



<b>Governors' Committee Responsible:</b>	Resources
<b>Nominated Lead Member of Staff:</b>	School Business Manager
<b>Status &amp; Review Cycle:</b>	Statutory
<b>Next Review Date:</b>	March 2022
<b>Document Version Control:</b>	
V1.0 March 2016	
V2.0 March 2019	

## 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 Full 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 Full 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 Full Governing Body, to maintain effective use of resources.

Resources Committee: £10,000 may be vired between budgets without approval by the GB Head (and DBD): no funds may be vired within budget headings, without the approval of the Resources 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/April Present Budget to Resources Committee: March/April Approval of Budget by Governing Body: March/April

## **3. Authority to incur expenditure**

- a) The Headteacher has authority to incur expenditure and make payments which are consistent with the approved Revenue budget up to a value of £50,000, and up to the budget value in respect of capital. Resources committee to be informed of all planned refurbishment and capital expenditure.
- b) The Headteacher has a discretionary budget up to the value of £1,000 per financial year within the School Fund Account subject to available funds.
- c) 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 £1,000 per annum to be paid out at the discretion of the Headteacher subject to available funds.
- d) The Full Governing Body must agree any expenditure for which there is no budget, with the exception that the Resources Committee may approve an unbudgeted expenditure on a specific item up to £10,000 where non expenditure would result in damaging the schools ability to operate. This expenditure would then be reported to the FGB.

## **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.

#### 4. 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 Finance Manager 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.

In line with SCC policy 3 quotes will be obtained for orders over £10,000.

#### 5. Internal Controls

Internal delegation, subject to the limits in s3 above, will be as follows:

	<b>Certifying officers:</b>
Orders, invoice approval, VAT, Expenses forms, cheques and absence returns	School Business Manager
Petty cash, cheques	School Business Manager
Order requisitions, deliveries	Budget Holder
Final Order Approval	Deputy Heads and Headteacher or School Business Manager
Cheques signatories & BACS authority	Deputy Heads and Headteacher or School Business Manager
Cheques & BACS require two signatures.	Deputy Heads and Headteacher or School Business Manager
BACS Payment Authorised	Deputy Heads and Headteacher or School Business Manager

#### Financial reporting:

Halt-termly	Financial monitoring report & commentary	Head Resources Committee
Immediately	Any expenditure outside the approved budget	Full Governing Body
Monthly	Cost centre summary report	Head
Termly	Cost Centre Report	Budget Holders
Annually	Out-turn Statement CFR Unofficial Funds Audited Accounts Budget Plan	Full Governing Body