# Finance Committee (FC) Constitution and Terms of Reference

## 2026 - 2027

**Reviewed by:** Louise Morgan, CFOO and Maxine Godfrey, Governance Professional.
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The board of trustees (**Board of Trustees**) of The Balcarras Trust (**Academy Trust**) has established a committee of the Board of Trustees to be known as the Finance Committee (FC). These are its terms of reference.

## 1. Membership

The Committee will be appointed by the Board of Trustees and will comprise no more than five and no fewer than three members, of whom a majority will be Trustees.

The Board of Trustees will appoint one of the members of the Committee as its chair. For the avoidance of doubt, if the Chair of Trustees is a member of the Committee, he / she must not be appointed as the Chair of the Committee.

Employees of the Academy Trust shall not be members of the Committee, but the Chief Executive Officer (CEO) and the Chief Financial Operating Officer (CFOO) may attend to provide information and participate in discussions.

The Governance Professional will provide clerking support as required. Should they be unavailable, an appropriately qualified clerk from within the Trust may be appointed to ensure continuity and effective support.

## 2. Attendance

The Committee may ask the CEO and the CFOO and any other senior executive to attend meetings of the Committee either regularly or by invitation.

The Committee will ask a representative of the external auditors and the head of internal audit to attend meetings as they consider necessary and in consultation with the representative of the external auditors. The Committee will have at least one annual meeting, or part of one meeting, with each of the external auditor and the head of internal audit without the senior executives being present.

## 3. Voting

The quorum for each meeting shall be one half of the members of the Committee rounded up and a majority of those present must be Trustees. Members of the Committee who are employees of the Academy Trust are not included in the quorum. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes. In respect of audit and risk business, members of the Committee who are employees of the Academy Trust shall not take part in any voting but may be present to provide information and participate in discussions.

## 4. Meetings

The Committee shall meet at least three times per year on predetermined dates. Additional meetings will be arranged if needed.

Meetings can be requested by the external or internal auditors if they consider that one is necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than seven working days prior to the date of the meeting.

## 5. Minutes

The Governance Professional/ Clerk to Trustees will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of each Committee meeting will be circulated to the Committee Chair within 7 days and Committee members in advance of the next scheduled meeting for review and approval. Once approved, the minutes will be made available to the Board of Trustees for information and oversight purposes and may be reviewed in full by any Trustee upon request.

## 6. Authority

The Committee is authorised by the Board of Trustees to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board of Trustees to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary.

## 7. Duties

The Committee acts in an advisory capacity to the Board of Trustees and, unless expressly delegated by the Board through the Scheme of Delegation, does not exercise decision-making powers on behalf of the Trust. The Committee's role is to provide scrutiny, challenge, assurance and recommendations to support Board decision-making.

The Committee's duties include, but are not limited to, the following, and shall be carried out with the support and guidance of the CEO and CFOO.

- The Committee shall receive and scrutinise monthly management accounts, including budget variance reporting, cash flow forecasts and balance sheet information, and provide assurance to the Board of Trustees regarding the Trust's financial position.
- The Committee shall monitor the Trust's financial sustainability and going concern position, receiving assurance from the Accounting Officer and CFOO regarding any emerging risks and reporting significant concerns to the Board of Trustees.
- The Committee shall support the Board of Trustees in ensuring that members involved in financial oversight undertake appropriate financial governance training and maintain the skills and knowledge necessary to discharge their responsibilities effectively.
- Monthly management accounts shall be circulated to the Chair of Trustees and the Chair of the Finance Committee.
- The Committee will develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy;
- consider the Academy Trust's indicative funding, once notified by the Department for Education (DfE), and to assess its implications for the Academy Trust, in consultation with the CEO and the CFOO, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees;
- consider and recommend acceptance /non-acceptance of the Academy Trust's budget to the Trustees;
- monitor significant variances
- from approved budgets and ensure that any matters requiring notification, approval or reporting to the Department for Education are escalated appropriately;
- 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;

- 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 Board of Trustees;
- monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement;
- review and support the Executive's preparation of the financial statements forming part of the Trustees' Annual Report, in collaboration with the CFOO.
- The Committee will ensure the Academy Trust's commercial and fundraising activities are carried out effectively;
- examine and review new initiatives for financial development, including fundraising and recommend for approval;
- oversee implementation of significant investment and capital-financing decisions, with the CEO and CFOO providing the necessary supporting information;
- review the Academy Trust's Financial Procedures Policy and recommend any amendments to the Board of Trustees for approval.
- promptly notify the Board of Trustees of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust or that are deemed relevant for the Board of Trustees to be made aware of;
- advise generally on the provision of resources and services to the Academy Trust, and;
- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.
- The Committee shall receive assurance regarding compliance with the Trust's reserves policy and monitor the adequacy and intended use of reserves.
- The Committee may also be delegated responsibility for reviewing other finance-related policies of the Trust, undertaking this review at Committee level and making recommendations to the Board of Trustees for approval
- The Committee will review the constitution and terms of reference annually and recommend any proposed amendments to the Board of Trustees for approval.