

BOWHILL PRIMARY SCHOOL

FINANCE POLICY

A. AIMS

This document has been adopted by the *Governing Body* of Bowhill Primary School, 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 and stewardship in an efficient and effective way.

B. OVERALL FINANCIAL MANAGEMENT

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 :-

1. *Openness* - an open approach to all interested parties in the disclosure of information, that lends itself to necessary scrutiny.
2. *Integrity* - this is best described as both straightforward dealing and completeness.
3. *Accountability* - the process whereby individuals are responsible for their actions and decisions.

Governors will have regard to :-

- (a) minimum standards of financial management as set out in Appendix D of the scheme for Local Management of Schools, which contains Devon County Council Financial Regulations and Instructions;
- (b) advice and guidance relating to the financial performance of the school arising from the work of OFSTED, Internal Audit, the District Audit Service and other interested parties.

C. OVERALL FINANCIAL POLICIES

1. Organisation of Responsibility and Accountability

The responsibilities of each person and the committees involved in finances are defined to avoid duplication or omission of functions and provide a framework of accountability. This framework will be approved by the *Governing Body*.

2. The School Planning Process

To provide a clear focus for activity, a School Improvement Plan will be prepared and approved annually. This will set out the aims and objectives of the school within the projected available resources for a period covering at least 3 years.

3. Budget Management

To allow effective financial management of resources an annual revenue budget which will include Standards Funds, will be prepared. This shall be prepared in a timely manner and in sufficient

detail to allow regular meaningful budget monitoring and reporting to take place. It shall be consistent with the aims and objectives included within the school's Improvement Plan.

4. Insurance

The Governing Body will annually review and approve the insurance arrangements, taking account of insurance needs, risks and costs.

5. Computer Systems

The Governors recognise the importance of protecting computerised management systems and data held within them and will approve procedures to achieve this objective.

6. Purchasing

The Governing Body aims to achieve best value for money from all its purchases and has established procedures for testing the market, placing of orders and paying for goods and services in accordance with financial regulations.

7. Personnel

The Governing Body will approve annually policies relating to the payment of honoraria, gratuities and other emoluments, and ensure systems are in place to allow all payroll transactions to be processed correctly and only through the Payroll system.

8. Security of Stocks and Other Property

The Headteacher will ensure procedures exist for the safe custody of cash, the security of other property and for stock control.

9. Income and Banking Arrangements

Charging and remission policies will be approved annually by the Governing Body. All income and monies due to the school will be correctly accounted for and banked in accordance with procedures set out in financial regulations.

10. School Funds

The school will ensure that there is a secure and efficient system for the custody and control of voluntary unofficial funds. The funds will be administered on behalf of the governing body by the Headteacher/Administrator in accordance with the LA's guidance contained in the document entitled 'Management of Voluntary Unofficial funds'.

11. Governors' Expenses

Payment of expenses (if any) to Governors will be in accordance with the policy agreed annually.

12. Register of pecuniary interests of Governors and Staff

The Governing Body recognises the importance of maintaining high standards of Public Sector administration and require a register of Pecuniary Interests to be maintained.

D.DETAILED POLICIES and PROCEDURES

1. Organisation of Responsibility and Accountability

(A) Clear Limits of Delegated Authority

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 Governors' Resources Committee, which are reviewed annually, are attached.

In accordance with the school's needs and priorities as laid out in the School's Improvement Plan, the Governing Body will decide how to spend the budget allocated within the LA's scheme of delegation subject to :-

- (a) any conditions in the LA's scheme included to protect its legal duties;
- (b) the budget must be spent only for the purposes of the school.

Authority has been delegated from the Governing Body :-

- (a) to the following officers to authorise spending on any one order/payment up to the sums specified. Beyond this level the approval of the full Resoruces Committee or the Governing Body will be required.

