

# CARDIFF COUNCIL

## FINANCIAL REGULATIONS

### Bryn Deri Primary School




**THE FINANCIAL REGULATIONS RELATING TO**

Bryn Deri Primary School

**WERE APPROVED BY THE GOVERNING BODY ON**

October 2024

SIGNED: 

(Chair of Governors)

DATE: 09-10-24

## **1. INTRODUCTION**

- 1.1 The financial relationship between the Authority and schools is set out in the “Scheme of Financing Schools Maintained by Cardiff LEA” which was drawn up in accordance with Section 48 of the Schools Standards and Framework Act 1998. The legislation enables schools to decide for themselves how to make best use of the financial resources made available to them. The delegation of the decision-making process does, however, bring with it the need for accountability. The Scheme contains requirements relating to financial management and associated issues, which are binding on both the Authority and school governing bodies.
- 1.2 The Scheme provides a proper balance between control of public funds and the freedom of schools to control their own finances. All those involved in the financial management arrangements within schools have an interest in ensuring that sound financial management procedures are in operation, particularly Governors and Headteachers, in view of their responsibilities for managing a significant amount of public funds. In addition, the officer responsible under Section 151 of the Local Government Act 1972 for the proper administration of the Council’s financial affairs has a particular responsibility to exercise supervision over all financial matters and to maintain an adequate internal audit of all Council activities.
- 1.3 The Governing Body responsible for managing a school with a delegated budget is required to abide by the Authority’s requirements for financial control and management as set out in the Scheme and Financial Procedure Rules for Schools. Within this framework, the Governing Body is required to develop its own internal Financial Regulations for the organisation and management of the school’s financial affairs. These will define the extent to which the Governing Body wishes to delegate its powers and will normally detail the Standing Orders and Terms of Reference for its Finance Committee and a set of Financial Regulations which support the role of the Governing Body and the Headteacher in managing the ‘day to day’ finances.
- 1.4 A school’s internal Financial Regulations should cover the relative roles and responsibilities of the Governing Body, its Finance Committee and the Headteacher and staff at the school. It is important that those responsible for making financial decisions are clearly identified and understand the responsibility that rests with them for doing so.
- 1.5 The Financial Regulations, set by the full Governing Body, are the rules by which the Governors and Headteacher manage the finances of the school.

## **2. GENERAL**

- 2.1 In accordance with the Financial Procedure Rules for Schools, the Governors of Bryn Deri Primary School hereby recognise the need to lay down formally a policy for the overall management of the school budget and the day-to-day management of the school’s financial affairs.
- 2.2 The general conditions that follow are subject to annual review and consideration by the Full Governing Body, which must formally minute both the review and any subsequent amendments and approval each year

- 2.3 The Governing Body confirms that failure to observe these the school's Financial Regulations is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.
- 2.4 The Governing Body can delegate some of its responsibilities to committees. A Finance Committee or its equivalent should be set up to consider financial issues on behalf of the Governing Body. The Governing Body will define the terms of reference, the extent of the delegated authority, ensure it receives minutes of the Committee's meetings and review the Committee's remit and membership annually.

### ***Responsibilities of the Governing Body***

- 2.5 The responsibilities of the Governing Body are:
- identifying, analysing, controlling and monitoring all significant operational risks to the school, in accordance with the Council's risk management system;
  - to agree with the Headteacher the minimum frequency, level of detail and general format of the financial information to be provided to the Governing Body, especially in relation to budget monitoring reports;
  - to ensure that detailed minutes are taken and retained of all meetings of the Governing Body and its committees. These minutes should include all decisions and by whom the action is to be taken;
  - to consider and act upon reports received from the Finance Committee or Headteacher;
  - to approve a budget for the school in line with the resources available to it;
  - to approve the investment of surplus balances;
  - to ensure adequate insurance arrangements are in place to protect the interests of the school;
  - to authorise the disposal or write-off of stock;
  - to set the Financial Regulations for the school showing the authority delegated to the Headteacher in relation to the day to day management of the school's finances;
  - to review on an annual basis these Financial Regulations;
  - to ensure, in conjunction with the Headteacher, that: salary payments are only made to school employees, made in accordance with appropriate conditions of employment, only made for services provided to the school, appropriate deductions are made (tax and NI) and payroll changes are accurately recorded and promptly processed;
  - to approve any expenditure above £ 10,000;
  - to approve any virement above £ 10,000;

