



# **NET Academies Trust**

## **Finance Audit HR and Pay Committee**

### **Summary Remit**

Under delegated authority from the NET Academies Trust Boards to:

- develop long term financial plans and budget guidelines;
- scrutinise and approve academy cluster budgets against agreed development plans;
- monitor academy cluster management accounts;
- scrutinise and approve central services budgets against agreed service development and delivery plans;
- monitor central services management accounts;
- scrutinise and approve NET budget against agreed plans;
- monitor NET management accounts;
- arrange and take action as necessary on internal and statutory audits;
- staff pay and remuneration;
- approve trust policies

# NET Academies Trust

## Finance Audit HR and Pay Committee Terms of Reference

### 1. Powers of the Trust Board of Directors

- 1.1. The Directors of the Trust Board shall establish the Finance Audit, HR and Pay Committee as Trust committees as empowered by the Trust's Articles of Association (Article 100B).
- 1.2. The Directors shall determine and approve the Committee's Terms of Reference and shall review the Terms at the start of each academic year (Article 101).
- 1.3. The Directors shall determine and approve the delegation of powers, responsibilities and duties to the Committee and shall review this Scheme of Delegation at the start of each academic year (Article 105).
- 1.4. The Directors shall have the right to intervene in the governance of an individual academy where it has serious cause for concern that there is financial mismanagement or failure to operate within budget, management of staff or a threat to their safety and well-being.
- 1.5. The Trust Scheme of Delegation is attached as [Annex 1](#).

### 2. Powers of the Finance, Audit, HR and Pay Committee

- 2.1. The Committee shall exercise the powers, responsibilities and duties delegated by the Trust Board as set out in the Terms of Reference and Scheme of Delegation, and in particular:
  - 2.1.1. to prepare and recommend to the Trust Board the Trust and Academy Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Directors (SoD 5.1-2);
  - 2.1.2. to review, recommend to the Trust Board and monitor the individual academy annual budgets that are proposed by the Chief Executive, with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.13);
  - 2.1.3. to review, recommend to the Trust Board and monitor the Trust annual budget that consolidates individual academy budgets with Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit (SoD 5.5);
  - 2.1.4. to identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member academies through joint commissioning and procurement;
  - 2.1.5. to review and approve the Trust and Academy Interim Year End financial reports prior to audit (SoD 5.6 & 5.15);
  - 2.1.6. to review and recommend to the Trust Board the appointment and re-appointment of the Trust's auditors (SoD 5.3);
  - 2.1.7. to plan and oversee the statutory audit of Annual Accounts for the Trust and each academy;
  - 2.1.8. to review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation (SoD 5.8);
  - 2.1.9. to review and recommend to the Trust Board the Trustees Report (SoD 5.9);
  - 2.1.10. to prepare and recommend to the Trust Board and implement the Trust action plan in response to the auditor's management letter (SoD 5.11);

