

## **STATEMENT OF ROLES AND RESPONSIBILITIES FINANCIAL TERMS OF REFERENCE AND SCHEME OF DELEGATION FOR YARBOROUGH ACADEMY**

### **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 Yarborough Academy.

These procedures are located in one reference document, which is available to view should the need arise during an internal audit, external assessment or OFSTED inspection of the academy.

### **The Role of the Governing Body**

The Governing Body is the body ultimately responsible for the overall financial affairs of Yarborough Academy. It exercises this responsibility by establishing clear levels of delegation to the Resource Committee, to other Committees and to the Head. The Head and the Resource Committee 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 financial affairs.

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

- Approval of Annual Budget
- Authorisation of the 3 year financial plan
- Setting financial priorities through the Academy Development Plan
- Authorisation of Statement of Internal Control
- Appointment and salary of Head Teacher
- Determination of the staff complement and pay policy for the school
- Authorisation of Terms of Reference for all committees
- Approval of Annual Value for Money 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 school on all financial matters

**Where there are serious concerns over the finances the Governing Body will report these to the EFA.**

## Terms of Reference and Role of the Resource Committee

<b>Composition:</b>	Chair
<b>Membership:</b>	The resource committee comprises 6 members.
<b>Clerk:</b>	School Administrator
<b>Quorum:</b>	(at least 3)
<b>Term of office:</b>	(annually)

*The Resource Committee will meet (at least once per term) and as the need arises. The academy will produce a report to each meeting of the Resource Committee showing expenditure to date, including commitments, compared to the budget set for each budget heading.*

The Resource Committee has responsibility for the following

1. Ensuring that the academy maintains compliance with the latest regulations.
2. The provision of guidance and assistance to the Head and Governors in all matters relating to budgeting and finance, and to clearly define financial responsibilities.
3. To review budget monitoring reports which contain detailed statements of income and expenditure, detailed budgets and other evidence of delegated financial control, ensuring that full explanations are available. These must reports must include original system data.
4. Report on the finances at full Governing Body meetings.
5. 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.
6. The preparation and reporting upon an annual **budget** of income and expenditure to be presented to a full meeting of Governors before the year end and such supplementary estimates as may be required by the Governors.
7. The preparation and reporting upon a 3 year financial plan to be presented to a full meeting of Governors.
8. To consider and approve a **Statement of Internal Control** and recommend it to the full Governing Body for approval.
9. The Value for Money Statement is now incorporated into the Final Accounts.
10. 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.
11. Each committee member to complete an annual written, declaration of interests form stating any business and/or other interests they or their family or close acquaintances may have with the academy. To ensure that at the commencement of any meeting any interests are declared and recorded in the minutes.
12. To authorise expenditure as per limits set out in Section 2.
13. To receive requests for authorisation to vire expenditure between budget headings as per limits set out in Section 2.

14. To approve, after due consideration of costs and quality issues, the continuation (or cessation) of contracts.
15. Undertaking reviews, in conjunction with the Head, from time to time of the management organisation, accountancy systems and financial procedures of the academy and their effectiveness including access to the computer systems.
16. To review these terms of reference annually and propose any amendments to the Governing Body. To periodically review and authorise the extent of specific delegated powers to the Head and others for the administration of finances. (as Section 2)
17. To contribute to the Academy Development Plan.
18. To appoint an independent auditor and ensure this audit is presented to the Governing Body.
19. To review Internal Audit reports and comment to the full Governors meetings on recommendations. To ensure full implementation of audit recommendations and action plan.
20. To review the academy lettings policy on an annual basis.
21. 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.
22. To participate in any consultation with the EFA on funding reviews and amendments to the Scheme for Financing Schools and to make recommendations to the Governing Body, on an annual basis, as to the formal approval and adoption of the Scheme for Financing Schools.
23. To review and make recommendations to the Governing Body, on an annual basis, as to the formal approval and adoption of the academy's financial procedures (e.g. purchasing and petty cash)
24. To be aware of the whistle blowing policy.
25. To participate in staffing reviews and implement pay policies as appropriate.
26. To ensure the academy maintains an up to date asset register.
27. To annually review Governors allowances.

