

Finance Committee (Maintained Schools) – Model Terms of Reference

Please note that new amendments are in red. Items in italic can be removed.

Membership

The membership of the Finance Committee will be *five** members, subject to annual review by the Governing Board. *The Headteacher will automatically be a member.*

Quorum

The quorum will be three members, *one of whom must be the Headteacher.*

Chair

The Committee shall elect a Chair and Vice-Chair of the Committee annually. (A Governor who is employed at the school cannot be elected as a Chair.)

Meetings

The Finance Committee will meet at least termly, prior to the Full Governing Body meeting. Additional meetings will be held as and when required, for example to approve the annual budget plan.

The Clerk will make a record of all proceedings at each meeting. Minutes will be circulated to members within ten school days of the meeting (or as agreed) and presented with the agenda for the next Full Governing Board meeting.

The Chair of the Finance Committee will report the work of the Committee to the Full Governing Board.

The Committee will liaise with such other committees and invite members of other committees to attend its meeting as should be deemed appropriate.

Any matters which may be in conflict with the work of another committee must be referred to the Governing Board.

Terms of Reference

To review annually the Terms of Reference of the Finance Committee.

To ensure the Register of Business Interests is kept up to date with notification of changes and through an annual review.

To recommend to the Full Governing Board approval of the annual budget plan *[or approve the annual budget plan]* and cash flow forecasts for the forthcoming financial year in accordance with the timescales dictated by the Essex Scheme for Financing Schools.

To determine the school's financial priorities through the School Improvement Plan (SIP) and the Asset Management Plan (AMP).

To receive monthly management reports, to facilitate the monitoring of the school's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Governing Board. In all cases liaison must be maintained with other appropriate committees.

To review and monitor budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.

To review annually the school's Financial Regulations and Scheme of Financial Delegation.

To monitor **all** spending and income received in the school i.e. Local Authority (LA) Delegated /Devolved Budgets and School Private Fund(s).

To ensure the school has appropriate internal financial controls in place.

To ensure that all financial controls are adhered to via regular testing and management checks in order to protect against fraudulent or improper use of public money and assets and enable satisfactory completion of the Schools Financial Value Standard (SFVS) (*and Statement of Internal Control (SIC) if applicable from the Financial Regulations*).

To ensure the school adheres to the policies and procedures as specified by the Department for Education and its Schools Financial Value Standard (SFVS).

To receive and comment on the content of any audit report relating to LA funding, and to monitor the implementation of the agreed action plan.

To annually review all on going contracts (including Local Authority Contracts).

To review the various leasing agreement schemes and options available to the school.

To award contracts by tender up to a specified limit.

To make decisions on requests from other committees that will have an impact on the school's financial position.

To agree and determine appropriate charges for lettings of the premises, in line with the school's lettings policy.

To make decisions on expenditure within the Committee's delegated powers as defined in the financial scheme of delegation.

To make decisions on virements within agreed budgets, within the Committee's delegated powers, and authorising any budgetary adjustments made.

To ensure that funding from the LA and other sources is used only in accordance with any conditions attached.

To advise the Governing Board on the appropriateness, or otherwise, of virements to be made outside of the Committee's delegated powers.

To review appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools.

To annually review and appoint the independent examiner / auditor to the School Fund(s) (must be a qualified auditor if the total of income and expenditure is in excess of £100,000).

To receive and approve / ratify the annual examined / audited accounts of the School Fund(s).

Authority

The Committee is authorised by the Governing Board:

To investigate any activity within its terms of reference.

To seek any information from any employee, with all employees directed to cooperate with any request made by the Committee.

To obtain any outside legal or independent professional advice where it deems it necessary.

* This can be determined by the Governing Board

Note: Ensure that the terms of reference correspond with your latest version of the Finance Regulations.

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