



*'Engaging learners to enhance their life opportunities and outcomes'*



<b>TERMS OF REFERENCE FOR CHIEF FINANCIAL OFFICER</b>
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<b>Approved</b>	
Signature of CEO	
Date:	
Signature of Chair of Board	
Date:	
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## **1. INTRODUCTION**

- 1.1 The purpose of these terms of reference is to provide for the delegation of powers to the Chief Financial Officer (CFO) and to provide a narrative around the relationship between the Trust Board and the CFO with a view to ensuring effective leadership and governance.
- 1.2 The relationship between the Trust Board and the CFO is characterised as a very strong and focussed partnership to realise a common vision and purpose for the Trust and its schools.
- 1.3 The Scheme of Delegation Matrix and Terms of Reference provide clarity as to who are the decision makers for different types and levels of decisions.
- 1.4 The CFO shall have regard to the Academies Financial Handbook which is available on [www.gov.uk](http://www.gov.uk).
- 1.5 The Chief Financial Officer (CFO) will be a member of the Executive Team.
- 1.6 The Chief Executive Officer (CEO) who, as the Accounting Officer for BEST, is ultimately responsible for the proper financial conduct of the Trust.

## **2. THE CHIEF FINANCIAL OFFICER (CFO)**

- 2.1 The Trust Board has appointed a CFO who is responsible for:
  - 2.1.1 advising on and implementing the Trust's strategic financial framework;
  - 2.1.2 the day-to-day financial management of the Trust, incorporating the internal financial organisation, financial management and financial control of the Trust;
  - 2.1.3 preparing and submitting all statutory and regulatory filings including the annual consolidated accounts, following completion of the external audit process
  - 2.1.4 the implementation of all financial policies approved by the Trust Board; and
  - 2.1.5 any further item identified for the CFO under the Scheme of Delegation;subject to any restrictions made by the Trust Board.
- 2.2 The CFO reports to the Trust Board via the Finance and audit Committee and shall comply with any reasonable direction by the Trust Board when acting on the Trust's behalf, providing timely and accurate data.

- 2.3 The CFO will monitor funding and legislative changes that apply to the education sector and will provide the Board of Trustees with strategic financial information to enable them to make informed financial decisions.
- 2.4 The CFO will regularly visit schools within the Trust to develop a good working knowledge of those schools and how they serve their communities.
- 2.5 The CFO will work closely with the Trust School's Business Managers or Financial Officers to ensure the smooth and effective implementation of the Trust's financial policies and procedures.

### **3. KEY RESPONSIBILITIES AND DUTIES**

A non-exhaustive list of specific responsibilities for the CFO is below;

#### **3.1 Strategic leadership**

- 3.1.1 Provide sound financial advice to the CEO and Trust Board on all financial matters, in order to improve performance and maximise opportunities.
- 3.1.2 Through close working with Trustees, school leaders and Governors, set key assumptions for the schools. Using this to own, oversee and quality assure the setting of the annual budget and 3 year strategic plan at each school along with the consolidated Trust's annual and 3 year strategic plan.
- 3.1.3 As the Trust builds the strategic direction of the Trust in its longer term aspirations extend the 3 year plans into a rolling 5 year financial projection for the Trust, including projections for academies, assumptions around joining schools, and central Trust forecasts.
- 3.1.4 Support the Trust in its vision to establish its optimal operating capacity for the appropriate number of schools in the Trust, by:
  - a) Researching and co-ordinating bids on any potential school considering joining the trust for additional funding from DfE or other such organisations at each school and Trust as a whole, including the Condition Improvement Fund.
  - b) Conducting comprehensive financial due diligence on any school considering joining the trust and to advise the Board on all associated risks.
- 3.1.5 Build and embed an understanding of financial risk in the school and Trust operations into the finance function, providing visibility and input into the Trust risk register.

