

APPENDIX 3

Sample terms of reference for a Finance Committee - a subcommittee of the Board of Management in a Community and Comprehensive school

1. The Finance Committee will monitor the financial affairs of the school and make recommendations to the Board as appropriate. This will involve the following:

- The Committee will ensure that there are adequate internal controls over all financial transactions conducted by the school and that these are reviewed regularly. In particular, the Committee will establish and keep under review the adequacy of the procedures for the following transaction streams and activities:

- purchasing and authorisation of invoices for payment
- making of payments
- receipt of income from Department and other sources
- payment of wages to teaching and non-teaching staff
- banking arrangements
- control of stock and assets
- tendering
- cheque signing arrangements
- cash handling

- The Committee will monitor the operation of all cash undertakings which may be authorised by the Board from time to time to ensure that best practice obtains and make recommendations to the Board as necessary.

- The Committee will ensure that adequate accounting records and registers are maintained by the school. Deficiencies and recommendations in this regard will be brought to the Board for its consideration and action as appropriate.

- The Committee will consider and make a recommendation to the Board regarding the annual estimates of school spending and funding and school budget prepared by the Principal. The Committee will also consider and approve financial returns required by the Department and the Board.

- The Committee will review the financial information systems within the school to ensure that the Board has adequate information upon which to make decisions and satisfy itself that the school finances are being managed in a satisfactory manner and obligations to the Department and others (Revenue authorities etc.) are being met on a timely basis. The Committee will consider audit reports on the operation of the school and formulate recommendations for implementation by the Board and transmission to the Department.

The Committee will have access to all accounting records held by the school, original bank statements, correspondence, invoices, supplier statements, wages records, assets registers etc. at all meetings of the Committee.

2. The Principal will on the Committee's behalf present an abbreviated financial report to the Board at each meeting outlining the financial position of the school and a short progress report concerning the funding activities currently engaged in by the school. Any new proposal involving the raising of finance and/or expenditures by the school would of course require the formal approval of the Board.

3. The Board will decide the size of the Committee, its tenure and membership. The Board may amend the terms of reference of the Committee as it sees fit from time to time. The membership will comprise the Principal and two others nominated by the Board.

4. The Committee will meet regularly sufficient to discharge its duties and contribute to the good management of the school or as otherwise directed by the Board.