

Brooke Voluntary Controlled Church of England Primary School



Finance Policy

Updated May 2018

Signed by Governors

To be reviewed May 2019 (annually)

A GOVERNANCE

General

- 1 A list of all governors who are members of the Governing body is published on the school website.
- 2 The governing body meets as an FGB at least twice per half-term. One of these meetings is focussed on resources matters and the second is focussed on curriculum matters.
- 3 The governing body agrees, no later than by the end of term, the dates of meetings for at least the next term.

The Governors

- 4 The governing body approves the annual budget and the associated policies, e.g charging policy and redundant equipment policy.
- 5 The governing body is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Headteacher

- 6 The governors delegate responsibility for the day-to-day management of the school to the Headteacher.
- 7 The Headteacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.
- 8 The Headteacher ensures that sound systems of internal control are in place.
- 9 The Headteacher compiles draft budgets.
- 10 The Headteacher monitors the budget on a monthly basis and supplies the FGB (Resources) with monitoring information. This information takes the form of Norfolk's budget proforma, includes committed expenditure and is accompanied by the Headteacher's written commentary.

The Staff

- 11 Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements.
- 12 Staff are responsible for any budget whose management is delegated to them.

Full Governing Body – Resources Meeting

- 13 All governors attend the FGB focussed on resources matters.
- 14 Governors have the following resources responsibilities:

- agreeing draft budgets for the governing body's approval in time for submission to the LEA by 1 May each year
- all financial appraisals
- forecasting numbers on roll and future budget shares
- monitoring and adjusting in-year expenditure
- ensuring accounts are properly closed and reviewing the outturn position
- evaluating the effectiveness of financial decisions
- administering voluntary funds

15 Any review of staffing agreed at the FGB focussed on curriculum can be handled instantly or at the FGB for resources due to all governors being in attendance at both meetings..

Expenditure Limits

16 The inclusion of an item in the approved budget plan gives authority to spend, save that the Headteacher seeks approval from the finance committee for any individual transaction in excess of £3,000

17 The Headteacher authorises virements up to £3,000. Above this amount FGB approval is sought. All virements are minuted.

Orders

18 Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.

Minutes

19 Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves. Draft minutes are circulated to the chair of governors within one week of a meeting and are agreed by all governors and signed by the chair of governors at the next meeting.

Register of Business Interests

20 The Headteacher maintains a register of business interest for governors and for staff who influence financial decisions.

B FINANCIAL PLANNING

1 The school improvement and development plan (SIDP) includes a statement of its educational priorities to guide the planning process. This plan states the priorities in sufficient detail to provide the basis for constructing budget plans.

2 There is a clear, identifiable link between the school's annual budget and the SIDP.

3 For each of the key issues in the SIDP, costs and other inputs are identified and budgets prepared.

4 The SIDP is reviewed in the autumn term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.

- 5 The school budget is revised after the review of the SIDP and resources identified within the budget to deliver the plan's priorities.
- 6 The school budget is maintained for the current financial year and two further years.
- 7 The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget.
- 8 The budget and cash flow forecast are profiled in accordance with likely spending patterns.
- 9 In the event of a budget surplus this is earmarked for a future specified use.
- 10 A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.
- 11 All new initiatives are appraised by the FGB (Resources) in relation to their costs, benefits and sustainability.
- 12 The main elements of the budget are fundamentally reviewed within a five year cycle. Benchmarking information helps to identify priorities.
- 13 The budget cycle is as follows:

Spring Term

- If necessary, the Headteacher prepares a third revision of the budget for the current year for the FGB (Resources) to consider at its meeting in the first half of the term.
- The budget revision, is then approved by the FGB (Resources).
- The approved budget revision is sent to the LEA by 28 February.
- A draft budget plan for the coming financial year, and two further years, is prepared by the Headteacher and taken to the FGB (Resources) in the second half of the spring term.
- The FGB (Resources) will carefully consider this before approving the school's budget plan.
- The Headteacher submits the approved budget plan to the LEA by 1 May each year.

Summer Term

- The Headteacher prepares a first revision of the budget for the finance committee to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year.
- The budget revision is then approved by the FGB (Resources)..
- The approved budget revision is sent to the LA by the end of the summer term, as per Norfolk's Scheme for Financing Schools.

Autumn Term

- The Headteacher prepares a second revision of the budget for the FGB (Resources) to consider. The revision takes account of any changes to the SIDP, staffing adjustments and changes to the number of pupils on roll.
- The budget revision is approved by the FGB (Resources).
- The approved budget revision is sent to the LA by the end of the autumn term, as per Norfolk's Scheme for Financing Schools.

