



# NORTHSIDE Primary School

## Financial Management Policy

Last review: February 2023

Ratified: February 2023

Review: February 2024

### Rationale

The school seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. Practices described arise out of the implementation of Fair Funding employed here since April 1999 under Section 48 of the Schools Standards and Framework Act 1998, and it conforms to Contract Standing Orders.

### Key Principles

- The responsibilities of the Governing Body, its committees, the head and staff should be clearly defined and the limits of the delegated authority be clearly established.
- The budget should reflect the school's priorities and educational objectives, seek to achieve value for money and be subject to regular and effective monitoring.
- The school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme for Financing Schools'.
- The school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions.
- The school should be adequately insured against exposure to risks.
- The school should be registered under the Data Protection Act of 2018 and all data protected against loss, in line with the UK's implementation of the General Data Protection Regulation (GDPR).
- The school should ensure that the purchasing arrangements achieve the best value for money.
- There should be efficient procedures for the administration of personnel matters.
- Stocks, stores and other assets should be recorded, inventoried and adequately safeguarded against loss and theft.
- All income due to the school be identified, registered and banked promptly.
- The school should properly control the operation of bank accounts and reconcile bank balances and accounting records.

### Northside Values

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|-------------------|---|
| <b>RESPECT</b>    | to value our needs, beliefs and each other  |
| <b>PRIDE</b>      | to have confidence in our abilities and celebrate success                             |
| <b>INCLUSION</b>  | to work together with families and our diverse community to become life-long learners |
| <b>CHALLENGE</b>  | to have high expectations of ourselves so we achieve our best                         |
| <b>CREATIVITY</b> | to creatively express our feelings and ideas  |
| <b>RESILIENCE</b> | to develop life skills so we fulfil our potential                                     |

## **In Practice**

The Governing Body will convene at least once a term. The Governing Body will apply the principles of best value to all financial and school dealings. To ensure the most effective, economic and efficient means available, the governing body will, wherever possible and necessary:

- challenge how and why a service is provided (including consideration of alternative providers)
- compare performance against other schools taking into account the views of parents and pupils
- consult with stakeholders especially parents and children
- compete to secure efficient and effective services

### *Role of the Governing Body*

- Responsibility for overall financial management of the school
- Ensure that the school meets all its statutory obligations
- Plan the budget and delegate responsibility to budget holders
- Delegate the management of the budget to the resources committee and to receive reports on a termly basis
- Delegate the day to day management responsibility powers to the headteacher
- Ensure the requirements of the London Borough of Barnet's Scheme for Financing Schools and associated guidance are met
- Ratify policies drawn up by the relevant committee
- Ensure the principles of best value are considered at all times
- Ratify and approve the school budget
- Monitor the budget through reports produced by the headteacher
- Authorise virements in excess of £10,000 for individual budget headings
- Approve expenditure on major capital projects (above £6000) and to ensure headteacher has sought LA approval before proceeding
- Ensure appropriate insurance cover for the school is obtained
- Ensure audit recommendations are implemented
- Adopt the Whistleblowing Policy detailed in the Schools Financial Regulations
- Approve and authorise leasing agreements
- Follow deficit budget procedures as set out in the 'Scheme For Financing Schools'
- Delegate the completion and approval of the Schools' Financial Value Standard to the finance committee
- Agree a policy for gifts and hospitality

### *Role of the Resources Committee*

It is the responsibility of the Resources Committee to follow the terms of the reference agreed by the Governing Body as follows:

- Ensure that all Governing Body and other Committee decisions are based on raising the achievement of pupils
- Provide guidance to the Governing Body and the headteacher on all issues relating to finance and staffing
- Ensure that the staffing levels in school reflect the needs of the children and support the School Improvement Plan (SIP)
- Prepare and review policies giving consideration to the planning and resources of the school in line with the School Improvement Plan (SIP)

