

# STATEMENT OF ROLES AND RESPONSIBILITIES

## FINANCIAL TERMS OF REFERENCE AND SCHEME OF DELEGATION FOR YARBOROUGH ACADEMY



<b>Title:</b>	Scheme of Delegation
<b>Document Reference:</b>	A-18
<b>Issue Date:</b>	September 2022
<b>Reviewed:</b>	February 2025
<b>Next Review Date:</b>	<b>February 2026</b>
<b>Issue:</b>	03

DOCUMENT AUTHORITY		
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DOCUMENT HISTORY			
Issue No	Reason for Change	Page(s) affected	Date
2	Change of name for Business Manager	1,6	21.02.24

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## PURPOSE

These terms of reference have been produced to provide a clear policy statement that identifies financial procedures and the financial management structure operating in Yarborough Academy.

This policy statement represents an update following the requirement introduced by The Academies Financial Handbook with effect from 1 September 2020 that all Academies should have a separate Audit & Risk Committee. In this instance it has been agreed that the role of audit & risk overview should be combined with that of financial overview with this undertaken by a new Finance & Risk Committee.

This policy statement forms part of the Academy's central Financial Management document library, 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 Head and 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 the Annual Budget and ongoing monitoring of actual performance against the budget

Authorisation of the 3 year financial plan

Setting financial priorities through the Academy Development Plan

Authorisation of the Statement of Internal Control

Appointment and salary of the Head Teacher

Determination of the staff complement and pay policy for the school

Authorisation of Terms of Reference for any sub committees which may periodically be established

Authorisation of non-budgeted expenditure and the virement of expenditure between budget headings as per limits set out below in Section 2

To approve and review financial regulations and procedures on an annual basis ensuring that the academy maintains compliance with the latest regulations

To appoint an independent Auditor and review Internal Audit Risk Reports ensuring any shortcomings are fully considered and suitable action plans implemented to address such matters

Act as a critical friend to the school on all financial matters providing guidance and assistance to the Head in all matters relating to budgeting and finance.

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

## **THE 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. In this respect the Head undertakes the role and responsibilities of the Accounting Officer as defined by the Academies Financial Handbook. The following summary should at all times be read in conjunction with the requirements of that document**

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. This to include a signed overview of the Monthly Reconciliation reports prepared by the Business Manager.

The Head Teacher 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 on any significant and exceptional financial circumstances or any financial matter that is causing concern.

The Head Teacher 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.

## **THE 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.

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In exceptional circumstances or in an emergency situation additional authority may be obtained from the Chair of Governors and at least 1 other Governors joint and severally.

## THE ROLE OF THE BUSINESS MANAGER

**The Business Manager undertakes the role of Chief Financial Officer as defined by the Academies Financial Handbook. The following summary should at all times be read in conjunction with the requirements of that document.**

Responsibility for monitoring all day-to-day records of the academy and reconciling them with bank statements etc.

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 (currently known as the Monthly Reconciliation reports).

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.

To ensure the academy maintains an up to date asset register.

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 and any matter of serious concern in relation to the academy's finances.

Responsibility for the management of staff appointed to undertake duties involving any aspect of the academy's finances.

Authority to vire within Budget Headings as per limits set out in Section 2, such virements to be reported to the Head and the Governing Body.

Authorise orders not exceeding the limits set out in Section 2.

Duties commensurate with current job description.

## THE ROLE OF THE FINANCE & RISK COMMITTEE

**The Finance & Risk Committee undertakes the financial scrutiny and oversight of the Academy and supports the Board in maintain the Academy as a going concern. It also undertakes the audit & risk responsibilities set out in the Academies Financial Handbook. The following summary should at all times be read in conjunction with the requirements of that document.**

The full Governing Body will on an annual basis appoint a separate Finance & Risk Committee comprising at least 4 Governors none of whom can be employees. The Committee will meet a minimum of 3 times a year with a requisite quorum of 3 Governors.

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The accounting officer and chief financial officer should attend to provide information and participate in discussions. The Chair of Governors should not be Chair of the Finance & Risk committee.

The main financial scrutiny responsibilities are to:

- Ensure that financial plans are prepared and monitored, satisfying itself that the Academy remains a going concern and is financially sustainable.
- Ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
- Select key financial performance indicators and measure performance against them regularly.

The main audit and risk responsibilities are to:

- Direct the Academy's programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.
- Ensure that risks are being addressed appropriately through internal scrutiny
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

## **THE ROLE OF THE FINANCE GOVERNOR**

A Governor with suitable background and experience will be allocated by the Finance & Risk Committee to overview the Monthly Reconciliation reports prepared by the Business Manager.

The Finance Governor also provides guidance and assistance to the Business Manager in all matters relating to budgeting and finance, prompting periodic detailed reports and the highlighting of any serious financial underperformance should such arise.

## **THE ROLE OF THE PERFORMANCE AND PAY COMMITTEE**

**The Performance and Pay Committee undertakes the agreement, scrutiny and oversight of the Head's annual performance objectives together with the subsequent assessment of achievement and any associated pay scale changes. The committee also overviews and agrees the Head's annual assessment and any associated pay scale changes for all other teaching staff.**

The full Governing Body will on an annual basis appoint a separate Performance and Pay Committee comprising at least 3 Governors none of whom can be employees. The Committee will always comprise the Chair of the full Board of Governors. The Committee will meet as appropriate to discharge its responsibilities with a requisite quorum of 3 Governors.

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- The committee may engage a suitably qualified/experienced external consultant to assist in the setting and assessment of the Head's annual objectives – this to provide a wider context to the process.
- The Head's key annual key objectives should include at least one specific category pertinent to an aspect of learning improvement either across the Academy or addressing a specific year group together with one objective addressing a wider strategic vision for the Academy's longer term progression.

## ADMINISTRATION

Keys to the safe are held by the Head Teacher and School Business Manager and removed from the premises each evening.

Cheque signatories are H Albery, C Welbourn, L Walton and E Cox (two to sign) as per the bank mandate which is held securely.

The petty cash imprest level is authorised at £250.00. This is withdrawn from the cash machine by the Head who holds the academy's debit card.

Online payments up to a ceiling of £500 using either the Head's Academy's debit or credit card or that in the name of the School Business Manager may be originated and made by either the Head or the Business Manager subject to the associated invoice/receipt being subsequently signed by the non originating party by way of confirmation. For example if the Head made the online payment then the Business Manager should countersign the payment receipt. Regular card statements should be overviewed via the monthly reconciliation process by way of verification of compliance with this.

Similarly, all other 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:

The 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

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[www.yarboroughacademy.co.uk](http://www.yarboroughacademy.co.uk)

## **POLICY REVIEW**

This policy will be reviewed annually or sooner if warranted by changes in the Academies Financial Handbook and/or other internal or external events or changes. The full Governing body must approve all changes.

**At all times the principles of best value must be applied**

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## TABLE OF DELEGATION

## SECTION 2

	Full Governing Body	Finance & Risk Committee	Head	Deputy Head	School Business Manager
Approval of Annual Budget and/or 3 Year Plan	✓				
Variations to budget heads (Virement) over £5,000.	✓				
Variations to budget heads (Virement) over £1,001 - £5,000		✓			
Variations to budget heads (Virement) under £1,000			✓		
Authorise capital expenditure up to £5,000				✓	✓
Authorise capital expenditure between £5,000 and £15,000		✓	✓		
Authorise capital expenditure over £15,000	✓				



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 to be tendered and authorised as per the LA Guidelines