



# Wickersley Northfield Primary

Part of White Woods Primary Academy Trust

## Finance Policy 2018-2019



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# Introduction

## 1. The School's Financial Organisation Chart

The full Governing Body will meet termly or more frequently as required.

Governing Body members will receive, for information purposes, copies of the agendas and adequately detailed minutes of the Finance, Audit and Premises Committee, including appending relevant submissions, in order to support policy decisions taken.

### 1.1 Full Governing Body

**Composition:**

Chief Executive Officer/Director

Head teacher

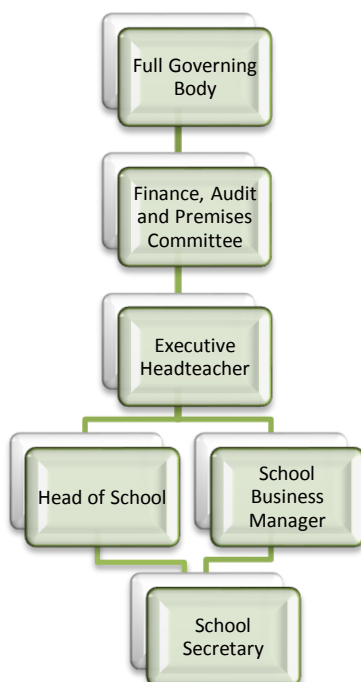
2 Additional staff governors

2 Parent Governors

6 Community Governors

**Role:**

- ◆ To provide a strategic view of how the school will effectively use the financial resources under its control to raise standards of achievement and promote effective teaching and learning.



## 2 Organisation of Financial Responsibility and Accountability

### 2.1 Finance, Audit and Premises Committee

#### **Composition:**

1 Staff Governor

3 Non-staff Governors (one of which is appointed the Audit Governor

Head teacher

School Business Manager

**Role:** To oversee that procedures are in place which ensure accountability for and the proper stewardship of the public money delegated to the school, including meeting the requirements of the Financial Management and Governance Self-assessment (FMGS).

#### **Responsibilities:**

- ◆ To discharge statutory responsibility for overseeing financial management in the school.
- ◆ To monitor and evaluate the effectiveness of the school's financial management procedures and ensure that the school's financial arrangements comply with the Local Educational Authority's Scheme for Financing Schools: -'Fair Funding Scheme'.
- ◆ To require all governors and members of staff to declare any links they have with firms from which the school might wish to buy goods or services. To ensure that a register of such interests is maintained on behalf of the Governing Body and is open to inspection and reviewed on an annual basis.
- ◆ To ensure the school has a written statement of its aims and objectives (School Development Plan) in sufficient detail to provide the basis for constructing budget plans.
- ◆ To ensure the school has a medium term educational and budget plan (covering up to 3 years) indicating the intended use of resources in achieving its educational goals.
- ◆ To ensure that the school has statements setting out the steps it will take to ensure expenditure reflects the principles of best value.
- ◆ To approve the school's annual spending plans.

**Please see the Terms of Reference for detailed responsibilities of the Finance, Audit and Premises Committee.**

**Delegated Authority:**

The full Governing Body has elected to delegate responsibility for the deployment of finances of the school budget including the overseeing of its preparation, monitoring its implementation and controlling expenditure against it to the Headteacher and School Business Manager. These nominated members of the leadership team may authorise spending up to £5000. Amounts of £5000 and over require approval by the Governing Body.

The statutory responsibility for overseeing financial management in the school will remain with the Finance, Audit and Premises Committee.

**Reporting Arrangements:**

The school's leadership team will report to the Finance, Audit and Premises Committee who will consider and endorse or otherwise recommendations where appropriate. All decisions will then be reported to the full Governing Body at the next meeting.

The decisions made by Finance, Audit and Premises Committee under its delegated powers are binding on all governors.

**Confidentiality:**

The Governing Body and Finance, Audit and Premises Committee will be aware of the confidential reporting code.

## **2.2 The CEO, CFO and Leadership Team**

**Composition:**

Interim Chief Executive Officer:	Mr P Haynes
Chief Financial Officer:	Mr P Haynes
Head teacher:	Miss C Middleton
Deputy Head Teacher:	Mr John Swallow
School Business Manager	Mrs D Sanderson
Assistant Head	Mrs J Myatt
Assistant Head	Mr S Oliver

**Role:**

The CEO, CFO and Leadership Team are responsible to the Governing Body for:

- ◆ ensuring that systems of internal control and financial administration are in place that enable the proper processing of the school's transactions and activities.