- Consider and approve a provisional budget upon receipt of the allocation from the LA for consideration by the main Governing Body
- Establish and maintain an up to date medium-term financial plan (3-year budget projection) in consultation with the headteacher that reflects the SIP
- Monitor the income and expenditure in conjunction with the headteacher and report to the Governing Body on a termly basis
- Agree the level of delegation of the headteacher for the day to day running of the school
- Authorise write-offs and disposals of stock
- Ensure that a register of business interests is put in place and all governors and staff to provide details on an annual basis
- Review and respond to reports by audit on the effectiveness of the financial procedures and controls
- Annually review fee policy, including lettings charged, remissions and expenses policies
- Ensure that the school obtains value for money when purchasing goods and services from all suppliers including the local authority and outside contractors
- Consider and approve the authorised signatories
- Approve variations in planned spending
- Approve and authorise leasing agreements
- Produce and review the Financial Management Policy on an annual basis
- Maintain minutes of Resources Committee meetings that may be open to a full Governing Body meeting
- Maintain confidential minutes that will have limited access
- Submit a full report to the Governing Body once a term
- Follow deficit budget procedures as set out in the 'Scheme For Financing Schools'
- Evaluate the soundness and effectiveness of the school's financial management systems against the Schools Financial Value Standard
- Ensure that the Pupil Premium received by the school is spent on raising the attainment of children on free school meals
- Identify sources of funding or grants for the school to pursue

#### Premises matters:

- The Resources Committee will be informed of the schedule of regular maintenance work and tenders for capital programmes
- Monitor any capital programmes

#### Staffing matters:

- Review staffing policies including Pay, Recruitment, Selection, Disciplinary and Grievance procedures and make recommendations to the Governing Body
- Assist with the appointment of staff in accordance with agreed procedures
- Be actively involved in any disciplinary procedures
- Review the staff salaries annually in line with legislation and make recommendations to the Governing Body – via Pay Committee
- Set and review performance targets for the headteacher – via the Head Teacher's Appraisal Committee
- Ensure that staff are correctly and fairly appointed
- Check the arrangements for staff appraisal/performance management are in place and being developed

### *Role of Headteacher*

Although the headteacher retains ultimate responsibility the office manager, deputy head and the Finance Liaison Officer (FLO) work in partnership in all matters relating to finance.

- Leading and managing the creation of a strategic plan, underpinned by sound resource planning and which identifies priorities for targets for ensuring that pupils achieve high standards and make progress; increasing teachers' effectiveness and securing school improvement
- Ensuring effective implementation of the financial systems and procedures described in the Financial Management Policy
- Adhere to the principles of best value at all times
- Ensure that arrangements for staff appraisal/performance management are in place and being developed
- Prepare budget estimates in conjunction with members of the Resources Committee
- Submit details of the approved budget to the LA by the required deadline
- Submit any approved budget revisions to the local authority at least on a quarterly basis
- Ensure that the financial information provided to the Governing Body and Resources Committee meets their requirements: they are timely, accurate, understandable, etc
- Advise the Resources Committee on spending priorities
- Ensure that school expenditure reflects priorities in the School Improvement Plan including plans for money held in reserve for future projects
- Implement expenditure in line with the school budget
- Manage the budget and ensure that the budget limits are not exceeded
- Make virements where necessary up to the value of £10,000 for individual budget headings
- Consult the Resources Committee on virements in excess of £10,000
- Monitor the budget monthly or more regularly if appropriate using reports issued by the finance liaison officer
- Ensure budget holders receive regular reports and that their budgets are not overspent.
- Authorise expenditure on a day to day basis in line with the budget and to submit for coding.
- Monitor income and expenditure from specific grants and to ensure that the eligibility criteria for the spending are met
- Submit reports to the Governors giving details of income, expenditure and commitments to date
- Sign cheques (two signatures are required on all cheques over £500). The additional signatories will be the deputy head or assistant head
- Ensure that the School Budget Share Account does not become overdrawn
- Authorise any overtime/extra duties/supply claim forms
- Monitor salary expenditure with the finance liaison officer, making use of the statement of accounts produced by the LA
- Follow up and pursue outstanding queries
- Keep up to date with financial rules and regulations
- Follow deficit budget procedures as set out in the 'Scheme For Financing Schools'
- Notify the auditors immediately of any suspected irregularity
- Ensure that the auditors have access to such premises, documents and assets as they consider necessary
- Consider and respond to recommendations in audit reports and report to the Governing Body results and any action taken by the school
- Ensure audit recommendations are implemented

