

CLIVE CE PRIMARY SCHOOL AND NURSERY

FINANCE POLICY

To be read in conjunction with the following documents:

- Finance Committee Terms of Reference
- Shropshire Council's 'Scheme for the Financing of Schools'
- Clive's Procurement, Tendering and Contracts Policy
- Clive's Risk Register (including financial risk)
- Clive's SFVS (School Financial Value Standard)
- Clive's VFM (Value for Money) Worksheet
- Clive's Charges and Remissions Policy

PURPOSE

The purpose is to efficiently and effectively manage all available resources to achieve the best possible educational outcomes for all pupils and in doing so provide good value for money.

AIMS

- To enable the Governing body to effectively fulfill its strategic responsibility for planning the use of resources
- To support educational developments through careful financial planning
- To effectively deploy staff, accommodation and learning resources
- To provide efficient financial control and school administration
- To monitor the cost effectiveness of the budget, using bench marking as appropriate
- To provide good value for money

SUMMARY OF TERMS AND STANDARDS

The responsibilities of the Governing body, its Committees, the Head and Staff should be clearly defined and the limits of any delegated authority established. Financial limits, such as agreed limits for Budget Virements and Journal Transfers will be stated in the Resources Committee terms of reference.

For clarity, the standards will refer to all areas of funding within the school, the principle of which are:

- Annual Budget – the budget delegated to the school by the LA for which the Head is assigned the ‘Budget holder’
- Delegated Budget – any budget delegated to a specific budget holder (by the Head) within the school
- Other Funds – any budget available to the school that is not delegated by the LA.

GOVERNING BODY

RESPONSIBILITIES

1. The Governing body is responsible for managing the annual budget delegated to the School by the LA and will conform to all financial regulations and procedures laid down by the LA.
2. The daily management of the School's finances will be delegated by the Governing body to the Head who will in turn involve such teaching or other support staff as he may feel necessary in the management of School funds.

FINANCE COMMITTEE

The Chair of the Finance Committee will have delegated authority to act on behalf of the Committee where appropriate. Any decisions would be reported and ratified as necessary at the next meeting of the Committee.

The Committee will have delegated authority to act on behalf of the Governing body as set out in Schedule A of the Committee's terms of reference headed "Financial Responsibilities". (Copy of terms of reference attached).

The Finance Committee will meet as provided for in the terms of reference.

EXECUTIVE HEAD

The Head is responsible for the day to day management of all School financial matters and shall liaise where appropriate with the Chair of the Committee.

ACCOUNTABILITY

The Head is accountable to the Governing body in respect of all financial decisions taken under delegated authority and will provide a report of decisions to the Finance and Personnel Committee.

ADMINISTRATIVE STAFF

Administrative staff are responsible to the Head for the day to day efficient utilisation of the established and approved financial procedures and transactions.

REGISTER OF PECUNIARY/BUSINESS INTEREST

All Governors and School Staff with financial responsibilities will declare any interest which they may have with any local suppliers of goods and services. This information will be held in a register of pecuniary/business interest. The Register **will** be reviewed annually and any new Governors or Staff with financial responsibilities will be added to the Register as necessary. A copy of the register will be held in the School Office.

ANNUAL BUDGET

The available budget should reflect the School's prioritised educational objectives, seek to achieve value for money and be subject to regular and effective monitoring.

The School will have a School Development Plan (SDP) which is a written statement of its aims and objectives which will be in sufficient detail to provide the basis for identifying school priorities and constructing appropriate budget plans. Links between the SDP and School Budget should be clearly noted and presented.

The School will seek to develop a medium term budget plan covering three years ahead of the current financial year and indicating the intended use of surplus (retained) resources in achieving its goals.

The Head will make proposals in consultation with the Chair of the Committee to allocate the annual budget together with any other planned or known income and expenditure that is seen fit in order to meet the requirements of the Schools' financial requirements and to ensure that the requirements of the national curriculum and school development plan are met.

The budget proposals will be considered by the Finance and Personnel Committee which will in turn make a recommendation to the full Governing body. The purpose of this is to ensure that adequate and detailed discussion is carried out prior to the budget proposals being considered by the Governing body.

Following the final approval of the budget it will be submitted to the LA by the Head and Chair of Governors on behalf of the Governing body in accordance with agreed timetables.

The Head will ensure that the allocation of the budget remains as agreed by the Finance and Personnel Committee. Virements are defined in the F and P Committee Terms of Reference and limits for the Head and F and P Committee shall be reviewed annually and included.

