



# **Lord Deramore's Primary School**

## **Budget Management Policy**

**Prepared by:**

**Eleanor Jones**

**Approved by:**

**Finance Committee**

**Date of Meeting:**

**21 November 2022**

**Date of Approval:**

**21 November 2022**

## **Budget Management Policy**

The governing body aims to spend the school's budget share from the Local Authority for the purposes of the school and to ensure that all resources made available to the school are used in an efficient and effective manner.

Financial decisions will be made after consideration of:

1. conditions and requirements laid down in the Authority's approved LMS Scheme
2. priorities as identified in the costed school improvement plan
3. the needs of the children, staff and community of the school
4. the need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the governing body
5. the resources made available to the school

## **ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY**

### **1. Roles and Responsibilities**

- I. The Governors have a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Authority's Standing Orders and Financial Regulations.
- II. The governing body should determine delegation using the governing body Decision Planner (Appendix A) and review it annually.
- III. A Finance Committee made up of 5 members approved by the governing body will be established and will meet at least three times per year. It will work to the agreed Terms of Reference (see Appendix B) once approved by the full governing body. The committee will consider termly monitoring reports as a minimum (in some cases monthly may be considered more appropriate) and will consider the school's Start, Revised and Draft budgets at the appropriate times. The committee will submit a brief summary report to the full governing body at least once a term.

The Headteacher will assume day-to-day responsibility for the budget and will operate under a scheme of delegation approved by the governing body (see Appendix C), have the delegated authority to determine spending within approved budget headings. The Head will be assisted by the appropriate staff to ensure segregation of duties and in the proper processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must operate with integrity and observe regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets. Other documents which help clarify staff and governors' roles and authorisation limits can be found in Appendix D Governors' Delegated Authority to Postholders and Appendix E City of York Council Delegated Authority Scheme - Authorisation Certificate.

### **2. Consistent Financial Reporting (CFR)**

The governing body will have regard for the Consistent Financial Reporting Framework and ensure that school income and expenditure is coded in relation to the Framework so that accurate CFR returns are submitted to the Department for Education via the LA in a timely manner.

### **3. Statutory Financial Management Standards**

The governing body will have regard to the regulations governing statutory financial management standards and operate accordingly to ensure that the school is managed well financially. It will ensure that:

- appropriate self evaluations and risk assessments, including use of financial benchmarking data, are carried out in a timely manner
- the self assessment return is submitted to the LA
- any findings resulting from this process are addressed to improve the school's financial management processes

### **4. Extended Schools Activities**

The governing body will have regard for the LA's guidance on all aspects of Extended Schools activities. It will ensure that funds delegated to the school are used for the purpose of the school, including to support Community Extended School activities whilst not compromising core purpose.

## **5. Procedures**

All documentation of accounts and finance will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's Financial Regulations and Standing Orders. A copy of the school's most recent Auditor's Report will be available for inspection by governors, OFSTED inspectors and officers of the LA.

## **6. Pecuniary Interests**

Governors and staff of the school will be required to complete a Register of Business Interests to declare any links they may have with any firm from which the school may wish to buy goods or services. A review should be carried out annually when new staff and governors should be included.

## **BUDGETS**

### **1. Aims and Objectives**

The Finance Committee together with the Headteacher will consider the agreed School Improvement Plan, which shall cover a period of 3 years, and will provide costings for proposals to develop the school's short, medium, and long term aims and objectives as identified in the Plan. Such consideration will include the determination of:

- an appropriate level of general contingency (either an amount in pounds or a percentage of the annual budget)
- the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the Plan.

It is recognised that finite resources will lead to a need to place proposals into some kind of priority and to accelerate/delay some spending plans as circumstances change.

### **2. Efficiency and Value for Money**

The governing body will seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the LA's purchasing, tendering and contracting requirements.

### **3. Budget Timetable**

The Headteacher (or other person with delegated authority in consultation with the Headteacher) will prepare for consideration by the Finance Committee:

- I. A proposed start budget and 3/5 year financial plan following receipt of the school's Resource Allocation statement.
- II. A revised budget in the Autumn term to reflect any staffing changes or updating of spending plans. Revised budget plans will not be requested if other financial reports carry the relevant data.
- III. A draft budget in a timely manner to identify the school's potential budgetary position of the future years' financial plan.

