

BUDGET VIREMENT POLICY FOR ABINGDON LEARNING TRUST

Introduction

Definition of virement

Virement is the process of transferring a revenue budget from one budget heading to another, with the approval of the relevant senior manager. It can be used to enable accountable managers to amend budgets in the light of experience, or to reflect anticipated changes in the pattern of future income or expenditure.

Financial Responsibilities

In a cash limited budget environment, budgetary control must be strictly maintained throughout the year in order that potential expenditure overspends and income under-achievements within individual budget heads are identified at the earliest possible opportunity.

The Chief Executive Officer (CEO), as accounting officer, has a duty to ensure that adequate policies and procedures are in place to ensure effective system of financial control. The budget virement process is one of those controls. The setting up, amendment and profiling of budgets is centrally controlled by the Chief Financial Officer, subject to approval of the CEO.

Virement Guidelines

No virement may be made where it would potentially result in an overspend.

It is important that virements are identified as recurrent or non-recurrent.

No non-recurrent savings may be vired to increase recurrent expenditure, which then pre-commits the school resources in the following financial year, without the prior approval of the CEO.

If the virement relates to an increase in the manpower establishment, then the existing personnel and HR policies and procedures will apply.

Virements may not be made in respect of ring-fenced allocations.

No virement proposal shall involve the introduction of a new policy or a significant variation of existing policy without the prior approval of the CEO.

No virement proposal shall affect amounts to be paid to another budget holder without the agreement of the budget holder, the Chief Financial Officer and the CEO.

.

All virement proposals should be agreed with the Chief Financial Officer for monitoring purposes.

All virements are to be recorded and information to be retained by the Chief Financial Officer.

Review of this policy

The Board of Trustees through its Finance Committee review this policy every three years. It may however review this policy earlier than this if the government produces new regulations, or if it receives recommendations on how this policy might be improved.

Approved by Finance Committee of the Board of Trustees of ALT on 11 July 2017.

Signed: (Chair of Trustees)

Signed : (Chief Executive Officer)

Date for Review: July 2020