- ◆ ensuring that the school properly discharges its financial responsibilities.
- ◆ ensuring the school meets the requirements of the Financial Management and Governance Self-assessment (FMGS).

### **Responsibilities:**

- ◆ To prepare estimates of expenditure and income sufficiently in advance of each financial year to allow for consideration and approval by the Finance, Audit and Premises Committee.
- ◆ To forward details of the approved budget and any subsequent budget changes to the DfE as required.
- ◆ To profile the budget and forecast cash flow to take account of likely spending patterns.
- ◆ To provide regular, written reports to the Finance, Audit and Premises Committee on spending compared with the approved budget and other monitoring information as requested, including documented explanations of any major variances and details of management action or recommendations.
- ◆ To consult periodically with the Finance, Audit and Premises Committee and staff to ensure that the financial and management information they receive is timely, reliable and meaningful.
- ◆ To report to the Finance, Audit and Premises Committee any proposals for policy changes which significantly affect the school's expenditure or income budgets.
- ◆ To ensure that sound systems of financial control are in place and arrangements made to maintain control in the absence of key staff.
- ◆ To maintain and update on an annual basis a register of pecuniary interests for both governors and members of staff on behalf of the Governing Body Finance, Audit and Premises Committee and .

### **Reporting Arrangements:**

The Leadership Team will report to the Finance, Audit and Premises Committee.

The CFO will receive monthly expenditure reports so that the overall budget position may be monitored.

**Delegated Authority:**

The CEO , CFO in consultation with the Leadership Team may nominate members of staff as budget managers for areas of the budget and may allow them to spend funds in these areas as sanctioned by the School Business Manager.

## 2.3 The School Business Manager

**Role:**

To ensure proper financial administration arrangements are in place that enables the Finance, Audit and Premises Committee to fulfil its statutory responsibilities for financial management and also demonstrate the achievement of key financial administration standards required by Ofsted and DfE.

To oversee the management of the school's finances according to the Academy Financial Regulations approved by the directors of the academy.

**Responsibilities:**

- ◆ To ensure the budget reflects the school's prioritised educational objectives as detailed in the School Development Plan, seeks to achieve best value and is subject to regular effective monitoring.
- ◆ To establish formal documented procedures and a timetable for planning the budget to ensure that all relevant factors are considered.
- ◆ To ensure that planned expenditure for each year does not exceed the available funding.
- ◆ Process orders and invoices using HCSS accounting system for authorisation by two approved signatories.
- ◆ To monitor the amount of each budget allocation in the light of known activity and to take decisions on the virement of funds between budget heads, subject to consultation with the Executive Headteacher and in the interests of the school achieving its overall aims and objectives.
- ◆ To ensure that the school has sound internal financial controls in place which safeguard the probity of financial transactions and the reliability and accuracy of financial records.
- ◆ To ensure that there are written descriptions of financial systems and procedures which are kept up to date and all appropriate staff trained.



- ◆ To formally approve revisions to the budget (where delegated authority has been granted).
- ◆ To report to the CFO on preparation of estimates of expenditure and income and to maintain relevant budget working papers and records.
- ◆ To monitor the cash flow position of the school and report to the Headteacher on a regular basis.
- ◆ To provide termly reports of actual income and expenditure as compared to the approved budget and other monitoring information as requested by the Finance, Audit and Premises Committee.
- ◆ To provide monthly monitoring information to the Headteacher.
- ◆ To prepare and maintain the financial accounts, reports and records of the school in accordance with the Academy Financial Regulations and as required by the Finance, Audit and Premises Committee.
- ◆ To review the effectiveness of internal control procedures and where necessary make proposals to the Headteacher for improvements.

#### **Reporting Arrangements:**

The Finance, Audit and Premises Committee will receive:

- ◆ An annual report on the school's long term financial plans.
- ◆ Reports on the annual school budget process and proposed spending plan.
- ◆ Termly monitoring reports showing spending and receipts, including sums committed but not yet paid, against the school's approved budget; explanation of major variances; details of corrective action taken; and a forecast of the expected year end position, discussion of which should be formally minuted.
- ◆ Final year-end report including a review of the school's financial performance and an assessment of progress against objectives in the school development plan.
- ◆ Financial training as required to enable members of the Finance, Audit and Premises Committee to understand and contribute to the processes.

#### **Delegated Authority:**

The School Business Manager in consultation with the Headteacher has authority to make decisions on behalf of the Finance, Audit and Premises Committee to enable it to fulfil the responsibilities shown above.

