



CRIGGLESTONE ST JAMES CE PRIMARY ACADEMY
Instrument of Government

(Scheme of Delegation/Terms of Reference)

Dated: September 22
Date of Review: September 2023

Ready For The Future



Responsibilities for different groups and individuals within the trust are set out in full in the Financial Management Policy. This section highlights key responsibilities.

The Governing Body

The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DFE and in the academy's scheme of government. The main responsibilities include:

- ensuring that grants from the DFE is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the academy's Funding Agreement and are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher;
- appointment of The School Business Manager, in conjunction with the Headteacher;
- Appointing new members by special resolution or removing existing members other than, where there is one, the foundation governors and any members it has appointed.

The members are responsible for:

- appointing trustees in line with the trust's Articles of Association;
- where necessary, by special resolution, issuing direction to the trustees to take a specific action;
- appointing the trust's auditors and receiving (but not signing) the trust's audited annual account;
- conducting the business of the trust in accordance with company and charity law and adhering to the trust's funding agreement with the Secretary of State.

The board of trustees is responsible for:

- applying the highest standards of conduct and governance and taking full ownership of their duties;
- ensuring the board meets at least three times a year, and conducts business only when quorate;
- approving a written scheme of delegation of financial powers;
- managing conflicts of interests and related party transactions;
- approving a balanced budget for the financial year and minuting the approval;
- ensuring decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable;
- appointing an audit and risk committee to advise on the adequacy of the trust's controls and risks;
- submitting audited accounts to the ESFA by 31 December;
- ensuring an appropriate, reasonable and timely response is given to findings by auditors;
- appointing a governance professional.

The board of trustees will appoint a senior executive leader who may be appointed as a trustee – this will be the Headteacher or equivalent. The board will also appoint a named individual as the trust's accounting officer – this will be the Headteacher or the School Business Manager (SBM). The roles of senior executive leader and accounting officer will not rotate.

As of 1 March 2022, any newly appointed senior executive leader can only be a trustee if the members decide to appoint them as such, the senior executive leader agrees, and the Articles of Association permit it.

When the senior executive leader is planning to leave the trust, the board of trustees will approach the trust's Regional Schools Commissioner (RSC) in advance to discuss the trust's structure and options, including plans for recruitment.

The Headteacher

Within the framework of the academy development plan, as approved by the governing body, the Headteacher has overall executive responsibility for the academy's activities including financial activities within the role of

Accounting Officer. Much of the financial responsibility has been delegated to the School Business Manager but the Headteacher retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- signing BACs payments and cheques (panel of 2 from 3 cheque signatories – Headteacher, Deputy Headteacher and Assistant Headteacher);
- authorising orders and contracts up to £2,500 providing this does not exceed the overall expenditure within the budget. Amounts above this limit should only be incurred in conjunction with the Chair of Governors or Chair of Resources Committee to a maximum of £10,000. Where such action has been necessary the amount and an explanation should be provided to next available meeting of the full Governing Body;
- authorising virements up to £2,500 in conjunction with the School Business Manager and reporting to The Resources Committee;
- allocating financial duties to appropriate staff, bearing in mind that there is adequate division of duties between members of staff to provide appropriate levels of internal check and ensure full compliance with the DfE guidance issued to Academies;
- making recommendations to the pay and appraisal committee regarding staff pay and contractual conditions, other than for the Headteacher;
- creating a fair and balanced budget with the School Business Manager;
- reviewing this policy on an annual basis with the CFO / School Business Manager.

Accounting Officer

All accounting officers are personally responsible to Parliament and to the accounting officer of the ESFA for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge:

- providing oversight of financial transactions by:
 - Ensuring that the trust's property and assets are under the control of the trustees and measures exist to prevent losses or misuse.
 - Ensuring bank accounts, financial systems and financial records are operated by more than one person.
- Sharing the 'Dear Accounting Officer' letter with members, trustees, the SBM and the SLT, and arranging for the board to discuss it and take action where necessary to strengthen financial controls.

Essentially, accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The accounting officer must take personal responsibility for assuring the board that there is compliance with the funding agreement and academies handbook. The accounting officer must advise the board in writing if an action it is considering is incompatible with the funding agreement or handbook. Similarly, the accounting officer must advise the board in writing if the board fails to act where required by the funding agreement or handbook. Where the board is minded to proceed, despite the accounting officer's advice, the accounting officer must consider the board's reasons and if the accounting officer still considers the action proposed by the board is in breach of the articles, the funding agreement or handbook, the accounting officer must notify ESFA's accounting officer immediately in writing.

The Resources Committee

The Resources Committee is a committee of the governing body. The Resources Committee meets at least once a term, and often once each half term.

