

Financial Policy Statement for Thornbury Primary School

Financial Year 2015-16

1 AIMS

- 1.1 This document has been adopted by the Governing Body, as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties, can exercise financial management, probity and stewardship in an efficient and effective way.

2 OVERALL MANAGEMENT RESPONSIBILITIES

- 2.1 The Governors will manage their affairs in accordance with high standards of Public Sector administration, based on a distinct set of values, the fundamental principles of which are: -

2.1.1 Openness – open approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.

2.1.2 Integrity – this is best described as both straightforward dealing and completeness.

2.1.3 Accountability – the process whereby individuals are responsible for their actions and decisions.

- 2.2 Governors will have regard to: -

2.2.1 The Plymouth Scheme for Financing Schools (section 48 of the School Standards and Framework Act 1998, as amended by the Education Act 2002) issued by Plymouth City Council's Strategic Director for People.

2.2.2 Minimum standards of financial management as set out in Plymouth City Council's Constitution which contains the Financial Regulations and Contract Standing Orders (Part H).

2.2.3 Advice and guidance relating to the financial performance of schools arising from the work of Ofsted, the Council's internal audit and external audit providers, Plymouth Learning Partnership (PLP) and other interested parties.

2.2.4 Maintaining standards as required by the Schools Financial Value Standard (SFVS) and acknowledging the Standard's support notes as provided by the Department for Education (DfE). Under the DfE requirements, the Governors will annually carry out an internal self-assessment against the Standard which will be submitted to Council in accordance with their instructions.

3 FINANCIAL POLICIES AND PROCEDURES

3.1 Scheme of Financial Delegation

3.1.1 The Governing Body recognises the importance of clearly defining the roles and responsibilities of its committees, the Headteacher and other staff. The terms of reference for the Governing Body and its Committees are laid out in a separate document.

3.1.2 The Governors, subject to their terms of reference, will decide how to spend the Individual School Budget allocated by the Local Authority subject to:

3.1.2.1 Any conditions in the Plymouth Scheme for Financing Schools to protect its legal duties.

3.1.2.2 The budget only being spent for the purposes of the School.

3.1.3 The Governing Body, through the terms of reference, has delegated authority to:-

3.1.3.1 The Business Committee to authorise spending up to the sum of £5000 on any one order subject to the necessary budget provision being available. Beyond this level the approval of the full Governing Body will be required.

3.1.3.2 The Business Committee to authorise budgetary adjustments from one budget heading to another up to the sum of £5000. Beyond this level the approval of the full Governing Body will be required. Any such budgetary adjustments will be recorded and reported for information to the next full Governing Body.

3.1.3.3 The following officers to authorise spending on an order up to the sums specified. Beyond this limit the approval of the Business Committee or full Governing Body will be required.

Headteacher	£2500
Deputy Headteacher	£1500
Business Manager	£1250

3.1.3.4 The Headteacher to authorise budgetary adjustments from one budget heading to another up to the sum of £2500. Beyond this level the approval of the Business Committee will be required. Any such budgetary adjustments will be notified immediately to the Chair of Business and recorded and reported to the next meeting of the Business Committee of the Governing Body.

3.1.3.5 The Headteacher to authorise payment of invoices for contractual payments that exceed their agreed authorised spending. This would include invoice payments to CATER^{ed} for the provision of school meals, invoices for annual contracts and other payments relating to

requisition or orders approved by the Governing Body in accordance with this scheme of financial delegation.

3.1.3.6 The Deputy Headteacher appointed by Governors will take responsibility for the financial control and management of the School in the extended absence of the Headteacher.

3.1.3.7 Staff to sign documentation in accordance with the staff signing / approval list and authorised signatory list attached as Appendices 1 and 2.

3.2 Headteacher's Financial Responsibilities

3.2.1 The Headteacher is responsible to the Governing Body for ensuring the effective operation of the finance function. The Headteacher will ensure that:

3.2.1.1 The roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions and administrative processes will, as far as is practicable, be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist.

3.2.1.2 The Council's Scheme for Financing Schools and the Council's Constitution which contain the Financial Regulations and Contract Standing Orders are adhered to.

3.2.1.3 The procedures and process as detailed in the Schools Finance Manual are followed in the operation of the School's accounting and commitment system, FMS6.

