



School Financial Management Policy And Code of Practice

November 2015
(Review December 2018)

AIMS

This code of practice brings together, decisions made and systems established, by the Governing Body of Our Lady & St Philip Neri RC School in line with the LEA's Financial Regulations, the advice of the Audit Commission and the Borough Auditors.

FINANCIAL PLANNING

The school's budget plan is central to the achievement of the school's educational objectives. These are contained in the School's Management Plan and will therefore be under constant review by the Governing Body and agreed annually to allow the school's budget plan to be prepared before the commencement of the financial year. A final budget plan will be agreed by the Governing Body when notification of the school's budget share has been received.

Responsibilities devolved to the Finance Committee, the Headteacher and members of staff will enable the Finance Committee to make decisions and manage the school's finances, to achieve the overall aims and priorities established by the whole school, as agreed by the Governing Body.

By receiving regular reports from the Finance Committee, the Governing Body will be able to evaluate the extent to which financial decisions have promoted the educational objectives of the school and monitor the effective use of resources.

MONITORING

Monitoring will secure value for money and financial probity while ensuring expenditure stays within budget. It will be achieved by adherence to agreed financial systems.

The Headteacher and Finance Officer will monitor expenditure to ensure accuracy, especially payroll charges.

The school's bank account will be reconciled monthly and will be reported to the LEA with the VAT return.

The 6th monthly/yearly reports to the LEA will provide the focus for a review of the school's spending against budget plan and spending profile and lead to an action report for the Finance Committee. This process will also enable the school to address potential overspend or underspend.

ROLES AND RESPONSIBILITIES

The Governing Body

The Governing Body has overall responsibility for financial planning and control to secure the most effective use of available resources. It is responsible for the monitoring of financial systems to support its financial responsibilities and ensure probity.

The Governing Body has devolved responsibilities to the Governors' Finance Committee, the Headteacher and Finance Officer will

- pay due regard to the LEA's financial regulations and ensure reports are provided as requested by the LEA to carry out its financial responsibilities
- declare and monitor personal financial interest
- agree the school's budget plan as part of the school's Development Plan
- receive regular financial reports to enable it to ensure priorities are being addressed and to monitor the effective use of resources
- ensure the accountability of staff
- designate the Headteacher and assistant heads and subject leaders as budget holders.
- designate the following people as signatories for the school's bank account: Headteacher, Assistant Headteacher and Finance Officer

The Governing Body will receive an outline budget plan from the Headteacher and Finance Committee and agree the school's budget plan, which will be set within the available resources, when the school's budget share has been received.

The Governors and staff with significant interests will complete a Register of Business Interests form.

Finance & Personnel Committee

The Finance and Personnel Committee will scrutinise and, where necessary, approve financial expenditure to ensure the achievement of the School's Development Plan.

To this end it will:

- have regular meetings (at least once per school term) receiving financial reports
- scrutinise and agree the costing of staffing plans
- agree the purchasing or tendering of any items of expenditure between £15,000 and £20,000
- approve budget virements of over £15,000
- regularly review security arrangements

- submit financial reports and recommendations at each meeting of the Governing Body
- monitor all financial systems
- seek financial advice from the LEA, when necessary
- respond in detail to audit reports

The Headteacher

The Headteacher will advise the Governing Body in financial matters, prepare a budget plan and options which reflect the school management priorities.

The Headteacher shall have responsibility for the day-to-day and operational management of the budget and all financial procedures, as delegated by the Governing Body, which will include ensuring the agreed financial procedures are followed on:

- purchasing procedures
- budget virement
- budget reports to governors and LEA
- security of stock (including stock taking)

The Headteacher will:

- be one of the signatories for the school's bank account
- approve budget virements up to £15,000.
- have authority to spend up to £10,000 (without any further authorisation) on a single order/expenditure transaction
- to gain written authorisation from the Finance Sub-committee or Chair of Governors for any amount over £10,000 and up to £20,000 on a single order/expenditure transaction
- to gain written authorisation from the full Governing Body for any order/expenditure over £20,000 on a single transaction
- ensure that specific written approval from the Chair of the Finance Committee or the Chair of Governors is given to sign cheques over £10,000.
- ensure that specific written approval from the Chair of the Finance Committee or the Chair of Governors is given to sign petty cash cheques over £500.
- monitor expenditure
- prepare updated reports on the budget for the Finance Committee.