The Finance Committee will meet at least termly to monitor the school budgets.. The Committee will review and agree the termly financial monitoring report before it is provided to each meeting of the Governing Body. The Head should ensure that any expenditure committed but not yet paid and contingency funds are accounted for appropriately and the Finance and Personnel Committee are made aware of these in a timely manner.

The Head will take whatever steps are felt necessary to communicate budget and actual financial information to teaching and other support staff, particularly if any of these have delegated responsibility for any part of the budget.

The Head will ensure that LA imposed limits in, for example, capital expenditure are not exceeded and will keep the F and P Committee informed of any risks involved in this sector. The Head will liaise with the LA as necessary to ensure that all funds are obtained by the School and that any potential overspend in LA controlled items are authorised in writing by the Authority.

BUDGET PLANNING TIMETABLE

1. Oct/Nov - LA School Finance Officer to provide review of current year budget and draft commitment statement for next financial year

2. Oct /Nov - Performance Management Committee to review salaries and make recommendations to the Salaries Committee
3. Dec/Jan - LA confirm actual income delegation for following financial year. Budget proposals developed – spending needs identified in the context of the School Development plan
4. Jan - F and P Committee to consider initial position and issues likely to affect construction of budget. Recommendations to Governing body
5. Feb / Mar - Further review of current financial year and updated commitment statement for next financial year
6. Mar - Full Governing body agree draft budget subject to F and P Committee agreeing any last minute amendments
7. 30th May – Final draft of budget plan for F and P Committee to review
8. May / June - close down position confirmed - budget monitoring & review Commences
9. 30th June – LA deadline for signed final budget plans to be received. Once received budget will be entered onto SAMIS accounting system.

INTERNAL FINANCIAL CONTROLS

The School should establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.

Although the provision of internal financial controls is the responsibility of the Governors, the daily management of the control will be undertaken by the Head.

The Head will ensure wherever possible that financial control is not carried out by just one person and that there is where possible, a segregation of duties and that financial tasks are checked by a second party.

The School will maintain proper accounting records and ensure that all expenditure is supported by the appropriate documentation. All documents will be made available to auditors as appointed by the LA and will therefore be stored within easy reach until the completion of any audit and then will be kept in a secure location for such time as specified by the LA.

The Head will ensure that any payment made by the LA on behalf of the School has the correct supporting documentation, subject to the same audit and retention procedures as detailed above.

The books of account, all payments and receipts and supporting documents will be cross referenced to ensure easy checking and provide an adequate audit trail. The F and P Committee will appoint a Governor to carry out an annual check,

which may be of a random nature sufficient to satisfy Governors that correct procedures are being followed.

Only authorised Staff and nominated Governors will be permitted access to accounting records. The Head will retain a list of authorised users and staff that have access to accounting records.

Any alterations to original documentation such as cheques, invoices, orders and other vouchers will be made clearly, in ink and will be initiated by the Head.

The School may only open bank accounts with the authorisation of the F and P Committee. The Head will ensure that the necessary bank mandate is obtained and completed. The bank mandate will allow for a maximum of signatories, of which two will sign each cheque. The two signatories will be:

- the Head
- the Administrator

A copy of the bank mandate will be retained at the School.

INSURANCE

The School should be adequately insured against exposure to risks, including teaching staff sickness.

All identified risks will be reviewed annually to ensure that sums insured are commensurate with the risks. The risks insured will include third party liability, property, equipment and vehicles which may require insurance or any other alteration affecting existing insurance. The Head in consultation with the Chair of the Committee will liaise with the LA to be satisfied that adequate and effective insurance cover is provided for all risks and will ensure that Governors are aware of the insurance requirements and the cover provided.

The Head, Governors or any other representatives of the School will not give any indemnity to third party without the written consent of the insurers or the LA.

The Head will immediately inform the insurers and the LA of all accidents, losses and other incidents which may give rise to an insurance claim.

PROCUREMENT, TENDERING AND CONTRACTING REQUIREMENTS

Any contract that the School wishes to enter into shall be carried out in accordance with the contract rules contained in Part 4 of Shropshire Council's Constitution and the tendering procedures as detailed in the "Scheme for the Financing of Local Schools." A copy of the contract rules shall be kept in the School Office. The process to be followed for procurement and tendering is covered by the school's 'procurement, tendering and contracts policy'.

PERSONNEL

There should be efficient procedures for the administration of personnel matters including payroll which includes terminations and promotions as contained within the County Personnel Handbook.

The Governing body will ensure that a pay policy is established and that this policy allows for both external factors (such as national agreements) and the school budget.

The Head will ensure that as far as practical, the processes of completing, checking and authorising documents and financial claims related to personnel are not the responsibility of one person.

The Head will obtain monthly payroll reports and check them against the school records. Any discrepancies or subsequent changes will be notified to the LA immediately in writing.

