

Terms of Reference  
Finance Committee 2025/2026

Governing board of Alcester Academy	
Finance Committee 2025/2026	
<b>Purpose:</b> To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the management of the Academy's finances and resources, through proper governance, planning, monitoring and reporting.	
<b>Membership:</b> Governors: Tim Harrison (Chair), Tony Lewis, Fiona Williams, Sarah Mellors (Headteacher), Martin Brown, Gareth Brown. Business Manager: Cari Haynes Clerk: Stephanie Hall	
<b>Quorum:</b> Three governors.	
<b>Meetings:</b> The Committee will meet at least three times a year. Minutes of the Committee's meetings will be shared with the Board.	
<b>Policies and compliance:</b> The committee will review and ratify	
<b>Policy</b>	<b>Review Cycle</b>
• Annual Leave & TOIL	3 years
• Charging & Remissions	2 years
• Financial Controls & Governance	2 years
• Governors Allowances	2 years
• Gifts and Hospitality	1 year
• Hiring of Educational Premises	2 years
• Teachers Pay	1 year
• Treasury Management	1 year
<b>Statements</b>	
• Business Continuity Plan	1 year
• Delegated Authorities Matrix	1 year
• Review of value for money statement	1 year

**Monitoring:** The Committee will be responsible for:

- Policies and Procedures as listed in previous section
- Corporate Governance
- Financial Performance
- Budget and Resource Approval
- External Reporting

**Policies and Procedures:**

- To ensure adequate Corporate Governance as listed in the next section
- To agree all Financial Policies as listed in the previous section prior to Governing Body approval
- To monitor and review Financial Policies and Procedures to ensure effective implementation and operation, on a regular basis, and where appropriate to make recommendations for improvement.
- To recommend to the Governing Body the Academy's Charges and Remissions Policy and Governors' Allowances Policy, and to keep those under bi-annual review.
- To ensure that an up to date register that lists any business interest held by for each member of the Governing Body, the Headteacher and any member of the school staff with budget management responsibility, or any member of their immediate family.
- Immediate family is defined as including one's spouse, partners from same sex marriages or civil partnerships, children (including adopted and step), parents, grandparents, siblings, as well as one's in-laws.
- To ensure that any Pecuniary Interests are declared at each meeting by everyone present.
- To ensure up to date Financial Policies are available to the Governing Body and its committees
- To oversee the policies on fraud and irregularities as contained in the Financial Controls and Governance Policy and the ESFA's Academies Financial Handbook.
- To agree and monitor the physical and information security aspects of the academies policies as listed in the policies and compliance section of this document.

**Corporate Governance**

- To monitor the financial affairs of the Academy, to report at least termly to the Governing Board and to take appropriate corrective action when necessary
- To oversee the academy's Corporate Governance arrangements including the Code of Practice for Governing Body members and Code of Conduct for senior staff.
- To receive and review relevant external reports and requirements and ensure the Academy's compliance e.g. ESFA guidelines and recommendations and National Audits.

**Financial Performance**

- To monitor and review income and expenditure on a regular basis in line with the budget, forecasts and the overall financial plan for the academy drawing any matters of concern to the attention of the Governing Body
- To monitor all voluntary funds kept on behalf of the Governing Body in accordance with the constitutions and management arrangements of the funds.
- To also ensure that all voluntary funds are properly audited annually for presentation to the Governing Body.
- To monitor the financial affairs and the Management Accounts of the Academy; to report at least termly to the Governing Body.
- To recommend appropriate corrective action where necessary to the Governing Body.
- To ensure that all significant financial impacts have been properly investigated, reported to the FGB and where appropriate reasonable endeavors are made to achieve a satisfactory resolution on behalf of the Academy.

#### **Budget and Resource approval**

- To consider and review all Financial Plans.
- To approve the Annual Budget prior to presentation to the Governing Body for approval.
- To ensure the preparation of management accounts every month, setting out the Academy's financial performance and position, ensure these accounts are shared with the Chair of the FGB every month and all other Governors a minimum of 6 times per year.
- To evaluate Facilities Management contracts.
- To consider the financial impact of potential staffing changes.
- To authorise, in consultation with the Headteacher and the HR & Standards committee, annual pay review rises
- 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 attention of the Governing Body.
- To consider and recommend acceptance/non-acceptance of the academy's budget at the start of each financial year.
- 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.
- 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.
- In consultation with the Headteacher, agree any transfer of funds between budget areas over £10,000.

- In consultation with the Headteacher, and in accordance with the Schools Contract Standing Order, to approve contracts to be entered into up to the value of £25,000 whether for goods, services or works.

#### **Budget and Resource approval (continued)**

- To approve the writing-off of irrecoverable bad debts over £1,000 and the disposal of surplus and damaged equipment.
- Ensure all spending within the budget represents value for money and follows “Best Practice” principles.
- To monitor the academy’s arrangements to secure value for money.

#### **External Reporting**

- To monitor all external Financial Reporting to the ESFA.
- To ensure the Annual Accounts are produced in accordance with the requirements of the Companies Acts, the ESFA’s Academies Financial Handbook and the annual Accounts Directions from the ESFA.

#### **Reasons for disqualification from membership of panels and/or abstaining from decisions**

Any committee member with a conflict of interest as defined in the Conflicts of Interests note must declare the conflict and abstain from any discussion, decision and/or vote made by the Committee in relation to the matter where the conflict arises.

Agreed and adopted by the Full Governing Body on 04.09.2025

**Approved by the governing board:** 04.09.2025

**Adopted by the F&A committee:**  
04.09.2025

**Next review date:** September -2026