Edith Stein Catholic Academy Trust – Finance Committee

Terms of Reference 2025/2026

Background

The Academies Handbook sub paragraph 2.1 (AH2.1) requires that the Board of Directors and Trust Management must maintain robust financial oversight of the Academy Trust. The Trust must take full responsibility for its financial affairs, stewardship of assets, and use of resources efficiently to maximise outcomes for pupils (AH2.2).

Composition

The Finance Committee (the "Committee") is appointed by the Trust Board.

There shall be a minimum of three members of the Committee with any two constituting a quorum. In the event of difficulty in achieving a quorum, Directors who are not members of the Committee may be co-opted as members for individual meetings, provided the majority of the quorum are full members of the Committee.

As noted in the Articles of Association staff employed by the Trust should not be directors or members of a finance committee, however the Chief Executive Officer, in their role as Accounting Officer, and the Chief Financial Officer, will normally attend meetings of the Committee. The latter will be expected to 'coach' new members of the committee so that they can understand and discharge their responsibilities.

The Chair of the Committee shall be appointed by the Trust Board.

In order to perform his or her role effectively, each Committee member should obtain an understanding of the detailed responsibilities of Committee membership as well as the Trust's operations and risks.

Frequency of Meetings and Proceedings

Meetings shall be held three times a year and at such other time as the Chair of the Committee shall deem to be appropriate to coincide with key dates in the company's financial reporting cycle.

The external auditor may request a meeting if they consider that one is necessary.

Role

The Academies Handbook (AH2.3) states that the Trust should have a finance committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the Trust as a going concern.

The Committee reports its findings and recommendations to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

The Finance Committee will review these terms of reference and self- assess its performance against these terms of reference on an annual basis.

Reporting

Unless otherwise agreed by all members of the Committee, notice of meetings, confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The Clerk appointed at the meeting shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated to the Trust Board.

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Trust Board for approval.

Duties

The specific duties of the Committee shall be to:

Scheme of Delegation

- consider and advise the Board on the Trust's Scheme of Delegation and any recommended changes
- provide oversight of delegated authorities, financial freedoms and limits applying to academy trusts
- ensure the appropriate segregation of duties and financial responsibilities are maintained
- provide oversight of the Trust's Pay and Remuneration Statement, including executive pay and the work of the school academy pay and remuneration committees

Pay and Remuneration

To receive reports from the individual academy's pay and remuneration/salaries committees to ensure a proper review process has taken place and is recorded

To receive reports from the CEO and CFO Performance Management reviews that a proper and robust process has been completed including any decisions about pay and remuneration.

Financial Planning

Part of the Finance Committee's responsibility is to ensure that financial plans are prepared and monitored in order that they can recommend to the Board that the Trust remains a going concern and financially sustainable, the committee will achieve this by:

- Advising the Board on the longer-term view of the Trust's financial plans consistent with the requirement to submit three-year budget forecasts to the DfE
- Advise the Board on the Trust's Reserves Policy
- Ensure rigour and scrutiny in budget management
- Recommend for the Boards approval a balanced budget and any significant changes to it, for the financial year to 31 August
- Ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets
- Reflect on lessons learned from previous years
- Challenge pupil number estimates as these underpin revenue
- Consider an integrated approach to curriculum and financial planning
- Refer to DfE's material on improving school resource management including the top 10 planning checks and report their finding to the Board

Risk Management

The Committee will follow the Trust's risk management strategy which enables financial risks to be identified, measured, managed, monitored and reported. The Committee will undertake this requirement by:

- Regularly monitoring and reviewing the financial risks pertaining to the Trust
- Advise the Board on any newly identified financial risks in accordance with the Trust's risk strategy

Budget Monitoring

The Committee will:

- Ensure the management accounts are shared with the Chair of Directors every month
- Review the required monthly management accounts, including an income and expenditure account, variation to budget report, cash flows and balance sheet
- Report to the Board the Trust's financial performance and position ensuring that appropriate and timely action is being taken to maintain financial viability

Other

- Advise the Board on the Trust's cash management ensuring that the Trust's cash position is robustly managed so that the Trust avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.
- Advise the Board on the Trust's ability to invest to further the Trust's charitable aims ensuring that investment risk properly managed.

Authority

The Finance Committee is an advisory body with no executive powers. However, it is authorised by the Trust Board to investigate any activity within its terms of reference

or specifically delegated to it by the Trust Board, and to seek any information it requires from staff, who are requested to cooperate with the Committee in the conduct of its enquiries.

The Committee has the authority to obtain outside legal or independent professional advice. The advisers may attend meetings as necessary and the cost of the advisers shall be borne by the company.

Ratified: (Chair of ESCAT Finance Committee)

Date: 18th November 2025