The main responsibilities of The Resources Committee, which include the responsibility of the internal Audit Committee, are detailed in written terms of reference, which have been authorised by the governing body. The main responsibilities include:

- the initial review and authorisation of the annual budget in line with the priorities set out in the schools 3-year Development Plan (including Financial Plan). Present the draft budget to the full Governing Body for consideration and approval in time to meet the DfE deadline;
- the regular monitoring of actual expenditure and income against budget;

- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- monitor variations to the school budget and any other variation to the original budget above 10% agree appropriate action and report to the full Governing Body;
- review the school's policy on lettings (including charges) on an annual basis (and at other times as appropriate) and reports its conclusions to the full Governing Body;
- recommend to the full Governing Body the level of financial delegation afforded to the Resources Committee and Headteacher in respect of expenditure orders and virements between budget heads;
- monitor pupil number trends regularly to assess the effect on the delegated budget allocation;
- undertake an annual review of all expenditure with a view to achieving "Best Value" in respect of the use of the delegated budget allocation. This will include a review of contractors and suppliers to the school to ensure the existing arrangements are appropriate and in line with DfE purchasing advice to schools;
- authorising emergency expenditure (i.e. not within the approved budget) up to £10,000. This will require retrospective ratification by the full Governing Body at the next Governing body meeting. If a response is required before a Resources Committee is scheduled to convene, the decision becomes subject to standard Chairs Action procedures;
- monitor the school's policies relating to resources issues – finance, personnel and premises;
- report to the full Governing Body on the effectiveness of these policies and to recommend changes as appropriate;
- act as a personnel and pay committee by making decisions on behalf of the Governing Body relating to individual members of staff, as set out in the Governing Body's personnel policies and procedures;
- reviewing the reports of the Responsible Officer (addressed in the first instance to the Headteacher) on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body;
- reviewing the mandates for the operation of the trust's bank account and credit cards;
- ensuring appropriate insurance arrangements are in place for the academy;
- implementing appropriate accounting policies;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and related DfE guidance.

The Audit and Risk Committee

The audit and risk committee is responsible for:

- advising the governing body on the adequacy and effectiveness of the academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
- considering and advising the GB on relevant reports by the RO, external auditors and Education Funding Agency's (EFA) External Assurance team and, where appropriate, management's response to these;
- monitoring, within an agreed timescale, the implementation of agreed recommendations relating to RO, external audit and EFA External Assurance team reports;
- advising the GB on the dismissal and remuneration of the external auditors;
- ensuring effective coordination between the RO and the external auditors;
- establishing, in conjunction with School management, relevant annual performance measures and indicators, monitoring the effectiveness of the external auditors through these measures and indicators, and deciding, based on this review, whether a competition for price and quality of the external audit service is appropriate;
- ensuring that all allegations of fraud and irregularity are properly followed up.

The Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be addressed the Resources Committee and to the full Governing Body meeting.

The School Business Manager

The School Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The School Business Manager also has direct access to the governors via The Resources Committee. The main responsibilities of the School Business Manager are:

The SBM is responsible for:

- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- the maintenance of effective systems of internal control;
- preparing management accounts each month;
- accessing the trust's academy's accounting system;
- maintain daily records of all transactions to the school fund;
- maintaining the accounting records;
- monitoring the budget on a monthly basis;
- ensuring the monthly completion of bank, petty cash and other reconciliations is adhered to;
- monitoring cash flow during the month and liaising with the CFO regarding this, where necessary;
- preparing management accounts every month, setting out the trust's financial performance and position in relation to the budget;
- ensure the security of all cash, cheques and other financial stationery
- check all contracts and purchase orders are approved prior to dispatch, check that sufficient funds are available under relevant budget heads;
- receive and check accuracy of invoices, prior to authorisation for payment;
- maintain a recording system that ensures all copy orders, delivery notes and IT records are up to date and identifiable;
- issuing payment reminders for overdue accounts;
- contacting individuals who have not paid an overdue account to inform them of the trust's formal procedure;
- approving terms of credit and communicating these terms to all debtors;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance;
- maintain the schools Asset Register. Provide the necessary advice on security of these assets and arrange an independent annual check of those assets;
- drafting original and revised finance plans in cooperation with the headteacher and with the support of the Finance Committee;.
- acting as an authorised signatory for the purposes of signing cheques, certifying employee claims, etc.
- managing and processing online payments and payroll, subject to approval by the appropriate authority.
- ensuring that proper checks and controls are in place to cover day-to-day activities in accordance with the financial regulations manual;
- maintaining CPD and undertaking relevant, ongoing training;
- reviewing this policy on an annual basis with the headteacher

The ESFA will be informed within 14 calendar days (and supplied with direct contact details for the party in question) if the trust appoints or terminates the contract of:

- Members;
- The accounting officer;
- The CFO;
- A chair of the board of trustees;
- A trustee or governor.

