

# Statement of Roles and Responsibilities, Financial Terms of Reference and Scheme of Delegation for the Federation of the Church Schools of Shalfleet and Yarmouth.

## Introduction

These terms of reference have been produced to enable us to have a clear policy statement that identifies financial procedures and the financial management structure operating in Yarmouth & Shalfleet CE Primary Schools (here after 'the Federation').

These procedures are located in one reference document, which is available to view should the need arise during an internal audit, external assessment for SFVS (school financial value statement) or OFSTED inspection of the Federation..

## The Role of the Governing Body

The Governing Body is given their powers and duties as an incorporated body. The statutory responsibilities of the Governing Body are detailed in **Section 21 of the Education Act 2002**.

The Governing Body is the body ultimately responsible for the overall financial affairs of both Shalfleet and Yarmouth CE Primary Schools. It exercises this responsibility by establishing clear levels of delegation to the Finance Portfolio holder, to other Portfolio holders, Governors and to the Head teacher. The Headteacher and the Governors may, in turn, authorise delegation to other members of staff to ensure sufficient clarity of responsibility and separation of duties to secure the effective and efficient administration of the school's financial affairs.

The Governing Body has a strategic role in the financial management of schools and its key responsibilities include:

- Approval of Annual Budget
- Authorisation of the 3 year financial plan
- Setting financial priorities through the Federation Development Plan
- Appointment and salary of Head Teacher
- Determination of the staff complement and pay policy for the Federation
- Authorisation of Terms of Reference for all committees
- Approval of Best Value Statement
- Authorisation of non budgeted expenditure and virements subject to the limits in Section 2
- To approve financial regulations and procedures on an annual basis.
- Act as a critical friend to the Federation on all financial matters
- **Where there are serious concerns over the Federation's finances the Governing Body will report these to the Local Authority**

## Terms of Reference and Role of the Finance Portfolio holder

<b>Role:</b>	Finance Portfolio holder, must be a Governor
<b>Membership:</b>	Member of the FGB
<b>Clerk:</b>	Clerk to the Governing Body.
<b>Term of office:</b>	(annually)

*The Finance Portfolio holder will meet with Headteacher and Bursar at least once per term. They will consider the budget monitoring statement in particular focussing on expenditure to date, including commitments, compared to the budget set for each budget heading.*

The Finance Portfolio holder has responsibility for the following

1. Managing the SFVS process for the Federation and report to the FGB on the schools' compliance.
2. The provision of guidance and assistance to the Head and Governors in all matters relating to budgeting and finance. clearly define financial responsibilities.
3. To review budget monitoring reports which contain detailed statements of income and expenditure, detailed departmental budgets and other evidence of delegated financial control, ensuring that full explanations are available. These reports must include original system data.
4. Report on the Federation's finances to FGB
5. To report to FGB that a recovery plan is put into place where a budget has gone into a deficit position or that there is a plan to spend surpluses.
6. The preparation and reporting upon a 3 year financial plan
7. To review tenders received for contracts, up to the limits in Section 2. Agree on which contractors are to be awarded contracts and to make recommendations to the full Governors meeting.
8. To recommend to FGB, after due consideration of costs and quality issues, the continuation (or cessation) of contracts, including LA sourced services.
9. Undertaking reviews, in conjunction with the Head, from time to time of the management organisation, accountancy systems and financial procedures of the school and their effectiveness including access to the computer systems.
10. To participate in any consultation with the Local Authority on funding reviews and amendments to the Scheme for Financing Schools and to make recommendations to the FGB, on an annual basis, as to the formal approval and adoption of the Scheme for Financing Schools.
11. To review and make recommendations to the FGB, on an on going basis, as to the formal approval and adoption of the schools financial procedures (e.g. purchasing and petty cash
12. To monitor that all policies relevant to the portfolio holders are having impact on pupils
13. Report on the Federation's finances to full Governing Body meetings.