SECURITY OF STOCKS AND OTHER PROPERTY

Stocks, stores and other assets should be recorded and adequately safeguarded against loss or theft.

The Head is responsible for the safe custody and control of cash and any other property belonging to the School.

The Head may delegate the control of stocks to teaching or support staff in line with the delegated budgetary responsibilities.

All high value portable items (e.g. videos, cameras, televisions, computers etc.) will be securely stored when not in use and the School will keep a record of the make, model and serial number within the official inventory. In addition such items will be identified with security marking as belonging to the School.

COMPUTERISED SYSTEMS

If the school uses computers for administrative purposes, it should be registered under the Data Protection Act.

All data is backed-up offsite by SITSS and so protected against loss.

The Head will ensure that the school is registered under the Data Protection Act and that the registration is renewed as appropriate.

Only authorised staff will have access to administrative and accounting computer systems which will be protected by a password. Passwords will not be disclosed and will be changed regularly.

Only authorised software will be used in order to prevent viruses being imported.

ORDERING GOODS AND SERVICES

Numbered orders processed via SAMIS accounting system are used for all goods and services except utilities, e.g. gas, water, electricity and annually renewable service level agreements with the LA.

Where urgency requires a verbal order, this is followed up by a written confirmatory order clearly marked 'Confirmation of Verbal/E-mailed Order'. These duties are performed by administrative officers.

Only official order forms are used and they are securely retained when not in use.

Orders are used only for goods and services provided to the school and not to private use.

Copies of all orders are retained under appropriate headings.

Orders are signed/certified by the 'Senior Teacher' and then countersigned by the Headteacher.

Tracking of accurate identification of expenditure already committed, i.e. orders placed for payments yet to be made, is undertaken by administrative officers via the Samis system.

Delivery of Goods

When delivery of goods occurs the goods are checked via:

- (a) goods versus delivery note – Assistant Administrator.
- (b) goods versus order – Assistant Administrator.

Goods are then placed in the appropriate storage area.

Invoicing of Goods/Services Received

On receipt of the invoice, this is checked against the order for goods received and correct prices. Invoices not quoting order numbers should be investigated with the supplier.

Invoices are processed via the Samis system regularly. The LA system ensures goods cannot be invoiced twice against the same order number. When invoices are processed, the VAT is checked where applicable.

Original invoices are kept in the office and authorised online by the Head within two days.

N.B. It is important to note that the procedures do not allow for one individual to:

- (a) sign and place the order.
- (b) check the receipt of goods.
- (c) authorise the invoice.

INCOME

Income is usually either:

- School Budget income
- Private School Fund or Nursery income

School Budget Income

Main examples of School Budget income are funds delegated by the LA or DoE (Pupil Premium and Universal Infant Free School Meals), Parental voluntary contributions and private photocopying.

All income that is not directly transferred onto the SAMIS accounting system shall be recorded in an office day book and signed by the payee to agree the amount paid.

When income is received into school and is to be allocated to the school budget, this income is treated in the following way:

School Dinner Money

Parents are encouraged to pay by cheque payable to Shropshire Council or cash on a weekly basis. The office staff shall keep a record of pupils eligible for free school meals. Total cash received is placed into the safe and collected by Securicor.

Private School Fund

Monies are paid into the account for:

School Uniform, School trips, Theatre Company visits, Book Fairs, Charities, donations and photographs, etc.

Money is received and logged in the Office Daybook, recorded onto a spreadsheet on the computer and paid into the appropriate bank. A receipt is issued via the text messaging service.

All invoices and reimbursements are paid by cheque. A statement of the School Fund Account will be audited and presented to the governing Body on an annual basis..

Other Funds

- Music lessons – income may be passed to the school office and banked into budget.

Imprest Account (petty cash and nominal expenditure)

The amount of Imprest to be held is agreed with the Treasury Services at Shropshire Council.

Sundry purchases – must be accompanied by a receipt (VAT where applicable should be noted). Staff are reimbursed by cheque. Purchases should only be made where the Head is aware that funds are available and where invoicing is not an option.

The Imprest account is recorded in Samis. When reconciled the County Treasurer will reimburse direct to the Natwest Bank. Statements from the Natwest Bank are received monthly and are checked against the Imprest cheque book.

The Head, as Account Holder, should authorise the imprest re-imburement claims. In addition, periodic management checks of the account should be evidenced by signing and dating the records examined, e.g. claims and bank statements.

