Four Hills Education Trust

Where Every Step is Shaped with **CARE**

FINANCE & RESOURCES COMMITTEE

TERMS OF REFERENCE

Date Created:	**1st September 2025**	**Date Approved:**	**20th November 2025**
Owner/Author:	**Kirsty Osman (CEO)**	**Committee Ratified:**	**20th November 2025**
Consultation:	**Headteachers/Trustees**	**Period of Review:**	**1 Year**
Status:	**Live**	**Effective From:**	**20th November 2025**

Four Hill Education Trust
Address: C/O Millbrook Primary School & Nursery, Grainger Drive, Leegomery, Telford, Shropshire, United Kingdom, TF1 6UJ
Telephone: 01952 387640
Email: Enquiries@fourhillseducationtrust.org.uk
Website: www.fourhillseducationtrust.org.uk

1. Constitution

1.1 The Board of Trustees ("the Board") of Four Hills Education Trust ("the Trust") establishes a Finance & Resources Committee ("the Committee") to advise the Board on financial planning, management, resourcing, capital investment, estates and operational infrastructure, in accordance with the Trust's Scheme of Delegation (SoD).
1.2 The Committee is responsible to the Board and operates within powers delegated by the Board (SoD Sections 6.1, 9.3C, 10).
1.3 These Terms of Reference are adopted by the Board and may only be amended with Board approval (SoD 6.5)

---

2. Authority

2.1 The Committee is authorised to investigate any activity within its remit or specifically delegated to it by the Board. It may request information from any Trustee, governor, employee or professional adviser. (SoD 14.6, by analogy to Committee powers.)
2.2 The Committee may obtain independent professional advice as necessary, normally in consultation with the Accounting Officer (CEO) and/or Chair of the Board (SoD 14.7).

---

3. Purpose

3.1 To provide detailed scrutiny and strategic guidance on **financial planning**, **budgeting**, **resourcing**, **value for money**, **capital investment**, **procurement**, **ICT**, **estates management**, and the **operational infrastructure** that underpins educational delivery and safeguarding, ensuring compliance with the **Academy Trust Handbook (ATH)** and related DfE guidance.
3.2 To ensure that **monthly management accounts** and forward-looking forecasts are prepared and considered systematically by the Chair of Trustees and Board, enabling timely oversight of the Trust's financial performance and health.
3.3 To oversee the Trust's **reserves policy** and ensure a clear plan for managing reserves, including purpose, levels, deployment and replenishment aligned to strategy and risk.
3.4 To make recommendations to the Board on the **Trust consolidated budget**, **school budgets**, and major financial decisions; the Board remains the approving authority (SoD **9.3C**).

---

4. Duties and Responsibilities

Budgeting and financial oversight
4.1 Review and recommend the annual Trust consolidated budget and academy budgets to the Board. Monitor income and expenditure versus forecast, require corrective actions, and report material variances (SoD 6.1.2, 9.3C).
4.2 Review monthly management accounts, cash flow, KPIs and forecasts; ensure Board consideration at each meeting cycle and Chair's monthly review, in line with ATH expectations and good practice guidance.
4.3 Ensure the Trust maintains sound financial controls to secure regularity, propriety and value for money (ATH Part 2).

Reserves, investments and treasury
4.4 Oversee the Reserves Policy, including a clear plan for managing reserves and

reporting in annual accounts/AAD; review reserves sufficiency and deployment aligned to strategy and risk.
4.5 Monitor investment and treasury activities consistent with the ATH, the Academies Accounts Direction (AAD), and Charity Commission principles.

Procurement, contracts and spending decisions
4.6 Oversee procurement, tendering and spending decisions to ensure compliance with ATH, funding agreements and applicable procurement law; maintain proportionate competition and conflict-of-interest controls (ATH Part 2; "Being transparent about your governance").
4.7 Scrutinise high-value contracts and leases, noting ATH 2024 allowances on certain finance leases without prior approval where the asset category appears on the DfE approved list, while ensuring approval for leases outside that list or on land/buildings as specified in Part 5 of ATH.
4.8 Oversee compliance with ATH delegated authorities, including prior DfE approval for novel, contentious or repercussive transactions; write-offs and liabilities beyond permitted limits; EV salary sacrifice schemes (planning/expansion); and borrowing controls.

