

Finance Committee

Terms of Reference



WEST
SUFFOLK
COLLEGE



EASTERN
EDUCATION
GROUP TRUST

2024/25

Constitution

The Committee membership shall comprise of representation from the independent Boards of Eastern Education Group Trust Board (EEGT) and West Suffolk College Corporation (WSC). (*the 'Group'*)

Committee Purpose

To ensure the Group's ongoing and long-term financial health and sustainability.

To formulate guidelines for and oversee the discharge of the Group's responsibilities for the proper management of the finances in line with the regulations laid out by the DfE and other regulators.

To challenge and hold to account the Executive on such matters.

Responsibilities

1. To consider the going concern and solvency of the Group including the safeguarding and/or disposal of assets and financial oversight of capital projects, and make recommendations to the independent Boards as required;
2. To review and propose the Group's Financial Regulations (financial delegated authority limits) and other financial policies to the independent Boards, as required to comply with our regulators;
3. To oversee the application of the Group's Financial Regulations and other financial policies, and to make decisions and/or recommendations as appropriate;
4. To consider and review the periodic management accounts (including cash flow and Key Performance Indicators) to compare performance to budgetary forecast;
5. To review the draft and audited Annual Report and Financial Statements of the Trust and College (and any subsidiaries as appropriate), and recommend to the independent Boards and/or their Audit and Risk Management Committees;
6. To review the assumptions used to draft the Annual Budgets and 3-year Financial Forecasts, and recommend the final budgets to the independent Board for approval;
7. To consider the financial implications of any proposals made regarding Executive pay and consider the implications of proposed changes to pay policies for staff in line with affordability and the HM Treasury Tax requirements;
8. To review and approve any staff severance payments in accordance with the DfE and HM Treasury regulations;
9. To determine any dismissal and/or early retirement payments with the CEO and/or the Chair of the independent Boards and propose this to the Trust Board, Corporation and/or the DfE as appropriate;
10. To review annually the charges made to non-Group related parties to ensure they represent value for money;
11. To consider relevant taxation, investment and borrowing issues, seeking advice from external sources as required, and advise the Corporation;
12. To review annually the College's subcontracting policies (including the business case strategy; rationale, scope and proposed partners for the year ahead; and the subcontracting procurement policy) and recommend to the Corporation.

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Delegated Authorities

This Committee has delegated authority in relation to authorising:

- financial expenditure (within specified parameters)
- major developments and contracts (within specified parameters)
- requests to vary the practices described within the Financial Regulations (within specified parameters)

These delegated authorities are subject to a quorum comprising at least two Committee members acting solely in the best interests of their respective independent Board, e.g.:

- for decisions relating to EEGT, a quorum of two EEGT Trustees is required
- for decisions relating to WSC, a quorum of two WSC Governors is required

All decisions relating to the authorisation of expenditure for services provided to and/or from EEGT and WSC, will be referred to the independent Board's Audit and Risk Management Committee for consideration.

This Committee has delegated authority to approve the submission of the Trust's annual Schools Resources Management Self-Assessment.

Policies/Reports to scrutinise and recommend the independent boards of EEGT and WSC:

1. Financial Regulations (including authority limits for financial transactions) including:
 - a) Fraud Action Plan
 - b) Treasury Management Policy
 - c) Procurement Policy
2. Reserves Policy
3. Annual budget and three-year forecast
4. Financial Objectives
5. Annual report and financial statements
6. Subcontracting Policies

Membership

The Committee shall comprise of at least 5 and up to 12 members, to include the Chair of the Trust Board and Corporation and must include at least two members with relevant financial/audit experience.

The Committee may invite advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall be entitled to speak at the meeting, but not to vote).

In accordance with the Trust's Articles of Association the majority of members shall be EEGT Trustees.

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There shall be a standing invitation for the CEO, members of the Senior Executive Team and Finance Teams to attend meetings of the Committee. Other members of staff may also attend on specific invitation from the Committee Chair.

The quorum for meetings of the Committee shall be three, or if greater, one third of the appointed Committee members.

Chair

The Trust Board and Corporation will appoint a Trustee/Governor as the Committee Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

Vice-Chair

The Trust Board and Corporation will appoint a Trustee/Governor as the Committee Vice-Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

Clerk

The Governance Professional shall act as Clerk to the Committee

Frequency of Meetings

The Committee will meet half termly.

Term of Office

Appointments of members of the Committee will cease at the end of their term of office as a EEGT Trustee, WSC Governor or Committee member; unless members opt to terminate their membership by issuing notice of resignation to Governance Professional.

Powers

This Committee is advisory to the independent Boards, apart from the specific powers delegated above and any additional powers as delegated by the Trust Board and/or Corporation, from time to time.