BUYBACK (REPAIR AND MAINTENANCE FUNDS HELD BY LA)

Statements of the school buyback accounts should be made available by the LA quarterly. The surplus or deficit on this account remains the responsibility of the school. The F and P Committee should be given the latest available balance of the account at each meeting and in the occurrence of an overspend a plan for meeting this liability should be discussed. The school can request the return of any account surplus but will only consider this if the balance is deemed excessive.

AUDIT

The schools accounts will be audited in accordance with the terms set by the LA. The audit report will be considered by the F and P Committee at its meeting following receipt of the report. An independent audit of the School and Nursery Fund Accounts shall be undertaken annually and presented to Governors/parents. A half yearly statement of the Fund accounts will be submitted to the F and P Committee.

DEVOLVED FORMULA CAPITAL

Responsibility for managing this budget shall rest with the Head who will report to the Safeguarding and F and P Committee on its use. An annual statement of the amount spent and the projects funded shall be made to the summer term meeting of the F and P Committee.

Reviewed & Amended by the F and P Committee October 2017

CLIVE CE PRIMARY SCHOOL SCHOOL

FINANCE AND PERSONNEL COMMITTEE

The main functions of this committee are to consider and monitor:

- the school's budget;
- the staffing establishment and staff appointment procedures.

1. TERMS OF REFERENCE

The committee's responsibilities for financial matters are set out in Schedule 1.

The committee's responsibilities for general personnel matters are set out in Schedule 2.

2. MEMBERSHIP

- a) The membership of the committee shall be:
 - at least three governors
 - the head (ex officio)
- b) Except for the head, members shall be appointed annually at the autumn term meeting of the governing body.
- c) Should a vacancy arise, a successor shall be appointed by the governing body at its next meeting following receipt of the resignation, and members so appointed shall serve until the next annual review.
- d) The committee or the governing body shall appoint the chairman/chair.

- e) The governing body will appoint the clerk who shall not be the headteacher.

3. **QUORUM**

The quorum for any meeting of the committee shall be three.

4. **MEETINGS**

- a) The committee shall meet as and when necessary to fulfil its responsibilities, provided it shall meet at least once in every term.
- b) Meetings of the committee will be called by the clerk and seven days' notice will be given with an explanation of the purpose of the meeting.

5. **PROCEEDINGS**

- a) The committee shall be conducted in accordance with the School Governance (Procedures) (England) Regulations 2003 and with any other regulations, amendments or directions as may be issued from time to time.
- b) Minutes shall be kept of each meeting and shall be presented to the next meeting of the committee for approval and signing. A copy of the minutes shall be submitted to the next meeting of the governing body.
- c) Any recommendations shall be submitted to the next meeting of the governing body for consideration and approval.
- d) The minutes shall be kept in a separate minute book.

SCHEDULE 1

TERMS OF REFERENCE - FINANCIAL RESPONSIBILITIES

1. To receive reports from the head on the management of the school's budget.
2. To submit to the governing body at the summer term meeting each year a report on the management of the school's budget in the previous financial year.
3. To prepare and submit to the governing body recommendations for the annual budget plan.
4. To monitor expenditure against the budget plan, to take any action which might be necessary to avoid an unplanned deficit and to report any such action to the next meeting of the governing body.
5. To consider and approve proposals for single items of expenditure in excess of £2,500 which form part of the budget plan.
6. To consider and make recommendations to the governing body on proposals to vire a sum exceeding £2,500.
7. To recommend to the governing body proposals for the use of any budget surplus, including investment.
8. To prepare any other statements of school accounts as may be required.
9. To enter all required financial information on the school website.
10. To deal with any other financial matters which the governing body may refer from time to time.

SCHEDULE 2

TERMS OF REFERENCE - PERSONNEL RESPONSIBILITIES

1. To undertake an annual review of the staffing establishment of the school and to recommend to the governing body an establishment for the following year so that proposals can be incorporated in the school's budget plan. Where it is proposed that there will be a reduction or restructuring of the staffing establishment, to ensure that the appropriate staff consultation process is followed.
2. To recommend to the governing body and keep under review procedures for the appointment of staff (except for the head and deputy which are prescribed in Section 2 of the School Staffing (England) Regulations 2009 or such later statute) which are compatible with regulations and DfES guidance and to maintain a list of governors available to sit on interviewing panels when required.
3. To receive reports from the head on the management of the school's staffing establishment and on general personnel issues.
4. To consider and make recommendations on the introduction of or amendments to personnel policies and procedures.
5. To determine requests for discretionary leave of absence outside those provided for in the Personnel Handbook where this responsibility has not been delegated to the head.
6. To deal with any other personnel matters which the governing body may refer from time to time except those which are the specific responsibility of a separate committee.
7. To keep continually under review leadership development within the management structure of the school and to ensure that the appropriate opportunities for CPD are available and encouraged.