- Inform the Resources Committee of any staff changes
- Ensure the online banking procedures are up to date
- Ensure that a Credit Card Policy is in place
- Ensure the segregation of duties at all times
- Identify sources of funding or grants for the school to pursue

#### *Role of Teaching and Non-Teaching staff*

Strategic SLT will propose an annual budget for curriculum development, in line with whole school key priorities. The Governing Body will approve this budget at the time when the final budget for the school is set. Subject leaders will seek approval for expenditure from the headteacher, making clear how the expenditure links to areas of development on the SIP.

The admin assistant is responsible for ordering any consumables.

Approval must be sought from the headteacher to obtain items prior to purchase. A valid VAT receipt/invoice must be obtained before reimbursement can be made. Additional funding will need the approval of the headteacher before proceeding.

#### *Role of the Caretaker*

- May attend the Resources Committee when it discusses premises issues
- Order materials and equipment needed for basic building repairs and maintenance
- Place orders for cleaning materials and toilet requisites
- Carry out minor building repairs and claim overtime as appropriate
- Arrange that portable electrical appliance testing is carried out annually
- Support the Headteacher in formulating, monitoring, implementing and reviewing the school's Health & Safety Policy, incl. Risk Assessment procedures and Critical Incident Plan.

#### *Role of the Finance Liaison Officer (FLO)*

- Assist the headteacher to prepare the annual budget based on realistic estimates of expenditure and income, including assumptions underpinning the budget
- Assist the headteacher in preparing regular reconciled monitoring reports, showing expenditure and income against the approved budget
- Work closely with the headteacher on budget preparation and monitoring
- Ensure that there are sound internal financial controls for the reliability and accuracy of school's financial transactions
- Check all records relating to school finance
- Provide financial advice
- Monitor salary expenditure making sure of the statement of accounts produced by the payroll provider.

#### *Role of the Office Manager*

- Ensure that there are written descriptions of financial systems and procedures which are kept up to date; and all appropriate members of staff are trained in their use
- Write and sign official order forms once authorised by the headteachers. Budget holders may also write orders
- Oversee the collection of income from school trips and charitable collections
- Oversee the collection of dinner money payments, chase outstanding debts and seek authority to write-off long outstanding debts
- Develop and maintain day to day personnel procedures.
- Alongside the headteacher manage and promote lettings of the school building and ensure that appropriate documentation is in place

### *Role of Admin Assistant*

- Maintain stock levels for office stationery
- Date and sign delivery notes on receipt of goods. If it is not possible to check them the delivery note must be marked 'unchecked' in order that a detailed check can be carried out to ensure accuracy
- Maintain postage stamp book
- Prepare paying in slips for school income
- Bank income from school trips, charitable collections, donations and dinner money payments in the main school account with the exception of online payments

### *Role of Finance Assistant*

- Maintain accurate and up to date accounting records
- Commit official orders on RM Finance
- Process the official orders
- Follow up any queries relating to the orders
- Process invoices, stamp and complete the Certification Stamp for payment
- Prepare BACS and pass the relevant documentation to the Headteacher for signing
- Keep RM Finance software up to date
- Produce monthly monitoring reports for the headteacher and governors
- Reconcile computer accounts to the LA Reports on a monthly basis in liaison with the School Finance Liaison Officer.
- Provide LA with details of income and expenditure and statements of bank reconciliation on a monthly basis by the required deadline
- Raise and follow up queries as necessary
- Prepare and process virements in conjunction with the headteacher as necessary
- Ensure that the budget codes are not overspent and to take corrective action where necessary
- Ensure VAT Regulations are complied with
- Be responsible for the back up system for the RM Accounts Package
- Monitor all grant income and expenditure
- Make the necessary grant budget adjustments as and when allocations are reviewed
- Ensure an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa
- Provide the LA with grant reports as necessary
- Prepare year-end returns by required deadline
- Ensure opening and closing balances reconcile to LA Accounts
- Complete Taxes Management Act 1970 Returns by the required deadline
- Ensure that the financial records are maintained to an auditable standard
- Ensure the segregation of duties at all times
- Ensure that the online banking procedures are adhered to
- Ensure that the School Budget Account does not become overdrawn
- Monitor expenditure charged to the school and correct any errors
- Ensure the school holds up to the value of balances brought forward (Revenue plus Capital) in the Reserve Account to earn maximum interest

