

Duddon Saint Peter's School



Finance Policy

AIMS

The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties, can exercise financial management and stewardship in an efficient and effective way.

OVERALL MANAGEMENT RESPONSIBILITIES

The Governors will manage their affairs in accordance with high standards of Public Sector administration, based on:

- Openness – open approach to all interested parties in the disclosure of information, that lends itself to necessary scrutiny.
- Integrity – this is best described as both straightforward dealing and completeness.
- Accountability – the process whereby individuals are responsible for their actions and decisions.

Governors will have regard to: -

- School Financial Value Standard
- Advice and guidance relating to the financial performance of schools arising from the work of OFSTED, Internal Audit, the Audit Commission and other interested parties.

FINANCIAL POLICIES AND PROCEDURES

The Governing Body recognises the importance of clearly defining the roles and responsibilities of its committees, the Head teacher and other staff. The terms of reference for the Governors' Finance Committee are laid out in a separate document.

The finance committee of the Governing Body will decide how to spend the budget allocated within the LA's scheme of delegation subject to:-

- Any conditions in the LA's scheme to protect its legal duties;
- The budget only being spent for the purposes of the School.
- The Governing Body has delegated authority to the Finance Committee to authorise spending.
- Approval of the Budget agreed by the Finance Committee is required by the Governing Body.
- The Finance Committee to authorise virements from one budget heading to another as is stated in the Manual of Internal Procedures (MIFP) scheme of delegation. Beyond this level the approval of the full Governing Body will be required. Any such

virements will be recorded and reported for information to the next full Governing Body.

- The following officers to authorise spending on any one order up to the sums specified. Beyond this limit the approval of the full Finance Committee or Governing Body will be required. (as in MIFP scheme of delegation)
- The Head teacher to authorise virements from one budget heading to another.
- Staff to sign documentation in accordance with the staff signing/approval list and authorised signatory list.

Head teacher's Financial Responsibilities

The Head teacher is responsible to the Governing Body for ensuring the effective operation of the finance function. The Head teacher will ensure that: -

- The roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions will, as far as is practicable, be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist.
- Financial Regulations for Schools are adhered to.
- Systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff.
- Appropriate documentation and records of transactions are maintained to specified standards.

The School Planning Process

The Governors recognise the importance of long term planning and require a school development plan covering up to 3 years to be submitted annually for approval. This will be prepared by the Head teacher.

Budget Management

The Head teacher is responsible for preparing the annual revenue budget in sufficient detail to conform with LA requirements and to enable the effective management of the available funds by the Governing Body, which is responsible for ensuring that total forecast expenditure does not exceed the available funds. To ensure this can be done, the Head teacher will provide regular reports (at least termly) to the Governing Body. As a minimum standard the Governors expect to see: -

- A separate budget monitoring statement for each of the funds provided by the LA.
- The statement should show a comparison of expenditure to the approved budget.
- Expenditure should be broken down into those sums actually spent, sums already committed and the amounts of expenditure which are planned but to which the school is not yet committed.
- The statements should show, as accurately as possible, the forecast year end position.
- A written report should accompany financial statements providing details of major variations and highlighting areas of uncertainty. The report will also show virements made between budget headings and show the latest forecast pupil numbers and the financial implications of any revised forecasts.
- It is essential that reports produced are accurate as far as reasonably possible. The Head teacher is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial

reports must ensure that they take appropriate steps to guarantee the reliability of the information.

- The Head teacher may delegate responsibility for elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the school as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Head teacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.
- Governors and the Head teacher will periodically review the provision of financial information to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative information.

Insurance

- The Head teacher will review the insurance needs of the school annually and ensure that specific arrangements remain appropriate. Following the approval of the Governing Body, the Head teacher will ensure the agreed arrangements are in place.
- The Governing Body will periodically consider whether to insure risks that are not covered by an existing policy. The cost of premiums for any additional cover should be met from the School's budget share.
- The Head teacher will be responsible for ensuring that Governors are made aware of all new risks, and all incidents which may give rise to an insurance claim (e.g. accident, theft etc) should be reported immediately to the insurers.

