

**Sand Hutton and Warthill Federation**

**BUDGET MANAGEMENT POLICY**

**MISSION STATEMENT**  
  
{school to complete}

<b>Document Status</b>			
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<b>Responsible officer</b>	<b>Responsible officer</b>	<b>Responsible officer</b>	<b>Responsible officer</b>
<b>Signed and dated:</b>			
<b>Headteacher</b>		<b>Chair of Governors</b>	

<b>Links to Other Policies</b>	

## CONTENTS:

<b>Section Heading</b>	<b>Page</b>
Aims and guidelines	3
<b>Organisation of Responsibility and Accountability</b>	4
➤ Roles and responsibilities	4
1. The Governing Body	4
2. Finance/Resources Committee	4
3. The Headteacher	4
4. The Bursar/Business Manager	5
➤ Procedures	5
➤ Pecuniary and other business interests	6
➤ Budget	7
1. Aims and objectives	7
2. Budget timetable	7
3. Efficiency and value for money	8
4. Financial benchmarking	8
5. Review of contracts for services	8
6. Standards of financial management	8
7. Level of balances	8
8. Virement procedures	9
9. Quality of information	9
10. Extended activities	9
11. Capital expenditure	9
12. Documentation and retention of records	9
13. Purchasing	10
14. Purchasing cards	10
15. Procedures and security	10
16. Security of stocks and equipment	10
17. Petty cash	11
18. Income	11
19. VAT returns	11
20. Staffing	11
21. Insurance	11
22. Computer Systems	12
23. Counter fraud arrangements	12
24. Audit	12
Annex A – Terms of Reference for a Finance/Resources Committee	13
Annex B – Scheme of Delegation to the Headteacher	16

**AIMS:**

It is the aim of the Governing Body to ensure that all financial resources made available to the school are used in an efficient and effective manner in order to ensure that Value for Money is achieved. The aim of this policy is to create a framework within which individual members of the school staff and the Governing Body can achieve this.

This policy conforms to the requirements of the LMS Scheme for the Financing of Schools (hereafter referred to as the LMS Scheme) as set out by the Department for Education (DfE) and the North Yorkshire County Council LMS Financial and Contract Procedure Rules (hereafter referred to as the LMS Procedure Rules). The framework within this policy should be operated in conjunction with both the LMS Scheme and the LMS Procedure Rules. It is based on the County Council's recommended model.

**GUIDELINES:**

Financial decisions will be made after consideration of:

- a) the needs of the pupils/students and staff of the school;
- b) the conditions and requirements as laid down in the LMS scheme;
- c) the need to support and deliver the National Curriculum together with any additional elements as agreed by the Governing Body;
- d) the financial resources delegated to the school; and
- e) the priorities as identified in the costed school development plan.

## ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

### ROLES AND RESPONSIBILITIES

#### 1. The Governing Body

The Governing Body has a statutory responsibility to oversee the financial management of the school and to ensure adherence to the LMS Procedure Rules.

The Governing Body recognises the importance of clearly defining the roles and responsibilities of its committees, the Headteacher and other staff.

#### 2. Finance or Resources Committee

Consisting of members of the Governing Board and the Senior Team, the *Resources* Committee will work to the agreed Terms of Reference as set out at Annex A.

The *Resources* Committee will meet at least once a term to consider, as a minimum, the following:

- a) financial monitoring statements,
- b) the school's budget and long term financial forecast,
- c) the end of financial year outturn statement, and
- d) the annual completion and submission of the Schools Financial Value Standard (SFVS).

The *Resources* Committee will submit a brief summary report to the full Governing Body at least once per term.

#### 3. The Headteacher

The Headteacher is responsible for:

- a) the detailed preparation of an annual school budget which addresses the strategic aims and targets established by the Governing Board;
- b) the day to day management of the school budget under the Scheme of Delegation as set out at Annex B and approved by the Governing Board; and
- c) ensuring the effective operation of the finance function within the school, to include:
  - i. the roles of each member of staff being clearly defined and the duties of staff with responsibility for financial transactions being, as far as is practicable, distributed to ensure that key tasks such as the processing of orders and invoices, are assigned to separate members of staff (segregation of duties) and that appropriate systems of internal check exist;
  - ii. the adherence to the LMS Procedure Rules;
  - iii. the establishment of systems to ensure that financial control is maintained at all times including procedures in the absence of key staff; and
  - iv. the maintenance of appropriate documentation and transactional records.

