

Terms of Reference – Finance Committee

St Peters CE Primary School, Birmingham B17 0BE

All Terms of Reference need to be annually reviewed, updated and approved by the Full Governing Body.

1. Membership

- 1.1 The membership shall consist of at least 4 Governors plus the Head in her voting capacity. The Committee Members can ask the Governing Body to appoint up to two non-voting members with appropriate financial skills.

2. Quorum

- 2.1 The quorum shall be three Governors who are voting members of the Committee excluding the Head Teacher. The Head Teacher does not have to be present for the meeting to be quorate.

3. Meetings

- 3.1 The Committee will meet at least once a term (3 times a year).
- 3.2 Any additional meetings will be called as necessary; at least 7 days notice must be given when calling a Committee meeting.

4. Minutes

- 4.1 The Minutes will be taken by a Clerk to the Committee. In the absence of the Clerk the committee can appoint a member (but not the Head Teacher) to act as Clerk to the meeting.
- 4.2 The Minutes shall be sent to the Clerk for distribution to all Governors. Draft Minutes of the previous meeting will be distributed at least 7 days prior to the next meeting together with any supporting papers.

5. Chairing

- 5.1 The Committee shall elect a Chair and Vice Chair annually, usually at the first meeting of the academic year.
- 5.2 The Chair, in conjunction with the Head Teacher, will be responsible for drawing up the agenda and getting it to Committee members at least 7 days in advance.
- 5.3 In the absence of the appointed Chair, the Committee can appoint another member of the Committee to act as Chair for the meeting.

6. Report to the Governing Body

- 6.1 The Chair of the Finance Committee will report to the full Governing Body on main decisions taken and any recommendations that the Governing Body needs to vote on.

7. Responsibilities

The Governing Body of St Peters CE Primary School has delegated the following duties and responsibilities to the Finance Committee:

The Governing Body delegates to the Finance Committee the authority to approve the annual budget.

- 7.1 The Governing Body delegate to the Finance Committee the authority to approve the annual budget. The Committee will therefore be responsible for the preparation and approval of the annual budget. It will establish formal procedures and timetables for planning the budget and will require the Head Teacher to produce estimates of expenditure and income sufficiently in advance of each financial year, even if the details of the school's funding have not been finalised, so that it can determine priorities in accordance with the School Development Plan. A copy of the approved annual budget will be presented to the full Governing Body.
- 7.2 It is the responsibility of the Committee in preparing the Annual Budget to work within the indicative budget for the forthcoming year and for it to indicate clearly to the Governing Bod any use which it is proposing to make of contingency reserves so that the Governing Body is fully informed of the final decision.
- 7.3 The Committee will receive budget monitoring reports from CMIS until the end of September, thereafter it will be DRB, from the school business manager, for consideration prior to them being reported to the Governing Body. The budget monitoring reports will include the following system reports:
- A cost centre group report or account summary report (or equivalent).
 - A virement report.
 - A system report showing cumulative expenditure of £10,000 or more with an individual supplier. This may cross a number of financial years.
 - A bank reconciliation and cash flow statement.
- 7.4 The Finance Committee will monitor income and expenditure throughout the financial year and provide an overview of the financial position of the school to full governors on at least a termly basis.
- 7.5 The Finance Committee will give the Head Teacher responsibility for administration of the budget and its day to day control and monitoring.
- 7.6 The Finance Committee will review virements and budget revisions made by the Head Teacher to a maximum value of £5,000 per site.
- 7.7 The Finance Committee will receive recommendations for approval from the Head Teacher for virements and budget revisions between £5,000 and £10,000 per item. In the event of there being an emergency request the Chair of Finance will have authority to approve such requests and then report back at the next Finance Committee meeting under 'Chairs Actions.'
- 7.8 The Head Teacher will recommend virements and budget revisions above a value of £10,000 to the full Governing Body for approval.
- 7.9 The Finance Committee will give the Head Teacher responsibility for administration of the budget and its day-to-day control and monitoring.
- 7.10 The Finance Committee, with the Head Teacher, will assess at least once a year, financial progress towards achieving the objectives in the School Development Plan and consistent with this aim, will review projected expenditure for future years in accordance with the School Development Plan, working wherever possible on a three year rolling programme.
- 7.11 The Finance Committee, on an annual basis, will adopt and agree to adhere to the Local Authority Financial Regulations and procedures.
- 7.12 The Finance Committee, on an annual basis, will prepare and submit for discussion to the Governing Body, a Statement of Internal Control identifying any key areas of weakness within the financial control systems of the school and propose actions that need to be taken to address issues around financial control and probity.

8. Expenditure

- 8.1 The Finance Committee will review orders placed to a value between £5,000 and £10,000 per order.
- 8.2 The Head Teacher can authorise orders above £10,000 if within budget provision with the prior approval of the Governing Body and subject to the receipt of three quotations and in accordance with the Local Authority Financial Regulations and Standing Orders as outlined in the Schools Financial Procedures Manual.
- 8.3 The Finance Committee will ensure that where expenditure is likely to exceed £189,330 for supplies and services and £4,733,252 for works, the tendering procedure will be implemented in accordance with the Local Authority Regulations and Standing Orders.
- 8.4 The Finance Committee will review all cumulative expenditure will suppliers in excess of £10,000. A supplier analysis to be carried out and quotes to be obtained to inform decisions on best value.
- 8.5 The Finance Committee, on the advice from the Head Teacher, will review the financial implications on the budget of the Teachers Pay and Conditions document.
- 8.6 Review the annual accounts and certificate the audit of the School Fund and other voluntary funds held within the school.

9. Payments

- 9.1 The Finance Committee will monitor compliance with the school's financial procedures, particularly with reference to segregation of duties between purchases and payment.
- 9.2 Assess the schools insurance cover to ensure that it provides adequate protection against risks.
- 9.3 Review annually all current school contracts.
- 9.4 The Committee must ensure that the LA Financial Regulations and Standing Orders relevant to financial management are complied with and will undertake periodic audits of the school financial procedures and recommend appropriate corrective action.

10. Assets

- 10.1 The approval of the Committee is required for the writing off or disposal of any surplus stock.

11. General

- 11.1 Ensure the withdrawal of the individual if she/he has a business, pecuniary or personal interest in the business of the Committee.
- 11.2 Agree to undertake training to keep up-to-date with national and local trends and policies.
- 11.3 The Finance Committee is responsible for ensuring that the school undertakes a self-assessment against the DFE Schools Financial Value Standard on an annual basis with a particular reference to the governance arrangements and financial management roles and responsibilities.

These terms of reference will be reviewed and updated on an annual basis for approval by the Governing Body.