



Finance Policy

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Roles and Responsibilities

Governing Body

The Governing Body receives its delegated powers from the City Council under the Fair Funding Scheme of Delegation (FFSD). The Governing Body is responsible for the observance of Financial Regulations as contained in the FFSD. Including:

- Observance of other financial provisions issued by the LA (e.g. Schools Finance Manual, Final Accounts procedures)
- Safeguarding of funds (including maximisation of interest income, cash and bank account controls)
- Financial management and scrupulous procedures within the school
- Establishing and recording the responsibilities delegated to the Headteacher
- Managing the funding available to the school, for instance
 - Integrated Curriculum & Financial Planning
 - Considering, reviewing and approving the school budget to reflect the policies and principles established in the School Improvement Plan.
 - Establishing / recording the authority and limits for virement, together with the reporting/recording arrangements.
 - Ensuring that there is a suitable budget management / control system in place.
 - Monitoring arrangements and requiring explanations for any variations to budget.
 - Taking corrective action to bring spend in line with budget
- Establishing the timing and type of reports required by the Governing Body.
- Taking appropriate action whenever they become aware that something is unsatisfactory, seeking advice from the Schools Finance Officer as appropriate.
- Providing financial information to the Schools Finance Officer as and when required.
- Ensuring an inventory is maintained
- Ensuring that best value can be demonstrated including following correct procurement procedures
- Paying invoices and collecting debt promptly (including debt write-off procedures)
- Ensuring the school is compliant with the Schools Financial Value Standard
- Taking appropriate action in response to concerns raised by the LA

- Compilation / approval of business / financial plans to support credit union loan applications / community facilities
- Adherence to VAT & PAYE guidelines
- Ensure that staff have access to Whistleblowing policy
- Complete a competency assessment and address training needs

Headteacher

The Governing Body will delegate day-to-day responsibility for managing the school to the Headteacher. The Headteacher should ensure that they fulfil the responsibilities of any powers delegated to them.

The Headteacher is responsible for: -

- Preparing the annual Budget in accordance with the financial guidelines, having it approved by the Finance Committee, and submitting it for approval to the City Council.
- Ensuring the prompt and accurate recording of all financial transactions on the school's accounting record that sound systems of internal control are in place that enable proper processing of the school's transactions.
- Liaising through the School Business Manager with external agencies, including major suppliers and the City Council Finance Team to ensure that the school's best interests are met.
- Monitoring all expenditure and acting accordingly.

In addition, the Headteacher should:

- Observe financial regulations
- Establish and record the responsibilities to be delegated to the Finance / Admin Staff and Budget Holders.
- Ensure that staff with delegated finance responsibilities receive adequate training to ensure they can fulfil those responsibilities

Budget Holders (Subject Leaders)

Operate under delegated power from Headteacher and are accountable to the Headteacher and Governors.

Responsibilities are:

- Assume responsibility for an area of budget
- Advise SBM, to ensure that commitments are raised for all transactions, so that reporting information is accurate.
- With SBM, control and monitor expenditure against the budget, including the reporting of variations / potential variations to the Headteacher at the earliest opportunity.

School Business Manager with support from Admin Staff

Operate under delegated power from Headteacher and are accountable to the Headteacher and Governors.

Responsibilities are:

- Provide the day-to-day operation of efficient, effective, timely, financial and administrative processes
- Support budget holders by providing advice and information as and when required
- Administer the day-to-day operation of the Schools Information Management system, for example:
 - Placing of approved orders
 - Processing and payment of invoices
 - Collection of debt
 - Bank reconciliations
- Ensure that the MIS data is up-to-date, holistic and has integrity.
- Report any issues that might have an impact on the integrity of data on the MIS to Headteacher at the earliest opportunity
- Ensure all Personnel data is up to date in order that the monthly salary download is accurate
- Compile monthly VAT reports
- Monthly reconciliation of financial records and bank balances, and forwarding this data to the LA
- Receiving, recording and banking of school income
- Financial administration of school trips
- Setting up and maintaining the school budget and financial structure
- All bank statements and credit card statements will be signed by the Headteacher upon reconciliation each month

School Purchasing Card Holders

- Card Holders are given delegated authority to make purchases on behalf of the school to the limit on the card.
- Cards are issued to the Headteacher and School Business Manager
- The card is issued in the name of an individual as part of the school's account.
- The card must not be used by anyone other than the cardholder.
- Credit Limits are reviewed monthly by the School Business Manager.
- Card Holders are to sign every month to authorise all spends were genuine and made on behalf of the school, utilising best value.
- The School Business Manager monitors transactions throughout the month to ensure fraudulent activity has not occurred and that spending is within limits.