Decisions or recommendations will be reported to the Finance, Audit and Premises Committee for ratification.

The School Business Manager has delegated responsibility from the Headteacher to make everyday spending decisions including the authorisation of orders and invoices for services and resources within allocated budget allowances.

## **2.4 School Finance Officer**

### **Role:**

To adhere to the school's systems of internal control and financial administration in order to enable the proper processing of the school's transactions and activities.

### **Responsibilities:**

- ◆ Collect contributions for milk, clubs and visits and record all income
- ◆ Reimburse staff and process petty cash transactions.

### 3 Financial Systems and Processes

#### 1.1 Financial Planning and the Budget

3.1.1.1 The Headteacher and The School Business Manager will prepare a draft financial plan for the school the summer term for discussion and approval by the Finance, Audit and Premises Committee. The plan will cover the forthcoming financial year and consider plans for the future. The plan should demonstrate in financial terms how the school intends to use its resources to achieve the aims and objectives stated in the School Development Plan.

The draft financial plan will be an integral part of the budget process and forms the link between the School Development Plan and the school budget; the medium term financial plan will be reviewed annually.

3.1.1.2 The School Business Manager will be responsible for the preparation of the draft budget for presentation to the Headteacher and Finance, Audit and Premises Committee before submission to the DfE. The principles and calculations used in preparing the budget should be documented and retained for future use. The budget will reflect the first year of the school's financial plan, subject to the level of resources available to the school. It may be necessary to review the financial plan and the improvement plan objectives to reflect final budget decisions that are made in light of the known resources.

3.1.1.3 The Finance, Audit and Premises Committee will consider the draft budget and either approve it or return it for amendment. The School Business Manager will forward the approved budget to the DfE by 31 July, showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The plan must be approved by the full Finance, Audit and Premises Committee and should be minuted as such.

3.1.1.4 Spending plans will be broken down sufficiently into appropriate cost centres to promote effective financial control.

3.1.1.5 In the spring term Finance, Audit and Premises Committee will undertake a documented review of progress in implementing the provisions of the current improvement plan and review the management of the previous year's budget. The Headteacher will indicate where any proposal or policy change would significantly affect costs in the future.

3.1.1.6 Expenditure will only be made against available budget resources.

### **3.1.2 Budget Monitoring and Control**

3.2.1 The School Business Manager will ensure monitoring expenditure against the budget is continuous.

1.1.2 The Headteacher may vire amounts between budget heads. The School Business Manager is responsible for ensuring that the school's budget and finance systems are updated to reflect all virements and changes to the budget. All virements will be reflected in the revised budget and the budget monitoring returns reported to and approved by the Finance, Audit and Premises Committee each term.

3.1.2.1 The School Business Manager will be responsible for the day-to-day monitoring process; the Headteacher will review the monitoring position regularly.

3.1.2.2 The School Business Manager will present to the Finance, Audit and Premises Committee on a termly basis, the school's actual and committed spending compared with the budget, with written explanations of any significant variances and a forecast of the school's expected year end position.

3.1.2.3 The School Business Manager will ensure that proper commitment accounting records are maintained.

## **4 Internal Control Procedures**

4.1 In order to ensure that transactions are properly processed or that errors will be detected promptly, the duties of staff concerned with financial transactions will be distributed so that at least three people are involved in processing orders, receipts and payments. The work of one person will act as a check on the work of the others and these checks will be documented.

4.2 Alterations to documents will be made in ink. Correcting fluid or erasure will not be used.

4.3 Signatures on documents must be original and in ink and will be sufficient to identify the signatory concerned (ticks, rubber stamps or scanned signatures are not acceptable).

4.4 Accounting records will be properly maintained and held securely.

## **5 Insurance**

5.1 Insurance is arranged through the DfE RPA Scheme

- 5.2 School will review insurance arrangements annually to ensure they are commensurate with risks.

## **6 Computer systems**

- 6.1 The school maintains accounting records and information on computerised systems, the School Business Manager will ensure that the school is registered in accordance with the Data Protection Act 1998.
- 6.2 The School Business Manager will ensure that there are effective back-up procedures in place for the financial data held by the school. Schools Connect remote back up service ensures data is held securely off site.
- 6.3 The School Business Manager will also ensure that only authorised staff access computer hardware and software used for school management. Passwords will not be disclosed and will be changed regularly. Only authorised software will be used in order to prevent viruses being imported.
- 6.4 Wherever possible, access levels will be restricted to meet the principles of internal control set out in Section 3 above.