- IV. Monitoring reports to be considered by the finance committee at least 3 times a year with a brief report to the full governing body. A copy of monitoring reports considered at meetings will be sent to the LA on a termly basis. An exception to this is where the LA has approved a licensed deficit and defined the frequency in the terms of the license. Reports will reflect both sums paid, sums committed but not yet paid, estimated income and expenditure, predicted outturn and variances to the year end against approved budget headings.
- V. Financial systems will be reconciled to the school's centrally held account reports provided by the LA and the school's bank statement where applicable.
- VI. An Outturn statement and report by the end of the summer term for the governing body to consider financial performance in the previous financial year.

#### **4. Budget Submission to the LA**

The governing body, after approving the budget, will send a copy on the date specified by the LA. This will be between 1<sup>st</sup> and 15<sup>th</sup> May each year. The governing body will not submit a deficit budget unless there are exceptional circumstances. Where a deficit budget is submitted to the licensed budget process the governing body will seek advice and submit a written request to the LA to seek the approval of the Director of Children's Services. The governors will take action to reflect the Director's written decision.

#### **5. Virement Procedures**

Unless the level of change does not warrant it, the budget will be revised each Autumn Term and the Finance Committee will vire funds between budget headings (ring-fenced grants) or from contingency funds as appropriate. Requests by the Headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the Headteacher (Appendix B) will also be considered by the Finance Committee and be subject to their minuted approval.

#### **6. Transfer of Funds**

Funds shall not be transferred between "current" and "investment" accounts, unless a policy to do so has been agreed by the governing body.

#### **7. Quality of Information**

It is expected that the financial information received by Governors will be relevant, timely, reliable, and understandable.

#### **8. Capital Expenditure**

The governing body may use its budget share to meet the cost of capital expenditure on the school premises.

However if the expected capital expenditure from the revenue budget share in any one-year will exceed £15,000 the governing body will notify the Authority. The governing body will take into account the advice of the Director of Education and Skills as to the merits of the proposed expenditure. The governing body will seek the consent of the Authority to the proposed works.

## **9. Review of Revenue Balances**

The governing body will consider the level of Revenue Balances reported to it through the budget monitoring process to assess whether priorities in the School Improvement Plan should be brought forward or put back in relation to the balances available to the school.

The governing body will pay due regard to the LA's Recycling of Excess Balances procedures.

## **10. Documentation**

All financial systems and procedures carried out in the school will be in accordance with the LA's Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher and, where applicable, the Bank Accounts for Schools Scheme (BAfS). Governors will review the LA's Delegated Authority Scheme – Authorisation Certificate annually and ensure that up to date copies are submitted to the LA as and when authorisers' details and/or signatures change. A copy of these documents will be readily available and kept up to date.

## **11. Purchasing**

Before purchases are made consideration should be given to economy and value for money and the financial regulations of the LA to ensure that appropriate tendering arrangements are instigated.

The governing body expect that school staff will follow the official ordering procedures at all times. Purchase Orders will be issued via the school's computerised purchasing system. Verbal orders will be followed up by a confirmation order clearly marked as such as issued via the school's computerised purchasing system. Individuals must not use official orders to obtain goods and services for their private use.

## **12. Procurement Cards**

The Governing Body will follow the LA Policy and Procedures for the use of Procurement Cards and understand that it is responsible for its own purchase card account. It will ensure that cardholders will not use the cards for personal purchases and that they consider card security when selecting suppliers. The account will be paid by Direct Debit each month to ensure that the school is not borrowing without the express agreement of the Secretary of State for Education.

## **13. Review of Service Contracts**

The governing body [or the Finance Committee] will carry out an annual review of the contracts purchased by the school to ensure quality, cost and impact of such services meet the needs of the school and are efficient and deliver value for money. Where an existing contract is coming to an end a review prior to its renewal should be undertaken.

## **14. Procedures and Security**

The school will make use of a computerised financial monitoring package approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the school's central account reports provided by the LA. School bank statements will be reconciled every month and submitted to the LA. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

The governing body will ensure that Data Protection regulations are followed. 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 storage media stored securely and separately from the computer.