#### 4. The Financial Management Services (FMS) Team Support

The Governing Board has elected to employ the services of a **Financial Management Services (FMS) Team Support Officer** who is responsible for:

- a) the preparation of the school's annual budget and longer term spending plans;
- b) the checking and reconciliation of the school's financial records to monthly tabulations provided by the Local Authority and to monthly bank statements; and
- c) the undertaking of monitoring procedures and the production of regular monitoring statements for the Headteacher and Resources Committee).

#### PROCEDURES

All documentation of accounts and finances will be kept in accordance with advice from the Local Authority.

Procedures for keeping accounts will be in accordance with the LMS Procedure Rules.

A copy of the school's most recent auditor's report will be available for inspection by Governors, OFSTED Inspectors and Officers of the Local Authority.

#### PECUNIARY AND OTHER BUSINESS INTERESTS

##### Register of Interests

Under the Financing of Maintained Schools (England) Regulations 2003 School Governing Bodies are required to establish, and keep updated, a register that lists for each member of the Governing Body (including, as appropriate, Associate Members), the Headteacher and those other members of staff who can influence purchasing decisions, any business interests that they, their partner or any member of their immediate family have.

From 1 September 2015, governing bodies are under a duty to publish on the school website their register of interests. The information to be published should, as a minimum, include for each governor:

- their name;
- their category of governor;
- which body appoints them;
- their term of office;
- the names of any committees the governor serves on;
- details of any positions of responsibility such as chair or vice chair of the governing body or a committee of the governing body; and
- details of any relevant business interests, any other educational establishments they govern and any relationships with members of the school staff (spouses, partners or relatives).

This requirement also applies to associate members.

This register must include all business interests such as directorships, share holdings with a value in excess of £5,000 and other appointments of influence within a business or any other organisation that may have dealings with the school. The disclosures should also include business interests of partners or relatives who may have dealings with the school.

The Clerk to the Governing body should ensure that the register is kept up to date and complete and includes all governors, associate members and relevant staff. Where applicable, signed and dated nil returns should also be kept. It is good practice to review the register on an annual basis.

In addition, it is good practice for members of staff who can influence purchasing decisions to complete a register of their interests. This register should be maintained by the Headteacher.

The school must ensure there are adequate arrangements in place to manage related party transactions, as detailed in the Schools Financial Value Standard (SFVS). A related party transaction is one where a contract is awarded to a person or body that has close links to the person awarding the contract. In these circumstances effective systems will be implemented to ensure that open and transparent procedures are followed, and any potential conflicts of interest are adequately and appropriately managed.

## BUDGET

### 1. Aims and Objectives

The Resources Committee together with the Headteacher will consider and provide costing information both for maintaining the required level of educational provision as well as proposals to develop the short, medium and long term aims and objectives as identified in the School Development Plan.

Such consideration will include the determination of an appropriate level of general contingency and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals within the School Development Plan.

It is recognised that finite resources will lead to a need to prioritise proposals and to accelerate/delay spending plans as circumstances change.

### 2. Budget Timetable

The Headteacher (or their delegated representative) will prepare financial information for consideration by the Resources Committee and submit it to the Local Authority, where applicable, in line with the following timetable:

Date	Action / Response
Mid February	S251 budget resource allocation for the next financial year received from the Local Authority
Spring term	Prepare papers on issues to be <u>addressed</u> in preparation for the setting of the following year's budget
By March 31 <sup>st</sup>	Prepare and submit a Schools Financial Value Standard (SFVS) return, together with a copy of the relevant minute of the Governing Body or Committee at which it was approved
March / April	Prepare and present to the Governing Body the <b>proposed start budget</b> for the next financial year and the <b>long term financial forecast</b>
May	Prepare and present <b>outturn statements</b> to enable the Governing Body to consider the financial performance in the previous financial year
May	Prepare and submit a Consistent Financial Report return detailing the income and expenditure from the previous financial year (to be used for future benchmarking purposes) to the Local Authority
By May 20 <sup>th</sup>	Submit the <b>approved start budget</b> to the Local Authority
Autumn term	Prepare and present to the Governing Body the <b>revised budget</b> and <b>updated long term financial forecast</b> , reflecting any staffing changes or updated spending plans, or changes to pupil numbers

By December 31 <sup>st</sup>	Submit the <b>approved revised budget</b> to the Local Authority
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The Governing Board will not submit a deficit budget unless there are exceptional circumstances and advice and written agreement have been received from representatives of the Local Authority bearing in mind that deficits require the prior approval of the Corporate Director – Strategic Resources and the Corporate Director – Children and Young People’s Service.