Related party transactions (RPTs) and conflicts
4.9 Ensure the Trust's register of interests is maintained and that related party transactions are reported/seeking approval via the DfE online form in advance, and disclosed in annual accounts per AAD.
4.10 Ensure decision-makers with interests are excluded from procurement/approval steps; maintain transparent minutes evidencing 'at cost' assurance and the Accounting Officer's regularity responsibilities.

ICT, estates and operational infrastructure
4.11 Maintain oversight of estates strategy and capital planning (rolling 5-year plan), compliance condition surveys and health & safety works; receive termly assurance from CFO/COO (SoD 6.1.5, 10.4).
4.12 Receive assurance on digital and technology standards (DfE core standards signposted in ATH), cyber resilience, filtering/monitoring and GDPR compliance, and associated financial/resource implications.

Policies and reporting
4.13 Review and recommend finance-related Trust policies (finance, procurement, reserves, anti-fraud) to the Board for approval or approve those delegated under SoD 6.1.2/13.3, ensuring publication and compliance.
4.14 Ensure timely preparation and Board approval of the Trust's Annual Report and Accounts and associated external audit processes (working with the Audit & Risk Committee on auditor appointment and findings).

Interface with Audit & Risk
4.15 Maintain clear separation from Audit & Risk Committee duties on internal scrutiny and external audit oversight to safeguard independence; receive summary assurance updates and implement agreed actions affecting finance/operations

5. Membership

5.1 Composition

- Minimum of **three Trustees** (voting members), one of whom shall be the Committee Chair.
- **CEO** (Accounting Officer) — **full (voting) member**. *(SoD explicit allowance; governance independence preserved by Trustee majority and non-executive chairing.)*
- **CFO** — **full (voting) member**, even if not a Trustee, provided **Trustees remain the majority** of the Committee's formal members. *(SoD and ATH compatible; common sector practice.)*
- The **Chair of Trustees** may attend **ex officio** as a member (if appointed by the Board).
- Up to **two co-opted associate members** (non-Trustees) with expertise in finance/estates/ICT may be appointed (voting or non-voting as determined by Board), subject to Trustee majority at all times.

5.2 Restrictions & independence

- The **Committee Chair** must be a **Trustee**; the **CEO or CFO must not chair** the Committee.
- To preserve governance independence, **Trustees must form the majority** of formal members at all meetings.
- Staff employed by the Trust may be members (e.g., CEO/CFO) but **employees must never form more than half of the voting members present**.

6. Quorum and Voting

6.1 The Committee is quorate when at least three eligible voting members are present and Trustees constitute the majority of those present.
6.2 Decisions are made by simple majority; the Chair has a casting vote if required.

7. Meetings and Administration

7.1 The Committee meets at least once per term; the Chair or any two members may call additional meetings.
7.2 Agenda is agreed by the Chair in advance (supported by a pre-agreed annual workplan); papers are circulated five working days before each meeting. Minutes are submitted to the next Board meeting once approved in draft by the Committee Chair.
7.3 Governance Professional (or deputy) provides clerking support; where remuneration of the Governance Professional is discussed, they withdraw and a temporary clerk is appointed.

8. Reporting and Interfaces

8.1 To the Board: escalations, recommendations, and a termly summary covering budgets, variances, reserves, procurement/contract pipeline, estates compliance, digital standards, and management accounts insights.
8.2 With Audit & Risk: receive assurance outputs (internal scrutiny findings, external audit management letters), track actions and confirm closure on finance/operational points; maintain independence of internal scrutiny.
8.3 With Quality of Education Committee: align resource decisions with educational priorities/impact, including Pupil Premium value-for-money considerations and staffing affordability.