#### **15. Security of Stock and Equipment**

An inventory will be kept in school and updated and checked on an annual basis in accordance with Financial Regulations and the Authority's guidance. Where the governing body has opted to join the LA's Contents Insurance Scheme, a copy of the policy document will be available for inspection in school.

A register of equipment removed from and returned to the school for use off-site will be maintained.

#### **16. Petty Cash**

There will be a limited use of petty cash. The amount of cash in school will be kept to a minimum and all monies and financial records kept in secure storage. The amount of cash held on the premises overnight will not exceed the permitted insured amount.

#### **17. Income**

The governing body will implement a charging and remissions policy which will be reviewed annually. Steps will be taken to ensure the early collection of income due. Receipts issued and records kept will be in line with the LA's Financial Regulations.

#### **18. VAT Returns**

VAT returns will be made promptly and accurately to the LA using the school's computerised system to meet HM Revenue and Customs' regulations.

#### **19. Staffing**

The Staffing Committee will administer the school's Pay Policy annually and will consider appointments, terminations, and promotions as necessary.

#### **20. Insurance**

Where the governing body has delegated funds available for purchasing insurance it may use the LA or other insurance providers. However, the governing body will demonstrate to the LA, prior to taking out any alternative cover, that the alternative policy is at least as good as the relevant minimum cover arranged by the LA.

#### **21. Computer Systems**

The school will maintain approved software for the input of financial records. The school has been registered in accordance with the Data Protection Act 1984.

**22. Audit**

The Governors, headteacher and staff will co-operate with auditors in accordance with the requirements of Financial Regulations and will consider and implement their requirements in a timely manner.

**23. Whistle Blowing**

The governing body will ensure that it has adopted a whistle blowing policy which will be made available to staff. This policy will be reviewed annually.



Approved by Finance Committee

Meeting Date 21st November 2022

**GOVERNING BODY DECISION PLANNER RELATING TO FINANCIAL MANAGEMENT**

**THIS PLANNER SHOWS TO WHICH LEVEL THE GOVERNING BODY MAY LEGALLY DELEGATE FUNCTIONS**

**KEY**  
 Level 1: Full governing body  
 Level 2: A committee of the governing body  
 Level 3: An individual governor  
 Level 4: Headteacher.

Column blank: Action could be undertaken by this level.  
 Column blocked off: Function cannot be legally carried out at this level.

**\*Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation\***

Key Function	Tasks	Decision Level			
		1	2	3	4
<b>Budgets</b>	To approve the first formal budget plan each financial year	✓			
	To monitor monthly expenditure.		✓		
	To establish a charging and remissions policy		✓		
	Miscellaneous financial decisions		✓		
	To enter into contracts (GB may wish to agree financial limits)		✓		
	To make payments				✓
<b>Staffing</b>	Agree a pay policy		✓		
	Pay discretions		✓		
<b>Curriculum</b>	To establish a charging and remissions policy for activities (non National Curriculum based)		✓		
<b>Premises &amp; Insurance</b>	Buildings insurance and personal liability– GB to seek advice from LA, diocese or trustees where appropriate (it is suggested that the GB as a whole should be involved in this decision)		✓		
	Procuring and maintaining buildings, including developing properly funded maintenance plan		✓		
<b>GB Procedures</b>	To set up a Register of Governors' Business Interests	✓			
	To approve and set up a Governors Expenses Scheme	✓			
	To consider whether or not to exercise delegation of functions to individuals or committees	✓			
	To regulate the GB procedures (where not set out in law) e.g. Budget Management Policy and Governors' Delegated Authority to Postholders	✓			

	To leave a federation	✓			
<b>Extended Schools*</b>	To decide to offer additional activities and to what form these should take	*			
		✓			
	To put into place the additional services provided		✓		
	To ensure delivery of services provided		✓		
	To ensure financial viability of, and probity for, services provided		✓		
	To cease providing extended school provision	* ✓			

\*Although these tasks are open to delegation under the Education (School Government)(Terms of Reference) (England) Regulations 2000, the expectation would be that these decisions would be undertaken by the full governing body.