- to ensure that all contracts above £10,000 are arranged and managed in accordance with the procedures outlined in the Schools' Contract Guidance Notes;

*The level of delegation of financial powers to the Headteacher must be reviewed annually and recorded in the minutes of the Governing Body.*

- to consider and approve the authorised signatories (payroll, payments, banking);
- Authorised signatories are jointly authorised to sign documents in relation to electronic banking channels and to delegate to individuals the power to decide matters dealt with for electronic banking channels and to allow those individuals to sub-delegate the power to other individuals to make payments and give other instructions in respect of those electronic banking channels.
- where appropriate, to approve in consultation with the Headteacher setting up a bank account in accordance with the Cheque Book Scheme and ensuring that there are adequate arrangements for the administration of the account;
- to ensure that appropriate terms and conditions are used for all contracts to best protect the interests of the school;
- in accordance with the LMS Scheme, to establish a register of business interests for the Governors and staff, which should be open to inspection. Governors and staff should declare any links they have with firms from which the school may wish to buy goods and services. This register should be maintained by the Clerk to the Governing Body and reported to the first meeting of the Governing Body in each academic year and as changes of interest occur. Nil returns are also required;
- to ensure that all Governors and school staff are given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Governing Body meeting;
- to put in place a charging and remissions policy for the school and ensure that it is reviewed on an annual basis;
- to put in place procedures for recording any offers of gifts or hospitality;
- to make arrangements for ensuring that all School private funds are properly administered, accounted for and audited and that such funds are used for the purpose for which they were provided. There is a need to ensure these funds are accounted for separately from funds provided by the Authority and each fund requires an annual audit certificate. Guidance is available on private funds from Internal Audit;
- to receive and approve the annual audited accounts of the school's Private Funds
- to consider and act upon recommendations with financial implications that may result from internal audit reports or from school inspection reports, and monitoring the implementation of the agreed action plan.

### **3. FINANCE (RESOURCES) COMMITTEE STRUCTURE**

- 3.1 The membership of the Resources Committee will be 5 members, subject to annual review by the Governing Body. The Headteacher will automatically be a member, unless he / she opts not to become a governor. In this case, the Headteacher will act as an adviser to the Committee.
- 3.2 The Resources Committee can co-opt persons who are not members of the Governing Body, subject to a maximum of 2 members.
- 3.3 Voting rights apply to Governors only. Co-opted members of the Committee may not vote on any matter.
- 3.4 The Resources Committee will meet at least termly, prior to the full Governing Body meeting. Additional meetings will be held as and when required, for example to review the end of year financial statement and to approve the budget.
- 3.5 The quorum will be 3 members, one of whom must be the Headteacher.
- 3.6 A Chairperson of the Resources Committee will be appointed annually by and from the members of the Full Governing Body. In the absence of the Chairperson at any meeting, then the Deputy-Chairperson will act as Chairperson for that meeting. A Governor who is employed at the school cannot be elected Chairperson.
- 3.7 A Deputy-Chairperson of the Finance Committee will be appointed annually by and from the members of the Full Governing Body. In the absence of both the Chairperson and Deputy-Chairperson at any meeting, then the Committee will appoint one of the members present to act as Chairperson for that meeting. A Governor who is employed at the school cannot be elected Deputy-Chairperson.
- 3.8 Meetings of the Resources Committee shall be convened at least once per term, but also at other times when deemed necessary.
- 3.9 A formal notice of each meeting shall be sent out by the Chairperson at least SEVEN DAYS in advance of the meeting, giving date, time and place of meeting, plus a proposed agenda for business.
- 3.10 At the start of each meeting, someone should be appointed to take notes of the meeting. Minutes will be kept of all meetings and made available to Committee members for approval in time for the next meeting. The notes should include a record of attendance and apologies for absence.
- 3.11 Copies of minutes will be kept in an appropriate file and circulated to all members of the Governing Body. All minutes must be retained and be made available upon request to any individual requesting them; an appropriate charge may be made for the reproduction of minutes to cover the cost of administration only.
- 3.12 In the event of a vote being taken on any matter, the Chairperson shall have a vote. In addition to that vote, the Chairperson may have a casting vote in the event of a tie. If the Chairperson declines to give a casting vote in the event of a tie, then the resolution fails.