### 3.2 Day-to-day financial management

- 3.2.1 Attend all Finance and Audit Committee meetings and present monthly management accounts and annual financial statements to the committee.
- 3.2.2 Ensure that all statutory and non-statutory reporting for internal and external purposes, including financial records for the auditors, and returns to Companies House, HMRC, and ESFA on behalf of the trust are accurate, compliant, and timely.
- 3.2.3 Produce monthly management accounts for schools and the Trust, highlighting and explaining variations and trends for income, expenditure, and cash flow against the approved budget.
- 3.2.4 Monitor financial performance and position using Key Performance Indicators and highlight key findings to provide insight and recommend actions to minimise budget variances and maximise performance opportunities.
- 3.2.5 Identify fundraising, income generation and grant application opportunities.
- 3.2.6 Oversee and advise on all procured contracts and services for the trust including materials, utilities, cleaning, catering, grounds maintenance etc. to secure best value for the trust.
- 3.2.7 Maintain and resource, using external sources where appropriate, an effective internal audit function or equivalent. Responsibility to agree and implement the plan of action.
- 3.2.8 Ensure the maintenance of a fixed asset register across the Trust.
- 3.2.9 Ensure all necessary insurance (buildings, employer's liability, public liability etc.) is adequate and in place.
- 3.2.10 Perform an annual benchmarking review to identify potential areas for school and Trust improvement to ensure delivery of the best value possible.
- 3.2.11 Oversee the recruitment, performance and development of the school Business Managers, providing feedback as part of the annual review process, including identifying any required training.

### 3.3 Adherence to financial policies and procedures

- 3.3.1 Develop and oversee a control environment which ensures that each school and the Trust has system and controls which promote financial control and the safeguarding of assets.
- 3.3.2 Lead on the development and implementation of all Trust financial policies, ensuring compliance with all relevant statutory procedures. Maintain the in-house BEST Financial Handbook & Scheme of Financial Delegation that sets out the operational policies and procedures governing The Trust, combining best practice with the latest Accounts Direction issued by the ESFA in each individual school and across the Trust, to ensure compliance with the ESFA, Academies Financial Handbook, the Statement of Recommended Practices (SORP) of the Charities Commission.

### 3.4 Conduct of the CFO

- 3.4.1 Promote and support the values and ethos of BEST.
- 3.4.2 Be prepared to challenge poor behaviour and underperformance.
- 3.4.3 Carry out the duties in the most effective, efficient, and economic manner available.
- 3.4.4 Continue professional and personal development.

## **4. MATTERS RESERVED TO THE TRUST BOARD**

- 4.1 Matters which are expressly reserved to the Trust Board are as specified in the Scheme of Delegation Matrix or as otherwise specified by the Trust Board.
- 4.2 In determining the division of roles between the Trust Board and the CFO, the Trust Board will have regard to the following principles:
  - 4.2.1 non-executive powers must be exercised by the Trustees personally and may not be delegated;
  - 4.2.2 except when it is impracticable to do so, executive powers should be delegated to the CFO, who may authorise further delegation; and

4.2.3 every act of delegation is only a delegation of powers and does not relieve the Trustees of responsibility.

## **5. REPORTING TO THE TRUST BOARD**

5.1 The CFO is responsible for the matters delegated by the Trust Board, but the Trust Board retains responsibility for all strategic decisions in relation to the Trust, which the CFO will ensure are considered by the Trust Board.

5.2 In order to assist the Trust Board to safeguard and apply the Trust's assets in the most effective manner, the CFO will ensure that any significant or material financial matter that arises in the course of the Trust's operations is reported to the Trust Board.

5.3 The CFO shall:

5.3.1 provide a report to the Finance and Audit Committee in writing; and

5.3.2 attend Trust meetings if needed to discuss the report, other relevant issues, and answer questions, as required.

## **6. THE RELATIONSHIP BETWEEN THE TRUST BOARD AND THE CFO**

6.1 It is the role of the Trust Board to act as a critical friend to the CFO. The relationship between the Trust Board and the CFO must be one of mutual trust, confidence, and candour, if the Trust is to succeed.

6.2 The Trust Board will support and oversee the work of the CFO and hold them accountable for the authority that is delegated to them and how they exercise it.

6.3 The Trust Board must ask the CFO questions that ought to be asked and to satisfy themselves that the Trust is being properly conducted. The CFO must give the Trust Board enough information to ensure they are discharging their duties properly and in a timely manner.

6.4 The Trust Board must consider fully any views and proposals relating to any matter within the non-executive powers of the Trust Board which may be submitted to them by the CFO.

6.5 Any issues surrounding the performance of the CFO should be raised directly with the Chair of the Trust Board, and likewise, any concerns the CFO have over the Trust Board or one of its number, should be raised with the Chair (or the Vice-Chair in the case of the Chair).

## **7. CIRCULATION**

7.1 These terms of reference shall be circulated to the Trust Board, the CFO, the Executive Team, and others at the discretion of the Chair of the Trust Board.

## **8. REVIEW**

8.1 These terms of reference will be reviewed by the Trust Board annually.