### *Register of Business Interests*

The Governing Body will establish and maintain a Register of Business Interests for governors, the Senior Leadership Team (SLT) and Administrative staff (and their immediate families) following guidance issued by the LA. This will be reviewed annually. This duty in respect of SLT and the Administrative staff is delegated to the Headteacher.

### *Authorised signatories*

The authorised signatory list is to list members of staff to be authorised for finance functions. This will be annually reviewed and approved by the Resources Committee

### *Minutes*

Minutes are taken at all governing body and committee meetings, duly circulated and agreed. The minutes are accurate and include all the necessary information; clearly documenting issues discussed, items agreed and action to be taken.

Committee minutes are presented at the next governing body meeting, where they will be agreed as a true record and provide an update for the full governing body.

## **Budgets**

### *Budget administration*

- The School Budget is linked to the School Improvement Plan, which is drawn up by the SLT, staff and governors. The SIP covers the school's educational priorities and the budget plans for at least three years, showing how the use of resources is linked to the achievement of the school's goals.
- The draft budget is prepared by the headteacher, scrutinised by the Resources Committee (as delegated by the full GB) and approved and ratified by the full governing body. When this has been completed the headteacher will administer the budget and monitor it regularly.
- The headteacher will check the statements of accounts sent by the LA monthly and any errors and omissions will be notified to the LA for correction
- The headteacher produces budget monitoring reports for the Resources committee termly, showing income and expenditure against budget. The monitoring report identifies significant variances between the actual income/expenditure and budget. The reasons behind these variances are investigated and documented; corrective action is taken as appropriate and recorded.
- The allocation of funding is split into two main categories, Revenue and Capital. The revenue is sub-divided into three sections i.e. employees, premises and supplies and services
- The school also receives an allocation for grant funding and any changes to the allocation are implemented on a regular basis
- The headteacher will ensure that eligibility criteria are met when spending grant allocation
- The Resources committee must approve the use of monies held in reserve
- The headteacher is authorised to vire between budget headings amounts of up to £10,000. The chair of governors, before implementation, approves any virements above this limit. These virements are then reported to the Resources committee.

### *LA Financial Regulations and Standing Orders*

- The school operates within the limits of its delegated budget and abides by the Authority's Contract Standing Orders
- The school bank accounts will not be overdrawn
- Audit recommendations will be implemented

- All checks of opening and closing down of accounts and reconciliation to Key Solutions are carried out by the finance assistant and finance school's support officer who acts on behalf of the LA Director of Finance
- The school will not authorise charge/credit/debit cards from the School's Budget Share Account
- The school will make no gift or payment in cash or kind

### *Best Value*

The governing body has regard to the principles of best value when making decisions about how the available resources to the school are utilised.

### *Internal Financial Control*

To ensure financial control, designated personnel are authorised by the Chair of Governors

- Authorised signatories are as per the authorised signatory list
- Subject team leaders submit their orders on internal order forms, which are authorised by the headteacher and coded. Official orders are written by budget holders and or admin support, signed by the office manager, dated and processed i.e. emailed to the supplier
- Official orders delivered during the school holidays or at other times when the school office staff are unavailable are signed by the Caretaker.
- When goods arrive they are checked against delivery notes and official orders by the office staff or by budget holders. Any queries relating to deliveries/orders will be dealt with by the budget holders or office staff.
- All invoices are signed and dated by office staff. These invoices are recorded on RM Accounts package.
- BAC payments are prepared by the finance administrator and passed together with all relevant documents to the authorised signatories
- The headteacher is aware of book-keeping procedures
- Designated personnel involved with financial documents including cheques, invoices, orders and receipts are aware that alterations should only be made in ink
- Documents relating to finance are kept for a period of six years plus current working year
- All accounting records are kept in an alarmed school office. The chequebooks, receipt books, bankline cards, credit cards and unused official orders are locked in the safe/filing cabinet
- An audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa ensuring segregation of duties
- Only authorised staff will have access to school accounting documents and accounting package
- Monitoring of payroll information and raise queries where appropriate
- Debts will be written off only in accordance with the LA regulations and the school will keep a record of all sums written off
- Clear procedures are in place and are adhered to in relation to online banking

