

Finance Committee – Terms of Reference

1. Membership, Voting, Quorum, and Conflicts

a) Composition and Membership

- The Finance Committee shall consist of at least **five members**, appointed by the Governing Body.
- Membership shall always include:
 - Chair of Governors (ex officio Chair of Finance Committee)
 - Vice-Chair of Governors (ex officio Vice-Chair of Finance Committee)
 - Headteacher
- Co-optees, members and staff governors can also be members of the committee. Each such person's membership must be agreed by the Governing Body.
- In attendance (non-voting): Business Manager and other relevant staff as required.
- Staff who are not governors may attend to advise but cannot be members of the committee or vote.

b) Voting Rights.

- All non-staff members of the committee are permitted to vote.
- Staff governors may also vote except when the agenda item relates to their **own pay, employment, or benefits**; in such cases they **must withdraw** from the discussion and the vote.

c) Quorum

- Quorum: 50% of voting members, rounded up.
- At least 1 non-staff governor must be present to maintain independent oversight.
- Decisions are taken by a majority of voting members present.
- In the event of a tie, the Chair has a casting vote.

d) Conflicts of Interest

- All members must declare any conflicts of interest at the start of each meeting.
- Staff governors must withdraw from discussions and votes on matters affecting their own remuneration, performance, or employment.
- Declarations and withdrawals must be recorded in the minutes.

e) Meetings

- At least three times a year; financial performance reviewed six times per year.

2. Membership Terms

- Committee members serve for two years; reappointment is required.
- All Committee members are required to practise TM (Transcendental Meditation).

- In exceptional circumstances, a member's term can be reduced or terminated by the Governing Body.

3. Purpose

The Finance Committee ensures the financial health and sustainability of the Trust, robust governance, and supports the provision of high-quality education and facilities. It reports to the Governing Body and operates in accordance with the Academy Trust Handbook and DfE guidance.

4. Responsibilities

A. Financial Oversight and Management

- Recommend for approval a balanced budget (plus three-year forecast) to the Governing Body, and oversee submission to DfE.
- Monitor financial performance against budget and investigate variances.
- Approve appropriate financial strategies, internal controls, and compliance with legal and regulatory requirements.
- Oversee the cautious and compliant use of investments and borrowing, subject to DfE approval where required.
- Notify DfE of any proposed in-year deficit revenue budgets.
- Approve severance payments over £50,000 (gross) and obtain DfE approval as required.
- Approve the writing-off of debts, indemnities, and guarantees in accordance with the Academy Trust Handbook.
- Recommend the appointment, re-appointment, or dismissal of external and internal auditors.
- Approve and monitor a programme of internal financial scrutiny.

B. Staffing

- Monitor recruitment practices (excluding Headteacher and Deputy Headteacher).
- Recommend starting salary points for new staff and approve salary scales including cost-of-living increases.
- Recommend the Pay Policy and oversee TLR (Teaching and Learning Responsibility) allocations.
- Decide on early retirement matters and ensure compliance with the Disability Discrimination Act.
- Promote Equal Opportunities in employment and all committee work.

C. Premises and Health & Safety

- Recommend and monitor implementation of the Health and Safety Policy.
 - Review and approve Health and Safety updates and legal compliance.
 - Consider and escalate premises-related matters from school management.
 - Support effective liaison with external partners regarding premises.
-

5. Delegated Authority

The Committee is authorised by the Governing Body to:

- Investigate any matter within its scope of responsibility.
- Seek any information from internal or external auditors, staff, contractors, or third parties.
- Obtain external professional advice where appropriate.

Note: The Committee must not assume any executive role. It must seek formal advice from professional advisors and auditors where specialist judgement is required.

Review of Terms of Reference

These Terms of Reference will be reviewed annually by the Committee and submitted to the Governing Body for approval.