



## **Alderman Jacobs School (Academy Trust)**

### **Terms of Reference ~ Finance Committee 2017/2018**

#### **Purpose**

To assist the decision making of the *Governing Body*, by enabling more detailed consideration to be given to the best means of fulfilling the *Governing Body's* responsibility to ensure sound management of the academy's finances.

To make appropriate comments and recommendations on such matters to the *Governing Body* on a regular basis.

Major issues will be referred to the Full *Governing Body* for ratification.

#### **Terms of Reference**

##### **1 Membership**

- 1.1 Not less than four *Governors* and the *Headteacher* (or his/her representative). To be appointed at the summer meeting of the *Governing Body* in preparation for the forthcoming year.
- 1.2 The *Committee* members may make recommendations to the *Governing Body* about additional non-voting members.
- 1.3 *Chairman* to be appointed annually. (*Headteacher* and *Governors* who are employed by the school are not eligible to stand for *Chairman*).
- 1.4 Other members of the *Governing body* may attend meetings of the *Finance Committee* and may contribute to discussions on matters under consideration but they will not be eligible to vote.

##### **2 Quorum**

- 2.1 The quorum shall be three *Governors*.

##### **3 Meetings**

- 3.1 Once per term.
- 3.2 Additional meeting in the Summer Term to consider the annual budget when required.

3.3 Other meetings as required.

#### **4 Financial Responsibilities of the Headteacher and Governors**

- 4.1 The Headteacher is responsible for the day to day management of the school's financial affairs and has the power to exercise virement and make individual non-budgeted expenditure decisions up to a value of £10,000.00 per single item
- 4.2 The Governor's Finance Committee to authorise virement (i.e. switches between fund headings) and to authorise orders for single items over £10,000.00 and up to £20,000.00.
- 4.3 The schools "Internal Financial Procedures" to be adhered to by all relevant parties.
- 4.4 The Headteacher is responsible for implementing the Governing Body policy for the use of the premises.
- 4.5 The Headteacher is responsible for implementing the Charging policy.

#### **5 Brief**

- 5.1 To consider the academy's indicative funding, notified annually by the DfE, and to assess its implications for the academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the Governing Body.
- 5.2 To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.
- 5.3 To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the academy.
- 5.4 To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- 5.5 To liaise with and receive reports from the Resources and Achievement committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- 5.6 To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- 5.7 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

- 5.8 To prepare the financial statement to form part of the annual report of the *Governing Body* to parents and for filing in accordance with the *Companies Act* and *Charity Commission* requirements.
- 5.9 To receive auditors' reports and to recommend to the *Full Governing Body* action as appropriate in response to audit findings.
- 5.10 To recommend to the *Full Governing Body* the appointment or reappointment of the auditors of the academy.
- 5.11 To ensure *Alderman Jacobs School* complies with the *Academies Financial Handbook*

## **6 Notes**

- 6.1 To review these terms of reference at the *Autumn Term* meetings.
- 6.2 Agendas shall be distributed to members at least 7 clear days before meetings.

## **7 Registration of Pecuniary Interests**

- 7.1 In accordance with audit requirements the *Governing Body* will establish a register of pecuniary interests for *Governors* and staff, which should be open to inspection. *Governors* and staff will declare any links they have with local firms from which the school may buy goods and services. This register should be maintained by the *Clerk* to the *Governors*.

## **8 Responsible Officer**

- 8.1 The *Responsible Officer (RO)* is appointed by the *Governing Body* and provides *governors* with an independent oversight of the school's financial affairs. The main duties of the *RO* are to provide the *Governing Body* with independent assurance that:
- The financial responsibilities of the *Governing Body* are being properly discharged;
  - Resources are being managed in an efficient, economical and effective manner;
  - Sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions.
- 8.2 The *Responsible Officer* will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the *DfE*.
- 8.3 A written report of the findings from each visit will be presented to the *Finance Committee*.