### *Accounting system*

All the financial transactions of the School must be recorded on the RM Finance accounting system. The RM system is operated by the Finance team and includes the following key elements:

- Income
- Purchasing
- Payments

- o Payroll
- o Assets
- o Bank Accounts

#### Accounting for 'Other' Income using School Cash Office

The School uses School Money Cash Office (SCO) via Teachers2Parents to deal with the collection of income. This system is set up for access by all Office staff. The office manager is responsible for the day to day management of the SCO system.

The Finance Assistant is the only school employee who has access to RM Finance and is responsible for overseeing this system and for producing reports for the head teacher and the Governing Body. This process is monitored by the school's Finance Liaison Officer.

Detailed user guidance can be found at <http://www.teachers2parents.co.uk> or telephone number is 0845 388 5510.

For parents and carers, the system asks you for your mobile number and email to enter the system, a password is generated when a payment request is sent.

#### *Insurance*

- The school is insured through London Borough of Barnet. Schedules of cover issued annually
- The adequacy of insurance is reviewed every year to ensure that an appropriate level of cover is maintained
- Both the premises and the contents are covered under the policy
- All employees of the school are included in suitable fidelity guarantee insurance
- The office manager notifies the insurers or the local authority of all new risks, equipment and vehicles that require insurance, or of any other alteration affecting insurance
- The office manager informs the insurers or the local authority of all accidents, losses and other incidents that may give rise to an insurance claim within 24 hours of occurrence
- School property such as musical instruments and computers are covered when they are taken off site and used for school purposes (such as concerts or staff preparation, assessment etc). This cover does not apply if such items are stolen from unlocked vehicles
- School journeys are properly insured before the journey occurs
- A book detailing incidents is kept locked in the school office
- All accidents, losses and incidents are immediately reported to the LA on the appropriate form
- The headteacher is responsible for reviewing insurance arrangements annually
- Insurance cover is currently obtained for school staff on long and medium term sickness and maternity leave through arrangements with London Borough of Barnet. Short term cover is provided by the school
- Contractors are requested to provide a copy of the company's current/valid public liability insurance prior to commencing work

#### *Computer Systems*

The school is registered in accordance with the Data Protection Act and complies with this legislation. We aim to ensure that the school has an effective computer based system for monitoring and processing financial information efficiently. Such information is properly protected and backed up and that information is restricted to authorised personnel and users.

- The computer systems are encrypted and protected by password security to ensure that only authorised staff have access. Passwords are updated regularly
- A backup is taken by the ICT technician each time the system is closed down

- A copy of the latest RM file backup is kept in the school fireproof safe

### *Purchasing*

The school is governed by Contract Standing Orders for Schools. A copy is available in the Finance Reference File which is kept in the school office.

- Where a quotation other than the lowest is accepted, the reasons for this decision will be reported to the governing body and included in the minutes of the relevant meeting
- Separation of duties is clearly established by the authorised signatory list and this is adhered to
- No payment will be made to individuals unless they are for goods only
- Payments to individuals will be made through the payroll provider
- The school will adhere to the Construction Industry Scheme as per procedures
- Official orders are ruled off below the last item recorded. Copies of the order are retained in the office in two separate files
- Payment is only made when a proper invoice has been received, checked, coded and certified for payment
- Invoices are certified by the office manager
- The person arranging payment via BACS and certifying the invoice should not have signed the original order or checked the goods
- All invoices are marked with the BAC payment number filed in BAC payment number order
- Goods above the value of £500 are listed on the electronic inventory register and the reference number should be written on the certification stamp on the invoice
- When orders are placed for services an estimated cost is indicated against appropriate budget allocation so the budget can be clearly monitored.
- All goods and services are checked on receipt, against the copy order and goods received note for quantity and quality.
- The checking officer is different from the officer who signed the order.

