

Finance Committee Terms of Reference

04/07/2017 updated March 2018/May 2019/July 2020

Mar 2021, July 2025, March 2026

'An academy's Governors.....and appropriate committees must meet regularly enough to discharge their responsibilities...'

There are key financial decisions and duties that must be recommended to the Full Governing Body by the Finance Committee at certain times of the year, in order to meet set deadlines.

Having reviewed these deadlines, and using the information and experience we have gained since becoming an academy, it seems the following pattern of meetings is more suited to carrying out these duties and more efficient in terms of staff and Governor time.

Finance meetings to be near the end of each term (in Dec/March/June) and approximately 10 days before a Full Governors meeting. This allows Finance Governors to meet to consider the audited accounts (Needed by EFA by 31 December); to receive funding information from the EFA; and to recommend to FGB the setting of the annual budget (budget forecast needed by EFA by 31 July).

It therefore would seem appropriate to have a budget update meeting, if required, in the first half of each term.

The Finance Committee also acts as the Audit Committee who have the following responsibilities:-

- Review the internal financial control of the school and agree a plan to address any risks
- Ensure due compliance with public accountability
- Appoint the external auditors and set their remuneration
- Receive the auditors report and ensure their recommendations are followed up
- Examine and review the risk management process

Membership : Head Teacher, SBM, 3 Finance Governors (one of which may be the CoG)

Quorum : At least two Governors plus the Head Teacher or his representative.

Meetings : The Committee will meet as often as is necessary to fulfill its responsibilities and at least once each term (see key dates below). This formal meeting will usually be towards the end of each term where the standing agenda items will be considered; Additionally, a budget update meeting in the first half of each term will be convened as required

Chair : The Chair of the Committee shall be elected each year by the FGB at the last meeting of the summer term to begin office in September.

Terms of Reference

1. To consider indicative funding information from the DfE and LA, assess the implications and to propose the annual budget to the FGB. Then, to oversee and monitor the use of the Governors set budget and regularly report on its use to the FGB and on all other financial matters.
2. As an Audit Committee, the Committee must ensure that a risk register is maintained, regularly updated and risks are managed or mitigated to inform the governance statement that accompanies the Academy's annual accounts.
3. Regularly monitor income and expenditure against the set budget, reporting any significant budget amendments to the FGB
4. To review and monitor all policies under the broad heading of the Finance Policy as delegated to do so by the FGB
5. To ensure compliance with the Finance Policy; Best Value Statement; and Academies Financial Handbook, and ensure that the academies financial controls systems are robust
6. To receive the Annual report and Accounts and ensure they have been produced in accordance with the Academies Financial Handbook and to recommend them for approval to the FGB.
7. To approve; opening and operation of academy bank accounts; authorised signatories; transfers between bank accounts; operation of credit and charge cards; payment systems controls including BACS.

8. The Committee must ensure that appropriate action is taken where fraud and irregularity is suspected or identified.
9. To prepare the financial statement to form part of the annual Governors report for filing in accordance with the Companies Act and Charity Commission requirements
10. To recommend the level of financial reserve that is appropriate.
11. To ensure that the level of insurance cover is suitable and appropriate.
12. To maintain a strategic financial overview of income, staff costs, other expenditure and capital projects. To have a strategic view regarding long term planning of school finances through a rolling three year budget plan.

Key Documents for all Finance Committee members.

- Funding Agreement
- Academies Financial Handbook
- Finance Policy
- Finance file to include Governors approved budget for the present financial year

Key Meeting dates

- End Nov/early Dec to consider the audited accounts, due to the EFA by 31 Dec
- End June/early July **to recommend to FGB** the setting of the annual budget, due to the EFA by 31 July
- To meet at least termly to receive funding updates and new EFA information

Potential training needs

- Any appropriate finance training for Academy Governors
- Attend any seminars provided by external agencies, e.g. Bishop Fleming

Agenda Items

Autumn

STANDING AGENDA ITEMS for the FINANCE COMMITTEE

1. Financial Review

- School budget update
- Credit card use
- Bank accounts
- Reserves and interest from reserves
- Bad debtors
- Any EFA correspondence
- Any items of fraud/data protection issues
- Any meetings held or attended
- Any other financial matters not covered by the agenda
- Business Development update
- KPI's update

2. Consider the use of Pupil Premium money, is it being appropriately used and having desired impact

3. Policy Review

- Freedom of Information
- Finance Policy
- Fraud Policy

4. Receive and consider the Audited Accounts, prepare report for FGB.
5. Review Risk Register and Business Continuity Plan
6. Review SDP finance section

STANDING AGENDA ITEMS for the AUDIT COMMITTEE

A. Receive report from the Accounting Officer

B. *Receive the Internal Auditor Report*

C. *Receive External Auditor Report*

Spring

STANDING AGENDA ITEMS for the FINANCE COMMITTEE

1. Financial Review

- School budget
- Credit card use
- Bank accounts
- Reserves and interest from reserves
- Bad debtors
- Consider Insurance needs and cover
- Any EFA correspondence
- Any items of fraud/data protection issues
- Any meetings held or attended
- Any other financial matters not covered by the agenda
- Business Development update
- KPI's update

2. Review SDP finance section

3. Ensure CC8 checklist is completed and discussed with Governors

4. Review Risk Register

STANDING AGENDA ITEMS for the AUDIT COMMITTEE

A. *Receive report from the Accounting Officer (Head Teacher)*

B. *Receive the Internal Auditors Report*

- *Discuss the SLA and consider and appoint a Internal Auditor for the next financial year*

Summer

STANDING AGENDA ITEMS for the FINANCE COMMITTEE

1. Financial Review

- School budget
- Credit card use
- Bank accounts
- Reserves and interest from reserves
- Bad debtors
- Any EFA correspondence
- Any items of fraud/data protection issues
- Any meetings held or attended
- Any other financial matters not covered by the agenda
- Business Development update
- KPI's update

2. Review terms of reference and make recommendations to the Full Governing Body

3. Consider the proposed draft budget for the following year and make recommendations to the Full Governing Body

5. Review SDP finance section

6. Review Risk Register

7. Propose a Chair for the coming year, for consideration at the FGB meeting

STANDING AGENDA ITEMS for the AUDIT COMMITTEE

A. Receive report from the Accounting Officer

B. Receive the Internal Auditors Report