



Terms of Reference-

Lighthouse Federation Finance and Resources Committee

2024-25

16th September 2024	
Adam Hicken	<i>Adam Hicken</i>
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1. Constitution

1.1. The Lighthouse Federation Governing Board has resolved to establish an Audit & Finance Committee to advise the Board on matters relating to the Federation's finance and audit arrangements, systems of internal control and to advise and aid the Board's responsibility to ensure sound management of the Federation's finances and resources, including proper planning, monitoring and probity.

1.2. The Audit & Finance Committee is responsible to the Lighthouse Federation Governing Board.

1.3. The Committee's Terms of Reference are adopted by the Board and may only be amended with the approval of the Board.

2. Authority

2.1. The Committee will report to the Board on any decision taken in accordance with the Delegation Planner and delegated powers, including the federation assets, depreciation and removal of such items from the asset register.

2.2. The Audit & Finance Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. It is authorised to request any information it requires from any governor, employee, external audit, internal audit or other assurance provider.

2.3. The Audit & Finance Committee is authorised to obtain any outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or Chair of the Federation Board.



3. Main Duties

- 3.1. To fulfil its responsibilities as set out in these Terms of Reference and all federation schools must operate in the context of the Scheme for Financing Schools and Walsall Council's Financial Regulations and Contract Rules.
- 3.2. Ensure sound management of the Federation's finances and resources, including proper planning, monitoring, probity and value for money.
- 3.4. Advise the Federation Board on specific remuneration packages of the COO and Head teachers to ensure that staff are fairly rewarded in relation to their individual contributions to the Federation's overall performance.
- 3.5. Demonstrate that the pay of senior staff is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the financial health of the Federation.
- 3.6. Advise the Board on the adequacy and effectiveness of the Federation's governance, risk management, internal control and value for money systems and frameworks.
- 3.7. Advise the Board on the need for and then, where appropriate, the appointment, reappointment, dismissal and remuneration of an internal auditor or other assurance provider;

4. Detailed Responsibilities

- 4.1. Ensure that each federation school works with the appointed auditors from Walsall Council.
- 4.2. Receive & review reports from the external auditor. Where deemed appropriate, reports should be referred to the Board or other committee for information or action;
- 4.3. Regularly monitor outstanding audit recommendations for federation schools from whatever source and ensure any delays to agreed implementation dates are reasonable;
- 4.4. Consider any additional services delivered by the external auditor, internal auditor or other assurance provider and ensure appropriate independence is maintained;
- 4.5. Where appropriate, meet with the external auditor or other assurance provider, without management present.
- 4.6. Ensure that meetings for the Headteacher's Appraisal are carried out in compliance with the Appraisal and Capability Policy.



5 Finance

5.1 Subject to the detailed requirements of the Walsall Council's Financial Regulations and Contract Rules, the Committee shall consider and advise the Federation Board on the following specific matters:

5.2 Monitoring of revenue finances of the Federation

5.3 To prepare and recommend to the governing board an annual budget for the federation for their approval, taking account of local and national guidance

5.4 To receive an annual budget plan for each federation school from the LLSC

5.5 To receive the financial implications of the School Development Plan, post-OFSTED inspection planning and any similar plans from the LLSC

5.6 Monitoring of policies relating to finance, staffing and buildings, including Health and Safety, capitalisation, depreciation, treasury management, investment and borrowing;

5.7 To monitor the management of accounts for the Federation, and to advise the Federation Board on the year end accounts;

5.8 The Financial Regulations, to be reviewed on an annual basis [in line with local and national guidance]



6 Remuneration

6.1. The committee shall receive guidance from the federation Pay Committee on the for the pay of the COO, federation staff and Head teachers in line with the current terms and conditions document as detailed by the DFE.

- Performance Review Governors (maintained settings) are required to appoint an appropriate external adviser to support and advise them on the head teacher's performance management but it is the school's choice as to who this person is.
- Walsall Governance Services strongly recommends that a suitably qualified and experienced adviser is used.
- It is the responsibility of the governing board to determine who they call upon to advise them in terms of the head teacher's performance review in consultation with the Head.