Computer Systems

- The Governors recognise the importance of protecting computerised financial management systems and the data held therein. The Head teacher will ensure that the School and Governing Body is registered in accordance with the Data Protection Acts 1984 and 1998.
- The Head teacher will ensure that effective backup procedures are in place and that all back-up data is secure.
- Access to school management computer systems will be limited to authorised staff. These staff will use passwords which should not be disclosed and should be changed regularly. Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

Purchasing

The Governing Body aims to achieve best value for money from all its purchases. The Head teacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with Financial Regulations for Schools.

Value for Money

- Written competitive quotations will be obtained for expenditure exceeding £1000 (as detailed in MIFP scheme) and the Head teacher will obtain quotations for expenditure not exceeding this sum unless exceptional reasons prevent this. At least three written competitive quotations will be obtained for expenditure exceeding

£1000 (as in MIFP scheme), unless exceptional reasons prevent this, and procedures for advertising, submission, receipt and opening and recording of tenders must conform with the principles of CWAC's Standing Orders. In exceptional circumstances, the prior approval of the Governing Body will be obtained where quotations or tenders are not sought.

- Purchases over £25,000 will be made under a written contract in a form approved by CWAC's Head of Legal Practice and will conform to the requirements of the Standing Orders.
- The Head teacher has delegated authority to accept the lowest quotations for all expenditure below £10 000 (as in MIFP). In instances where the lowest quotation is not accepted this should be reported to the Leadership & Management Committee and the reasons for the decision recorded in the minutes of the meeting. For quotations above £10,000 (as in MIFP) the approval of the Finance Committee must be sought.

Orders for Goods and Services

- Orders will be raised by the Administrative Assistant through Oracle on receipt of a requisition signed by the appropriate budget holder and authorised by the appropriate person in accordance with the scheme of delegation. Any telephone or verbal orders, which must be supported by a requisition, must be confirmed by a written order not later than the next working day. The requisition form should be retained with the copy order. The purchase of resources by a member of staff must be approved and authorised by the Head teacher, prior to purchase. The cost of these resources must not exceed £25.00. Reimbursement for expenditure will be made through a payroll transaction, on completion of a Claim for Expenses form.

Payment of Accounts

- Invoices will only be paid when the budget holder has shown approval that goods and services have been received and are of the quality expected.
- Payment should be made within reasonable time limits and discounts taken for quick payment where appropriate, ensuring that the Authority has paid the invoice within 30 days of receipt.

Personnel and Payroll

- The Head teacher will, where possible, allocate duties to ensure that an appropriate division of duties exists in the area of completing, checking and authorising of all documents and claims relating to appointment and termination of employment and expenses.
- Payroll transactions will be processed only through the payroll system.
- Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism. Payroll transactions relating to CWAC employed staff will be processed against a fund provided by the Authority and not a voluntary unofficial fund.
- The Governing Body has delegated to the Head teacher authority to approval honoraria and gratuities subject to an annual report to the Governing Body of such payments.

Security of Stocks and Other Property

- The Head teacher is responsible for the care and custody of all assets within the School and will maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment, keys and cash.
- The Head teacher will ensure that inventories are maintained in accordance with School's Financial Regulation and in a format provided by the LA.
- Inventories will be checked at least annually and any discrepancy shall be investigated.
- The Governing Body will be informed of surpluses and deficiencies revealed by an inventory check.
- Safes and similar storage facilities will be kept locked and the keys removed to be held by the key holder who will be nominated by the Head teacher. Normally keyholders will carry keys on their person and keys must not be left on the premises overnight except in another safe.
- A list of keyholders will be maintained by the school and loss of any keys must be reported to the Head teacher.

