



CRANMER EDUCATION TRUST

FINANCE COMMITTEE

Terms of Reference – 2025-26

Approved by the Finance Committee – 30th June 2025

CRANMER EDUCATION TRUST

The Blue Coat School, Egerton Street, Oldham. OL1 3SQ

Cranmer Education Trust ("the Trust")

Finance Committee Terms of Reference

1. Rationale

The Academy Trust Handbook 2024 requires that every Academy Trust **must** establish an Finance Committee, appointed by the Trust Board, to maintain an oversight of the Academy Trust's governance and risk management, and to provide assurance over the suitability of, and compliance with, its financial systems and operational internal controls and for multi academy trusts this must extend to the financial controls and risks of each Academy.

All trusts with an annual income of over £50 million must have a separate Finance Committee and Audit & Risk Committee.

The Trust Board has therefore resolved to establish an Audit and Risk Committee, to provide independent oversight and scrutiny of the Trusts risks and financial matters.

2. Composition

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

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

Employees of the trust should not be Finance committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.

The Chair and the Vice-Chair of the Committee shall be appointed by the Trust Board. The Chair of Trustees and the Chair of the Finance Committee should not be the Chair of the Audit & Risk Committee

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 risks.

3. 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.

The committee must have access to the external auditor, as well as their internal scrutineers.

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

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.

5. Duties

The specific duties of the Committee shall be to:

Finance

- Ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and is financially sustainable
- Ensure delegated financial authorities are complied with
- review the Annual Consolidated Budget and three-year budget forecasts in detail and to make recommendations to the Trust Board including the submission of the Budget Forecast Return to EFSA in July
- Review the revised consolidated budget as the basis of the budget outturn report submission to EFSA in the Spring
- Ensure regularity propriety and value for money for the organisation's activities
- review reports from the Executive Team in relation to Trust estate planning and capital funding
- review new and existing finance policies and make recommendations to Trust Board
- coordinate the planning and budgeting process and to set, monitor and evaluate the central support cost contributions payable by the Academies in the Trust
- ensure rigour and scrutiny in budget management
- ensure budget forecasts are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets, and reflect lessons learned from previous years
- the committee should challenge pupil number estimates and consider curriculum plans as part of financial planning (integrated curriculum and financial planning)
- set a policy for holding reserves, and a clear plan for managing reserves
- ensure that information submitted to DFE and ESFA that affects funding is accurate and in compliance with funding criteria
- Oversee the Endowment at St Annes following the St Annes Endowment Fund Policy 2021 requirements including effectiveness of investments, monitor levels of reserves to ensure funds remain above the original investment level and consider requests for use of the funds

Ancillary Arms: Hubs and ITT

- Review and oversee the economies, efficiency and effectiveness of ancillary arms.

Other

- consider any other matters, where requested to do so by the Trust Board

6. Authority

The 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 co-operate with the Committee in the conduct of its enquiries.

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