3.2.1.4 Systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff.

3.2.1.5 Appropriate documentation and records of transactions are maintained to specified standards.

3.3 The School Planning Process

3.3.1 An effective budget must support the School's priorities for raising standards and attainment. This can be done by ensuring that the School's plan for improving education outcomes and the budget are closely aligned and that the budget reflects the School's education priorities. The plan for raising education outcomes and the budget need to be closely linked so that the School can weigh up whether it has enough funds to pay for the activities that it believes are necessary for the School to achieve its education objectives. Also, it will be easier to show value for money if objectives within the plan have been achieved within the budgetary constraints.

3.3.2 A forward projection of budget of the School's income and expenditure for the immediate following year and at least two succeeding years will be prepared by the Headteacher for approval by the Governors in accordance with the Governing Body's terms of reference. The projection

should include both revenue and capital funds – income from all sources and expenditure.

3.3.3 The principal assumptions in setting the budget that need to be taken into account when setting the budget plan are:

- future numbers of pupils and their characteristics
- class and group sizes
- staffing profiles and increments
- pay and price increases
- changes in revenue and capital income
- procurement and maintenance (e.g. fabric and fittings, ICT equipment, whiteboards).

3.4 Consistent Financial Reporting

3.4.1 The School will maintain its financial statements in a form that is compatible with the requirements of the Consistent Financial Reporting (CFR) scheme. This will allow the Local Authority to produce the annual CFR statement on behalf of the School by the third Friday in July.

3.5 Budget Management

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

3.5.1.1 A Financial Reporting Suite (FRS) budget monitoring report will be prepared in accordance with the requirements of the Governing Body to enable them to effectively manage all funds made available to the School. The FRS report will contain notes showing budgetary adjustments, details of major variations and highlighting areas of uncertainty. [The 'Cover Page' must show, as accurately as possible, the forecast year end position for all funds] not working on FRS, PLP Finance Officer advised not to complete until further notice. See Budget Summary Report for each fund

3.5.1.2 It is essential that reports produced are accurate as far as reasonably possible. The Headteacher is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial reports must ensure that they take appropriate steps to guarantee the reliability of the information.

3.5.1.3 The Headteacher may delegate responsibility for elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the school as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.

3.5.1.4 Governors and the Headteacher will periodically review the provision of financial information to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative information.

3.5.2 A FRS 'Detailed Budget Monitor Report with [The 'Cover Page' must show, as accurately as possible, the forecast year end position for all funds] not working on FRS, PLP Finance Officer advised not to complete until further notice. See Budget Summary Report for each fund based on all ledger codes, will be prepared for and submitted to the Assistant Director for Finance / PLP to enable the Local Authority to carry out its statutory duties in the monitoring of school budgets.

3.6 Insurance

3.6.1 The Headteacher will review the insurance needs of the school annually and liaise with the Assistant Director for Finance where appropriate to ensure that specific arrangements remain appropriate. Following the approval of the Governing Body, the Headteacher will ensure the agreed arrangements are in place.

3.6.2 The Governing Body will periodically consider whether to insure risks that are not covered by an existing policy arranged by the Assistant Director for Finance or other voluntary body. The cost of premiums for any additional cover should be met from the School's budget share.

3.6.3 The Headteacher will be responsible for ensuring that Governors are made aware of all new risks, and all incidents which may give rise to an insurance claim (e.g. accident, theft etc) should be reported immediately to the insurers, Plymouth City Council or their agent.

3.7 Computer Systems

3.7.1 The Governors recognise the importance of protecting computerised financial management systems and the data held therein. The Headteacher will ensure that the School is registered in accordance with the Data Protection Act 1998.

3.7.2 The Headteacher will ensure that effective backup procedures are in place and that all back-up disks or tapes are stored securely.

3.7.3 Access to school management computer systems will be limited to authorised staff. These staff will use passwords which should not be disclosed and should be changed regularly. Only authorised software will be

used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

3.8 Best Value and Purchasing

3.8.1 The School recognises the principles of Best Value.

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

3.9 Value for Money

3.9.1 Competitive quotations are not required for contracts or orders with an estimated value at or below £5,000. At least one written quotation must be obtained from the supplier before a SIMS official / commitment order can be issued. For procurements valued at £5,000 but at or below £100,000 at least three written quotations will be invited before a SIMS official / commitment order is issued. For procurements valued at above £100,000 a contract award procedure must be conducted in accordance with the Council's Contract Standing Orders.