- 3.13 Any business requiring agreement or endorsement by the full Governing Body shall be brought to the attention of the first meeting of the Governing Body after the Committee meeting.

***Terms of Reference of Finance (Resources) Committee***

- 3.14 To consider and advise the Governing Body on strategies relating to all aspects of finance.
- 3.15 To consider and advise the Governing Body in relation to decisions required on the annual estimates of income and expenditure.
- 3.16 To manage resources in an effective and efficient manner.
- 3.17 To agree a framework and level of charges payable to the school for the use of school premises where appropriate and annually review all charges levied by the school.
- 3.18 To oversee longer term financial planning and resourcing in the context of the School Improvement Plan and of the policies and objectives of the school, and to advise the Governing Body thereon, as appropriate.
- 3.19 To ensure that expenditure of the school's finances reflects the School Improvement Plan, where appropriate.
- 3.20 To prepare and agree a financial statement that will comprise part of the Annual Report to Parents
- 3.21 To meet jointly with the Staffing Committee when required to form a Staff Pay/Performance Committee. This would discuss and decide upon salary awards to teaching staff.
- 3.22 To provide guidance and assistance to the Headteacher and the Governing Body in any matters relating to the Governors' financial responsibilities.
- 3.23 To monitor spending against budget during the financial year on a regular termly basis and to report on significant issues to the Governing Body.
- 3.24 To authorise expenditure between £5,000 and £10,000
- 3.25 To authorise virement of monies (i.e. switches between budget headings) within the approved budget where the sum is less than £10,000.
- 3.26 To make recommendations to the full Governing Body on any proposed virement greater than £10,000.
- 3.27 To ensure that all contracts between £5,000 and £10,000 are arranged and managed in accordance with the procedures outlined in the Schools' Contract Guidance Notes.
- 3.28 To oversee the strategic planning of the school's finances in the medium term in line with trends in numbers on roll.

#### **4. DAY-TO-DAY DELEGATION OF AUTHORITY**

- 4.1 The Governing Body confirms that day-to-day financial management of the school is delegated to the Headteacher, subject to exceptions contained in these regulations.
- 4.2 Throughout these conditions, delegation to the Headteacher shall imply further delegation to the Deputy Headteacher when the Headteacher is not on the school site. Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Governing Body in writing and incorporated in these conditions. In delegating a budget to a member of staff, the Headteacher must ensure that the budget holder understands his / her responsibilities in managing that delegated budget.
- 4.3 The Headteacher provides vision, leadership and direction for the school and ensures that it is managed and organised to meet its aims and targets, which are established by the Governing Body. The Headteacher is responsible for the day to day management of the school's financial affairs and should ensure that resources are efficiently and effectively deployed to achieve the school's aims and objectives.
- 4.4 The Headteacher is responsible for ensuring that:
- there are sound systems of internal control;
  - appropriate separation of duties;
  - opportunities are taken to enhance financial control by implementing audit recommendations;
  - delegations to other staff are made in an efficient and effective manner;
  - the financial information provided to the Governing Body and Finance Committee meets their requirements, and they are timely, accurate and understandable;
  - LEA / School Financial Procedure Rules are complied with;
  - the Governing Body are informed of any policy changes where the budget will be significantly affected.
- 4.5 The Headteacher should produce regular financial reports (at least one per term) to the Governing Body outlining the total expenditure and income received, plus any commitments against the most recent Governor approved budget. The report should be based on reconciled accounts and indicate an out-turn position. The reports should also include reasons for significant variances, identify actions to be taken and progress on actions identified.
- 4.6 To assist the Headteacher in fulfilling his / her financial responsibilities, an Authority List should be maintained as outlined at Appendix A attached. Different lists are available for cheque book and non-cheque book schools.
- 4.7 The Authority List provides a detailed record of delegations agreed by the Headteacher for the day to day management of the school and identifies those officers involved in the different financial systems. The list also demonstrates the level of separation of duties in place and help to clarify individual roles and responsibilities.