Income and Banking Arrangements

- The Head teacher is responsible for the correct accounting of all income due to, and cash collected by, the school. Where possible, the Head teacher will ensure that the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums.
- Where invoices are to be raised, the school will do so promptly using authorised arrangements. Where cash is collected, whether it is due to a fund provided by the LA or an unofficial fund, a receipt will be issued or, in agreed circumstances, collection listings will be used. The receipt books will be those approved by the LEA.
- Cash and cheques collected will be locked away until the time of banking. Income collected will be banked in its entirety as promptly as possible (usually weekly) and will not be used to cash personal cheques or for other payments (other than the official imprest).
- Sums received will be reconciled to the sums banked and to CWAC to ensure that sums banked to the PCC bank account are correctly attributed to the school.

Charging and Remission of Fees

The Governing Body will determine charging and remission policies annually on the basis of recommendations put forward in a written report by the Head teacher. The policies adopted will be based on the guidance issued by the Authority.

Banking Arrangements

The Head teacher is responsible for ensuring arrangements operated are in accordance with procedures specified by Financial Regulations for Schools (*and if relevant the Local Payments Scheme*).

Lettings

The letting of School Premises and Grounds should always be subject to a formal contract. A detailed lettings policy together with charges is regularly reviewed.

Amounts to be written off

The Governing Body may write off any debt where the income would have been credited to the School's Budget Share.

School Fund

- The Governing Body is responsible for the school's voluntary unofficial fund. Although the voluntary unofficial fund is not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the Governing Body.
- The objectives of the school fund are to enable the School to function financially with funds not normally allocated by the LA. This includes income received from a variety of proper sources and payments made for the purchase of educational goods, for staff and pupil welfare and the provision of services outside the scope of the budget share.
- The Governing Body approves the operation of the school fund, which will be administered in accordance with the recommendations noted in the manual for the Management of Voluntary Unofficial Funds, as issued by the LA.
- The accounts are to be maintained within the constraints of the Fund objectives.
- Auditor(s) will be appointed annually by the Governing Body to conduct an audit of the fund accounts in accordance with the Fund Objectives and as recommended by CWAC's Head of Finance. The preparation and delivery of the audited accounts and report to the Governing Body will be within three months, if possible, of the fund's financial year.
- Bank Accounts are to be maintained – official funds in LA account with Co-operative Bank; School Fund.

Operational policy and procedures

- A minimum of two signatures is required on Fund Cheques.
- A formalised monthly reconciliation statement to all cleared bank balances is available to be presented to the Finance Committee if and when required. The Head teacher should sign the statement as correct.
- All income is to be properly receipted.
- Expenditure must be supported by proper invoices or vouchers, which must be retained for a minimum of 6 years.
- All items of expenditure will require the Head teacher's signature.
- Items of expenditure in excess of £10 000 (as detailed in MIFP) will require approval by the Chair of the Finance Committee.
- Wages, honoraria, loans or ex-gratia payments are not to be made from the School Fund. However, gifts (not cash or cheques) may be given up to a maximum of £25 with the prior approval of the Governing Body.

Governors' Expenses

The policy relating to Governors' Expenses will be approved annually and, if payable, will be in accordance with the LA scheme.

Register of Business Interests

The Governing Body will maintain a register that lists for each member of the Governing Body and staff, any business interests held by them or by any member of their immediate family. The Clerk to the Governors is responsible for the maintenance of the register by effecting changes as notified, conducting an annual review of all entries and making the register available for inspection by Governors, staff, parents and the LA.

APPENDIX

STAFF SIGNING / APPROVAL

Head teacher
Admin Officer

Requisition for goods / services

Authorising Requisition per scheme of delegated authority
Input and authorisation of order under OracleLRM
Orders electronically approved by Head teacher & held on Oracle system
Receiving goods
Verification that goods received agrees with delivery note and original order
Approving invoice for payment prior to entry under Oracle LRM
Input of invoice under Oracle LRM
Approval of invoice under Oracle LRM

Supply staff approval

Approval of supply staff payments listing prior to transmission
Transmission of supply staff payments
Authorisation of staff travel claims

APPENDIX

SIGNATORY LISTINGS

Staff authorised to certify requisitions and sign orders
Staff authorised to certify payments (as notified to Head of Finance)
Staff authorised to sign Local Payment Account Cheques
Staff authorised to sign School Fund Cheques

Date: *May 2017*

Date of review *Summer 2018*