3.9.2 Any contract valued at above £100,000 must be in a form approved by the Head of Legal Services All other contracts may be signed by the Chair of Governors or Headteacher in accordance with the Scheme of Delegation and reported to the Governing Body.

3.9.3 For contracts valued at above £100,000 the Council's Strategic Procurement Unit will be notified for inclusion in the corporate Contracts Register. The Headteacher will maintain a register of all other contracts and leases entered into by the School.

3.9.4 The Headteacher has delegated authority to accept the lowest quotation for all expenditure below £2500. In instances where the lowest quotation is not accepted this should be reported to the Business Committee and the reasons for the decision recorded in the minutes of the meeting. For quotations above to be agreed the approval of the Business Committee or Governing Body must be sought.

3.9.5 The Headteacher will notify the Strategic Director for People and the Assistant Head of Finance of any capital spending from capital and revenue budgets. Where the expected capital expenditure from the revenue budget on any one project in any one year will exceed £15,000, the Governing Body must notify Plymouth City Council and take into account any advice from the Strategic Director for People and the Assistant Director for Finance as to the merits of such expenditure. Projects should not be artificially disaggregated to avoid this requirement.

3.9.6 Quotations or tenders need not be sought because of an unforeseeable emergency involving immediate risks to persons, property or serious disruption to the School or significant financial loss. The Headteacher may approve an exemption in these circumstances but must prepare a report for the next Governors' meeting to support the action taken.

3.9.7 The register of business interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts. It will be minuted in the Governors' minutes that this procedure has been followed.

3.10 Orders for Goods and Services

3.10.1 Official commitment orders will be raised by the Finance Officer through FMS6 on receipt of a requisition form signed by the appropriate budget holder and authorised in accordance with the Scheme of Delegation (paragraph 3.1.3). Orders and copy orders will be signed in accordance with Appendix 1.

3.10.2 Any telephone or verbal orders, supported by an authorised requisition form, must be confirmed by an official commitment order not later than the next working day.

3.11 Payment of Accounts

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

3.12 Petty Cash / Imprest Account

3.12.1 The Headteacher is responsible for the operation of the petty cash account, which should only be used for the purchase of postage stamps and small items of expenditure up to £150. Every effort should be made to obtain proper receipts and VAT invoices.

3.13 Purchasing Card

3.13.1 The Purchasing Card is issued for the express function of obtaining goods and services for the School or for payments relating to business expenses incurred in the course of the Cardholders official duties. See Appendix 2 for Cardholders, monthly card limit and agreed transaction limit.

3.13.2 The Barclaycard Spend Management (BSM) (Cardholder User Guide) issued by the Assistant Director for Finance will be adhered to at all times. A copy of this can be found on the School Room website. See Appendix 1 for BSM authorisation and approval.

3.14 Human Resources and Payroll

3.14.1 The Headteacher will, where possible, allocate duties to ensure that an appropriate division of duties exists in the area of completing, checking and authorising of all documents and claims relating to appointment and termination of employment and expenses.

3.14.2 Payroll transactions will be processed only through the approved (normally the Council's) payroll system. Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism. Payroll transactions relating to staff employed by the City Council or the

Governing Body will be processed against a fund provided by the Council and not a voluntary unofficial fund.

3.14.3 The School will comply with the procedures laid down by the Council on determining employment or self-employment of individuals. These can be found on the School Room website under the HR Support heading.

3.15 Security of Stocks and Other Property

3.15.1 The Headteacher is responsible for the care and custody of all assets within the School and will maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment, keys and cash.

3.15.2 The Headteacher will ensure that a register of assets / inventory is maintained in accordance with the provisions of the Scheme for Financing Schools. Inventories will be checked at least annually and any discrepancy shall be investigated. The Governing Body and Assistant Director for Finance will be informed of surpluses and deficiencies revealed by an inventory check.

3.16 Safes and similar storage facilities will be kept locked and the keys removed to be held by the key holder who will be nominated by the Headteacher. Normally keyholders will carry keys on their person and keys must not be left on the premises overnight. A list of keyholders will be maintained by the school and loss of any keys must be reported to the Headteacher and where necessary the Assistant Director for Finance.

