

The NSB Trust Finance Committee Remit

The Finance Committee consists of up to 5 Trustees who will meet in person or virtually in between Trust Board meetings to provide additional financial scrutiny. Any decisions taken by the Committee must be supported by a minimum of 3 persons, recorded and communicated to the Trust Board as soon as reasonably practical.

Overall, the responsibility for Trust Finances lies with the Trust Board. The Finance Committee supports the TB by:

- carrying out checks of the monthly Management Accounts, bearing in mind that the TB meet only once each term
- providing additional scrutiny of detail on behalf of the Trust board
- drawing to the attention of the remaining Trustees any significant issues arising from the monthly management accounts – a variation which will lead to a need to change the budget* or draw on reserves
- carrying out the internal audit of financial procedures on behalf of the audit committee and reporting the findings to the full Trust Board
- engaging in detailed discussion of any internal or external audit findings with the Finance Director and where appropriate the Responsible Officer
- scrutinising the detail of draft budgets ahead of presentation by the FD to the full Trust Board
- approving any tenders or transactions which meet the criteria set out in the Finance Manual as requiring TB approval and which fall between TB meetings

The Finance Director should ensure that the Finance Committee is given access to monthly accounts, which are sufficiently detailed to identify stresses on the budget for each school. The FD must inform the Finance Committee and/or full Trust Board of any significant variances (ones which will change the end of year position from that previously projected) and anything in the key indicators list which has changed since last issued.

Members of the Finance Committee can be expected to have a greater grasp of financial detail than the rest of the Trust Board and offer additional security of the reliability of summary financial information provided to the Trust Board, but financial decisions of a strategic nature are to be taken by the Trust Board as a whole.

* the annual budget will set aside an amount for a budget heading, which may or may not be divided into further sub headings. That allocated figure should be based on known financial commitments plus any sum which is estimated to meet needs which arise during the year. Spending within the allocated figure can proceed under the control of the budget holder who has delegated powers to spend on the purposes given, following the Trust's financial procedures. Spending must be reported in the monthly accounts, but further permission is not required from the Trustees. Should it become evident that spending will exceed the budgeted amount then money can be vired from a contingency account, if there is one (which does not require TB approval). Failing that, it either needs to be vired from an account with a surplus or the Trust will need to commit reserves to cover these costs. In either event approval must be sought from the Trust Board, either at the next meeting or via electronic communication, and records kept for an audit trail. Similarly, any shortfall in income needs to be recognised and addressed by earmarking alternative sources of income in surplus or by earmarking reserves to underwrite the shortfall. This also requires TB approval.