Headteacher	£15,000
Deputy Headteacher	£15,000
Co-ordinators	£1,000
Administrator	£500

- (b) to the Headteacher to authorise virements from one budget heading to another up to the sum of £10,000. Beyond this level the approval of the Resoruces Committee will be required. Any such virements will be recorded and reported to the next meeting of the Resoruces Committee of the Governing Body.

- (c) to the Senior Administrator and Headteacher to complete PLASC each term.

(B) Effective operation of the Finance Function

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

- (i) the roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions 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.

- (ii) Devon County Council Financial Regulations and Instructions are adhered to.
- (iii) systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff.
- (iv) appropriate documentation and records of transactions are maintained to specified standards.

2. The School Planning Process

Despite the uncertainties over future years' budget allocations the Governors recognise the importance of **long term planning** and require a School Improvement Plan covering 3 years to be submitted annually for approval. This will be prepared by the Headteacher.

3. Budget Management and Monitoring

The Headteacher is responsible for preparing the annual revenue budget in sufficient detail to conform with LA 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. As a minimum standard the Governors shall expect to see :-

- a separate budget monitoring statement for each of the funds provided by the LA, i.e. School Budget Share and Capital Fund. The statement should show a comparison of expenditure to the approved budget. Expenditure should be broken down into those sums actually spent, sums already committed and amounts of expenditure which are planned but to which the school is not yet committed. The statements should show, as accurately as possible, the forecast year end position.
- a written report should accompany financial statements providing details of major variations and highlighting areas of uncertainty. The report will also show virements made between budget headings and show the latest forecast pupil numbers and the financial implications of any revised forecasts.

It is essential that reports produced are accurate as far as is 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 they take appropriate steps to guarantee the reliability of the information.

The Headteacher may delegate 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.

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.

4. Insurance

The Headteacher will review the insurance needs of the school annually and liaise with the LA where appropriate to ensure that specific insurance arrangements remain appropriate.

5. Computer Systems

The Governors recognise the importance of protecting computerised financial management systems and the data held within them. The Headteacher will ensure that the school is registered in accordance with the Data Protection Act 1984.

(As we now use the Terminal Server all our data is backed up centrally)

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.

6. Purchasing

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 financial regulations.

(A) Value for Money

Written competitive quotations will be obtained whenever possible.

At least two oral quotations are required for expenditure exceeding £1,000 but less than £2,500.

At least three written quotations are required for expenditure exceeding £2,500 (£5,000 for works) but less than £10,000.

At least three written formal quotations are required for expenditure exceeding £10,000 but less than £50,000, such quotations to be submitted in writing by a specific date and time and based on a written specification and evaluation criteria.

At least four written tenders are required for expenditure exceeding £50,000 but less than the EU threshold

At least five written tenders are required for expenditure exceeding the EU threshold.

(B) Orders for Goods and Services

Orders will be raised on receipt of a Requisition Form signed by the relevant Budget Holder. Any telephone orders must be followed by a confirmation order within 24 hours. The Requisition Form should be retained with the copy order.

(C) Payment of Accounts

Invoices will only be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected. Payment should be made within reasonable limits and discounts taken for quick payment where appropriate.

(D) Petty Cash

The Headteacher is responsible for the operation of the Petty cash account which should only be used for small items of expenditure up to £1000. Every effort should be made to obtain proper receipts and VAT invoices.

Authority has been delegated by the Governing Body to the Headteacher, Deputy Headteacher and Senior Administrator to be signatories on the petty cash account with authority to sign individual cheques up to the value of £500 with two signatures required on each cheque.

The Governing Body delegates authority to the Headteacher and Senior Administrator to be debit card holders on the petty cash account with authority to spend up to the value of £500 on any one transaction.

7. Personnel and Payroll

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 appointments/terminations of employment and expenses. (These roles must not be the sole responsibility of one person.)

Payroll transactions will be processed only through the payroll system. Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism. Payroll transactions relating to Devon County staff will be processed against a fund provided by the Authority and not a voluntary unofficial fund.