3.17 Income and Banking Arrangements

3.17.1 Charging and Remission of Fees

3.17.1.1 The Governing Body will annually review the charges referred to in the charging and remission policies on the basis of recommendations put forward in a written report by the Headteacher. The policies adopted will be based on the guidance issued by the DfE and the Local Authority.

3.17.2 General Income Matters – Income Collection and Banking

3.17.2.1 The Headteacher will ensure that the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums. In addition, the Headteacher is responsible for ensuring arrangements operated are in accordance with procedures specified by Financial Regulations and Schools Finance Manual.

3.17.2.2 The Headteacher is responsible for the correct accounting of all income due to the School. This includes the use of an online collection system (ParentPay) for processing income collected by the School.

3.17.2.3 By using the online collection system, the School will follow guidance issued by the provider for the academic year (new and year end procedures) and instructions, issued by the Local Authority, for its year end procedures.

- 3.17.2.4 Where cash and cheques are received, whether it is due to a fund provided by the Local Authority, or 'Catering Income' or an unofficial fund, the online system will be updated on the day of receipt. (If a parent requests a receipt, this will be issued from the online cash collection system. For manual systems, a receipt will be issued and, in agreed circumstances, collection listings will be used.
- 3.17.2.5 Any cash or cheques received will be locked away until the time of banking. Income collected will be banked in its entirety as promptly as possible (usually weekly) and will not be used to cash personal cheques or for other payments (other than the official imprest).
- 3.17.2.6 Where invoices are to be raised, the School will promptly submit an Invoice Production Request form to the Local Authority's Transaction Centre for processing through the corporate debtor system.
- 3.17.2.7 All income received / receivable will be posted to the School's FMS6 system, using the non-invoiced income process, on the date of receipt through the online cashless system, the day any cash or cheques are banked and invoice production request forms are submitted. This will ensure that income credited to the School's cost centre on the corporate general ledger can be reconciled to FMS6.
- 3.17.2.8 Internal recharges will be raised promptly through the agreed journal system to ensure expenditure is recouped.
- 3.17.2.9 For the Plymouth Teaching School Alliance, returns to submitted to PLP monthly to ensure that the agreed funding can be approved and funds released to the School.

3.17.3 Lettings

- 3.17.3.1 The letting of School Premises and Grounds should always be subject to a formal contract. A detailed lettings policy together with charges is contained in a separate document.

3.17.4 Amounts to be written off

- 3.17.4.1 The Governing Body may write off any debt valued at £2,500 or less where the income would have been credited to the School's Budget Share. Any other write off will require the approval of the Assistant Director for Finance in accordance with the Financial Regulations.

3.18 School Funds / Private Funds

- 3.18.1 The Governing Body is responsible for all the School's voluntary unofficial funds. Although a school fund / private fund is not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the Governing Body.
- 3.18.2 The objectives of the school fund / private fund are to enable the School to function financially with funds not normally allocated by the LA.

This includes income received from a variety of proper sources and payments made for the purchase of educational goods, for pupil welfare and the provision of services outside the scope of the delegated budget share.

3.18.3 The Governing Body approves the operation of the school fund / private fund, which will be administered in accordance with the recommendations noted in the manual for the Management of Voluntary Unofficial Funds, as issued by the Local Authority.

3.18.4 The accounts are to be maintained within the constraints of the Fund objectives.

3.18.5 Auditor(s) will be appointed annually by the Governing Body to conduct an audit of the fund accounts in accordance with the Fund Objectives and as recommended by the Assistant Director for Finance. The preparation and delivery of the audited accounts and report to the Governing Body will be within three months of the fund's financial year.

3.18.6 Bank Accounts are to be at NatWest.

3.18.7 Operational policy and procedure:

- A minimum of two signatures is required on Fund Cheques.
- All income is to be properly receipted or processed through the online cashless system.
- Expenditure must be supported by proper invoices or vouchers, which must be retained for a minimum of 6 years.
- Items of expenditure in excess of £500 will require the Headteacher's signature.
- Items of expenditure in excess of £2500 will require approval by the Chair of the Business Committee.
- Wages, honoraria, loans or ex-gratia payments are not to be made from the School Fund.
- However, gifts (not cash or cheques) may be given up to a maximum of £30 without the prior approval of the Governing Body.
- A monthly bank reconciliation statement will be prepared monthly and signed off by the Headteacher.
- A financial report will be submitted, as part of the routine financial reporting, to the Business Committee.