C BUDGET MONITORING

- 1 The Headteacher produces monthly monitoring reports, which include committed expenditure.
- 2 The FGB (Resources) receives the monitoring report at each meeting together with the Headteacher's written report thereon. The report takes the form of Norfolk's budget monitoring proforma.
- 3 The Headteacher identifies and recommends to the FGB (Resources) appropriate remedial action for budget variances.
- 4 The Headteacher recommends to the FGB (Resources) how to vire any in-year underspends.
- 5 The Headteacher monitors expenditure on initiatives in the SIDP.
- 6 Holders of devolved departmental budgets are supplied with monthly monitoring reports. The Headteacher monitors devolved budgets and agrees remedial action plans where necessary.
- 7 Where appropriate, the Headteacher produces monthly cash flow forecasts to ensure the school does not go overdrawn.

D PURCHASING

- 1 All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.
- 2 The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.
- 3 Prior approval of the governors is obtained for any expenditure in excess of £3,000. Orders are not artificially split to evade this limit.
- 4 The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease". Leases will be submitted to Children's Services Finance to be checked as to their type before any agreement is entered into.
- 5 Three written quotations are obtained for any order whose value is estimated between £5,000 and £30,000.
- 6 If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.
- 7 Contract specifications will contain the following:
 - contract duration
 - definitions
 - contract objectives
 - services to be provided
 - service quantity
 - service quality standards
 - contract value and payment arrangements
 - information and monitoring requirements
 - procedure for disputes
 - review and evaluation requirements

- 8 The official pre-numbered orders are used for all services except utilities, rent, rates, petty cash and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.
- 9 Individuals will not use official orders to obtain goods or services for themselves.
- 10 All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories.
- 11 The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.
- 12 Each order placed is entered in the school's financial system as a commitment.
- 13 The school checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. Evidence of this is provided by the use of rubber stamps approved by Norfolk Audit Services. The other checks indicated on the stamps are also carried out. These checks are not done by the person who signed the order.
- 14 Payment is made within the agreed time limits after certification by an approved signatory.
- 15 Wherever possible, an invoice is not authorised for payment by the person who signed the order, nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.

E FINANCIAL CONTROLS

- 1 A written description of all the school's financial systems and procedures is maintained. These are kept up to date and all appropriate staff trained in their use.
- 2 The Headteacher has secured contingency arrangements to ensure that financial control can be maintained in the absence of key staff. These arrangements are:
 - three signatories to be maintained in case of absence of key staff.
 - liaison with the current County Finance officer allocated to the school
 - to purchase secretarial/finance services from either County or from cluster schools in case of absence of secretary/finance officer
- 3 The Headteacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.
- 4 The school maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.
- 5 Documents relating to financial transactions are retained in line with the LA's recommendations.

- 6 All records are securely stored and access allowed only to authorised staff, ie the Headteacher & the Secretary/Finance Officer
- 7 Where there is a requirement to account separately for earmarked funding, the Headteacher ensures this is done and that money is spent on its intended purpose.

F INCOME

- 1 The governing body approves the school's charging policy and reviews it every year in line with this policy.
- 2 Proper records of all income due are kept.
- 3 Official pre-numbered receipts are given if requested for cash collected except where a collection record card is issued to a pupil for instalment payment for a school trip or music lessons. Other formal documentation is kept for other income. Receipts are kept securely and in order.
- 4 Pending banking, cash and cheques are locked away in a secure place or safe, as per insurance limits.
- 5 Income is banked promptly and in full. Paying-in slips show the analysis between cash and cheques and cheques are individually listed. Income is not used for making any payment or for cashing personal cheques.
- 6 Income recorded in the accounts is reconciled monthly with the bank statement.
- 7 Where invoices are required, they are issued within 30 days.
- 8 The school sends a first reminder for any unpaid invoice after 3 weeks, a second reminder after 6 weeks and a final reminder after 9 weeks. Legal action is considered if a further 14 days lapse.
- 9 Any cash transfers between staff are recorded and signed for.

G BANKING

For official funds, the school banks with Barclays Bank.

The bank account name is NCC Brooke VC CofE Primary School and the bank account number is 00932159.

- 1 Bank reconciliations are completed monthly and any discrepancies resolved.
- 2 The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process.
- 3 The finance officer is responsible for completing the reconciliation and processing receipts and payments. To ensure that full and complete records are correct these items are checked and countersigned by the Headteacher.

- 4 Staff never use their private bank accounts for any receipt or payment due to or from the school budget.
- 5 The school's banker has been advised that the school is not allowed to go overdrawn or negotiate overdraft facilities.
- 6 The school is not allowed to enter any loan agreement except with the LA. (This does not apply to loans pre-existing at 1 April, 1999).
- 7 Each cheque is signed by two authorised signatories and supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed. Only manuscript signatures are allowed, i.e. not electronic or from rubber stamps.
- 8 All cheques are crossed "account payee". Cheque books are stored securely when not in use.