The Governing Body has delegated to the Headteacher authority to approve honoraria and gratuities subject to an annual report to the Governing Body of such payments.

8. Security of Stocks and Other Property

The Headteacher is responsible for the safe custody of cash, the security of other property and for stock control.

The Headteacher will ensure that inventories are maintained in accordance with Financial Instruction (9) and in a format provided by the LA. Inventories will be checked at least annually and any discrepancy shall be investigated. Discrepancies over the amount of £500 shall be reported to the Resources Committee of the governing body. The Headteacher is authorised to write off items up to £500.

Safes and similar storage facilities will be kept locked and 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 except in another safe. A list of keyholders will be maintained by the school and loss of any keys must be reported to the Headteacher and if necessary to the LA.

9. Income and Banking Arrangements

(A) General Income Matters

The Headteacher is responsible for the correct accounting of all income due to and cash collected for the school. Where possible, the Headteacher will ensure the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums. (It is recognised however that for many schools this is not practical.)

Where invoices are to be raised, the school will do so promptly using authorised arrangements. Where cash is collected, whether it is due to a fund provided by the LA or an unofficial fund, a receipt will be issued or in agreed circumstances Collection Listings may be used. The receipt books used will be those approved by the County Treasurer and separate books will be used for LA and unofficial funds.

Cash and cheques collected will be locked away until the time of banking. Income collected will be banked in its entirety as promptly as possible and will not be used to cash personal cheques or for other payments (apart from the official imprest).

Sums received will be reconciled to the sums banked. Through reconciling to the Devon County Council Financial Information System, the school will ensure that sums banked to the DCC bank account are correctly attributed to the school.

(B) *Charging and Remission of Fees*

The Governing Body will determine charging and remission policies annually 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 Authority.

(C) *Banking Arrangements*

The Headteacher is responsible for ensuring arrangements operated are in accordance with procedures specified by financial regulations (and if relevant the Local Payments Scheme).

10. School Fund

We have no voluntary unofficial funds.

11. Governors' Expenses

The policy relating to Governors' Expenses will be approved annually and if payable will be in accordance with the LA Scheme.

12. Register of Pecuniary Interests

A register will be maintained by the Clerk to the Governors.

Adopted Date: 17 January 2017

Review Date: January 2018

Terms of Reference for the Resources Committee of the Governing Board of Bowhill School

<p>Membership:</p> <p>The committee consists of</p>	<p>Rod Ruffle Emma Walker-Brown Reg Edwardson Joanne Radford Lizzie Clough Mark Burnard Nikki Denison David Pryke</p> <p>Caren Brooks (Headteacher) to be in attendance as required</p> <ul style="list-style-type: none"> The committee shall consist of not less than 3 governors plus the Head teacher or delegate(s). The committee shall have such appointed associate members as the governing board shall appoint. The committee may make recommendations for these appointments, which should include such staff as the Head teacher shall determine in consultation with their colleagues.
<p>Quorum:</p>	<p>3</p>
<p>Chair of Committee:</p>	<p>Rod Ruffle</p>
<p>Vice Chair of Committee:</p>	<p>Emma Walker-Brown</p>
<p>Clerk of Committee:</p>	<p>Li Wang</p>
<p>Agreed at meeting of full governing board (date) 27th September 2016.....</p> <p>Date of review* September 2017</p> <p>*These terms of reference should be reviewed annually by the Governing Body and when there are any changes to the Governing Board's membership</p>	
<p>Agreed Terms of Reference</p>	
<p>Accountability</p> <p>The committee will report back to the governing board by submitting minutes which record decisions made, actions to be taken and/or recommendations for consideration.</p>	
<p>Meetings</p> <p>At least once per term and more frequently if deemed necessary by the majority of members. The minutes shall be taken by the Clerk to Governors. In the absence of the Clerk, the minutes shall not be taken by the Chair of the Committee. The minutes of the previous meeting shall be distributed with</p>	

each agenda, and, if agreed as a correct record, signed by the Chair of the Committee.

