

West Byfleet Infant School

Finance Policy – June 2017

Governors' Committee Responsible: Resources

Policy Originator: Shirley James

Review Period: Annual

Status: Statutory

Next review Date: June 2018

The Purpose of the Policy:

- ~ To define the responsibilities within the school
- ~ To provide guidance on the application of regulations
- ~ To identify procedures to ensure integrity of internal controls
- ~ To set out guidelines to ensure effective use of resources

1. Rationale and Accountability

Governors have statutory responsibility for the oversight of the financial management in all maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the Surrey LMS Finance Manual, which can be found on the Four S website.

The role of the Governing Body is to:

- ~ Review the budget as approved by the Resources committee
- ~ Receive auditors' reports
- ~ Set the terms of reference for the Resources Committee

Meetings

- ~ The Full Governing Body meets termly. Minutes are taken and recorded by the clerk to the Governors.

The role of the Resources Committee is to:

- ~ To receive and review the draft Budget from the SBM and School leadership team and approve the budget as delegated by the FGB.
- ~ To help the school leadership team to plan, monitor and evaluate the use of financial resources in the school

The Resources committee has delegated responsibility to:

- ~ Approve the budget on behalf of the Governing body and present the planned budget to the FGB .
- ~ Adopt the Local Authority Scheme of Delegation
- ~ Review and maintain finance policies, including Lettings and Charging & Remissions.
- ~ Respond to financial matters as they arise

- ~ Review revenue and capital expenditure of up to £10,000 with any expenditure above this limit requiring the review of the Governing Body
- ~ Review systems of internal financial control and ensure the principles of SFVS are followed.
- ~ Review and monitor the annual budget and make recommendations to the Governing Body
- ~ Review and monitor budgets, expenditure and income
- ~ Set levels of authority for spending and virement
- ~ Advise the Governing Body on the affordability of the School Development Plan
- ~ Consider the impact of student numbers on the budget over short, medium and long terms
- ~ Receive and respond to audit reports
- ~ To ensure Voluntary Funds are audited and administered to Local Authority standards.
- ~ Review relevant sections of the SEF
- ~ Analyse local and national data to ensure best value

Meetings

- ~ The Resources Committee meets at least termly and more often if necessary.
- ~ Minutes are taken and recorded by the Clerk to Governors.

The Senior Management Team (SMT)

The SMT are mandated to:

- ~ Incur expenditure within the delegated limits once the budget has been agreed.
- ~ Ensure that regular monitoring reports of expenditure and income against budget are reported to the Resources Committee.
- ~ Virement is set at 10% of budget for any given cost area, subject to a maximum value of £2,000 but excluding any staffing areas.
- ~ Draw up proposed budget options for delegated funds, special purpose grants and anticipated income.
- ~ Maintain awareness of externally available funding and ensure use of such funding to maximum benefit of the school.
- ~ Ensure that financial procedures are correctly followed for all financial transactions.

2. Budgets and authority levels:

The governors shall plan the school finances through:

- ~ The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.
- ~ Preparation of a medium term Financial Plan of at least three years, updated annually.

Levels of virement are set by the Resources Committee, approved by the Governing Body, to maintain effective use of resources.

Resources Committee: £5,000 may be vired between budgets without approval by the FGB
 Head (and SBM): £5,000 may be vired within budget headings, and reported to the Resources Committee.

The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan will be as follows:

Autumn Term:	Preparation of Draft SDP: October Review draft budget: November
Spring Term:	Review and Approve SFVS Receive year end Forecast Present Budget to Resources Committee: April Approval of Budget and submit to the LEA, report budget to the Governing Body: April/May

3. **Authority to incur expenditure**

- a) Subject to b) the Headteacher has authority to incur expenditure and make payments which are consistent with the Revenue budget up to a value of £10,000, and up to £10,000 in respect of capital.
- b) The Resources Committee has authority to approve all expenditure costing more than £10,000 but less than £28,000 for which provision has been made in the budget.
- c) The Governing Body must agree any expenditure for which there is no budget.
- d) The Resources Committee Terms of Reference describes the method of communication to the full Governing Body.

4. **Purchasing**

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases will be made through the school's ordering system. The SBM shall keep records of all purchases made including quotations received but not accepted, together with the reasons. Government guidance on an efficient procurement process in schools is found on the following website.

