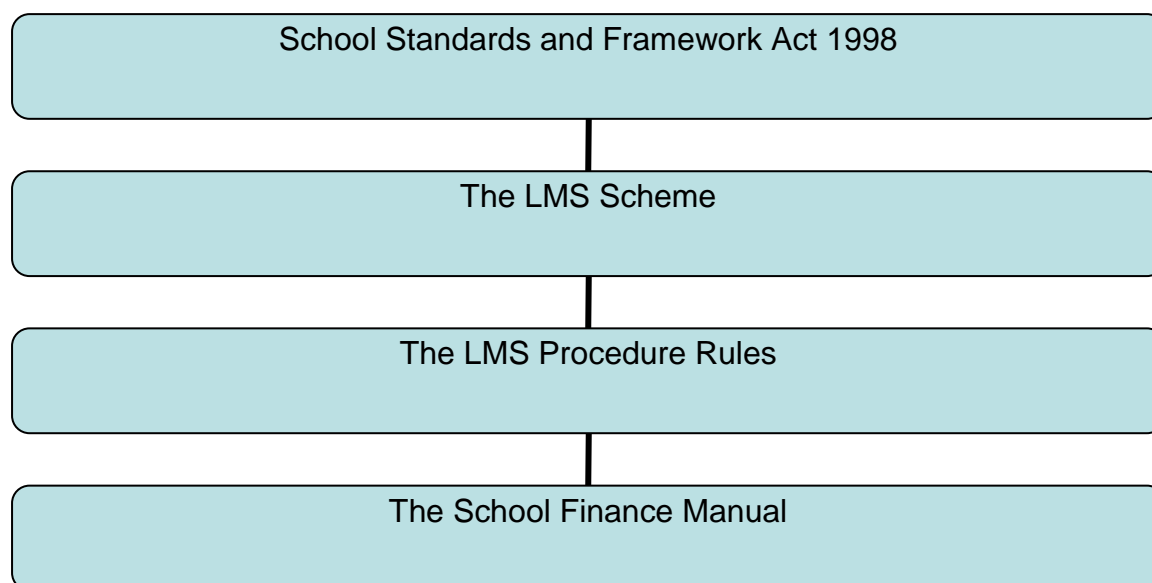


Guidance for School Governors on Financial Controls and Management

The Local Authority issues guidance to schools on the financial framework and procedures within which they are expected to operate. A key document is the **School Finance Manual** which can be found at <http://cyps.northyorks.gov.uk/index.aspx?articleid=13975>

The School Finance Manual in Context

The following flow chart shows how the School Finance Manual sits within the regulatory framework.



The **School Standards and Framework Act 1998** (Section 48) requires the financial controls within which delegation works to be set out in an **LMS Scheme** prepared by the Local Authority and approved by the Secretary of State for Education.

The **LMS Scheme** is the funding framework for schools. It sets out the financial relationship between the Local Authority and the maintained schools it funds. Within it are requirements relating to financial management and associated issues which are binding to both the Local Authority and the schools. The Scheme is updated to reflect Governmental advice.

The **LMS Procedure Rules** form a part of this overall control framework. They aim to facilitate service delivery by setting out best practice for the administration of all financial matters within schools. This, then, ensures a high quality of financial information thereby enabling better decision making. They should not be viewed as a barrier to executive action and are constantly kept under review to ensure that they remain relevant to the day to day activities of schools.

The **School Finance Manual** contains both of the above documents as well as giving more detailed information in relation to particular areas such as budgets and forecasting, banking arrangements, VAT and charging for school activities. The manual is produced by North Yorkshire County Council for its schools. It is updated to reflect any changes of a local or national nature.

Other guidance and policies for schools are produced by the Local Authority outside of the LMS Scheme and LMS Procedure Rules. These are either reproduced within the Schools Finance Manual or are referred to with links as to where they may be found on the cyps.info website.