6.2 The Committee shall receive a report from the COO on the performance of the Head teachers and the recommendation on Head Teacher's pay that was made by the LLSC.

6.3 The Committee shall receive a report from the Chair of the Federation Board on the performance of the COO and federation staff.

6.4 The Committee will review and assess performance targets, goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period.

6.5 The Committee shall routinely review and approve any changes to the job description of the COO, and ensure this happens whenever the configuration, makeup and membership of the Federation changes.

6.6 The committee shall hold oversight of the pay and conditions of service of all employees of the Federation in line with current DFE and local authority guidelines.



7. Administration

7.1. The Audit & Finance Committee will meet at least once per term. The Chair or any two members may call a meeting.

7.2. The Audit & Finance Committee will consist of at least three members of the Board. Additionally, up to two external co-opted members with particular expertise may also be appointed who are not members of the Board. The Board may not co-opt an employee of the School Federation if the result would be that the number of Committee members who are employees of the Federation (including the COO) would exceed one third of the Committee. Co-opted members of the Committee will have full participation rights. At least one of the members should have relevant financial experience. The Chair of the Federation Board cannot be a member of the Audit & Finance Committee.

7.3. Other Board members shall also have right of attendance and may fully participate in meetings, though the Committee employees.

7.4. The COO will be ex officio members of the Audit & Finance Committee. The COO will be excluded when pay matters relating to the COO are discussed.

7.5. Other employees of the Federation's may be invited to attend meetings but will have no voting rights.

7.6. The Chair of the Audit & Finance Committee will be appointed and from the Board annually and will not be a member of any other committee. The COO or Head Teacher of a School may not act as Chair of the Committee. Any other employees of the Federation may also not act as Chair, other than in exceptional circumstances agreed by the Board. If the Chair is absent from a meeting the Board shall choose another Board member to act as Chair for that meeting.

7.7. The Audit & Finance Committee will be quorate; quorate if at least two members (or at least one third if greater) of those members eligible to vote are present. In addition, at least 50% of those member's present are required to be Board members [in the event of there being co-optees on the Committee] and no more than 50% may be employees of the Federation.

7.8. Decisions to be made at meetings of the Committee shall be determined by a majority of the votes of members present and voting. Where there is an equal division of votes, the Chair shall have a second or casting vote.

7.9. Administrative support will be provided by the Clerk to the Board. However, the Clerk can be requested to withdraw from that part of any meeting where information of a highly sensitive or confidential nature is being discussed, with one of the committee members will act as a temporary Clerk to minute the proceedings of the committee or a deputy may attend.



7.10. Agendas will be agreed in advance by the Chair of Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.

7.11. Minutes of meetings will be taken and submitted to the next scheduled meeting of the Board once approved in draft by the Chair of the Committee.

7.12. The Audit & Finance Committee will self-assess its performance against these Terms of Reference on an annual basis and will also review the Terms of Reference, submitting any proposed changes to the Board for approval.

7.13. The members of the Committee shall hold office from the date of their appointment until the resignation or their omission from membership of the Committee on subsequent consideration by the Board (whichever shall first happen).

7.14. The Board must not add to these terms of reference responsibilities that require the Audit & Finance Committee to adopt an executive role, or its members to offer professional advice to the Board. The Audit & Finance Committee should seek formal professional opinions from the internal audit service, financial statements auditor or other professional advisers to the Board. Advice should only be given in Committee members' capacity as Governors and co-optees and only within their terms of reference.



Key	
LFGB	Lighthouse Federation Governing Board
LFC	Lighthouse Finance/Resources Committee
LStC	Lighthouse Standards Committee
LSC	Lighthouse Standards Committee
LLSC	Lighthouse Local School Committee
LHB	Lighthouse Headteacher Board
DFE	Department for Education
COO	Chief Operating Officer
EHT	Executive Head Teachers
HTs	Head Teachers
DHT	Deputy Head Teachers
SDP	School Development Plan
SFVS	Schools Financial Values Standard
ROBI	Register of Business Interests
SCR	Single Central Record
SEND	Special Educational Needs & Disabilities
H&S	Health and Safety