

Finance Committee Terms of Reference

Purpose

The purpose of the Committee is to ensure that the Staff and Governors have in place effective systems and procedures for the financial management of the school.

Period of Review

Terms of reference should be reviewed annually by each committee and recommended for approval to the Governing Body in the first meeting of each academic year.

Membership

A minimum of three Governors (which may include the Headteacher) shall constitute a quorum. At least one member of the Finance Committee should be a member of the Premises Committee. The committee may have co-opted non-voting members as the Governing Body shall appoint and may make recommendations to the Governing Body for these appointments. The committee should meet at least three times a year.

Functions

1. The Committee must elect a chair at the first meeting of the academic year, or when a vacancy arises.
2. To consider the objectives of the school improvement plan in each financial year and present an annual budget based on that plan to the Governing Body for approval ensuring that the school has followed Best Value principles when drawing up the annual budget plan.
3. To ensure that procedures for longer term financial planning are in place.
4. To ensure that the Headteacher has put in place systems and procedures that comply with the requirements of the LA's Scheme for the Financial Management of Schools.
5. To receive budget-monitoring reports from the Headteacher showing the income and expenditure of all public funds including all devolved funds and to report to the Governing Body at least three times a year on the financial position of the school.
6. To approve the virement of funds within the limits set by the Governing Body.
7. To ensure the audit of private funds is carried out and those accounts are submitted to the Charity Commission pursuant with any statutory requirements.
8. To receive and respond to audit reports received from the LA.
9. To recommend to the Governing Body the level of delegation to the Headteacher for the day to day financial management of the school.
10. To receive reports to ensure Pupil Premium funding, LAC (Looked After Children) funding, post-LAC funding, sports grants and Universal Infant Free School Meal funding are spent in line with DfE policy.
11. To review charging arrangements for lettings annually.

12. To be responsible for the review and recommendation of the finance, charging and lettings and whistleblowing policies to the Governing Body.
13. To ensure appropriate systems and procedures are in place for the awarding of contracts for services.
14. To ensure that value for money reviews are undertaken to assess the effectiveness of the use of school resources.
15. To consider the writing off of debts owed to the school up to a value of £500. Debts over this value to be referred to the Governing Body.

Policies for consideration of the committee where Governing Body approval is required:

Charging and Remissions
 Finance
 Pay

Responsibilities Delegated to the Committee

- To approve budget virements up to a value of £6000 and within the budget set for the financial year.
- To enter into contracts up to the value (the ‘value’ being the total value over the period of the contract) of £6000
- To determine the level of financial delegation to the Headteacher
- To consider and approve the longer-term financial plan recommended by the Headteacher.

Responsibilities Delegated to the Headteacher

- The Headteacher has the delegated authority to make the following decisions without referral to the Finance Committee or Governing Body, but must report to the Finance Committee each meeting any decisions taken.
 - 1 To vire within the current budget up to £3000 without the approval of the Finance Committee.
 - 2 To enter into contracts up to a value (the” value” being total value over the period of the contract) of £3000, within the budget available.
 - 3 To enter into contracts over £3000 if it is for specified items **in the original budget** (e.g., purchases of computer equipment) within the budget available.
 - 4 To authorise all payments made for salaries, goods and services on behalf of the Governing Body.
 - 5 The Headteacher (or nominated staff) must provide a report to the Finance Committee at each meeting on the financial position of the school.
 - 6 The Headteacher must investigate and report to the Governing Body any suspected irregularities.
 - 7 The Headteacher may write off debts of up to £150 without referral to the Finance Committee.
 - 8 To ensure that the school has in place procedures which follow best value principles in relation to the contracting for goods and services.

Adopted October 2018; last reviewed May 2023

