegated committee of the NCEAT Board, any NCEAT Trustee may attend a meeting of FORC.

#### **3. QUORUM**

3.1 The quorum of the committee shall be 3.

3.2 All Trustees attending the meeting shall be entitled to a vote.

#### **4. FINANCIAL RESPONSIBILITIES**

4.1 To ensure compliance with the AFH;

4.2 To acknowledge all correspondence from the Education and Skills Funding Agency (ESFA), ensure it is brought to the attention of the Trust Board, and respond within the timelines required by the ESFA;

4.3 To recommend to Members external financial auditors to conduct statutory audit and assurance of the financial statements of NCEAT;

4.4 To appoint an independent internal assurance provider to deliver in-year financial and process assurance;

4.5 To advise on the appointment of the Director of Finance and Central Services;

4.6 To ensure the provision of an annual budget, in accordance with ESFA timelines, that forms the basis of all in-year variance reporting and the starting point for forward financial forecasts; will maintain a minimum of a three-year rolling budget;

4.7 To ensure the provision of monthly management accounts, at both a Trust and individual school level, detailing variance to budget both monthly and YTD cumulatively;

4.8 To provide a report to each meeting of the Trust Board providing an overview of the financial performance of NCEAT and raising any concerns including, but not limited to:

4.8.1 Variance from budget;

4.8.2 Non-compliance with any area of the AFH;

4.8.3 Issues raised from internal or external assurance;

4.8.4 Any other matter representing material financial significance

4.9 To ensure that all ESFA reporting and financial submission deadlines are complied with;

4.10 To ensure that a best value and (where appropriate) tender process is used on all expenditure lines;

4.11 To review the terms and value of all contracts in accordance with the Trust's Financial Scheme of Delegation;

4.12 To rigorously and continually assess the effective impact and efficient use of pupil premium and all additional enhanced funding;

4.13 To support executive leaders in maximising all sources of additional private income;

4.14 To seek to derive efficiency through the use of shared services and leveraging the economies of scale possible within a MAT structure;

4.15 To liaise with the Academy Standards and Improvement Committee (ASIC) and/or Local Governing Bodies (LGB) to ensure financial resources are spent effectively with a focus on education outcomes impact;

4.16 To make recommendations to the Trust Board in relation to teachers annual pay awards;

4.17 To make recommendations to the Trust Board in relation to support staff annual pay awards;

4.18 To oversee both the teaching and support staff pension schemes;

## **5. OPERATIONAL RESPONSIBILITIES**

5.1 To ensure that all Trustees are aware of their personal responsibilities under the Companies Act 2006, Charities Law and their collective responsibilities under the AFH;

5.2 To ensure that the Central Services function acts to facilitate all business services required to permit the efficient operation of NCEAT and to support teaching staff in the delivery of outstanding education for our pupils;

5.3 To ensure that Central Services provide an effective human resources function that ensures compliance with all UK employment law, using external legal advice where required;

5.4 To ensure that Central Service provide an efficient estates function that makes maximum benefit of the property and operational assets of NCEAT;

5.5 To ensure that Central Services provide an efficient information technology function that facilitates the effective operation of both our educational provision and business support services;

## **6. RISK RESPONSIBILITIES**

6.1 FORC acts as the operational owner of the NCEAT risk register, whilst accepting that all Trustees have joint and several liability for risk across NCEAT;

6.2 FORC reports to the Trust Board on a termly basis with a summary of all significant and/or unmitigated risk;

## **7. CHAIR RESPONSIBILITIES**

7.1 To Chair each meeting of the FORC;

7.2 To ensure that FORC meets *not less than* 6 times per annum, twice per term;

7.3 To liaise with the ASIC Chair, or the Chairs of LGB's as appropriate, in relation to:

7.3.1 FORC requiring assurance relating to the effective spend of financial resources for Educational outcome improvement;

7.3.2 Responding to requests from ASIC or LGB's for targeted financial resource to address specific educational outcome requirements

7.4 To report to the Trust Board at each meeting as at 4.8;

7.5 To ensure the correct composition of the FORC as at 2.1;

7.6 To ensure, with the Clerk, the timely provision of FORC agendas and signed and verified minutes of each meeting are produced and available to all Trustees;

7.7 To support the CEO in the performance management of the Director of Finance and Central Services;

7.8 To support the CEO in all engagement with the ESFA.

For Review: September 2020  
Owner: FORC Chair  
Approved by: Trust Board  
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