Kirtlington
C.E. School

Terms of Reference for Finance and Resources Committee

Reviewed and approved by: FGB

Policy Reviewed: October 2025

Future Review: October 2026

STATEMENT OF ROLES AND RESPONSIBILITIES FINANCIAL TERMS OF REFERENCE AND SCHEME OF DELEGATION FOR KIRTLINGTON CE SCHOOL

Introduction

These terms of reference have been produced to enable us to have a clear policy statement that identifies financial procedures and the financial management structure operating in Kirtlington CE School.

These procedures are located in one reference document, which is available to view should the need arise during an internal audit, external assessment for SFVS or OFSTED inspection of the school.

The Role of the Governing Body

The Governing Body is given their powers and duties as an incorporated body. The statutory responsibilities of the Governing Body are detailed in **Section 21 of the Education Act 2002**.

The Governing Body is the body ultimately responsible for the overall financial affairs of Kirtlington CE School. It exercises this responsibility by establishing clear levels of delegation to the Resource Committee, to other Committees and to the Head. The Head and the Resource Committee may, in turn, authorise delegation to other members of staff to ensure sufficient clarity of responsibility and separation of duties to secure the effective and efficient administration of the school's financial affairs.

The Governing Body has a strategic role in the financial management of schools and its key responsibilities include:

- Approval of Annual Budget
- Authorisation of the 3-year financial plan
- Setting financial priorities through the School Development Plan
- Authorisation of Statement of Internal Control
- Appointment and salary of Head Teacher
- Determination of the staff complement and pay policy for the school
- Authorisation of Terms of Reference for all committees
- Approval of Best Value Statement
- Authorisation of non budgeted expenditure and virements subject to the limits in Section 2
- To approve financial regulations and procedures on an annual basis.
- Act as a critical friend to the school on all financial matters

Where there are serious concerns over the schools finances the Governing Body will report these to the Director of Corporate Services and the Director of Children, Schools and Families.

Terms of Reference and Role of the Resource Committee

Composition: *Chair (e.g. non staff Governor, elected each September by FGB)*
Membership: *The finance committee comprises of "not less than" 3 members.*
Quorum: _____3_____ *(at least 3)* ***Term of office****: (annually)*

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

The Resource Committee has responsibility for the following

1. Ensuring that the school maintains compliance with the DCSF Financial Management Standard in Schools (SFVS).
2. The provision of guidance and assistance to the Head and Governors in all matters relating to budgeting and finance, and to clearly define financial responsibilities.
3. To review 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. These report must include original system data.
4. Report on the school's finances at full Governing Body meetings.
5. To ensure that a recovery plan is put into place where a budget has gone into a deficit position or that there is a plan to spend surpluses.
6. The preparation 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.
7. The preparation and reporting upon a 3-year financial plan to be presented to a full meeting of Governors.
8. To consider and approve a **Statement of Internal Control** and recommend it to the full Governing Body for approval.
9. To review tenders received for contracts, up to the limits in Section 2. Agree on which contractors are to be awarded contracts and to make recommendations to the full Governors meeting.
10. Each committee member to complete an annual written, declaration of interests form stating any business and/or other interests they or their family or close acquaintances may have with the school. To ensure that at the commencement of any meeting any interests are declared and recorded in the minutes.
11. To authorise expenditure as per limits set out in Section 2.

12. To receive requests for authorisation to vire expenditure between budget headings as per limits set out in Section 2.
13. To approve, after due consideration of costs and quality issues, the continuation (or cessation) of contracts, including LA sourced services.
14. Undertaking reviews, in conjunction with the Head, from time to time of the management organisation, accountancy systems and financial procedures of the school and their effectiveness including access to the computer systems.
15. To review these terms of reference annually and propose any amendments to the Governing Body. To periodically review and authorise the extent of specific delegated powers to the Head and others for the administration of finances. (as Section 2)
16. To contribute to the School Development Plan.
17. To review Internal Audit reports and comment to the full Governors meetings on recommendations. To ensure full implementation of audit recommendations and action plan.
18. To review the school lettings policy on an annual basis.
19. To approve any debts written off. The Governors should have a written policy on the action to be taken with regard to chasing arrears and write off's. (Where the debt exceeds £250 the approval of the Children's Schools and Families Financial Controller should also be obtained).
20. To participate in any consultation with the Local Authority on funding reviews and amendments to the Scheme for Financing Schools and to make recommendations to the Governing Body, on an annual basis, as to the formal approval and adoption of the Scheme for Financing Schools.
21. To review and make recommendations to the Governing Body, on an annual basis, as to the formal approval and adoption of the school's financial procedures (e.g. purchasing and petty cash)
22. To be aware of the Council's whistle blowing policy.
23. To participate in staffing reviews and implement pay policies as appropriate.
24. To ensure the school maintains an up to date asset register.
25. To annually review Governors allowances.