**LORD DERAMORE'S SCHOOL, HESLINGTON**

**FINANCE COMMITTEE**

**Composition**

At least three members of the Governing Body with voting rights

**In attendance**

School Business Manager

**Terms of reference**

1. Ensure that the school is managed well financially by having due regard to the Schools Financial Value Standard (SFVS) and by monitoring and evaluating the school's financial performance.
2. Ensure that the school complies with the principles of Best Value when making decisions about how the school's available resources are utilised.
3. Ensure the School Improvement Plan is fully costed and provides a sound basis for long term financial planning.
4. Prepare and agree the start budget each year.
5. Establish regular reporting procedures and make recommendations, where necessary (including virement proposals), to the Governing Body.
6. As part of the school's budget monitoring procedures, review the level of balances and make appropriate in-year changes.
7. Evaluate the quality, cost and impact of all significant services purchased before contracts are renewed. Significant services are those exceeding £20,000.
8. Consider annual insurance requirements and make recommendations to the Governing Body.
9. Ensure that appropriate self-evaluations and risk-assessments, including use of Financial Benchmarking data, are carried out in a timely manner and are made available to SFVS assessors evaluating whether the school is meeting the Standard.
10. Ensure due regard for the Consistent Financial Reporting (CFR) Framework so that accurate CFR returns are submitted to DfE via the Local Authority (LA) in a timely manner.
11. Receive the feedback from SFVS Assessors and act upon it to ensure that the school is meeting the Financial Value Standard.
12. Receive the report of the LA's auditors and to act upon any recommendations made therein.
13. Determine the School's charging and remissions policy and keep it under review.
14. Have regard for the LA's guidance on all aspects of Extended Schools activities.

15. Ensure that funds delegated to the school are used for the purpose of the school and not to support Community Extended School activities.
16. Carry out an annual review of the Budget Management Policy and make recommendations to the Governing Body.
17. Consider and decide on proposals from other committees involving additional expenditure.
18. Monitor the school's Health and Safety Policy, including an annual review of health and safety inspections, and report as appropriate to the Governing Body.
19. Review and approve the school's policies relevant to finance and premises;
20. Be responsible for monitoring the condition of the school's buildings and grounds and report as appropriate to the Governing Body.
21. Monitor the school's Risk Management Policy and recommend as appropriate to the Governing Body.
22. Be responsible for the school's Fire Procedures and to report to the Governing Body as appropriate.
23. Monitor School Access Plan.
24. Monitor Disability Equality Scheme.

## **Notes**

1 The Chair is appointed annually by the Committee;

2 The Governing Body or the Committee may appoint Associate Members to serve on the Committee. Such members may have voting rights only as determined by the Governing Body, and within the terms of the School Governance Roles, Procedures and Allowances Regulations 2013;

3 A written record of the Committee's meetings will be submitted by the Clerk to the next full Governing Body meeting;

4 A meeting will be convened by the Clerk, under the direction of the Governing Body and the Chair of the Committee. The Clerk will give every member written notice of a meeting, a copy of the agenda and any supporting papers at least seven days before the date of the meeting. If, in the view of the Chair of the Committee, there are matters which demand urgent consideration, s/he may determine a shorter period of notice.

## **SCHEME OF DELEGATION TO THE HEADTEACHER**

The Headteacher shall have delegated power to undertake all functions delegated to the governing body under the Education Reform Act 1988 pursuant to the Local Management of Schools scheme except that:

1. he/she shall comply with all policy directions given to him/her from time to time by the governing body;
2. he/she shall have the authority to expend all monies allocated to individual or specific items in the approved budget without further reference to the governing body;
3. where no such specific item exists in the budget he/she shall not enter into any financial commitment in excess of 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or in the case of an urgent matter, the Chair thereof;
4. the above delegation shall not apply in respect of the appointment of staff. It shall be for the governing body to determine from time to time the extent of the power of the Headteacher to deal with staffing matter;
5. the Headteacher shall not vire from one budget head to another any sum exceeding 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or, in the case of an urgent matter, the Chair thereof;
6. the Headteacher shall not transfer funds between "current" and "investment" accounts, unless a policy to do so has been agreed by the governing body
7. the Headteacher shall submit to the governing body at least once each term, and on such further occasions as the governing body may specify, a report on all expenditure incurred and commitments entered into, together with detail of any income generated, since the last such report to the governing body; this report to include a comparison of these latest figures with the school's budget for the year;
8. any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Headteacher to the governing body; the report to include details of cost in both the current and further years;
9. 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 period of absence;
10. the Headteacher and any other person nominated under Regulation (9) above shall ensure that at all times the Financial Regulations and Standing Orders relating to schools with delegated budgets be complied with.