- 2.1.11. to review and approve the annual Accounts Return to the Education Funding Agency (SoD 5.10);
  - 2.1.12. to plan, oversee and monitor the internal audit of Trust and academy compliance with the Trust's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance (SoD 5.1-2);
  - 2.1.13. to prepare and approve policies relating to the Trust's financial governance and operation including:
    - 2.1.13.1. Procurement;
    - 2.1.13.2. Anti-Fraud and Corruption;
    - 2.1.13.3. Investment;
    - 2.1.13.4. Disposals and write-off of stock assets.
  - 2.1.14. to consider and respond to proposed Teachers Annual Pay Award and Support Staff Annual Pay Awards (SoD 3.5-6);
  - 2.1.15. to approve expenditure or contracts between the Upper Limit (as per Trust Finance Regulations) and the OJEU limit in force at the time (SoD 6.3);
  - 2.1.16. to recommend to the Trust Board expenditure above the OJEU limit having completed the necessary procurement (SoD 6.4);
  - 2.1.17. to consider and respond to proposed compensation payments up to £50,000 or the limit set by the Education Funding Agency (SoD 6.8);
  - 2.1.18. to review and approve the Asset Management Policy and Plan (SoD 8.1-2);
  - 2.1.19. to review and approve the Trust Health & Safety policy (SoD 8.3).
- 2.2 to guide and support the Trust Board in monitoring and managing the working conditions, work/life balance and well-being of Trust employees including absence and sickness;
- 2.2.1. to review and approve policies relating to the employment and management of Trust staff
  - 2.2.2. to review and recommend to the Trust Board the annual pay awards for Trust staff, Teachers and Support staff, having consulted with the Finance Committee on the financial implications of the proposals. The Committee shall consider relevant local and national agreements and ensure that the proposals are compliant with relevant legal and regulatory requirements and with the Trust's relevant policies, including consultation with unions and professional associations (SoD 3.5-6),
  - 2.2.3. to review and recommend to the Trust Board proposals for the restructuring and redundancy of staff. The Committee shall ensure that the proposals are compliant with relevant legal and regulatory requirements and with the Trust's relevant policies (SoD 4.15-16),
  - 2.2.4. to establish a sub-group of board members for the performance management and remuneration of the Chief Executive.

### **3. Composition and Appointment of the Finance, Audit, HR and Pay Committees**

- 3.1. The composition of the Finance Committee shall be as follows:
  - 3.1.1. Directors with relevant knowledge, skills and expertise in finance, accountancy, compliance, commerce and business, human resources, personnel and pay management;
  - 3.1.2. Chief Executive;

3.1.3. Trust Finance Director;

3.1.4. Trust COO.

3.2. The composition of the Audit Committee shall be three Directors with appropriate expertise who shall not be employees of the Trust.

3.3. The membership of the Committees shall be detailed as [Annex 2](#).

#### **4. Term of Office and Responsibilities of Committee Members**

4.1. The Term of Office for all Members is 4 years.

4.2. On appointment Members are each required to familiarise themselves and to agree to comply with:

4.2.1. Trust Articles of Association;

4.2.2. Trust Master and Supplementary Funding Agreements;

4.2.3. Trust Financial Regulations;

4.2.4. Academies Finance Handbook;

4.2.5. these Terms of reference;

4.2.6. current relevant legislation and guidance on the employment of staff;

4.2.7. current relevant financial legislation and guidance for academies.

#### **5. Meetings of the Committee**

5.1. The Committee shall normally meet at least once per term and in particular:

5.1.1. The Committee shall meet at the appropriate times set out in the Trust Governance Calendar;

5.1.2. The members will receive notice and documentation of each meeting 7 clear days before the date of the meeting;

5.1.3. The agenda, papers and minutes of Committee meetings will be sent by the Clerk to the Directors when they are issued to members;

5.1.4. Minutes will be signed by the Committee's Chairs at the next meeting to verify that the minutes are a true record.

5.2. Quorum for a meeting of the Committee will be half the members and a majority of members present being Trust Directors.

5.3. Each question to be decided at a meeting of the Committees shall be determined by a majority of votes of members present and eligible to vote on the question. The Chair shall have the casting vote in the case of equal votes for and against the decision.

#### **6. Appointment of the Committees Chair and Vice Chair**

6.1. The Trust Board shall appoint the Chair and Vice Chair.

6.2. The Trust Board shall have the right to remove the Chair and/or Vice Chair.

6.3. The term of office for Chair and Vice-Chair will be 1 year and they shall be appointed at the first meeting of each school year.

#### **7. Appointment of a Clerk**

7.1. The Trust Board shall appoint a Clerk to the Committees.

## Declaration

*The Finance & Audit Committees at their meeting on **insert date** resolved to adopt these Terms of Reference. A copy has been forwarded to the Clerk to the Directors for the formal Trust Board records. These Terms of Reference will be reviewed annually at the start of the academic year.*

Signature  
(Chair of the Finance & Audit Committees)

Date of signature

ANNEX 1: Trust Scheme of Delegation  
ANNEX 2: Committee membership