H PAYROLL

- 1 Personnel procedures, including appointments, promotions and terminations are supervised by the chair of governors, or deputy.
- 2 The Headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.
- 3 The Headteacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.
- 4 Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.
- 5 Only authorised staff are allowed access to personnel records, ie Headteacher & Secretary/Finance Officer
- 6 Arrangements have been made for staff to access their own records. These are by prior arrangement with the Headteacher.
- 7 Payroll transactions are processed only through the payroll system; this includes the payment of all expenses and benefits.
- 8 The Headteacher maintains an up-to-date list of teachers and other staff employed at the school. This is held electronically on Sims and is amended, as necessary, on a monthly basis.
- 9 The monthly reports on payroll transactions are checked against the school's budget working papers to ensure they match.

I PETTY CASH

- 1 Petty cash is not held at Brooke V C CoE Primary School

J TAX

- 1 The Headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the school any penalties imposed on it arising from an error by the school.
- 2 Proper VAT invoices are obtained for all transactions involving VAT.
- 3 The LA's VAT manual for schools gives details of accounting for VAT and is adhered to by the school.
- 4 All payments falling within CIS are made in accordance with the LA's agreed procedure.

K VOLUNTARY FUNDS

For voluntary funds, the school banks with Santander. The bank account name is:

Brooke Voluntary Controlled Primary School Fund and the bank account number is 25319160.

- 1 The School Fund Account is accounted for separately from the school's delegated budget and is held in a separate bank account.
- 2 The governors have appointed a treasurer, and this is ratified annually
- 3 The governors have appointed an independent auditor who is not a member of the governing body. The Auditor currently is Norfolk County Council.
- 4 The same standards that apply to the school's delegated budget apply to the school fund except that it is kept on a receipts and payments basis rather than an income and expenditure basis.
- 5 Only income unconnected with the delegated budget is credited to the fund. Any income properly belonging to the school's delegated budget is credited to the delegated budget.
- 6 The Headteacher presents the audited accounts together with the auditor's certificate and written report on the accounts to the governors as soon as possible after the end of the accounting year. They are presented to the governing body at their Autumn term meeting.
- 7 The Headteacher sends a copy of the audited accounts and auditor's certificate to the LA as soon as the governors accept them, and within 90 days of the end of the accounting year.
- 8 Each school fund cheque must be signed by two authorised officers.
- 9 Where no material income has been collected, it should be banked at least weekly.
- 10 All income will be receipted, unless it is below the agreed minimum.
- 11 Bank reconciliations are carried out at least quarterly.

L ASSETS

- 1 The Headteacher ensures that stocks are maintained at reasonable levels and are checked physically at least once a year.
- 2 An up-to-date inventory is to be maintained of all items of equipment. Those that are portable, valuable and desirable are identified as school property with security marking.
- 3 The inventory is checked at least once a year, in the Spring Term. The inventory is signed as evidence of the check having been undertaken. All discrepancies are investigated and any resulting in a loss of £100 or more will be reported to the governors. Any loss exceeding £500 will be referred to the Assistant Director (Resources and Efficiency).
- 4 Whenever school property is taken off site either by pupils or staff, e.g. musical instruments/computers, they are signed for and the register noted accordingly. The register is held in the school office.
- 5 The safe is kept locked and the keys removed and held elsewhere.
- 6 The school's asset management plan is supervised by the FGB (Resources) – see Appendix B for redundant equipment policy.

M INSURANCE

- 1 The school reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager.
- 2 The governors consider whether to insure against any uncovered risks.
- 3 The school will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance.
- 4 The school will not give any indemnity to a third party.
- 5 The school will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.
- 6 Insurance will cover the use of school property when off the premises, e.g. musical instruments/computers.

N DATA SECURITY

- 1 Computer systems used for school management are protected by password security. Passwords are changed termly and more frequently in the event of staff changes.
- 2 All data is backed up daily and the back-ups stored in a secure fireproof location, preferably off site.
- 3 The Headteacher has established a contingency plan for recovery from an emergency, i.e. reinstatement of data from offsite back-up with assistance from ICT Shared Services.

- 4 Only authorised external hardware and software is installed on any school computer to safeguard against computer viruses.
- 5 The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 2018, and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.

Appendix A

Redundant Equipment Policy

The School adopts the LA policy as below:

1. The governing body has the authority to declare equipment, furniture or any other assets or stores surplus to requirements and to arrange for their sale or write off, provided the items concerned were purchased in full or in part from its delegated budget. Land and building are always excluded from this authority.
2. Where the estimated disposal value of surplus or redundant assets (equipment) or stores is less than £100 and sale is to be by public auction or competitive tendering, authority for disposal can be given by the Headteacher.
3. The prior approval of the governing body will be required where:
 - The estimated disposal value is between £100 and £500
 - The sale is not to be by public auction or competitive tendering
4. Where the estimated disposal value is above £500, these must be referred to the Head of Children's Services (Finance & ICT), (as per the Norfolk Scheme for Financing Schools).
5. A list of equipment disposed of will be presented to the governing body at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.
6. The schools' inventory will be amended to show disposals and such entries will be endorsed by the Headteacher.
7. The net income (i.e. excluding VAT) from the sale of surplus or redundant assets or stores purchased from the school budget will be credited back to the school budget.