Financial oversight

The board of trustees will maintain robust oversight of the trust, taking full responsibility for its financial affairs, assets and resources; the board of trustees always aims to maximise outcomes for pupils through its financial oversight.

The board of trustees meets at least three times a year. The resources committee meets at least three times a year. In the event that the board of trustees and or the resources committee meets less than six times in a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

The board will approve a written scheme of delegation of financial powers, delegating appropriate responsibilities to the relevant committees and individuals, while retaining robust financial oversight. The board does not delegate overall responsibility of the trust's funds, e.g. to committees or individuals, in any circumstance. The financial scheme of delegation will be reviewed annually, and immediately when there has been a change in the trust's management or organisational structure.

The board of trustees delegates financial scrutiny and oversight to the resources committee, which can support the board in maintaining the trust as a going concern.

Accounting

Adequate accounting records will be maintained by the accounting officer at all times. The accounting officer will be responsible for ensuring that the accounts annual report is created in line with the SORP and the ESFA's Accounts Direction.

Every year, the accounts will be audited for the period ending on 31 August. The audited accounts will be:

- submitted to the ESFA by 31 December each year;
- published on the trust's website by 31 January;
- filed with Companies House in accordance with company law requirements, usually by 31 May;
- provided to every member;
- provided to anyone who requests a copy.

When preparing and auditing financial statements for the accounting period ending on 31 August, the trust will have regard to the additional requirements outlined in the supplementary bulletin to the Academies Accounts Direction 2020/2021, which provides guidance on matters arising from the coronavirus (COVID-19) pandemic which may impact on the accounts.

Accountancy within the trust will be carried out on IRIS Financials. All financial transactions will be recorded on this system. To protect the data stored within the system, only the SBM and Finance Officer will have full access to it. The Head and Deputy/Assistant Head will have limited access for the process of approving orders. The system will be password protected and the password will be changed every month, in line with the trust's Data Protection Policy. The trust will retain financial records for at least six years.

The trust is registered for VAT and is entitled to reclaim VAT on qualifying purchases through a monthly VAT return. Under legislation, VAT claims can be made on expenditure which supports the trust's core business purposes. A report is run by the SBM, in order to provide the data necessary for the completion of the VAT reclaim form.

VAT is reclaimed on a monthly basis. The trust is eligible to reclaim the majority of VAT it pays on invoices from HMRC. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted. Where invoices relate partly to business activity and partly to non-business activity, only the proportion of the VAT relating to the non-business activity will be reclaimed. On receipt of the reclaimed VAT from HMRC, the SBM will review the remittance, confirm whether this equals the claim made and sign the remittance to confirm this agreement.

Budgeting

Setting the budget

The School Business Manager is responsible for creating a fair and balanced budget, which will be approved by the Headteacher and the Resources Committee for the financial year to 31 August. The budget will be approved in writing – approval will be minuted and distributed to all relevant parties.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year, based on realistic assumptions in light of lessons learned from previous years and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- a review of other income sources available to the academy;
- a review of past performance against budgets to understand the academy's cost base;
- an identification of potential efficiency savings;
- a review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Submitting the budget

The trust will submit the approved budget to the ESFA:

- a budget forecast return three year (BFR3Y) each July/August.

These documents will be approved by the board of trustees and all other relevant parties prior to the submission date. The ESFA will be informed within 14 calendar days if a deficit revenue budget for the current financial year is being set.

The School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring the budget

The SBM will prepare management accounts every month; these accounts will set out the trust's financial performance and position and will include the following:

- an income and expenditure account;
- a budget variance report;
- cash flow information;
- a balance sheet
- a trial balance

Monthly reports will be prepared by the School Business Manager. The reports will detail actual income and expenditure against budget at a summary level for the Headteacher, Chair of Governors and The Resources Committee.

The Headteacher and School Business manager will work closely with the Resources Committee in monitoring the academy finances. The Chair of the Resources Committee will prepare an up-to-date written statement of the school finance, which shall be included in the Full Governing Body meetings (at least every term) and minuted.

Any potential overspend against the budget must in the first instance be discussed with the Headteacher and School Business Manager. The cash position of the trust will be managed in such a way as to avoid being overdrawn on any of its bank accounts. If the trust has any concerns regarding financial management, the ESFA may be informed.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to transfer money from another budget or from the contingency.

The Governing Body is responsible for authorisation of all virements in excess of £5,000 between budget headings. Details of all virements approved and authorised by the Resources Committee are to be formally notified to the Governing Body.

Signed:..



School Business Manager

(Note: Deputy Headteacher is on maternity leave from Sept 22-Aug 23)