9. Compliance Map (AHT & DFE)

The Committee ensures the following **'musts'** and key controls are in place (selected highlights):

- **Monthly management accounts** produced and considered routinely by trustees (Chair monthly; Board each meeting).
- **Reserves policy** includes a clear plan for managing reserves; Board oversight evident.
- **Delegated authorities**: prior DfE approval obtained for **novel/contentious/repercussive** transactions; **write-offs/liabilities** outside limits; **borrowing** controls; **leases** per ATH; **EV salary sacrifice schemes** require contact/approval in planning or before adding employees.
- **Related party transactions**: reported/seeking approval in advance via DfE online form; disclosed in AAD year-end; conflicts managed and documented.
- **Finance leases** permissible without prior DfE approval only where on the **DfE approved list**; otherwise, approval required.
- **Digital & technology standards**: oversight of funding and compliance implications (broadband/networking/cyber/filtering/monitoring leadership) signposted by ATH.

10. Annual Workplan (indicative)

- **Autumn (term 1):** Budget strategy parameters; reserves plan; estates compliance report; procurement pipeline; management accounts; AAD disclosures planning.
- **Spring (term 2):** Draft Trust & school budgets; staffing affordability; ICT/cyber standards update; RPT pipeline; management accounts.
- **Summer (term 3):** Final budgets recommendation; capital/condition programme; policy reviews (finance/procurement/reserves); going concern assessment; management accounts.

- **Year-end (to 31 Aug):** Support annual accounts preparation (interface with Audit & Risk on external audit timetable); confirm post-balance sheet events and trustee reporting; management accounts.

11. Links to Scheme of Delegation

These Terms of Reference must be read alongside the **Four Hills Education Trust Scheme of Delegation (latest version)**—notably Sections **6.1** (Finance & Resources), **9.3C** (Finance & Resources functions), **10** (operational estates/IT/H&S), and **13** (policy framework), and the Committee **membership/quorum expectations** stated therein.

12. Review

The Committee will **self-assess annually** against these Terms of Reference and submit any proposed changes to the Board for approval.

Key Statutory and Best Practice References for the Finance & Resources Committee Terms of Reference

1. **Academy Trust Handbook 2025**
   The statutory framework for financial management, governance, and compliance in academy trusts.
   https://www.gov.uk/guidance/academy-trust-handbook
2. **Academies Accounts Direction 2024 to 2025**
   Annual ESFA guidance on preparing and auditing academy trust financial statements.
   https://www.gov.uk/government/publications/academies-accounts-direction
3. **DfE Governance Handbook**
   Comprehensive guidance on the roles, responsibilities, and legal duties of academy trust boards and committees.
   https://www.gov.uk/government/publications/governance-handbook
4. **DfE (formerly ESFA) Guidance: Related Party Transactions**
   Rules and reporting requirements for transactions with related parties.
   https://www.gov.uk/guidance/academy-trust-related-party-transactions
5. **DfE (formerly ESFA) Guidance: Dealing with Losses and Write-Offs**
   Requirements and thresholds for writing off debts and losses in academy trusts.
   https://www.gov.uk/government/publications/academies-dealing-with-losses-and-write-offs
6. **DfE (formerly ESFA) Guidance: Procurement for Academies**
   Best practice and statutory requirements for buying goods and services.
   https://www.gov.uk/guidance/buying-for-schools

7. **DfE (formerly ESFA) Guidance: Academy Trust Reserves**
   Guidance on setting, monitoring, and reporting reserves policies.
   https://www.gov.uk/guidance/academy-trust-reserves
8. **DfE (formerly ESFA) Guidance: Internal Scrutiny in Academy Trusts**
   Requirements for internal scrutiny, independence, and reporting.
   https://www.gov.uk/guidance/internal-scrutiny-in-academy-trusts
9. **DfE (formerly ESFA) Financial Management and Governance Self-Assessment**
   Checklist for trusts to self-assess compliance with financial management and governance standards.
   https://www.gov.uk/guidance/academy-financial-management-and-governance-self-assessment-checklist