

A5. Revision of the Revenue Budget

Preamble

Once the school's revenue budget has been approved by the Governing Body and submitted to the FBP CEF it is often the case that the Governing Body will need to make changes to the plan during the financial year. The process of transferring budget provision between budget headings is known as virement. It is important that each school has in place a formal arrangement for approval of any revision of the Revenue Budget, which should be incorporated in the schools own Financial Regulations. Such approval, up to a specified limit, may be delegated to a Headteacher or to a committee of the Governing Body. It is the responsibility of the Governing Body to authorise such variations (virements) to their Revenue Budget. As soon as any revisions to the revenue budget have been agreed and those changes significantly affect the school budget, the Governing Body shall notify¹ the FBP CEF, giving details of costings. The school will then amend its accounting system to reflect the latest position. Budget changes in excess of £5,000 or more are considered significant.

See also:

Keeping Your Balance Financial Planning

Regulations

- 5.1. The Governing Body is empowered to vire between the various headings of income and expenditure within the delegated budget².
- 5.2. Where authority to vire has been formally delegated to the Headteacher or to a committee of the Governing Body, details of each virement must be reported to the next full Governing Body for approval. This includes virements both to and from the school's accumulated carry forward³.
- 5.3. The Governing Body shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring. The school's accounting system will be amended to reflect the latest position. Significant change is taken to mean in excess of £5,000 where the school overall annual budget is less than £1m and £10,000 above £1m.

¹ It is not necessary to resubmit the entire budget plan and the notification is generally processed through the school's EFS finance adviser contact.

² Exceptions being those involving ring-fenced allocations, i.e. Rates.

³ Exceptions are specific ring-fenced allocations