



Finance Committee Terms of Reference

The finance committee is non-statutory and the governing body is free to determine its terms of reference, including the approval of the annual budget. Where the governing body wishes to delegate some of its financial management responsibilities to its finance committee it must:-

- define its terms of reference;
- define extent of its delegated authority;
- ensure it receives minutes of the committee's meetings;
- review the committee's terms of reference and membership annually.

Linked with the responsibilities held by the governing body, as outlined above, the finance committee's responsibilities include:-

- Prepare a draft budget based on priorities in the school development plan to present to the governing body for adoption.
- Draw up the three year budget and review annually.
- Explore different expenditure options and assessing expenditure bids;
- Forecasting likely future pupil rolls and assessing the impact on funding levels;
- Monitoring budgeted income and expenditure;
- Monitoring and adjusting in-year expenditure levels;
- Ensuring accounts are properly finalised at year-end/reviewing outturn;
- Evaluating the effectiveness of financial decisions.
- Establish and monitor appropriate policies and procedures for sound budgetary control.
- Report regularly on the school's finances to the full governing body.
- Determining the financial delegation to be made to the Headteacher.
- Approve transfer between budget headings (virement) within agreed limits.
- Enter into contracts following the LEA's Financial Regulations.
- Respond to any issues arising from the audit of the school's accounts.
- Determine procedures for governors to claim expenses.
- Determine a charging and remissions policy to present to the governing body for adoption.
- Make miscellaneous financial decisions on recommendations of the Headteacher.

Signed: Chair of Finance

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