### *Contracts*

The school ensures that suppliers are decided upon in line with guidance from the Local Authority's Corporate Procurement Team, Best Value principles and the Contract Procedure Rules in the Schools Financial Regulations.

When selecting contractors for work:-

- Under £5,000 – at least two quotations must be obtained
- £5,000-£25,000 – three competitive quotations need to be obtained and tenders approved by Chair of Governors
- over £25,000 – five or more quotations need to be obtained, at least two of which must follow specified procedures and be approved by the Local Authority's Education Committee

### *Payments*

- All staff are aware that when goods are received they should be signed for. When staff sign for goods they know to clearly write on the delivery note 'Unchecked'
- There is a segregation of duties between the raising of orders and the authorising of payments

- The goods are checked and distributed by designated personnel and distributed to the budget holders as soon as possible. The cleared delivery note is checked against the delivery note and the original official order. The designated personnel usually do this
- Goods above the value of £500 are listed on the inventory using Asset Management on Smartlog
- Payment is only made when an original invoice has been received, checked, coded and certified for payment. Copy invoices can only be paid after rigorous checks have been made
- Invoices can only be certified by the authorised signatories as per the authorised signatory list
- When invoices have been paid and authorised they are filed in BAC payment number order

### *Purchase cards*

- The Resources committee will approve the use of credit cards by the headteacher, for the purposes of the school. The guidelines detailed in section 10 of the Schools Financial Regulations will be considered.
- A maximum value for individual transactions and monthly expenditure limits will be agreed.
- Currently there is one card in use, for the headteacher. The card has a monthly spending limit of £2,500.
- Credit cards will be used in accordance with 10.3 and 10.4 of the Schools Financial Regulations and any misuse will be reported to the governing body, who will then take necessary action. Only the named cardholder will use a purchase card.
- Orders relating to purchase cards are raised and authorised, transactions recorded on RM and receipts/invoices retained for reference and checked to the cash statements each month.
- Duties will be appropriately segregated - transactions must not be reconciled and approved by the same individual. The designated person responsible for reconciling the card transactions is the finance assistant, the authoriser for the headteacher's card is the chair of governors.
- All credit cards are stored in the safe. Loss of any card will be reported to the Corporate procurement Team. Cards no longer in use will be destroyed.
- The headteacher will ensure no type of pay emolument or subsistence expense is made from the card.
- Staff will also refrain from using loyalty cards when making purchases for the school as there should be no personal benefit gained from such purchases.

### *Personnel and Payroll*

- The school has a contract with Barnet HR to provide support to the school and process payments to staff
- Procedures for appointments and payments are contained in the school pay policy
- It is the responsibility of the headteacher to ensure that a log is maintained of staff absences for permanent contract staff and this information is available to the LA staffing section
- The headteacher or deputy can approve payment and appointment for supply work, both teaching and non-teaching
- Time sheets will be signed by the headteacher or deputy headteacher

- The Office Manager will ensure that the schedule for the return of non-contract staff supply forms is adhered to
- Salary printouts are received and checked monthly by the Finance Liaison Officer (FLO) and headteacher. Queries are raised with the appropriate department
- Barnet HR sends payroll information to the school which is checked on a monthly basis. Any errors or omissions are reported to the relevant service for correction
- The headteacher or office manager notifies Barnet HR of any staff changes
- A list of all staff employed by the school is kept by the headteacher and is updated promptly to reflect changes
- More than one person carries out checking and authorising documents and claims relating to appointments, terminations of employment and expenses
- Only authorised members of staff have access to personnel files
- All contracted staff are paid through the payroll system and payments are made to the appropriate agencies for supply staff
- Personnel files for members of staff are kept in the headteacher's office and confidentiality is maintained at all times
- For disciplinary, capability, grievance issues, the Barnet guideline procedures are followed

