Binbrook Church of England Primary School

Finance Committee: Terms of Reference

Introduction and Role

Governing bodies are responsible for financial decisions in the School and for setting the School's annual budget and to manage the budget some responsibilities are delegated to the Finance Committee. The key role of this committee role is to ensure that the governing body discharges its financial responsibilities correctly and that the institution remains financially viable at all times.
The Finance Committee links the priorities in the School Improvement Plan to the budget and evaluates the effect in the school of investing in these priorities. It monitors expenditure and income and takes action to revise the budget plan if the budget position is not in line with the set budget plan. The Committee meets once per half term and during the meetings discussions will include:

- preparation of draft budget
- appraising different expenditure options
- assessing expenditure bids
- forecasting rolls and expected income levels
- monitoring and adjusting in-year expenditure
- ensuring accounts are properly finalised at year end (reviewing outturn)
- evaluating the effectiveness of financial decisions
- ensuring there are effective and appropriate systems of internal financial control
- the administration of voluntary funds

The Committee also plans ahead (preferably for three years) by reviewing the priorities in the School Improvement Plan and factors such as pupil projections, condition of the school and realistic lifespan of equipment/resources to determine potential pressures on the budget

Terms of Reference: Finance Committee

These terms of reference aim:

- To support the Governing body in fulfilling statutory duties
- To support the strategic role of the Governing body
- To provide a framework for effective self-evaluation, monitoring and evaluation, support, and challenge by linking the work of the committee to areas of the current SDP and key priorities in the SDP

The terms of reference will be reviewed annually by the members of the committee.

Membership

No fewer than 4 governors including the Headteacher (or nominated deputy)

Quorum

No fewer than 3 governors must be present to be quorate

Meetings

The committee will meet at least once each half-term and otherwise as required. The committee will receive documents from the school in sufficient detail to enable it to undertake its strategic responsibilities for planning, monitoring and evaluation.

Terms of Reference

Financial Monitoring - Public Funds

- To monitor the actual income and expenditure throughout the year of all delegated and devolved funds against the annual budget plan and revised forecasts using the budget monitor reports.
- To prepare a draft annual budget and present this to the Governing Body for approval.
- To award contracts by tender up to a limit specified by the Governing Body.
- To receive details of any budgetary adjustment made by the Local Authority.
- To present financial reports to the full Governing Body at each meeting.
- To approve any budgetary adjustments that will from time to time be necessary in response to the evolving requirements of the school, whilst appraising different expenditure options.
- To receive, and where appropriate, respond to all audit reports on the delegated and devolved funds.
- To carry out Best Value Reviews in accordance with the Best Value Statement.
- To review comparative financial statistics presented by the Local Authority and obtained from the DfE benchmarking website.
- To receive a report from the Headteacher following the annual inspection of the School assets as recorded in the asset registers / inventories.
- To ensure there are effective and appropriate systems of internal financial control in place.

Non-public funds

- To receive reports and monitor the income and expenditure throughout the year.
- To appoint an external auditor of these funds.
- To receive and respond to the audit report on these funds.

Financial Management Standard in Schools (SFVS)

- To review the School’s self-assessment in preparation for the external assessment.
- To annually complete the Statement of Internal Control
- To annually review Governors’ competencies in regard to continued professional development as stated under SFVS
- To receive and respond on any report issued by the external assessor or following an external assessment.

Relationship with other committees

- To receive reports from other committees that may have financial implications on the operation of the school.

Finance Policy and Local Scheme of Delegation

- To ensure that the school operates within the requirements of the Local Authority’s Financial Management Scheme and Financial Regulations.