**APPENDIX D**

**Governors' Delegated Authority to Postholders**

*Edit as appropriate*

<b>Task</b>	<b>Persons Authorised</b>	<b>Posts Held</b>	<b>Notes</b>
Raise requisitions and create purchase orders for all goods and services.	Amanda Nicholson/ Lauren Charlton-Mathews	Administrators	
Approve purchase orders for all goods and services within school budget	James Rourke Mark Richards Rachel Carr	Headteacher Teacher Assistant H/T	
Approve purchase orders of any items in excess of £1,500	James Rourke Rachel Carr	Headteacher Assistant H/T	
Approve purchase orders of any items which would cause expenditure to exceed any budget heading by £500+	James Rourke Rachel Carr	Headteacher Assistant H/T	
Approve purchase orders of any items which would cause expenditure to result in an overall overspend	James Rourke Rachel Carr	Headteacher Assistant H/T	
Check and sign for all goods delivered	Amanda Nicholson/ Lauren Charlton-Mathews Sue Thompson Eleanor Jones	Administrators Admin Assistant SBM	
Complete the goods received note onto the new purchasing system	Amanda Nicholson/ Lauren Charlton-Mathews Eleanor Jones	Administrators SBM	
Checking invoices	Amanda Nicholson/ Lauren Charlton-Mathews Eleanor Jones	Administrators SBM	
Authorising invoice payment	Amanda Nicholson/ Lauren Charlton-Mathews James Rourke Eleanor Jones	Administrators Headteacher SBM	<i>Any</i>
Signing Cheques School Budget Lloyds TSB Bank Account	James Rourke Amanda Nicholson / Lauren Charlton-Mathews Mark Richards Rachel Carr	Headteacher Administrators Teacher Assistant H/T	<i>Two out of five*</i>
Signing Cheques School Fund Barclays Bank Account	James Rourke Amanda Nicholson/ Lauren Charlton-Mathews Mark Richards Rachel Carr	Headteacher Administrators Teacher Assistant H/T	<i>Two out of five*</i>

\*Any cheque made payable to one of these five will be signed for by two other signatories

All purchasing ceilings are subject to annual review

Last updated on 21st November 2022

Signed on behalf  
of governing body \_\_\_\_\_

Chair of Governors



		<b>City of York Council Delegated Authority Scheme - Authorisation Certificate</b>											
		<b>Directorate - Customer and Corporate Services, Finance</b>											
		<b>Name of School – Lord Deramore's Primary School</b>										<b>School DofE No.</b>  3158	
Name  (please print)	Position	Purchasing & Payment		Procurement Card				Contracts		Salaries & Wages		Specimen Signature	Specimen Initials
		Net Maximum Order Value	Net Maximum Invoice Value	Card holder Y/N	Net Max. Card transaction	Card holder Y/N	Net Max. monthly transaction	Auth Y/N*	Max Value	Appt Forms Y/N*	T/Sheets & Other Pay adjustment Y/N*		
J Rourke	Headteacher	£50K	£50K	Y	£1,000	Y	£5,000	Y	£50K	Y	Y		
R Carr	Assistant H/T	£50K	£50K	N		N		Y	£50K	Y	Y		
E Jones	SBM	£5K	£5K	N		N		Y	£5K	Y	Y		
A Nicholson	Administrator	£5K	£5K	Y	£500	Y	£500	N		N	N		
M Richards	Teacher	£5K	£5K	N		N		N		N	N		
<b>Signature of Chair of Governors</b>										<b>Print Name</b>			
<b>Date</b>										Key - * Delete either Y or N as appropriate			
		When completed, please return to ACE, Schools Business Support Team, Floor 1, West Offices, Station Rise, York, YO1 6GA											
<b>Approved for Head of Financial Services</b>										<b>Print Name</b>		Richard Hartle	
<b>DATE</b>													