3.19 Governors' Expenses

3.19.1 The policy relating to Governors' Expenses will be reviewed at least every three years and, if payable, will be in accordance with the Local Authority scheme.

3.20 Registers of Business Interests

3.20.1 The Clerk to Governors on behalf of the Governing Body will maintain a register of pecuniary / business interest forms for each member of the Governing Body and the Headteacher with interests recorded in accordance with guidance contained in the DfE publication – “The constitution of governing bodies of maintained schools”. The register must be kept up to date with notification of changes and through a recommended annual review of entries. The register will be published on the School’s website in a readily accessible form.

3.20.2 The Governing Body will ensure that all members of staff are aware of the responsibilities for declaring any links or personal interests which they have with regard to contractors and suppliers. The Headteacher will maintain, in a suitable form, a record of the details of those members of staff who declare any links or personal interests which they have with contractors and suppliers.

3.21 Gifts and Hospitality Register

3.21.1 As a general rule staff must not accept from suppliers or contractors or potential suppliers and contractors or from any firm or organisation with whom the School has had, is having or may have any dealings of any kind:

- (a) any gift (other than an inexpensive seasonal gift such as a calendar or diary for use in the office) and where refusal would cause needless offence and the giver is not seeking a business decision but merely wishes to express thanks for service, advice, help or co-operation.
- (b) any hospitality without the written authorisation of the Headteacher or Chair of Governors.

A register will be maintained by the Headteacher to record all particulars of gifts and hospitality.

STAFF SIGNING / APPROVAL This is not an exhaustive list. It is up to the individual schools and colleges to agree their own matrix.	Head	Deputy Head	Business Manager / Senior Finance Officer
Ordering and Payments			
The raising of a requisition for goods / services	X	X	X
Authorising requisition per scheme of delegated authority	X	X	X
Input of requisition to FMS6 to create order / commitment		X	X
On screen authorisation of SIMS order		X	X
Signing of printed order and copy order	X	X	
Processing a 'pdf' order	X	X	
Receiving goods into School	X	X	X
Verification that goods received agrees with delivery note and original order			X
Approving invoice for payment prior to entry under FMS6		X	X
Input of invoice under FMS6		X	X
On screen approval of invoice		X	X
Signing of Payment Authorisation Control Listing	X	X	
Approval of payments extract batch listing prior to transmission	X	X	
Transmission of payments batch	X	X	
HR and Payroll			
Approval of starter and leaver forms	X	X	
Update and reconciliation of Personnel module			X

Approval of monthly payroll documentation including scale point changes, additional hours and overtime	X	X	X
Approval of supply staff payments listing prior to transmission	X	X	X
Transmission of supply staff payments		X	X
Staff Mileage and Expense Claims			
Authorisation of staff mileage and expense claims	X		
Petty Cash / Imprest			
Authorisation of petty cash expenditure up to £100	X	X	
Authorisation of petty cash expenditure over £101 - £150	X	X	
Reconciliation of petty cash / imprest account			X
Purchasing Card			
Purchasing Card holder / individual transaction limit	X		
Reviewer of transactions on the Barclaycard Spend Management (BSM) system		X	X
Authoriser of transactions on the BSM system		X	X
School Fund			
Authorisation of School Fund expenditure	X	X	

SIGNATORY LISTINGS

Staff authorised to certify requisitions and sign orders

Designation	Name
Headteacher	Mrs Claire Hardisty
Deputy Headteacher	Mrs Fiona Banks
Business Manager	Mr David Brooker

Staff authorised to certify payments

Designation	Name
Headteacher	Mrs Claire Hardisty
Deputy Headteacher	Mrs Fiona Banks

Staff authorised to sign Imprest Cheques

Designation	Name
Headteacher	Mrs Claire Hardisty
Deputy Headteacher	Mrs Fiona Banks
Head KS2	Miss Caroline Walsh

Purchasing Card Holders

Name	Monthly limit	Transaction Limit
Mrs Claire Hardisty	£1000	£150

Staff authorised to sign School Fund Cheques

Designation	Name
Headteacher	Mrs Claire Hardisty
Deputy Headteacher	Mrs Fiona Banks
Head KS2	Miss Caroline Walsh