Budget monitoring reports will be considered by the Resources Committee at least once a term with a brief report to the Full Governing Board. Reports will reflect both sums paid and sums committed but not yet paid and estimated expenditure and income for the remainder of the financial year against approved budget headings and will be reconciled to the Local Authority’s ORACLE statements and school bank statements. To meet the requirements of the Schools Financial Value Standard (SFVS) Governors will receive 6 budget monitoring reports per year, with the opportunity for the Governing Body to raise questions 3 times per year.

### **3. Efficiency & Value for Money**

The School will seek to achieve efficiencies and value for money to optimise the use of its financial resources and to invest in teaching and learning. It is the responsibility of the Headteacher and Governing Board to determine at school level how to secure better value for money.

### **4. Financial Benchmarking**

The Headteacher (or their representative) will prepare for consideration by the Resources Committee financial benchmarking comparisons on an annual basis each Autumn Term. The benchmarking data will be extracted for similar schools from either the local financial benchmarking database for North Yorkshire schools or the national DfE financial benchmarking database. The conclusions and recommendations resulting from this process will be used to inform the financial planning and resource allocation process.

### **5. Review of Contracts for Services**

The Resources Committee will review the quality, cost and impacts of services purchased from external providers (including the Local Authority) on a regular basis **and** before contracts are renewed. To assist in this process the Headteacher or their representative will prepare a schedule of service contracts to include values and renewal dates in order that priorities for review can be determined. After each review the Resources Committee will make recommendations to the Governing Board.

### **6. Standards of Financial Management**

The Governing Body will have regard to any Standards of Financial Management endorsed by the DfE to self-evaluate the quality of financial management processes and to aid in training staff to become better financial managers.

### **7. Level of Balances**

The Resources will annually review the balances situation of the school and make recommendations to the Governing Board. In making its recommendations, the Resources



Committee will indicate an optimum level of balances which has regard to the specific issues facing the school whilst acknowledging that financial resources are allocated to schools annually on the number of pupils in the school at that time.

The Resources Committee will have regard to any balance limits placed on schools by the Local Authority and DfE.

## **8. Virement Procedures**

Unless the level of change does not warrant it the budget will be revised each Autumn Term and the Resources Committee will be able to vire funds between budget headings within the school's overall budget (with the exception of any earmarked funds) or from unallocated resources as appropriate.

Requests by the Headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the Headteacher will also be considered by the Resources Committee and be subject to their minuted approval.

## **9. Quality of Information**

Governors expect that the financial information they receive will be relevant, timely, reliable and understandable, it therefore expected that the LA software is utilised for this purpose.

## **10. Extended Activities**

The Governing Body will discuss, decide and minute their intention to use school budget funding to support the provision of extended school activities.

The following extended school activities are provided by the school:

Wrap around Care

## **11. Capital Expenditure**

The Resources Committee will give consideration to the use of the devolved capital allocations available to the school in the light of the priorities identified in the School Development Plan and then make recommendations to the Governing Body.

The School will submit a Project Proposal Form in order to seek the Local Authority's consent for any proposed building work, irrespective of the funding source, as per the LMS Procedure Rules.

## **12. Documentation and Retention of Records**

All financial systems and procedures carried out will be in accordance with the Local Authority's LMS Procedure Rules, Scheme of Delegation to the Headteacher and the School Finance Manual. A copy of these documents will be readily available and kept up to date.

All records will be retained in line with the Local Authority's Records Retention and Destruction Schedule for Schools.

## **13. Purchasing**

Before any purchase is made, consideration will be given to any potential economies of scale to be had through use of Local Authority negotiated corporate contracts.

Information available from the North Yorkshire Procurement Service for Schools will be given due consideration.

Where possible the school will consider a Department for Education approved framework when purchasing goods or services. The framework details quality-checked suppliers, encouraging value for money and complying with buying procedures and procurement law (OJEU). This service replaces 'Deals for Schools.'

Consideration will be given to obtaining quotations for all purchases in order to ensure that Value for Money is achieved. Where bids are not invited a Best Value Form will be completed.

Where a single purchase of more than £25,000 for Goods and Services, Works or Social and other specific services is involved, further advice will be sought from procurement to ensure that LMS and EU Procedure is followed

The Governing Board requires that staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmatory order. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the school's computerised financial system. Orders made on-line should also be followed by an official order.

When making purchases, staff **must** adhere to the LMS Procedure Rules.

#### **14. Purchasing Cards**

The Governing Body will follow the Local Authority policy and procedures for the use of purchasing cards. Cards must only be used to procure goods and services on behalf of the school. They must not be used to obtain cash or for personal transactions.

#### **15. Procedures and Security**

The school will make use of a computerised financial monitoring package approved and supported by the Local Authority.

Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the Local Authority's financial statements and school bank statements every month.

Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

Security passwords will be maintained on the computer and documentation will be kept in a secure location.

Regular backups will be made of the information held on the computer with the backups stored securely and separately from the computer.

#### **16. Security of Stocks and Equipment**

An inventory of stocks and equipment held in the school will be maintained and checked on an annual basis in accordance with the LMS Procedure Rules and the Local Authority's guidance.

The Governing Body will ensure appropriate and adequate insurance arrangements are in place to protect the school's assets and a copy of the policy document will be available for inspection.

A register will also be maintained of equipment removed from school for use off-site and when it was returned.

The Governing Body will authorise all write-offs and disposal of surplus stocks and equipment in accordance with LMS Procedure Rules.

When it is considered appropriate, the Governing Body will request and act upon the advice of a Crime Prevention Officer.

## **17. Income**

The Governing Board will implement a charging and remissions policy for school activities which will be made publically available on the school website. Steps will be taken to ensure the early collection of income due and receipts issued and records will be kept in line with the LMS Procedure Rules.

The school will operate an online income collection system which has been approved for school use by the Local Authority and in line with the LMS Procedure Rules.

The writing off of debts will be undertaken in line with the LMS Procedure Rules; that is:

- a) For debts up to £250 in value, the school will seek the approval of the Governing Body; and
- b) For debts over £250, the approval of the Local Authority must be sought (further to the endorsement of the Governing Board to do so).

## **18. VAT Returns**

VAT returns will be made promptly and accurately using the computerised system in line with the Local Authority's deadlines.

## **19. Staffing**

The Personnel Committee (or equivalent) will be responsible for the Pay Policy annually within the provision of the Resources Committee and will consider appointments, terminations, promotions and performance management as necessary.

## **20. Insurance**

The Resources Committee will make recommendations annually to the Governing Board as to the insurance requirements of the school. The recommendations will have regard to the minimum cover requirements of the Local Authority and to the costs of insurance services offered by the Local Authority and other providers.

The school will consider the additional "voluntary" insurance arrangements offered by the Local Authority (i.e. staff absence insurance, contents insurance).

The Resources Committee will have due regard to the terms of the insurance documents and these will be considered on an annual basis.

The Governing Board will notify the Insurance and Risk Management Section of any eventuality that could affect the Local Authority's insurance arrangements.

## **21. Computer Systems**

The school will maintain approved software for the administration of financial records. The school has been registered with the Information Commissioner's Office (ICO) in accordance with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR) 2018. All data handling procedures undertaken by the school are in accordance with the Local Authority's recommended practices for data security and information governance, and in line with the school's information policies and privacy notices.

## **22. Counter Fraud Arrangements**

The school will maintain a robust system of controls to safeguard itself against fraudulent or improper use of public money and assets. The Governing Board will ensure that it has adopted a whistle-blowing policy and, along with the Headteacher, must inform all staff of all school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching these controls. This information must also be included in the induction of new school staff and Governors.

## **23. Audit**

The systems for finance and administration will be subject to review from time to time by the Local Authority's Internal Audit Service provider and the County Council's external auditors. The Governors, Headteacher and staff will co-operate with auditors in accordance with the requirements of the LMS Procedure Rules and will consider and implement their requirements in a timely manner.

**WARTHILL (VC) CE PRIMARY SCHOOL  
SAND HUTTON (VC) CE PRIMARY SCHOOL**

**RESOURCES COMMITTEE**

**TERMS OF REFERENCE**

**Membership:** At least 3 Governors, plus the Headteacher. Associate governors are eligible for this Committee.

**Quorum:** Three Governors (plus the Headteacher or Chair)

**Meetings:** Once per term and more frequently if required.

**Terms of reference**

1. To attend or commission appropriate training for Governors
2. To report the findings of inspections and audits to the Headteacher and liaise with him/her to ensure that appropriate remedial action is taken;
3. To provide support and guidance for the Headteacher on all matters relating to the school premises and to discharge their duties under the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999 and other associated legislation, in collaboration with the LEA;
4. To consider the LEA's health & safety policies and guidance, and to prepare a School Health & Safety Policy, on behalf of the Governing Body;
5. To prepare and maintain, in conjunction with the Headteacher, an Asset Management Plan for the school;
6. To ensure that the necessary school safety management system is in place to implement the health & safety policy;
7. To inspect the school premises annually and prepare a report of the conditions and a proposed order of priorities for maintenance, improvement and development. Also make periodic recorded inspections of buildings, plant, materials and equipment, and report to the Premises Committee at least annually, to ensure that the premises are safe and do not put the health of persons at risk whilst they are on the premises;
8. To approve the costs and arrangements for maintenance, repairs and redecoration, within the allocated budget and to oversee the preparation and implementation of building contracts;
9. To formulate and implement proposals for the use of the Devolved Formula Capital;
10. To prepare, monitor and review an Accessibility Plan, which will meet the requirements of the Disability Discrimination Act 1995, and the Special Educational Needs and Disability Act 2001;