Role of the Head Teacher

The Head Teacher has responsibility for the overall supervision of the day-to-day running of the financial affairs of the school.

The Head Teacher can delegate specific responsibilities to members of staff as appropriate to their job descriptions, ensuring adequate separation of duties in both manual tasks and financial systems.

The Head Teacher should monitor the financial position of the school on a regular (not less than monthly) basis.

The Head Teacher is responsible for the preparation and presentation to the Resource Committee and to the full Governing Body of reports on the school's finances in accordance with a pre-determined timetable as well as on an ad hoc basis as necessary.

The Head Teacher is responsible for initiating consultations with the Chair of Governors and the Chair of the Resource Committee on any significant and exceptional financial circumstances or any financial matter that is causing concern. He/she should also report to the Chair of Governors:

- Any failure in any material respect of any member of the school staff to comply with these procedures.
- Any circumstances which could adversely affect the school's finances.
- Any matter of serious concern in relation to the school's finances.

The Head Teacher can amend the agreed budget by virement between any budget heading up to the limits set out in Section 2.

The Head Teacher can authorise the purchase of individual items up to the limits indicated in Section 2.

Role of the School Business Manager (Fulfilled by SBM Financial Services)

1. Responsibility for monitoring all day-to-day records of the school and reconciling them with the records of the Local Authority as appropriate.
2. Responsibility for the regular preparation, from the school's accounting system, of reports that will show the position of the school's finances as may be required by the Head and the Governors.
3. Responsibility for ensuring on a day-to-day basis that the financial procedures as set out in this document and following guidance issued by the local authority, are followed by all who may be involved in any way in the school's finances.
4. Responsibility for reporting to the Head Teacher any failure in any material respect of any member of the school staff to comply with these procedures, any circumstances which could adversely affect the school's finances, any matter of serious concern in relation to the school's finances.
5. Authority to vire within Budget Headings as per limits set out in Section 2, such virements to be reported monthly to the Head and included on the regular virement reports to the Resource Committee.
6. Authorise orders not exceeding the limits set out in Section 2.
7. Duties commensurate with current job description.

Administration

1. Keys to the safe are held by: Head Teacher
2. Cheque signatories are Head Teacher and the Chair of the Board of Governors as per the bank mandate which is held securely.

Authorisation

Head Teacher……..……..…Date……

Chair of Resource Committee……..Date……...

Chair of Governors……..Date……...

Section 2

		Full Governing Body	Resource Committee	Chair of Resource Committee and Head	Head	School Business Manager
	Approval of Annual Budget/3 Year Plan	✓				
	Variations to budget heads (Virement) over £5,000.	✓	✓			
	Variations to budget heads (Virement) under £5,000.				✓	
At all times the procedures and requirements outlined In Annex D LBM Scheme for Financing Schools will be applied.	Authorise expenditure Over £60,000	With the Director of Finance				
	Authorise expenditure up to £60,000	With legal advice				
	Authorise expenditure up to £25,000	✓	✓	✓		
	Authorise expenditure up to £10,000		✓	✓	✓	
	Authorise expenditure up to £3,000			✓	✓	
	Authorise expenditure up to £1,000				✓	
	Authorise expenditure up to £500				✓	
	Appointment and salary of all permanent staff			✓		
	Appointment and salary of temporary staff			✓	✓	
	Appointment and salary of supply staff			✓	✓	
	Appointment and salary of Head Teacher	✓				