## **7 Purchasing Procedures**

- 7.1 Before placing an order, the School Business Manager will ensure that the school is obtaining best value for money and that the remaining budget is sufficient to meet the proposed order value.
- 7.2 The Finance, Audit and Premises Committee must abide with the Academy Financial Regulations in purchasing, tendering and contracting matters. Where relevant, governors will assess in advance, the Health and Safety competence of the contractors.
- 7.3 To ensure best value in relation to the purchase of any goods and services in accordance with Academy Financial Regulations, as follows:

For orders up to £5000, to test the market and obtain the most cost effective deal for the school.

For orders between £5000 and £20000, to obtain written quotations from a minimum of 2 contractors and signed forms sent to Dave Fitzgibbons and Directors.

For order for above £20000, the school will obtain at least three written tenders or quotations and signed forms sent to Dave Fitzgibbons and

Directors..

- 7.4 All orders for goods and services will be printed on HCSS Purchase Orders.
- 7.5 Documents supporting purchases or contracts such as specifications, quotes, tenders and correspondence, will be retained with the copy order and where the chosen quote is not the cheapest, an explanation will be recorded. Copies are also retained on file by the School Business Manager.
- 7.6 The ordering of goods and services by telephone will not be undertaken except in emergencies and will be followed by the issue of an official confirmation order as soon as possible.
- 7.7 Orders will be issued for all goods and services, except for utilities such as energy costs, telephone bills, rates etc or agency staff and petty cash purchases.
- 7.8 As well as showing details of the goods or service required, the order will also show the estimated or agreed price, net of VAT.
- 7.9 The order may be authorised by those detailed in Appendix 1, but under normal circumstances it would be the Head teacher or School Business Manager.
- 7.10 Orders will be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their private use. Only staff approved by the Governing Body CEO will authorise orders.
- 7.11 The names and signatures of staff authorised to sign orders, certify invoices, sign cheques, authorise BACS payments etc. are recorded in Appendix 2.
- 7.12 The person receiving the goods or services must make a check to ensure they are in accordance with the order. The check will be recorded on the delivery note or invoice and include the signature of the checking officer then passed to the School Business Manager. Payment will not be authorised until all necessary checks have been made, including prices, discounts and the VAT accounting checks. Payment will only be made against an official invoice.
- 7.13 Officers authorising or certifying invoices for payment must be satisfied that those payments comply with the appropriate tax regulations. Access to cheque books and blank cheques will be controlled.

## **8 Personnel**

- 8.1 The Governing Body has approved delegation to the Headteacher for staff appointments, salary and TLR payments. This may be rescinded by the Chair's action or at a meeting of the full Governing Body.
- 8.2 Appointments and amendments to payroll will only be authorised by the Headteacher or School Business Manager.
- 8.3 The School Business Manager will ensure that all the financial and administrative processes concerning employment in the school are checked, and that the school records agree with those of School's first, which administers the payroll.
- 8.4 Payroll and personnel records will be retained in a secure place.
- 8.5 Payroll transactions will be processed through the payroll system; any payments to individuals who have worked for the school on a casual basis will always be made through the payroll system. The same applies to additional payments to staff such as honoraria, or travel and subsistence payments. Such payments will never be made from petty cash or the school private fund.
- 8.6 Any contractor claiming to be self-employed will automatically be paid through the payroll as a temporary employee, unless proof of official tax status is provided.

## **9 Security of Stock and Other Property**

- 9.1 The School Business Manager is responsible to the Finance, Audit and Premises Committee for the safe custody and control of cash and property belonging to the school.
- 9.2 An inventory will be maintained of all attractive and portable items, with details of make, model, serial number and purchase value. A documented check of the inventory will be undertaken annually against actual items. Items with a purchase value of over £1000 that are missing will be reported to the Finance, Audit and Premises Committee.
- 9.3 Items will be recorded in the inventory promptly at the point of purchase. The inventory will have sufficient detail to identify individual assets (i.e. make, model, serial number, location etc). The record will be on sequentially numbered sheets and held in a fireproof location and electronically and backed up daily.

- 9.4 A register will be maintained of items taken off the school premises. All such loans of equipment should be authorised by the School Business Manager and entered in the register, the register being noted upon return of each item with details of dates and signatures. The return of loan items will be countersigned by a second person.
- 9.5 Obsolete items to be written off or items to be sold will be reported to the Finance, Audit and Premises Committee for approval and then clearly recorded in the inventory records.
- 9.6 Safes and secure cupboards will be kept locked, the keys removed and held securely by the person designated by the School Business Manager. The loss of any keys must be reported immediately.