The Assistant Headteacher

- will be one of the signatories for the school's bank account
- can authorise orders made on official pre-numbered requisition/official order forms

The Finance Officer

- maintain accounting records
- prepare monthly/six monthly/yearly reports to the LEA
- assist the Headteacher in preparing regular reports for the Finance & Personnel Committee
- ensure regular banking of money
- ensure that cash held in the safe does not exceed £3,000
- ensure insurance limits are adhered to
- ensure payments are made by cheques or petty cash
 - by cheque when purchasing procedures have been completed
 - by petty cash when claims are supported by petty cash vouchers
- ensure a record of goods received, having first made certain that the order is complete
- ensure that inventory items are entered in the stock book, as they are received

Budget Holders

- monitor their spend against a budget profile
- make orders on the school's official order form and confirm in writing within 24 hours, if made verbally
- ensure goods are kept safely

FINANCIAL SYSTEMS

Bank Account

The school will have its own individual bank account as part of the LEA's umbrella arrangement with the National Westminster Bank.

Signatories to cheques will be two from three members of staff, currently the Headteacher, Assistant Headteacher and Finance Officer.

The Finance Officer will ensure regular banking of monies.

Accounting System

All financial transactions will be recorded on the RM Solutions, Cash Accounts, accounting system and the school's manual records.

Monthly/six monthly/yearly reports to the LEA will be completed by the Finance Officer.

Purchasing

Orders may only be authorised by the Headteacher or Assistant Headteacher.

All orders will be made on official pre-numbered requisition/official order forms.

Where an order is made verbally/by telephone, it will be confirmed in writing within 24 hours.

When placing an order, value for money will be ensured by comparing prices/quality and obtaining discounts, where possible. For expenditure up to £10,000 no quotes required, Expenditure above £10,001 - £25,000 3 quotes are required. Expenditure above £25,001 - £50,000 4 quotes are required. Expenditure above £50,001 - £100,000 to be put out to tender. Expenditure over £100,000 to be put out to Tender with LA Approval.

A decision on best value will be made by the Headteacher and Finance Officer. The tender process will be used as and when necessary.

Payment will be made by the Finance Officer when the following checks/procedures have been carried out:

- goods/services which were ordered, have been received and are satisfactory in both quantity and quality
- the prices as agreed at the time of ordering, correctly calculated and with appropriate discounts
- expenditure has been coded
- appropriate VAT and taxation regulations have been applied
- the invoice is an original VAT invoice addressed to the school (or a certified copy invoice) and **NOT** a photocopy or faxed invoice.

Stock Control

Stock books will be maintained, listing all major items.

Major new purchases will be recorded in the stock book by the Premises Officer, when payment is authorised.

Stock books will be available for inspection.

Small Payments System

Authorisation for any purchases should be received from the Headteacher or Assistant Head.

No single reimbursement, unless authorised by the Headteacher, in excess of £50, will be permitted from the Small Payment system. Reimbursement claims over £20 must be reimbursed by cheque.

Voucher/receipts/paid invoices for small payments cash disbursements, showing VAT where appropriate, shall be obtained.

Small Payments System – GUIDELINES FOR STAFF

- authorisation for any purchases should be received from the Headteacher, Assistant Headteacher or the budget holder (whose budget will be debited)
- Small Payment claims will be given to the Finance Officer indicating from which budget heading they are to be taken
- receipt/invoice, indicating:
 - name of claimant
 - item(s) bought
 - name of budget heading to be debited
- Small Payment System signed and approved by the Headteacher and/or Assistant Headteacher – Finance Officer
- Small Payment system to be signed by recipient on receipt of the money
- recorded on Cash Accounts computerised accounting system

Security

Access to the school safes shall be limited to the Finance Officer and the school Admin Assistants.

School money and cheque books are to be kept securely in school safes. The Finance Officer and school Admin Assistants to keep the keys to the safe on their person at all times.

DOCUMENT RETENTION

The school will retain all documents in accordance with the LEA's guidelines and the Records Management Society's guidelines.

The current and previous seven years financial records, will be retained.

VOLUNTARY FUND – The School Fund

The Operator of the School Fund will be the Finance Officer and Admin Assistants.

The School Fund will be audited by an independent auditor (i.e. not a member of staff or a governor) every year.

WRITE OFF DEBTS

The Governors may write-off debts up to £1,000. Permission must be sought from the Governors to write-off debts above this amount

Signed (Headteacher)

Signed(Chair of Governors)