Delegated Authority

Area	Authorised Individual	Authorised Limit	Frequency of Approval
Annual setting of the school budget	Full Governing Body	Cannot delegate	Each year
Virements	Headteacher	£10,000	Prior to actioning (these must also be reported to and minuted by the GB at the earliest opportunity)
	Governing Body	Over £10,000	Prior to actioning
Ordering	Headteacher	All orders	Each order
Invoice Payment	Headteacher and School Business Manager		Invoice Payment
BACS	Headteacher and School Business Manager		Each BACS Payment
Debt write-off (part of Debtors policy)	Headteacher	Up to £500	As part of the Debtors Policy
	Governing Body	£501 - £5,000	
	Governing Body & Finance Manager (Children's Social Care & Education)	Over £5,000	
Disposal of Assets (write-off/sale)	Governors		As and when

If virements are above the specified limit, but form part of the termly review by the School Business Manager and the School Finance Officer, an email will be sent to the Chair of Governors for authorisation. It is accepted that an email response may be received after the event. These virements will only be within the existing budget share and will be between Cost Centres. The usual virement form will still be completed for formal discussion and signing at the next available Governing Committee.

Other specific Finance Policies

The following finance policies are also available. These are reviewed on an annual basis and updated as necessary. In addition, all policies, including the Finance Policy, will be reviewed when key staff leave or where there is a significant change of the membership of the Governing Body

- Debtors Policy
- Charging & Remissions Policy
- Declaration of Business Interests
- Governing Body Meeting Terms of reference

Fair Funding Scheme of Delegation

This document sets out the financial relationship between schools and the Local Authority. A copy of this document is kept with the School Policy Documents shared area, or by going to:

https://www.coventry.gov.uk/downloads/download/3436/fair_funding_scheme_of_delegation

On an annual basis - towards the end of the Autumn Term - the Local Authority consults with all school stakeholders on changes to the Fair Funding Scheme and formula.

Communication to staff

Any financial decisions that are taken by the Governing Body will be communicated to staff by the Headteacher to the Senior Leadership Team, and these decisions will then be disseminated to staff via the weekly staff meeting. Any decisions that affect a specific area of the budget will be discussed at length with the budget holder to ensure that any ramifications are fully understood. School Business Manager will periodically review current spends and share with budget holders.

Recruitment of staff with financial responsibilities

All staff that are to be recruited to any role with financial responsibilities must demonstrate competence during the recruitment process, via interview questions and completion of tasks. Evidence of qualification may be requested.

Service Level Agreements

Service Level agreements are reviewed annually to ensure best value. Consideration is given to outside providers. A decision is then made in the Spring Term each year by the Headteacher, School Business Manager and appropriate budget holder.

Segregation of Duties

In order to ensure good financial practice is followed, segregation and delegation of duties is applied at all times. See appendix 1 for further information.

Appendix 1- Segregation of Duties

In order to ensure good financial practice is followed, segregation and delegation of duties is applied at all times

Finance related Mail and emails are opened by admin staff and passed to the School Business Manager.

Purchase Orders

Purchase Orders are input onto the system by the School Business Manager or admin staff and a preview copy is printed ready to be authorised by the headteacher

Purchase Orders are authorised electronically by the Headteacher on the Bromcom System. The preview copy is signed and kept as a paper record in the orders box for that year.

Invoices

Invoices are input onto the system by the School Business Manager or admin staff then authorised by headteacher. The electronic copy of the invoice is attached as a pdf to the invoice file on Bromcom.

Invoices are authorised by the Headteacher electronically. Once authorised the Business Manager creates a bacs file which is then processed. The final payment file is authorised by both the Business Manager and Headteacher at bank level. The Headteacher does the final authorisation.

BACS runs are signed by both of the authorised signatories:

- Rachel Askew (Headteacher)
- Angela Bakewell (School Business Manager)

The School Business Manager/admin staff file all paperwork.

Accounts receivable invoices are raised by the School Business Manager or admin staff.

Purchasing Card orders are raised by the School Business Manager and authorised by the Headteacher.

The school operates a cashless income system where possible. Parents are to pay for all clubs, trips, dinners and wraparound via Bromcom's My Child At School.

