

The Blue Kite

Academy Trust



Title of Policy/Procedure	Budgetary Planning and Control Procedure
Reviewer(s):	Director of Operations Finance Manager
To be read in conjunction with the following policies:	Financial Procedures, Administration and Control Policy
Consultation Process	This policy has been produced in consultation with Mr Neil Uzzell (Member) and Mrs Judith Randell-Sly (Member and Chair of Directors)
Policy Date:	September 2016
Review Date:	September 2018

Organisational structure

BOARD OF DIRECTORS.....	Authorise Budget
FINANCE/AUDIT COMMITTEE.....	Propose Budget to BOD
CEO/CFO & TRUST FINANCE MANAGER.....	Provisional Budget
SLT/ BUDGET HOLDERS.....	Input

Budget planning

The budget is separated into distinct and manageable categories/ledger codes. This budget will, after endorsement by the Finance/Audit Committee and the Chief Executive Officer, go forward as the suggested budget for authorisation by the Board of Directors when it then becomes the Final Budget.

The Chief Finance Officer must maintain a clear statement of the assumptions supporting the budget.

This budget is based on ledger code expenditure plans rather than by cost centre income & expenditure reports. The budget is set using in year income and in year expenditure and if the use of reserves are required the request will be made to the Finance/Audit Committee by the CEO.

Budget control and monitoring

The Finance manager investigates variations to predicted expenditure and if significant, the CEO is informed.

Review of budget

This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Accounting Officer (Chief Executive Officer) and Chief Finance Officer. Any further action taken must be clearly documented.

Financial responsibility

The Board of Directors has delegated responsibility for routine control to the Finance/Audit Committee. The Finance/Audit Committee will meet on a regular basis to review expenditure.

Conclusion

A realistic and achievable budget is fundamental to the trust's planning. Budget planning and control requires decentralisation of responsibility, therefore Budget holders responsible for expenditure with definable manageable areas help the Chief Finance Officer produce a consolidated budget. The budget needs consideration by the Finance/Audit Committee and the CEO before going to the Board of Directors and a suggested time scale for Budget progression is included in the Financial Calendar. The Finance/Audit Committee has delegated authority from the Board of Directors to exercise control and advice over financial affairs.