Review of Terms of Reference

The Terms of Reference of the Resources Committee shall be reviewed annually by the Resources Committee, with any recommendations sent to the next available Governing Board Meeting for ratification.

Training

Governors are expected to have completed the induction training for new governors as outlined in the New Governor Induction Guidelines; and any sessions that are relevant to the responsibilities of the Committee.

Withdrawal

Any person employed to work at the school, other than the headteacher, must withdraw from the meeting for discussions and decisions concerning the pay or performance of anyone employed at the school. The Headteacher must withdraw if his or her pay or performance is being discussed. Any governor or associate member must withdraw where there may be a conflict of interests with items declared on the 'Register of Business Interests' form.

Matters of Urgency

These may be dealt with by the chair of governors, chair of the committee and headteacher and reported to the next meeting of the committee or full governing board.

Best Value

The governing board will ensure the principles of Best Value are followed when making decisions. The principles of best value are:

- Challenge – why, how and by whom an activity is carried out;
- Compare – performance against other schools and between parts of each school;
- Consult – involving stakeholders, especially pupils and parents;
- Compete – as a means of securing efficient and effective services.

Delegation

Governing boards may use their powers to delegate functions and decisions to committees or individual governors. It is the overall governing board, however, that in all cases remains accountable in law and to Ofsted for the exercise of its functions. (Governors' Handbook, September 2014.)

Levels of Delegation - Decision or Recommendation

D = **decision** to be taken by the committee and reported to the full governing body in the minutes.

R = the committee to make a **recommendation** to the full governing body, who will make the decision.

Responsibilities

Chair

Non-employee to be elected by the full governing . Duties will include notifying the Committee members of any meeting to be held and providing all with an agenda after consultation with the Headteacher.

Financial Aspects

To provide guidance and assistance to the Headteacher and the Governing Board in all matters relating to budget and finance

D

To agree the level of delegation to the Headteacher for the day-to-day financial management of the school

D

To have delegated powers to authorise expenditure within the budget to any order up to £25,000

D

To have delegated powers to make virements up to £15,000, after consultation with other committees	D
To consider and approve a Statement of Internal Control and recommend it to the full Governing Body for approval.	R
<p>In consultation with the headteacher and business manager and taking into consideration:</p> <ul style="list-style-type: none"> • available resources • sustainability of commitments • the school improvement plan (or school development plan) • forecast pupil numbers • anticipated contractual liabilities • other relevant factors <p>the committee to scrutinise and agree the formal budget plan(s) for the financial year and make recommendations to the full governing board for its approval.</p>	R
To ensure the continued knowledge and understanding of governors in respect of the requirements of the Schools Financial Value Standard (SFVS) and ensure annual return is submitted.	D
To ensure the establishment and maintenance of an up to date 3 year financial plan, ensuring that current data is used to inform the 3 year plan.	D
To monitor budgets for all funds under the governing board's control, including virement decisions, at least termly and to report significant variances from the anticipated position to the governing board.	D
<p>To establish/recommend as appropriate policies (to include recommended levels of delegation) to the Governing Board. This will include a:</p> <ul style="list-style-type: none"> • Finance Policy • Charging and Remissions Policy • Governor Allowances / Expenses Policy • Budget Monitoring • Lettings 	R
To ensure the continued knowledge and understanding of governors in respect of the Schools Funding Consultation held in September each year and to provide an agreed response to the consultation.	D
To monitor expenditure of any voluntary funds kept on behalf of the governing board and ensure the annual audit of these funds.	D
To make decisions in respect of service level agreements and service contracts	D
To consider and approve non routine expenditure (not provided within the School Management & Improvement Plan) in accordance with the Finance Policy including recommendations from other committees.	D
To monitor statistics, performance indicators and key ratios and other non-financial data affecting budgets, directing action as appropriate.	D
To receive and where appropriate respond to periodic audit reports of public funds and refer key issues to the	D

governing board. Direct the response to such reports and ensure such reports are appropriately acted upon.	
To undertake financial benchmarking, alert the governing board to any best value implications and make recommendations to the full governing board for best practice.	D
To monitor the proper allocation of pupil premium, sports funding, CiC funding and report to the full governing board.	D

