



# Terms of Reference

# Finance Committee

Reviewed summer 2024



### Membership

The finance committee will be appointed by the full governing body/board. Whilst there is no statutory guidance on the number of individuals who should serve on the committee, the minimum number should be three so that there are enough members to hold a majority when voting on matters. It is recommended that the School Business Manager is co-opted to serve the governing body/board, or join the Board as a staff governor, as they will be able to advise on financial considerations, though they can still attend the meeting if not a member, in an ex-officio capacity.

The Committee will elect a Chair from within its own membership or The Governing Body/Board will elect the Chair of the Committee.

Only full members of the committee who have been approved by the full governing body/board will have the right to vote on any matters. The committee may decide to appoint non-voting members, as approved by the governing body/board, who are able to provide advice on matters relating to financial planning or monitoring.

Associate members may be members of the finance committee, but any voting rights will be agreed by the governing body/board – this decision should be recorded in the minutes of a full governing body/board meeting and reviewed on an annual basis as good practice.

It is also good practice to ensure that the majority of governors do not work in school as this can lead to a potential conflict of interest if attendance is low.

The membership of the Committee shall be reviewed and determined annually by the Governing Body/Board. The agreed membership of the Committee is attached.

### Quorum

The quorum of the committee will be one half of the number of members within the committee, rounded up to the nearest full number. For example, if the committee consists of five members, a minimum of three members must attend the meeting to meet the quorum.

### Meetings

The Clerk to the Committee shall be responsible for convening meetings of the Committee. Procedures of any meetings held must be minuted and these minutes presented for the next meeting of the Governing Body/Board.

The committee will meet as often as is necessary to fulfil its responsibilities, including in relation to timescales outlined in the school's financial policies and procedures, but at least once per term.

### FINANCE

#### Responsibilities

1. To ensure proper and effective use of the school's financial resources.
2. To provide guidance and assistance to the Headteacher and the Governing Body/Board on all finance related matters
3. To review and approve Internal Financial Regulations for the financial management of the school taking account of guidance issued by the Authority.
4. To approve virements between budget headings and purchasing of goods where the value is in excess of the sum delegated to the Headteacher under the school's approved Internal Financial Regulations.
5. To consider budget plans presented by the Headteacher and to make recommendations for a balanced, well informed and sustainable budget to the Governing Body/Board for approval (with an agreed and timed plan for eliminating any deficit in accordance with the Scheme for Financing Schools).
6. To monitor income and expenditure throughout the year of all delegated and devolved funds against the annual budget plan, including Pupil Premium and other grants, and where necessary, make recommendations to the governing body/board.
7. To establish and regularly update / monitor a three year financial plan using the latest available information, as required in SFVS.
8. To consider unofficial funds information provided by the Headteacher including
  - Details of the unofficial funds which are in existence or have existed during the year, indicating the general purpose of each fund
  - As soon as possible after the end of the accounting year a summary of the accounts of each unofficial fund signed by the Headteacher and the auditor appointed by the Governing Body/Board
  - Confirmation that the Headteacher has submitted the unofficial school funds information to the Authority in the required format

*Note: The Governing Body/Board of a school must spend the school's official funds "for the purposes of the school". This means making educational provision for pupils on roll at the school.*

*An unofficial fund is any fund, other than official school funds, which is controlled either wholly or in part by the Headteacher or other members of the staff by reason of their employment in the school. The Authority has no direct responsibility for their management and use. The Headteacher is responsible to the school governors for any unofficial funds and the use to which they are put.*

9. Review arrangements for service level agreements and traded services, as appropriate
10. Approve, monitor and review all finance based policies on behalf of the Governing Body/Board, including, but not limited to, those related to Charges & Remissions, Lettings and Governors' Expenses
11. To contribute to the school Development Plan including consideration of the longer term resource requirements of the school.
12. To consider the appropriate level of reserves and balances taking account of guidance produced by the Authority.
13. To consider audit reports and other relevant reports and make recommendations to the Governing Body/Board.
14. To consider appropriate arrangements to meet the Schools Financial Value Standard (SFVS).
15. To consider and advise on any financial matter referred to it by the governing body/board.
16. To respond, on behalf of the Governing Body/Board, to any consultations relating to the Scheme of Delegation or the Funding of Schools.

Approved:

Review Date:

Membership: