

# Moseley School

## A LANGUAGE COLLEGE

Headteacher:  
Mr D Peck

College Road Moseley Birmingham B13 9LR Tel: 0121 678 6400 Fax: 0121 678 1299  
email: enquiry@moseley.bham.sch.uk www.moseley.bham.sch.uk

## MOSELEY SCHOOL – A LANGUAGE COLLEGE GOVERNING BODY FINANCE COMMITTEE

### TERMS OF REFERENCE

#### 1. Membership

- 1.1 The Committee shall consist of not less than four Governors plus the Headteacher in his voting capacity.
- 1.2 The Committee may ask the Governing Body (GB) to co-opt non-voting members with specialist skills, and may make recommendations for such appointments.

The Committee shall be supported in a non-voting capacity by the Deputy Head (Finance) and/or Financial Consultant.

- 1.3 The Chair shall be appointed by the Governing Body but cannot be a staff Governor.

#### 2. Quorum

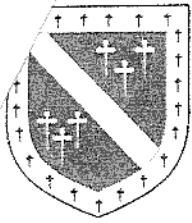
- 2.1 The Quorum shall be three Governors.
- 2.2 The Chair shall have a casting vote.

#### 3. Meetings

- 3.1 The Committee shall meet at least once a term, and otherwise as required.
- 3.2 Any additional meetings will be called as necessary; at least 7 days notice must be given when calling a committee meeting.

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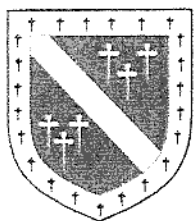
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### 4. Terms of Reference (Finance)

- 4.1 To receive and consider annual audits, relating to non-public funds, before approval by the Governing Body.
- 4.2 To review the level of delegation of the day -to-day financial management of the School to the Headteacher and present any changes to the Governing Body for approval.
- 4.3 To prepare and review financial policy statements, including consideration of long-term planning and resourcing.
- 4.4 To prepare, at the beginning of each financial year, an annual statement of Income and Expenditure, for Governing Body approval.
- 4.5 To monitor income and expenditure and report on the current financial situation to the Finance committee. The Committee will receive for approval at each meeting a financial report from the Headteacher, to include the following:
  - Summary of Income and Expenditure
  - CMIS Detailed cost centre summary report
  - CMIS Bank Balances for each account
  - Bank Reconciliation Information
  - Balance Sheet (at the end of each financial year)
  - Report showing orders over £10,000 with a single supplier (As applicable)
  - List of budget revisions since the previous meeting.
- 4.6 To receive a report from the Headteacher on the value and description of equipment written off since the last finance meeting, where applicable.
- 4.7 To consider recommendations from the Headteacher for the improvement of financial systems, and on any proposed changes by the LA to the Standing Orders and Financial Regulations.
- 4.8 To receive, and where appropriate respond to, audit reports of Public Funds.
- 4.9 To liaise, as required, with other committees of the Governing Body.
- 4.10 To annually review the Financial Terms of Reference and Headteacher's Statement of Delegation, for approval by the Full Governing Body (GB)
- 4.11 To annually update the Personal Interests Register of all staff and governors.
- 4.12 To annually review the Charging and Remissions Policy.
- 4.13 To annually review of Moseley's Best Value Statement
- 4.14 To annually review the Statement of Internal Control for approval by the Full GB

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### RESPONSIBILITIES OF THE FINANCIAL COMMITTEE

- 4.17 The receipt and approval of financial statements at each meeting
- 4.18 The approval of expenditure on items between £10,000 and £30,000
- 4.19 The prior approval of budget revisions and budget virements between £25,000 and £50,000
- 4.20 Where cumulative expenditure with a supplier is expected to exceed £10,000 in one financial year further quotations are required. Where the cheapest supplier is not selected a written justification should be presented to Governors requesting an exception from standing orders. This exception if granted should be clearly documented in the minutes of the meeting.
- 4.21 To ensure the annual School Improvement Plan (SIP) shows clear linkage to the annual budget plan.
- 4.22 To analyse the SIP against School Priorities.
- 4.23 To assist the school in meeting the requirements of the Financial Management Standard.
- 4.23 All Capital expenditure must be approved by the Finance Committee and must adhere to LA Financial requirements.

## **5 Framework of Financial Management for the Headteacher**

- 5.1 The Governing Body formally delegates the day to day financial management of the school to the Headteacher

Specifically:-

To prepare (by reference to the School Improvement Plan) and submit annual budget plans to the Governing Body for approval during the first half of the Summer Term.

To submit proposals for the amendment of an approved budget plan to the Finance Committee/Governing Body for consideration and approval.

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### EXPENDITURE

The Headteacher can incur expenditure up to £10,000 without reference to the Finance Committee/Governing Body.

The Headteacher can incur expenditure on single orders between £10,000 and £30,000 with the prior approval of the Finance Committee, subject to the receipt of three quotations and compliance with the current Financial Regulations and standing orders (as outlined in the School's Financial Procedures Manual).

The Headteacher can incur expenditure on single orders in excess of £30,000 with the prior approval of the Governing Body subject to the receipt of three quotations and compliance with the current Financial Regulations and Standing Orders.

The Headteacher may incur cumulative expenditure with external suppliers (not part of a City Council Department) up to £10,000 without reference to the Finance Committee/Governing Body, subject to the requirements of the School's Financial Procedures Manual.

The Headteacher should provide a Termly report to the Finance Committee/Governing Body to show either singular or cumulative expenditure with suppliers in excess of £10,000.

Where cumulative expenditure with a supplier is expected to exceed £10,000 in one financial year further quotations are required. Where the cheapest supplier is not selected a written justification should be presented to Governors requesting an exemption from standing orders. This exception if granted should be clearly documented in the minutes of the meeting.

Where possible, the Headteacher should ensure that three quotations are obtained where this expenditure exceeds (or is expected to exceed) the levels in the current standing orders requirements.

Where this is not possible, a report explaining the reasons for this should be presented. The Governing Body may decide to waive Standing Orders, but this should be in exceptional circumstances only. Any approvals of exemptions from Standing Orders should be minuted.

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### VIREMENTS AND BUDGET REVISIONS

The Headteacher may undertake virements and budget revisions up to £25,000 which should be retrospectively reported to the Finance Committee/Governing Body.

The Headteacher may undertake virements and budget revisions between £25,000 and £50,000 which should be reported to the Finance Committee for prior approval before being undertaken.

The Headteacher may undertake virements and budget revisions in excess of £50,000 which should be reported to the Governing Body for prior approval before being undertaken.

Virements between Capital and Revenue Funding streams must not be undertaken. All Capital expenditure must be approved by the Finance Committee and must adhere to LA Financial requirements.

All virements on the Employee Salary Budgets, namely Teaching, Ancillary and Hourly Paid Staff should be reported to the Governing Body for approval before being undertaken.

- 5.2 The Governing body will delegate to the Headteacher the day to day financial management of the full cheque book scheme to include:

Investing funding through the Money Market, the sole aim to be the maximise interest to offset the interest deduction by the LA. Such investments would be made through HSBC fund managers.

The movement of funds between each bank account, used in the full cheque book scheme (Not including School Fund Accounts)

- 5.3 All transfers and investments to be reported to the Finance Committee at the next finance meeting.

- 5.4 Copies of bank reconciliation reports (known as annexe A) and cashflow statements to be presented to the Finance Committee on a Termly basis. These would be included in the financial information available to the Full Governing Body.

Moseley Finance Committee  
Revised: April 2008

Next Review date: April 2009

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