## **10 Income**

- 10.1 The Finance, Audit and Premises Committee, will approve a Charges and Remissions policy as prepared for the supply of goods and services by the school.
- 10.2 The Head teacher is responsible to the Finance, Audit and Premises Committee for accounting of all income due and cash collected as set out in the Charges and Remissions policy.
- 10.3 The Charges and Remissions policy will be reviewed annually by the Finance, Audit and Premises Committee to ensure that levels of charges fall in line with school policy and at least cover the cost of the service provision.
- 10.4 Where invoices are required they will be issued promptly by the School Business Manager. Where possible, the school will obtain money in advance of supplying goods or services to improve the school's cash flow and avoid the time and cost of administering debts.
- 10.5 Receipts and bank payments will be cross-referenced to debtors by the School Business Manager .
- 10.6 Bad debts will only be written off in accordance with the Academy Financial Regulations.
- 10.7 Receipts will be issued for all income collected unless formal records are maintained. There will be a signature of discharge whenever cash changes hands. All receipts, vouchers and other income records will be securely



retained. Personal cheques will not be cashed.

- 10.8 The accounting and debtor records will be properly and promptly updated and all income and VAT due to the school identified. Cash collected will be receipted and banked as soon as possible. Cash held on school premises will be kept to a minimum in a locked safe
- 10.9 The responsibility for identifying money due to school will, as far as is practicable, be kept separate from the responsibility for collecting and banking the money.
- 10.10 Cash income will be kept separate from petty cash.

## **11 Banking Arrangements**

- 11.1 Cheques will not be signed unless all details are fully completed.
- 11.2 A bi-monthly bank reconciliation will be completed by the School Business Manager to show that balances are correct and provide assurance that the underlying accounts of the school have been properly compiled and are accurate.
- 11.3 The Finance, Audit and Premises Committee will review its banking arrangements annually and document as such to ensure they provide the best value for money. They will also review the authorised signatories annually.
- 11.4 The school's cash flow will be monitored regularly by the School Business Manager to ensure that the school's account does not go overdrawn.

## **12 Petty Cash**

- 12.1 The School Business Manager is authorised to decide what amounts of petty cash are held in the school and accepts responsibility for it. The Headteacher will ensure that the cash sums held are covered by insurance and for security reasons do not exceed £1000.
- 12.2 Petty cash floats will be reconciled on a monthly basis by the finance staff.
- 12.3 Staff authorised to hold petty cash are responsible for :-
- ◆ Obtaining proper vouchers and receipts for all cash payments made.
  - ◆ Obtaining receipts that identify any VAT paid to support the reclaiming of VAT.
  - ◆ Ensuring the safe custody of the cash.

- ◆ Producing on demand to the School Business Manager, auditor or other authorised person, cash or receipts equal to the total amount held.

12.4 The petty cash amounts will only be reimbursed from delegated funds. Cash income from other sources will not be used to reimburse petty cash.

12.5 Petty cash will be limited to minor items for which there is proper authority and provision in the budget. Petty cash will not be used for paying regular suppliers, mileage claims or for items in excess of £20.

### **13 Government Procurement Card**

13.1 The Headteacher holds a Procurement Card. This is a Visa card issued by the Royal Bank of Scotland and approved by the DfE.

13.2 There is no credit limit applicable to these cards and the full amount outstanding each month is repaid from the bank account by direct debit.

13.3 Receipts are produced for all transactions and are retained with the processing report from HCSS

## Appendix 1

### Budget Holders

<b>Name</b>	<b>Position</b>	<b>Cost centre</b>
Miss Claire Middleton	Head teacher	Devolved Capital Grant/Delegated Budget (school)
Mrs D Sanderson	School Business Manager	Delegated Budget (school)

## Appendix 2

### Names and Signatures of staff authorised to sign orders:

Name	Signature
Mr P Haynes - Chief Financial Officer	
Miss C Middleton - Head teacher	
Mrs D Sanderson - School Business Manager	

### Names and Signatures of staff authorised to certify invoices:

Name	Signature
Mr P Haynes - Chief Financial Officer	
Miss C Middleton - Head teacher	
Mrs D Sanderson - School Business Manager	

### Names and Signatures of staff authorised to sign cheques/authorise BACS:

Name	Signature
Mr P Haynes - Chief Financial Officer	
Miss C Middleton - Head teacher	
Mr J Swallow - Deputy Head	
Mrs J Myatt - Assistant Head	
Mr S Oliver - Assistant Head	