### **Full Governing Body has overall responsibility for:**

14. Ensuring that the school maintains compliance with the SFVS.
15. Define financial responsibilities.
16. To ensure that a recovery plan is put into place where a budget has gone into a deficit position or that there is a plan to spend surpluses.
17. The reporting upon an annual **budget** of income and expenditure and 3 year financial plan to be presented at the full meeting of Governors before the year end and such supplementary estimates as may be required by the Governors.
18. To authorise expenditure as per limits set out in Section 2.
19. To receive requests for authorisation to vire expenditure between budget headings as per limits set out in Section 2.
20. To approve, after due consideration of costs and quality issues, the continuation (or cessation) of contracts, including LA sourced services.
21. To review these terms of reference annually and propose any amendments. To periodically review and authorise the extent of specific delegated powers to the Head and others for the administration of finances. (as Section 2)
22. To appoint an independent auditor for non-public (school) funds and ensure this audit is presented at the FGB.
23. To review Internal Audit reports and comment to the full Governors meetings on recommendations. To ensure full implementation of audit recommendations and action plan.
24. To approve any debts written off. The Governors should have a written policy on the action to be taken with regard to chasing arrears and write off's. (Where the debt exceeds £750 the Local Authority will be informed.)
25. To report on any consultation with the Local Authority on funding reviews and amendments to the Scheme for Financing Schools and to make recommendations at the Governing Body, on an annual basis, as to the formal approval and adoption of the Scheme for Financing Schools.
26. To be aware of the Council's Whistle Blowing policy.

### **The Role of the Headteacher**

#### **The Head Teacher has responsibility for the overall supervision of the day-to-day running of the financial affairs of the school.**

The Head Teacher can delegate specific responsibilities to members of staff as appropriate to their job descriptions, ensuring adequate separation of duties in both manual tasks and financial systems.

The Head Teacher should monitor the financial position of the school on a regular (not less than monthly) basis.

The Head Teacher alongside the Finance Portfolio holder is responsible for the preparation and presentation to the full Governing Body of reports on the school's finances in accordance with a pre-determined timetable as well as on an ad hoc basis as necessary.

The Head Teacher is responsible for initiating consultations with the Chair of Governors and the Finance Portfolio holder on any significant and exceptional financial circumstances or any financial matter that is causing concern. He/she should also report to the Chair of Governors:

- Any failure in any material respect of any member of the school staff to comply with these procedures.
- Any circumstances which could adversely affect the schools finances.
- Any matter of serious concern in relation to the schools finances.

The Head Teacher can amend the agreed budget by virement between any budget heading up to the limits set out in Section 2.

The Head Teacher can authorise the purchase of individual items up to the limits indicated in Section 2.

### **Role of the Federation School Business Manager**

1. Responsibility for monitoring all day-to-day records of each school and reconciling them with the records of the Local Authority as appropriate.
2. Responsibility for the regular preparation, from the school's accounting system, of reports that will show the position of the school's finances as may be required by each Head and the Governors.
3. Responsibility for ensuring on a day-to-day basis that the financial procedures as set out in this document and following guidance issued by the local authority, are followed by all who may be involved in any way in the school's finances.
4. Responsibility for reporting to the Head Teacher any failure in any material respect of any member of the school staff to comply with these procedures, any circumstances which could adversely affect the schools finances, any matter of serious concern in relation to the schools finances.
5. Local Authority to advise on virements within Budget Headings as per limits set out in Section 2, such virements to be authorised monthly by one of the Head Teachers and included on the regular virement reports to the Finance Portfolio holder.
6. Duties commensurate with current job description.
7. The preparation upon an annual **budget** of income and expenditure and 3 year financial plan.

### **References**

These terms of reference should always agree with:

The Isle of Wight Council Scheme for Financing Schools.  
A Guide to the Law for School Governors, published by the Department for Education.

## Authorisation

Head Teacher.....Date.....

Portfolio Holder for Finance .....Date.....

Chair of Governors.....Date.....

Agreed by Governors 27/09/17

## Section 2

		<b>Full Governing Body</b>	<b>Finance Portfolio Holder</b>	<b>School Business Manager</b>	<b>Headteacher</b>
	Approval of Annual Budget/3 Year Plan	✓			
	Variations to budget heads (Virement) over £5,000.	✓	✓		
	Variations to budget heads (Virement) under £5,000.				✓
	Authorise expenditure over £2,000 from Devolved Capital	LA/Diocese			
	Authorise expenditure over £2000		✓		
	Authorise expenditure up to £2000				✓
	Authorise expenditure up to £1000			✓	
	Authorise Petty Cash up to £200			✓	✓
	Appointment and salary of all permanent staff		✓		
	Appointment and salary of supply staff				✓
	Appointment and salary of Head Teacher	✓			

Authorisation of Revenue and Leasing Contracts	As per Scheme of Delegation and Federation Policies
Authorisation of Capital Contracts	All capital contracts should be tendered and authorised as per the Isle of Wight Council standards for school

At all times the principles of best value will apply.