

## Report Details

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<b>Report title:</b>	School Financial Procedures Manual
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### PURPOSE OF THE REPORT

1. The purpose of this report is to provide an update on the revised School Financial Procedures Manual for Southwark Council's maintained schools.

### RECOMMENDED ACTION FOR SCHOOLS FORUM

That the Schools Forum

2. Note the proposed launch of the refreshed School Financial Procedures Manual for the council's maintained schools; and
3. Note the anticipated review of the maintained schools' internal audit programme and the training programmes delivered by the council.

### BACKGROUND INFORMATION

4. The Local Authority has completed the agreed consultation on the refreshed School Financial Procedures Manual, which is an important resource to help all those involved with schools finance to understand and manage their financial responsibilities.
5. The manual takes the requirements and principles set out in the various statutory instruments and council policies that regulate the key requirements of school financial management and applies them to the various financial management activities which schools will engage in. It also sets out the correct controls and procedures for the running of schools so that financial processes are implemented accurately and consistently.
6. The manual also provides the following benefits:
  - Allows continuity and consistency in the absence of or changes to key financial personnel.
  - Documents the financial procedures and internal controls within those procedures.
  - Reduces audit time in testing systems, procedures, and controls because they are properly recorded.

- Allows an opportunity to consider whether existing council systems meet schools' financial control objectives, and whether the procedures are being implemented in the way intended.

## **KEY ISSUES FOR CONSIDERATION**

7. The final manual has been published and available from the council's [Schools Finance](#) website.
8. The main amendments were shared with the Schools Forum in March 2025 and, for ease, are replicated below:
  - A revised model Scheme of Delegation to ensure consistency between it, the Scheme for Financing Schools and the council's own Financial Regulations;
  - An update to procurement rules, including the requirements under the Procurement Act 2023;
  - Revision of the accounting treatment and rules relating to entering into leases, in accordance with International Financial Reporting Standard (IFRS) 16, which were incorporated into the Scheme or Financing Schools last year;
  - Clarification of schools' responsibilities in respect of the provision of information to the LA in respect of teacher and support staff pension schemes.
  - Confirmation of the approved Financial Institutions for school bank accounts, following the UK's departure from the EU; and
  - Inclusion of the licensed deficit framework.
9. Following the re-launch of the Manual, BDO (the council's internal audit provider) will develop a revised internal audit programme aligned to the refreshed manual in the new academic year. An outline of the new approach to the schools' audit programme may then be presented to a future Audit, Governance and Standard Committee meeting. This is expected to happen before the end of the year and the report will be shared with the Schools Forum at the following meeting.
10. In addition, the Schools Finance and HR Team will review their training programmes to incorporate the revisions and highlight the more significant amendments in the Manual.

## **CONCLUSION AND NEXT STEPS**

11. Schools Forum is asked to note the report.