



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 Academy Trust Handbook (ATH).

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 in attendance

2.1.3 The Director of Central Services and Chief Finance Officer shall be in attendance

2.2 At least one member of FORC shall have recent and relevant financial experience.

2.3 Principals/Headteachers of NCEAT schools and other officers will be invited to attend as required by Trustees.

2.4 The Governance Professional to the Board of Trustees is to serve as Governance Professional to FORC.

2.5 FORC shall appoint a Chairperson from those at 2.1.1 who shall be required to stand for re-election each academic year and must not be a Chair of any other committee.

2.6 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.

3.1 All Trustees attending the meeting shall count towards the quorum.

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

4. FINANCIAL RESPONSIBILITIES

4.1 To ensure compliance with the ATH;

- 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; to oversee and approve the Trust's programme of internal scrutiny;
- 4.5 To advise on the appointment of the Director of Central Services/CFO;
- 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 ATH;
 - 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 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 Local Governing Bodies (LGB) and Education Quality and Standards Committee (EQS) to ensure financial resources are spent effectively with a focus on education outcomes impact;
- 4.16 To oversee both the teaching and support staff pension schemes;
- 4.17 To be aware of the ATH provisions in relation to 'special staff severance' payments and to ensure that all ESFA approvals are sought where required.
- 4.18 To ensure novel, contentious and/or repercussive transactions are referred to the ESFA for approval before such a transaction occurs.

- 4.19 To ensure the identification and reporting of related party transactions to the ESFA.
- 4.20 To ensure conflicts of interest relating to related party transactions are robustly managed
- 4.21 Maintain & review appropriate contracts register
- 4.22 Oversee NCEA Trust Trading Limited.

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 ATH;
- 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 Services 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;
- 5.6 To ensure Central Services have robust systems and procedures to deliver statutory health and safety legislation and to exceed the statutory requirements, so far as possible.
- 5.7 Approve Central Services staffing structure annually and restructuring.

6. RISK RESPONSIBILITIES

- 6.1 FORC acts as the operational owner of one of a suite of registers which encompass the Trust and all its schools, whilst accepting that all Trustees have joint and several liability for risk across NCEAT;
- 6.2 To ensure that risks are being addressed appropriately through internal scrutiny;
- 6.3 FORC reports to the Trust Board on a termly basis with a summary of all significant and/or unmitigated risk. FORC must report immediately, outside of the cadence at this para 6.3, if an urgent or significant risk is discovered which requires the urgent attention of the Trust Board;
- 6.4 LGBs are responsible for the maintenance, accuracy and robustness of their own risk registers. FORC should put in place appropriate controls to ensure oversight of this devolved activity.
- 6.5 To support and guide LGBs in relation to the maintenance and operation of risk registers and, where it becomes clear that LGBs are not carrying out the responsibilities required by this part 6 even after support and guidance, take over responsibility for any failing LGB risk register until such time as confidence in the LGBs ability to operate the register returns.

6.6 Approve a Trust Business Continuity Plan.

7. CHAIR RESPONSIBILITIES

7.1 To Chair each meeting of the FORC, or if they are unavoidably unable to attend a specific meeting to nominate a Chair in their absence. If the Chair is not present 5 minutes after the published start time of a meeting then the Clerk is to nominate a Chair for that meeting so long as it is otherwise quorate;

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

7.3 To liaise with the Chairs of LGBs/EQS 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 LGBs/EQS 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 Governance Professional, the timely provision of FORC agendas 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 Central Services/CFO;

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

Next Review: October 2024

Owner: FORC Chair

Approved by: Trust Board

Updated: December 2023