#### *Security of stocks and other property*

- The caretaker and officer manager maintain an up to date inventory of furniture, fittings and equipment, computer hardware and software, in accordance with the Schools Financial Regulations Sections 7. All new additions/purchases of , or collection of similar items valued at more than £500 and items of lesser value that are attractive and portable are recorded in the inventory system FMS equipment register using Smartlog Asset Management.
- The head, deputy headteacher and caretaker are the only key holders to the school building
- A school online inventory lists all items over £500. A physical check is made once a year
- The caretaker with administrative assistant carry out an annual check of inventory items every March. Any discrepancies between the asset register and actual items are investigated and a report presented to the Resources Committee.
- All attractive and portable assets (such as computers and electrical equipment) are securely marked by the caretaker to show as belonging to the school.
- All write-offs and disposals of surplus stock are maintained at reasonable levels and are subject to a physical annual check
- The school safe is kept locked at all times, and there are only 3 keys which are held by the office manager, deputy headteacher and headteacher
- Stocks and consumables will be kept securely with access limited to the member of staff responsible for issues, and it will be ensured that levels of stock are not in excess of normal requirements
- The school site is alarmed when closed and there are sensors in the corridors and main offices

#### *Income*

- The governors have a Charging Policy in place. This covers parental contributions for educational visits and other school activities
- Separate records are kept in the school office to list money collected for school activities
- All cheques which come into the school will be clearly identified.

- Where appropriate invoices will be dispatched where a charge is to be made for a service or goods provided by the school
- Where invoices are required, they are issued within 30 days and in accordance with VAT requirements
- The collection of income relating to educational visits/school journeys and other activities is paid into the appropriate bank account ensuring segregation of duties
- Cash, cheques and bank cards are locked in the fireproof safe and do not exceed the agreed insurance limits
- Income collections are not used for encashment of personal cheques
- Sums deposited at the bank are reconciled to sums collected on a monthly basis by the finance assistant

#### *Lettings*

- All lettings are authorised by the headteacher in accordance with the school's letting policy
- Lettings are only available via a formal hire agreement, signed by the hirer
- School lettings are administered by the office manager
- Official invoices, booking and acceptances are issued at the correct time
- All lettings are paid in advance and VAT will be applied where appropriate
- All income is paid into the School Budget Share Account
- An indemnity deposit is taken on one off lettings and paid into the official funds
- Any profit element will be detailed
- Indemnity deposits will be paid back to the hirer when the satisfactory report is received by the office manager
- The school will seek to set up agreements with the long-term hirers
- The renting levels should be reviewed yearly and approved by the Resources committee

#### *Banking Arrangements*

- Authorised signatories are the headteacher, deputy and assistant head
- BACS payments are prepared by the finance assistant for the categories of expenditure detailed on the DP11 and are attached to the appropriate documentation i.e. invoices for certification. Cheques will only be prepared by the finance assistant or office manager when BACS payments are not possible.
- The bank accounts are never overdrawn, nor will the bank negotiate overdraft facilities
- The school will not enter into any loan agreement other than with the LA
- BACS payments over £500 will be authorised by the headteacher and either the deputy headteacher or the assistant head.
- Two signatures are required on all cheques over £500.
- All cheques are crossed 'account payee only'
- The Resources committee must approve individual purchases above £10,000
- Cheques are never pre-signed
- When not in use, computerised pre-printed cheques are securely kept in the school office. Cheque books and Bankline cards are kept in the safe.
- Bank statements are received monthly and reconciled with accounting records by the finance assistant
- Bank reconciliations are prepared each month by the finance assistant and countersigned by the authorised signatory. Any discrepancies are investigated immediately and corrective action taken

- The school complies with VAT, Income Tax and CIS Regulations
- Only proper VAT invoices are paid from the School Budget Share Account
- VAT is only reclaimed where a properly constituted VAT invoice is received, in accordance with the Schools Financial Regulations
- VAT is only reclaimed on tax invoices for supplies direct to the school for which the school retains ownership
- All finance and administrative staff are made aware of the requirements for VAT.