<https://www.gov.uk/government/collections/buying-for-schools>

The policy of Best Value will be applied using the following principles:

- ~ Work with West Byfleet Junior School to explore procurement opportunities, and similarly with SBM's in Woking School Learning Partnership
- ~ Challenging how a service or supply is provided and why it is required
- ~ Comparing performance with other schools
- ~ Consulting with relevant stakeholders
- ~ Competing as a means of securing efficient and effective services and supplies.
- ~ One quote can be sought for purchases up to £10,000, three written quotes will be sought for purchases from £10,001 to £49,999 and tendering for £50,000 to £99,999 for building work in order to achieve best value. Any projects above £100,000 are subject to E.U. compliant tendering.

5. **Payments made via the BANKERS AUTOMATED CLEARING SERVICE (BACS)**

All invoices paid via BACs must be approved for payment prior to running the BACS payment process. Invoices will be retained separately and presented to the Head Teacher and Second Signatory (for all invoices over £250) for authorisation before the BACS file is created. The school will create and run a BACS payment on a weekly basis to ensure processing costs are kept to a minimum. On completion of the invoices being authorised, input onto FMS by the schools Bursar or Finance Assistant, the SBM or Finance Assistant will then create a BACS file containing all authorised payments. This will be saved in file I:\SIMS\FMS\Transfer number). The SBM or Assistant will then present the pack of pre-authorised invoices along with the BACS run report to the Head Teacher. The Head Teacher will check all invoices against the BACS run report supplied. When reconciled the Head Teacher will email the run (according to the transfer number) to the BACS Bureau for payment. The Head Teacher or a Second Signatory has access to run the final payment process. This defines a clear segregation of duties. The SBM will retain all BACS payment logs for monthly reconciliation purposes.

6. Internal Controls

Internal delegation, subject to the limits in 3 above, will be as follows:

Duty	Person(s) responsible/signatory (please record names and job titles)	Comments/ explanatory notes	EVALUATION - to be completed by auditor
Delegated funds:			
Purchase order requisition	S Sil (SBM , D Jones (F&A A)		
Purchase order authorisation	S James (Head), relevant Budget holder		
Receipt of goods	S Sil (SBM) D Jones (F&A A), S Dackham and G Davis (Office mgrs),		
Checking invoices (order, delivery, accuracy)	S Sil (SBM) , D Jones (F&A A)		
Certifying invoices	S Sil (SBM)		
Cheque signatories	S James (Head), S Smithers (DHead), S Dudley, S Webber (SMT)		
Recording inc/exp (computer system)	S Sil (SBM) D Jones (F&A A)		
Completing bank reconciliation	S Sil (SBM)		
Checking bank reconciliation	S James (Head)		
Receiving/recording income	S Sil (SBM) D Jones (F&A A), S Dackham and G Davis (Office mgrs),		
Receipting income	S Sil (SBM)		
Issuing invoices	S Sil (SBM) D Jones (F&A A)		
Updating invoice records	S Sil (SBM) D Jones (F&A A)		
Banking	S Sil (SBM) D Jones (F&A A)		
Income reconciliation	S Sil (SBM)		
Preparing/amending payroll documentation*	S Sil (SBM)		
Checking and authorising payroll documentation	S James (Head)		
Reviewing payroll output (tabulations)	S Sil (SBM)		
Receiving/recording dinner money	G Davis and S Dackham (Office Mgrs)		
Reconciling dinner money	S Dackham		
Certifying returns	S James (Head)		
Free school meals records	G Davis and S Dackham (Office mgrs.)		
Use of School Purchasing Card to limit of £500	S Sil (SBM) D Jones (F&A A)		
Authorisation of purchase using Purchasing Card	S James (Head), S Smithers (DHead)	By email	
Input & Preparation of BACS Payments	S Sil (SBM) D Jones (F&A A)		
Authorising BACS Payments	S James (Head), S Smithers (DHead), S Dudley and S Webber (SMT)		
Sending BACS File to BACS Bureau for processing	S James (Head) or Second Signatory		
Recording BACS runs on BACS Processing Log Sheet	S Sil (SBM) D Jones (F&A A)		

*service returns, starter, leaver and variation in pay forms, contracts, supply and staff pay claims

Cheques require one signature up to value £250, thereafter, two signatures.

Financial reporting:

Monthly: Financial Monitoring Report + commentary

To: Head, Resources Cttee

Monthly: Cost centre Summary Report, Cashflow

To: Head

Termly: Cost Centre Report

To: Budget Holders

Annually: Out-turn Statement

To: Governing Body

CFR

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Unofficial Funds Audited Accounts

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Budget Plan

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Whistleblowing Policy

This was reissued to staff in June 2017.

Updated June 2017