

HARBORNE PRIMARY SCHOOL

Terms of Reference for a Finance Committee 2024/2025

1. Membership

The Committee shall consist of at least 3 governors plus the Head Teacher in his/her voting capacity. The Committee can ask the Governing Body to appoint up to 2 non-voting members with appropriate financial skills.

2. Quorum

The quorum shall be 3 voting members.

3. Meetings

3.1 The committee will meet at least 3 times per year.

3.2 Any additional meetings will be called as necessary; at least 10 days' notice must be given when calling a committee meeting.

4. Minutes

4.1 The Clerk to the Committee is Elise Scotford. In the absence of the Clerk the Committee can appoint a member (but not the Head Teacher) to act as Clerk to the meeting. 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/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 sending it out 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. Reporting to the Governing Body

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

7. Areas of responsibility

- 7.1 The Committee will be responsible for the preparation and approval of the Annual Budget and presenting this for noting to the full Governing Body. 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 it can determine priorities in accordance with the School Improvement Plan. The Governing Body have delegated to the Finance Committee the authority to approve the annual budget, which would then be reported to the full Governing Body.

It is the responsibility of the Finance Committee, in preparing the Draft Annual Budget, to work within the indicative budget, for the forthcoming year and for it to clearly indicate any use that it is proposing to make of contingency reserves and any surplus balances carried forward from previous financial years so that where appropriate, the Governing Body is fully informed of the final decision.

- 7.2 The Committee will receive Budget Monitoring Reports, from SIMS/FMS, from the Head Teacher or 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 copy of the latest Suspense File
- A system report showing cumulative expenditure of £10,000 or more with an individual supplier every term and an annual report showing cumulative expenditure across 3-5 years.

The Finance Committee will monitor income and expenditure throughout the financial year and provide an overview of the financial position of the school to Governing Body on at least a termly basis.

- 7.3 The Finance Committee will review virements and budget revisions made by the Head Teacher to a maximum value of **£ 5,000**.
- 7.4 The Finance Committee will approve requests 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 the authority to approve

such requests and then report back at the next Finance Committee meeting under 'Chair's Actions'

- 7.5 The Finance Committee will give the Head Teacher responsibility for administration of the budget and its day-to-day control and monitoring (see statement of delegation of the Head Teacher).
- 7.6 The Finance Committee, with the Head Teacher, will assess at least once a year, financial progress towards achieving the objectives in the School Improvement Plan and, consistent with this aim, will review projected expenditure for future years in accordance with the School Improvement Plan, working wherever possible on a three-year rolling programme.
- 7.7. The Finance Committee, on an annual basis, will adopt and agree to adhere to the Local Authority Financial Regulations and Procedures.
- 7.8 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.
- 7.9 The following policies will be approved by the Finance Committee:
- Charging & Remissions
 - Governor Expenses
 - Policies re: Cost of living, cost of school uniform, School food
 - Purchase Card
 - Gifts & Hospitality
 - Lettings Policy
 - Whistleblowing

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 Finance Committee will approve orders between **£ 10,000** and **£ 20,000** if within budget provision and subject to the receipt of three quotations, in accordance with the Local Authority Financial Regulations and Standing Orders
- 8.3. The Finance Committee will ensure that where expenditure is likely to exceed the Public Contract Regulations tendering limit, the tendering procedure will be implemented in accordance with the Local Authority Financial Regulations and Standing Order
- 8.4 The Finance Committee will review all cumulative expenditure with suppliers in excess of £10,000 on a termly basis and cumulative expenditure across 3-5 years on an annual basis.

8.5 The Finance Committee, on advice from the Head Teacher, will review the financial implications on the budget of the Teachers Pay and Conditions document.

8.6 Receive the annual accounts and certificate of 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 schools financial procedures, particularly with reference to segregation of duties between purchases and payment

9.2 Assess the school's insurance cover to ensure that it provides adequate protection against risks.

9.3 Review and approve the amount of petty cash to be held by the school.

9.4 Review annually all current school contracts.

9.5 The Committee must ensure that the Local Authority Financial Regulations and Standing Orders relevant to financial management are complied with and will undertake periodic audits of the school's financial procedures and recommend appropriate corrective action.

10. Assets

10.1 The Head Teacher will provide reports to the Committee regarding the writing off or disposal of any surplus stock.

11.0 General

11.1 Ensure the withdrawal of an individual if she/he has a 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 Committee is responsible for ensuring that the school undertakes a self-assessment against the DfE Schools Financial Value Standard on an annual basis with particular reference to the governance arrangements and financial management roles and responsibilities.

NB: These Terms of Reference will be reviewed and updated on an annual basis for approval by the Governing Body.