Health and Safety

To assist the headteacher and discharge the responsibilities of the governing board on matters relating to Health and Safety issues within the school	D
To consider the advice and recommendations and the model Health and Safety Policy supplied by the Local Authority and to agree and keep under review a Health and Safety Policy for the school	D
To ensure that the necessary school management organisation is in place to implement the school's Health and Safety Policy	D
To monitor the effectiveness of the school's Health and Safety arrangements	D
Ensure that appropriate risk assessments, including annual fire risk assessment, take place and are acted upon	D
To ensure that safeguarding requirements are met in line with national legislation and local guidance	D
Ensure that the free school meal provision is being met	D
Ensure that nominated First Aiders have appropriate training which is kept up to date.	D
To agree the arrangements for educational visits and ensure that they are in line with current Devon County Council guidance (health and safety)	D

Personnel

In consultation with the Headteacher and giving consideration to the School Management & Improvement Plan (SMIP), to review the staffing structure annually and whenever a vacancy occurs.	D
To approve/recommend the policies and procedures for dealing with conduct, capability, discipline, grievance and redundancy, in line with Devon County models; and ensure that staff are informed of these.	R
To approve the Performance Management/Teacher Appraisal Policy and make decisions in accordance with the policy in relation to staff pay including the leadership team.	D

To review the training requirements of the school workforce and make recommendations.	D
To review identified staffing policies as necessary and ensure that staff are consulted on changes to policies that affect their terms and conditions of service, including arranging for consultation with unions, where appropriate.	D
To ensure that requirements for safer recruitment are in place and that there is an up to date central record of recruitment and vetting (DBS) checks held in school.	D
To make arrangements for interviewing and appointing staff, including agreeing governor involvement in different types of appointments. Ensure every member of staff has a contract of Employment.	D
To ensure work/life balance issues for all staff are given proper consideration when making decisions and that the working conditions and wellbeing of the staff are kept under review.	D

Premises

To assist the headteacher and discharge the responsibilities of the governing board on matters relating to the school premises and grounds, security and environment.	D
To ensure an annual inspection of the premises and grounds is carried out and reported; monitor reports from staff and agree a statement of priorities for maintenance and improvement (with reference to the Asset Management Plan).	D
To agree the costs and arrangements for maintenance, repairs and redecoration within the budget allocation.	D
To oversee the preparation and implementation of contracts, ensuring best value (see above) principles are adhered to.	D
To agree a lettings policy.	D
To agree, evaluate and review the schools Accessibility Policy and Plan	D
Review school meals and whole school food & nutritional standards policy. Re-affirm food standards in line with statutory duties.	D

General

To monitor, update and keep under review the following policies:

Redundancy policy and grievance procedures
 Staff discipline, conduct and grievance procedures
 DCC Stress Management Policy
 Budget Monitoring
 Governors' Expenses
 Staff leave and absence
 Finance
 Lettings
 Whistleblowing
 January 2017

Pupil Premium
Maternity
Shared Parental Leave
Charging
Asset Management Plan
Risk assessments and school security and school travel plan
Outdoor Education
Health and Safety
Disaster Planning and Business Continuity
Security
Statement of Internal Control
Equal Opportunities Policy
Disability and Equality Scheme (incorporating Accessibility Disability Plan)
Equality Objectives: Annual Statement
Whole School Food and Nutritional Standards Policy

Adopted Date: 27th September 2016

Review Date: September 2017