## **Role of the Head Teacher**

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

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 academy on a regular (not less than monthly) basis.

The Head Teacher is responsible for the preparation and presentation to the Resource Committee and 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 Chair of the Resource Committee 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 academy staff to comply with these procedures.
- Any circumstances which could adversely affect the academy finances.
- Any matter of serious concern in relation to the academy 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 Deputy Head**

**The Deputy Head will have the authority of the Head Teacher to continue the day to day running of the academy's financial affairs when the Head Teacher is unable to do so.**

At any other time the Deputy Head may authorise payments as per Section 2.

The Deputy Head will also undertake such other duties or responsibilities relating to financial matters as may be required of them by the Head Teacher. In exceptional circumstances or in an emergency situation additional authority may be obtained from the Chair of Governors and the Chair of the Resource Committee acting jointly.

### **Role of the Business Manager**

1. Responsibility for monitoring all day-to-day records of the academy and reconciling them with bank statements etc.
2. Responsibility for the regular preparation, from the academy's accounting system, of reports that will show the position of the finances as may be required by the 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 EFA, are followed by all who may be involved in any way in the academy's finances.
4. Responsibility for reporting to the Head Teacher any failure in any material respect of any member of the academy staff to comply with these procedures, any circumstances which could adversely affect the academy's finances, any matter of serious concern in relation to the academy's finances.
5. Responsibility for the management of staff appointed to undertake duties involving any aspect of the academy's finances.

6. Authority to vire within Budget Headings as per limits set out in Section 2, such virements to be reported monthly to the Head and included on the regular virement reports to the Resource Committee.
7. Authorise orders not exceeding the limits set out in Section 2.
8. Duties commensurate with current job description.

## Administration

1. Keys to the safe are held by: Headteacher and School Business Manager and removed from the premises each evening
2. Cheque signatories are Chris Jessup, Laura Walton, Elizabeth Cox and Jackie Bishop (two to sign) as per the bank mandate which is held securely.
3. The petty cash imprest level is authorised at £500.00. This is withdrawn from the cash machine by Chris Jessup who holds the academy's debit card.
4. Debit card transactions should be signed off by the Head or signed off by the Business Manager if the Head has used the card.

## References

These terms of reference should always agree with:

Academies Financial Handbook

Internal Financial Control for Academies (Charities Commission)

The Essential Trustee (Charities Commission)

EFA guidance.

External Audit guidance which at the present time is Forrester Boyd.


The guidelines published by Internal Audit which at the present time is NELC.

A Guide to the Law for School Governors, published by the Department for Education

## Authorisation

Head Teacher..........Date..30.11.16

Chair of Resource Committee..........Date..30.11.16

Chair of Governors..........Date..30.11.16

**Section  
2**

		Full Governing Body	Resource Committee	Chair of Resource Committee and Head	Head	Deputy Head	School Business Manager	Administrator
	Approval of Annual Budget/3 Year Plan	✓						
	Variations to budget heads (Virement) over £1,000.	✓	✓					
	Variations to budget heads (Virement) under £1,000.				✓			
	Authorise expenditure up to £5,000						✓	
	Authorise expenditure between £5,000 and £15,000				✓	✓		
	Authorise expenditure between £15,000 and £50,000		✓					
	Authorise expenditure over £50,000	✓						
	Authorise Petty Cash up to £500				✓		✓	
	Designation of salary of all permanent staff	✓						
	Designation of salary of temporary staff		✓					
	Designation of salary of supply staff				✓			
	Appointment and salary of Head Teacher	✓						

Authorisation of Revenue and Leasing Contracts	All revenue and leasing contracts should be tendered and authorised as per the Local Authority Guidelines
Authorisation of Capital Contracts	All capital contracts should be tendered and authorised as per the Local Authority Guidelines

At all times the principles of best value will apply, as per the financial accounts for Dec 16.