Townlands C of E Primary Academy

Approved by: Rachael Johnson (Chair of Governors)

Date: November 2026

Next review due by: November 2027

FINANCIAL ROLES, RESPONSIBILITIES AND TERMS OF REFERENCE

Role of the Governing Body

Strategic role

- The Governing Body shall exercise their functions with a view to fulfilling a largely strategic role in the running of the school by setting aims and objectives for the school and policies for achieving them.

- The Governing Body shall monitor and evaluate progress in the school towards achievement of the aims and objectives set and regularly review the strategic framework for the school in the light of that progress.

- In exercising their functions, the Governing Body shall, subject to any other statutory provision, comply with any trust deed relating to the school; and consider any advice given by the Co-Headteachers.

- The Governing Body shall act as “critical friend” to the Co-Headteachers that is to say, they shall support the Co-Headteachers in the performance of their functions and give constructive criticism. Financial Role

- A key responsibility of the Governing Body is to support an effective financial control function for the school.

- The Governing Body is responsible for setting and approving the school’s annual budget, although it can delegate this responsibility to the Finance & Audit Committee.

- The Co-Headteachers may sign the budget plan but the responsibility for its approval cannot be delegated to an individual.

- The Governing Body must ensure that accurate accounts are kept and that income and expenditure returns conform to ESFA requirements.

Financial Responsibility

The Governing Body has a responsibility to regularly review the functions and powers delegated to the Co-Headteachers with regard to the following issues:

- Financial limits on decisions (e.g. purchasing) which can be made by the Co-Headteachers without reference to the Governing Body.

- Financial limits on decisions which can be made by other school staff without reference to the Co-Headteachers.

- Threshold limits over which certain action must be sought if exceeded.

- Effective segregation of duties, so that no one person is independently responsible for an entire process (e.g. ordering, receiving and authorisation of payment).

- An audit trail so that the school is able to track and evidence decisions.

Finance & Audit/ Human Resources Committee

- The Governing Body will define terms of reference for the committee and the extent of its delegated authority.

- The Finance & Audit/Human Resources Committee meets frequently enough to discharge its responsibilities (at least once a term) and compiles reports for the main Governing Body on all areas within the remit of the Finance & Audit/ Human Resources Committee.

- All decisions made are reported at the next meeting of the full Governing Body, usually via sufficiently detailed minutes.

Finance & Audit/Human Resources Committee: Terms of Reference

- To consider all financial matters, including budgetary options pertaining to the financial health and sustainability of the Academy. This will recognise that there may be instances where due to its confidential nature, full discussion may not be appropriate with the whole governing body; disclosure of decisions however will be reported to the full Governing Body.

- To receive and review the draft budget and proposal for the financial year and report back to the Governing Body.

- To consider a budget position statement at least termly and to report significant anomalies to the Governing Body.

- To receive the annual accounts and consider comments and recommendations contained in the report.

- To make decisions on major expenditure.

- To ensure, as far as is practicable, that Health & Safety issues are appropriately prioritised.

- To carry out a review of risks to internal control and agree of a programme of work that will address these risks, inform the statement of internal control and, in so far as is possible, provide assurance to external auditors.

- To decide upon the most appropriate way to manage the programme of risk review.

- To review reports by the external auditors as to the effectiveness of the financial procedures and controls.

- To manage an investigation following any allegations of fraud or corruption if deemed necessary.

- To draft and keep under review the staffing structures in consultation with the Co-Headteachers and oversee any process, if relevant, leading to staff reductions.

- To review, as necessary, all financial and HR related policies.

- To oversee the appointment procedure for all staff with appropriate delegation to the Co-Headteachers.

- To keep under review staff work/life balance, working conditions and wellbeing, including the monitoring of absence.

- To consider any appeal against a decision on pay grading or pay awards.

- Support the Co-Headteachers in matters of competence and capability.
- To report back to the Governing Body.

The Finance & Audit/ Human Resources Committee will perform the following:

- Preparation of draft budget.
- Appraising different expenditure options.
- Forecasting number on roll and expected income levels.
- Monitoring and adjusting in-year expenditure.
- Ensuring accounts are properly finalised at year end and variations from forecast are explained.
- Evaluating the effectiveness of financial processes and decisions.

Role of the Co-headteachers

- The Co-Headteacher will be the appointed Accounting Officer.
- The Co-Headteachers are the lead professionals in the school and responsible to the Governing Body for the implementation of decisions.
- The Co-Headteachers are responsible for the internal organisation, management and control of the school, and the implementation of the strategic framework established by the Governing Body.
- The Co-Headteachers will advise the Governing Body in relation to the establishment and review of the strategic framework and in particular the Co-Headteachers will formulate aims and objectives for the school for consideration by the Governing Body.
- The Co-Headteachers will formulate policies and targets for the school in achieving those aims and objectives. The Co-Headteachers shall report at least once every school year to the Governing Body on the progress made towards achieving the aims and objectives set, and in particular towards meeting specific targets.

Financial Responsibility of the Accounting Officer

- Overall day to day financial responsibility.
- Management of the system of internal control (including the computer system).
- Signing of the Annual Accounts.
- Preparing the annual budget for Governors' or other committee's approval.
- Signing the approved budget.
- Delegation of sections of the budget to budget managers.

- Responsible for making sure the school accounts system produces timely returns and reports for the Governors and ESFA.
- Determines the separate duties for the Business Manager.
- Identifies the extent of delegated responsibility for budget managers.

Role of Business Manager

The Business manager will take responsibility for:

- Supporting / advising the Co-Headteachers staff on all financial matters.
- Advising and leading on financial developments.
- The finance policies and procedures of the school.
- Budget setting and monitoring.
- Financial planning linked to the SDP produced by the Co-Headteachers.
- Finance system maintenance.
- Financial reporting to the Co-Headteachers, Governors, staff and ESFA.
- Financial compliance e.g. VAT, annual accounts and audit.
- Sourcing income and funding streams.
- Cash flow.
- Bank and payroll reconciliation.
- Management of Petty Cash
- VAT returns.
- Administration of fixed asset register.
- Management of Finance staff.
- Work with the Co-Headteachers in preparing the annual budget and submitting it to the delegated approval body.
- To process orders, deliveries and invoices/direct debits.
- To maintain the accounting system.
- Charge card reconciliations.

Role of the Budget Holder

A budget holder is charged with implementing part of the School Development Plan. As an operational manager, budget and financial matters only form part of their role. The members of staff involved in budget management include:

- Co-Headteachers

- Business Manager
- Site Manager
- Curriculum Leader
- Finance Assistant

Responsibilities of the Budget Holder

The responsibility of a Budget Holder is to ensure that the resources allocated in their budget are used for the intended purpose, are not overspent and are accounted for properly. This involves preparing a budget for each activity that is managed, and monitoring and controlling that budget.

Practical responsibilities include:

- Being responsible for the financial sanctioning of all orders raised against the budget.
- Ensuring that value for money is obtained for everything that is bought.
- Being responsible for making sure that there is sufficient money in the budget for the goods or services that are ordered.

Training

The Co-Headteachers should ensure the training needs of all finance staff is carried out regularly to ensure that the appropriate training opportunities are made available to enable school staff to perform their roles competently. The training should cover all the tasks they will be expected to perform.