- 4.8 The Headteacher has the authority to:
- to approve any expenditure up to £5,000;
  - to approve any virement up to £ 10,000;
  - to ensure that all contracts up to £5,000 are arranged and managed in accordance with the procedures outlined in the Schools' Contract Guidance Notes.

## **5. FINANCIAL PLANNING AND REVIEW**

### **Budget Planning / Setting**

- 5.1 The school's overall budget plans (both one year annual and multi-year forward financial plan) will be prepared by the Finance Committee in consultation with the Governing Body. The budget will be prepared having regard to all known needs of the school including the School Improvement Plan and the Asset Management Plan. It is the responsibility of the Headteacher to ensure that all the required budgeting paperwork is submitted to the LA.
- 5.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements. These will include calculations of costs and all assumptions made and will be filed in a logical order.
- 5.3 The school budget must be approved by the full Governing Body. The annual budget plan and cash flow statements must be submitted to the full Governing Body for consideration during the spring term. After approval by the full Governing a signed copy budget plan will be submitted to the Council by 1<sup>st</sup> May. (It is the responsibility of the Headteacher to ensure this is done). The Chairperson or in his/her absence the Deputy Chairperson of the full Governing Body is authorised to sign the approved budget plan.
- 5.4 A copy of the signed budget plan is to be returned to the Chief Corporate Services and Section 151 Officer. A further copy should be held with the minutes of the meeting, with a copy also retained by the Headteacher.

### **Budget Monitoring**

- 5.5 The School Admin Officer will submit to the Finance Committee, as soon as possible after the end of the financial year, details of the out-turn statement showing expenditure and income against budgets for the previous financial year. The current year's budget shall be reviewed in the light of the prior year out-turn.
- 5.6 The School Admin Officer will be responsible for monitoring actual against expected expenditure and income within each budget line and producing appropriate monthly reports for the Finance Committee. Urgent budget problems will be reported to the Chairperson of the Finance Committee immediately.
- 5.7 The School Admin Officer will submit the appropriate system (SIMS) produced monitoring reports to the Finance Committee together with a written explanation of significant variances and a projection of expenditure and income to year end.

- 5.8 If monitoring reports are given in a non-system based format (e.g. excel spreadsheets / user defined reports) then they will be backed up with a system generated report showing a clear reconciliation between them. A nominated member of staff must be appointed to perform this reconciliation and minutes must record its satisfactory completion. This gives the governors clear assurance that the information being reported is a true reflection of that held by the accounting system.

### Summary of limits for delegation

Delegation	Governing Body	Resources Committee	Headteacher
Authorisation	Over £10,000	£5,001 to £10,000	Up to £5,000
Virements	Over £10,000	Over £10,000	Up to £10,000
Disposal of surplus stock / stores	Over £250		Up to £250
Contracts	Over £10,000	£5,001 to £10,000	Up to £5,000

The Headteacher can authorise expenditure and approve virements £5,000 - £10,000 subject to a report to the next Resources Committee.

Financial records should be retained for six years plus current.

Signed by Chair of Governors following meeting of the Full Governing Body where this document was agreed

09-10-2024