



Governors' Committee Responsible:	Resources Committee
Nominated Lead Member of Staff:	Director of Business Development
Status & Review Cycle:	Non-statutory Annually
Next Review Date:	November 2018
Document Version Control:	
V1.0 March 2012	
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The Purpose of the Policy:

- ~ to define the responsibilities within the school
- ~ to provide guidance on the application of regulations
- ~ to identify procedures to ensure integrity of internal controls
- ~ to set out guidelines to ensure effectiveness of resources

1. Rationale and Accountability

Governors have statutory responsibility for the oversight of the financial management in all maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the Surrey LMS Finance Manual, which can be found on the Four S website.

The role of the Governing Body is to:

- ~ agree the delegation of authority to the Resources Committee to approve the budget
- ~ receive auditors' reports
- ~ set the terms of reference for the Resources Committee

The role of the Resources Committee is to:

- ~ prepare and agree, after delegation of authority from the Governing Body, the annual budget.

- ~ adopt the Local Authority Scheme of Delegation
- ~ review and maintain finance policies, including Lettings and Charging & Remissions.
- ~ review systems of internal financial control
- ~ monitor the annual budget and make recommendations to the Governing Body
- ~ set levels of authority for spending and virement
- ~ advise the Governing Body on the affordability of the School Development Plan
- ~ consider the impact of student numbers on the budget over short, medium and long terms
- ~ receive and respond to audit reports

2. Budgets and authority levels:

The governors shall plan the school finances through:

- ~ the approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.
- ~ preparation of a medium term Financial Plan of at least three years, updated annually.

Levels of virement are set by the Resources Committee, approved by the Governing Body, to maintain effective use of resources. E.g.:

Finance Committee: £10,000 may be vired between budgets without approval by the GB

Head (and Bursar): no funds may be vired within budget headings, without the approval of the Finance Committee.

The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan will be as follows:

Autumn Term:	Preparation of Draft SDP: October
	Review draft budget: November
Spring Term:	Receive year end Forecast: March
	Present Budget to Resources Committee: April
	Approval of Budget by Governing Body: April/May

3. Authority to incur expenditure

a) Subject to b) the Headteacher has authority to incur expenditure and make payments which are consistent with the Revenue budget up to a value of £50,000, and up to £5,000 in respect of capital.

b) The Resources Committee has authority to approve all capital purchases and building projects costing more than £5,000 but less than £10,000 for which provision has been made in the budget.

c) The Headteacher has a discretionary budget up to the value of £500 per financial year within the School Fund Account subject to available funds.

d) From the School Fund Account a budget for the financial support of school trips/visits for children/parents in financial difficulty in the sum of £500 per annum to be paid out at the discretion of the Headteacher subject to available funds.

e) The Governing Body must agree any expenditure for which there is no budget.

4. **Bankers Automated Clearing Service (BACS)**

a) The proper authorisation of each BACS payment will be run by two signatories to the school's bank account

b) There will be maintenance of a proper separation of duties to ensure that a member of staff responsible for the preparation of the electronics BACS file is not also responsible for its authorisation and onward transmission to the school's BACS bureau.

5. **Purchasing**

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases will be made through the school's ordering system. The Bursar shall keep records of all purchases made including quotations received but not accepted, together with the reasons.

The policy of Best Value will be applied using the four principles:

- ~ Challenging how a service or supply is provided and why it is required
- ~ Comparing performance with other schools
- ~ Consulting with relevant stakeholders
- ~ Competing as a means of securing efficient and effective services and supplies.

6. **Internal Controls**

Internal delegation, subject to the limits in 3 above, will be as follows:

Certifying officers:

Orders, invoice approval, VAT, Expenses forms,
cheques and absence returns

Petty cash, cheques

Order requisitions, deliveries

Cheques signatories & BACS authority

~ Finance Manager

~ Finance Officer

~ Budget Holder

~ Deputy Heads
and Headteacher

Cheques & BACS require two signatures.

Financial reporting:

Monthly/Half-termly: Financial Monitoring Report + commentary

To: Head, Resource
Committee

Monthly: Cost centre Summary Report

To: Head

Termly: Cost Centre Report

To: Budget Holders

Annually Out-turn Statement

To: Governing Body

CFR

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Unofficial Funds Audited Accounts

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Budget Plan

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