#### Schools Financial Value Standard (SFVS)

The Schools Financial Value Standard will be carried out annually by the finance governors and the headteacher and approved by the Resources committee and the full governing body in the autumn term. The completed SFVS form is then submitted to the LA by the specified deadline.

## Financial Management Policy Procedures

### *Budget preparation monitoring and reporting*

The Headteacher and Chair of the Resources committee will put together a provisional budget based on the provisional budget share and an estimated underspend. When the final budget share is received the headteacher and Chair of the Resources Committee will meet to adjust the budget in line with the budget share. The full governing body will meet to consider and ratify the budget. The Chair of Governors will sign the budget and submit it to the LA on the approved DP11 form in accordance with the Scheme this budget will be put onto the Cash Accounts system

When the previous financial year's account have been closed, the Governing Body will determine how this money is to be spent and complete the form DP12 which is to be sent to the LA

Monitoring and control must be continuous throughout the financial year. This is an ongoing function and is extremely important, not only in the current year to gauge actual performance, but also to aid future planning and decision making. To be able to monitor budget effectively, actual expenditure and known commitments must be reported to give budget holders, the head and governors a clear view of the overall financial position of the school. Monthly reports will be given to all budget holders to enable them to check and control their budgets. Any variances identified from the reports can be investigated and prompt action taken. Where appropriate, virements need to be implemented and the approval of the appropriate person must be obtained.

### *Governing Body or Resources committee*

An up to date report will be produced termly for the Governing Body meeting. The Governing Body will approve virements and any spending cuts or increases. The reports will enable to the Governing Body to revisit the Development Plan if any savings are identified.

### *Headteacher/Leadership Team*

A detailed monthly report will be given to the headteacher to enable monitoring of the income and expenditure against the original budget plan. This will enable the headteacher and SLT to make informed decisions regarding individual budgets

### *Payroll Monitoring*

The school receives its payroll from Capita- ASK HR, they send monthly reports detailing the number of hours, gross pay and oncosts for each member of staff. These costs are monitored against staffing estimates. Overtime and supply claims are checked against time sheets held within the school, mealtime supervisors are monitored against the composite time sheets. Any errors or omissions are notified to Capita- ASK HR for correction.

Year-end creditors, debtor's payment and receipts in advance are completed and returned to the LA. When the creditors and debtors etc appear on the LA report, they are checked against the schools' records for accuracy. Each month the schools' accounts are reconciled to the LA's statement of accounts code by code. The budget, income and expenditure are checked for accuracy and the overall position reconciled. Any errors are notified to the LA.

### *Income Monitoring*

The income is monitored on a monthly basis to ensure that targets are being met. Checks are being made to ensure lettings income is received and cleared through the bank prior to the lettings taking place. The headteacher will notify the governing body immediately if it is considered that targets are not being met to enable them to convene and discuss where savings can be made.

### *Virements*

Approval for a virement will be made prior to the spending taking place. No budget holder will be allowed to overspend his or her budget. Once the underspend is notified to the school, virements will be made by the head to meet the outstanding commitment from the previous financial year.

During the course of the year virement may be necessary from contingency. These will be done in line with procedures and with the approval of the governing body.

The headteacher will be able to authorise a virement up to £10,000. Any virements over this amount must be approved by the Chair of Governors.

### *Special Projects – Virements*

The special projects' holding account is to identify commitments for future years. If a project is being delivered or brought forward, a virement must be done to meet the expenditure. The governing body will approve this and the Chair of Governors will sign the virement.

### *Financial Returns*

The school will send monthly returns to the LA for income and expenditure using an LMS Posting Summary Sheet, which includes VAT. The schools will notify the LA of their current cash position by sending monthly bank reconciliation. The returns will be sent to the LA in line with the schedule of dates sent by the LA.

### *Grant Funding*

Each year the LA notifies the school of their allocation for the grant funding. An initial allocation is given to the school together with the School Budget Share. The LA will notify the school of any further budgets that have been devolved. The LA will reimburse the school with all expenditure that is within the grant fund categories and coded to the correct code to ensure cash flow. This income will be paid into the grant income code.