11. To agree procedures to be followed for carrying out emergency work and to make recommendations to the Governing Body about delegation to the Headteacher for taking appropriate action on behalf of the Governing Body in the event of an emergency;
12. To be aware of the specific responsibilities of Governors and the LA in relation to premises and ensure that the LA is informed of any matters for which it has responsibility. Also, to monitor these issues and take appropriate action where necessary;
13. To ensure that risk assessments are carried out and implemented;
14. To monitor the effectiveness of the school's health and safety arrangements and performance;
15. To ensure that they have access to competent persons to assist the school with their health & safety measures;
16. To review any health and safety reports from the Headteacher
17. To regularly monitor the school's security measures and implement appropriate action when necessary;
18. To monitor the schools' Asbestos Register and implement appropriate action when necessary.
19. To liaise and consult with the NYCC's Building, Design and Management Business Unit, as appropriate;
20. To discharge the responsibilities of the Governing Body regarding litter and refuse under the Environmental Protection Act 1990;
21. To ensure that we continue to monitor the reduction, re-use, refurbishment or recycling of waste
22. To prepare and adopt a lettings policy and to oversee the implementation of the policy **if required**.
23. To report the findings of inspections and audits to the Headteacher and liaise with him/her to ensure that appropriate remedial action is taken;
24. Ensure sound management of the school's financial situation by monitoring and evaluating the School's financial performance.
25. Establish regular reporting procedures and make recommendations, where necessary (including virement proposals), to the Governing Body;
26. Ensure the school improvement plan is fully costed and provides a sound basis for long term financial planning;
27. Give consideration to the initial budget and long term financial plans and make recommendations to the Governing Body;
28. Ensure that the school complies with the principles of Best Value in using the resources available to the school;

29. Ensure that regular (at least annual) financial self evaluation (including the use of local and national financial benchmarking data) is undertaken;
30. Regularly review the school's policy on its level of balances and make recommendations, as appropriate, to the Governing Body;
31. To evaluate the quality, cost and impact of services purchased from all outside providers, including the North Yorkshire County Council Education Service, before contracts are renewed;
32. To consider the annual insurance requirements and make recommendations to the Governing Body;
33. To receive the report of the Authority's auditors and to act upon any recommendations made therein
34. To complete the annual School Financial Value Standard

## ANNEX B

### SCHEME OF DELEGATION TO THE HEADTEACHER

The Headteacher shall have delegated power to undertake all functions delegated to the Governing Board relating to the LMS Scheme except that:

1. they shall comply with all policy directions given to them from time to time by the Governing board;
2. they shall have the authority to expend all monies allocated to individual or specific items in the approved budgets without further reference to the Governing Board.  
Where no such specific item exists in the budget they shall not enter into any financial commitment without the consent of the Governing Board or, in the case of an urgent matter, the Chair thereof;
3. the above delegation shall not apply in respect of the appointment of staff. It shall be for the Governing Board to determine, from time to time, the extent of the power of the Headteacher to deal with staffing matters;
4. the Headteacher shall not vire from one budget head to another any sum exceeding 0.5%\* of the delegated budget or £5,000 whichever is the lesser, without the consent of the Governing Board or, in the case of an urgent matter, the Chair thereof;
5. the Headteacher shall maximise school funds by the careful use of agreed investment opportunities; they shall not transfer funds between current and investment accounts established under the BAFS policy unless a policy to do so has been agreed by the Governing Body (terms should be stated);
6. the Headteacher shall submit to the Governing Board at least once each term, and on such further occasions as the Governing Board may specify, reports on all expenditure incurred and

commitments entered into, together with details of any income generated, since the last such report to the Governing Board; this report to include a comparison of these latest figures with the budget for the year;

7. any proposal to incur expenditure on new or significantly different policies is to be the subject of a report by the Headteacher to the Governing Board; the report to include details of cost in both the current and future years;
8. the Headteacher shall have the power to nominate the Deputy Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any periods of absence; and
9. the Headteacher and any other person nominated under Regulation (8) above shall ensure that, at all times, the LMS Procedure Rules relating to schools with delegated budgets are complied with.