

Section 2.2: The Role of the Finance Committee

The Finance Committee will act as a sub-committee of the Full Governing Body and will usually consist of 7 members as follows -

Composition: Head Teacher, School Business Manager, (at least) 4 members of the Full Governing Body (with one Governor acting as Chair) and Clerk.

Other members may be co-opted as required with the approval of the Head of the Finance Committee and the Chair of the Full Governing Body.

The Finance Committee will meet at least once per term. The school will produce a report to each meeting of the Finance Committee showing expenditure to date, compared to the budget set for each budget heading.

Quorum: 3 members of the Finance Committee of which one must be the Head Teacher

Roles and Responsibilities:

The Finance Committee has responsibility for the following:

Financial Competence:

1. Ensuring that committee members have adequate financial competence to fulfil their role of challenge and support in the field of budget management.
2. Ensuring the committee has a clear definition of its responsibilities, those of the Governing Body and of the school staff in relation to financial governance and operation of the school.
3. Where required, providing financial guidance to the Governing Board, Headteacher and any staff as required.
4. Ensuring the business interests of any Governing Body members (and senior staff) are properly registered and taken into account so as to avoid conflicts of interest. This will include the completion of an annual written declaration of interests form by all governors and a declaration of interests being sought at the beginning of each committee meeting.
5. Ensuring the school staff include employees who between them supply the school with an adequate level of financial competence and that the school has adequate arrangements to cope with the absence of any specialist finance staff, eg on sick leave.
6. Ensuring the school reviews its staffing structure at least annually to ensure best financial performance.
7. Ensuring that all staff are aware of the school's whistleblowing policy and to whom they should report concerns.
8. Participating in staffing reviews and implement pay policies as appropriate.

Policies and procedures:

9. Reviewing the school's Integrated Finance Policy annually and recommend it (with any amendments) to the Full Governing Body for approval. This will include a review of the school's Financial Controls and Authorisation Schedule and the school's Best Value Statement. These documents will also be recommended (with any amendments) to the Full Governing Body for approval.
10. Ensuring there exist clear written descriptions of all financial systems and procedures.
11. Ensuring the school has procedures for purchasing goods and services that meet legal requirements and secure value for money.
12. Ensuring there are adequate mechanisms and processes in place to safeguard against fraud by staff, contractors and suppliers.
13. Ensuring the school has an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return.
14. Reviewing the school lettings policy on an annual basis.

Annual financial planning ie budget setting:

15. Preparing and reporting upon an annual budget of income and expenditure to be presented to a full meeting of Governors before the year end and such supplementary estimates as may be required by the Governors.
16. Ensuring there is a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment.
17. Ensuring the school sets a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit if applicable).
18. Ensuring that the school is financially able to maintain its premises and other assets to an adequate standard and plans appropriate budgetary expenditure to avoid future urgent need for replacement as per the delegated responsibilities of the local authority.
19. Ensuring the school considers collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money.
20. Preparing and reporting upon a financial plan to be presented to a full meeting of Governors.
21. Annually reviewing Governors allowances if applicable.

Monitoring:

22. Regularly reviewing budget monitoring reports which contain detailed statements of income and expenditure, detailed departmental budgets and other evidence of delegated financial control, ensuring that full explanations are available. Ensuring that the full Governing Body receives a termly update on these monitoring reports of the school's budget and finances.
23. Minutes of Finance Committee meetings to be circulated at FGB meetings.
24. Ensuring the annual financial outcome is in line with budget projections, or if not, the Governing Body is alerted to significant variations in a timely manner.
25. Ensuring that any budget variations are investigated and their cause established and adequate planning put in place to prevent any reoccurrence or actions instigated to correct the variance where possible.
26. Ensuring budgetary balances are maintained at a reasonable level and that the school has a clear plan for using the money it holds in balances at the end of each year.

27. Ensuring the school has adequate arrangements for the audit of voluntary funds, including the annual appointment of an independent auditor to review the voluntary funds and relevant procedures and to present an internal audit report to the Governing Body. Ensuring full implementation of audit recommendations and action plan.
28. Report to the Governing Body on the state of the school's premises, including a. undertaking regular health and safety checks, and b. any works, including costs, that have been carried out since the last Full Governing Body meeting

Compliance (with national standards and internal policies and procedures):

29. Making recommendations to the Governing Body, on an annual basis, as to the formal approval and adoption of the local authority Scheme for Financing Schools. Ensuring that the school maintains compliance with the Scheme.
30. Ensuring that there are no outstanding matters from financial audit reports or from previous considerations of weakness by the Full Governing Body.
31. Ensuring that the school adheres to its best value statement.
32. Assess the terms of any appropriate service contracts undertaken by the school and report on them to the Governing Body and monitor their implementation
33. Review and approval of the Pupil Premium Statement prior to publishing.

Expenditure approval:

34. Reviewing tenders received for contracts. Agreeing on which contractors are to be awarded contracts and to make recommendations to the full Governors meeting (see Appendix 4).
35. Receiving requests for authorisation to vire expenditure between budget headings as per limits set out in the school's Financial Controls and Authorisation Schedule (see Appendix 1).
36. Approving, after due consideration of costs and quality issues, the continuation (or cessation) of contracts, including LA sourced services.
37. Approving any debts written off.
38. Assessing any financial risk to the school and report this risk to the Full Governing Body.

Financial planning:

39. Ensuring the school makes forward projections of budget, including both revenue and capital funds, for at least three years, using the best available information.
40. Ensuring the school regularly benchmarks its expenditure against that of similar schools and investigates any category of spend that appears to be markedly different from similar schools.
41. Plan and prioritise the school improvement plan and any future major works that need to be carried out. Determine estimate of costs for these works and secure the relevant funding through the Finance Committee. Report on the outcome of these projects / works
42. Ensuring that the school has an appropriate business continuity or disaster recovery plan, including an up-to-date asset register.
43. Ensuring, in conjunction with the Head Teacher, that the school has in place sufficient insurance to mitigate any risks to the school's financial position, its ability to operate or its reputation.

44. Assessing the financial impact of any litigation, liabilities or other commitments and report these to the Full Governing Board.
45. Participating in any consultation with the local authority on funding reviews and amendments to the Scheme for Financing Schools.