



Kislingbury CEVC Primary School

FINANCIAL MANAGEMENT POLICY AND SCHEME OF DELEGATION

Policy review committee	Finance and Environment Committee
Policy Last reviewed	October 2016
Policy review Schedule	Annually
Policy new review due	Autumn 2017



Introduction

The Governors of Kislingbury CEVC Primary School believe that sound financial management policies are essential to the fulfilling of their statutory duties under government legislation. Sound financial management is achieved by:

- Defining the financial roles and responsibilities of staff and Governors under the Schools Financial Value Standard in Schools Procedure.
- Providing a framework to ensure that a consistently high standard of education is maintained for their pupils within the available resources.
- Preparing the budget in accordance with the identified priorities of the School as identified in the Self Evaluation Form and School Development Plan.

ORGANISATION FOR RESPONSIBILITY AND ACCOUNTABILITY

INTERNAL FINANCIAL CONTROL

DELEGATED BUDGET

All Governors of the school have a collective responsibility for actions agreed in accordance with their own Standing Orders and regulations. Joint liability exists for such actions within the terms of the Education Act 1988. The Governors and Head Teacher are responsible for the proper financial management and probity of their school.

If it is suspected that money or property of the school of a value that is deemed to be significant has been stolen or misappropriated, or that a financial irregularity has occurred, the governors and/ or the Head Teacher must immediately report the matter to the Director Children & Young People's Service and the Executive Director (Finance). Reference should also be made to the school's Whistleblowing Policy. The headteacher and the governing body will agree to deal directly with any minor value misappropriation. Any discrepancies will be brought to the Finance and Environment Committee members and the appropriate action, in relation to value will be discussed on a case by case basis. The governing body do not feel it is appropriate to set a specific ceiling on value as all the circumstances will need to be considered in context not just value.

The Governors have delegated day to day spending authority within the approved annual budget for the School to the headteacher. The headteacher may in some circumstances delegate to subject leaders an annual budget to support teaching and learning within that particular area. Teaching staff placing orders should ensure that this is approved by the headteacher and that there is sufficient money within the budget and Order Requisitions follow school procedures.

A register of governor pecuniary interests must be maintained and available for inspection by governors, staff and parents



ORDERS

All orders must be raised through FMS onto official order stationery, and must only be made where there is sufficient budgetary provision. Orders may be placed by any authorised person (eg. Headteacher, Bursar) and signed by the Head or Assistant Head

Orders placed orally should be immediately placed on FMS and the printed order marked accordingly.

On receipt of goods, the delivery is checked against the consignment note and original order. The invoice is passed to the Bursar for payment, where a check is made on goods delivered, quantity and price. The invoice is then signed as correct and passed to the Head before payment is processed.

The Bursar then prepares cheque payments through FMS. The cheques are then checked and signed by the authorised signatories, with the cheque stub being initialled by the Head.

No member of staff may authorise cheque payments relating to expenditure incurred or services supplied by themselves or their relatives.

Cheques must be signed by two authorised signatories, one of whom should normally be the Head Teacher. Any cheque over £20,000 must also be countersigned by the Chair of Governors, Vice-Chair, or Chair of Finance.

When the Bank Statement is received (normally monthly), all cheques must be reconciled on FMS.

PETTY CASH

Petty Cash – An arrangement has been made for cash facilities at Barclays Bank , Northampton for a maximum sum of £200 to be cashed. The maximum to be held at the School at any one time is to be £200 and this is to be locked in a secure place

Petty Cash may be used to reimburse any member of staff who makes a purchase other than by official order.

A Petty Cash Voucher must be signed for all transactions and retained with the remaining cash float until reconciled.

QUOTES AND TENDERS

All quotes and tenders should demonstrate that the school has taken reasonable measures to obtain best value for money. It may not necessarily follow that the order will be placed with the lowest quotation but there should be detailed clarification as to why the school is not using the lowest quote.



Where work is obviously less than £1,000 quotations are sought at the discretion of the head teacher. For items £1,000 to £10,000 two quotations are required from independent suppliers. Items over £10,000 require three quotations.

Between £10,000 - £20,000 at least three tenders should be sought. Three tenders are required for items over £20,000 unless governors decide otherwise, in which case the consent of the NCC head of finance must be received.

Unforeseen items over £5,000 should be brought to the attention of the Chair and be placed on the agenda for the next Committee meeting or full Governors Meeting.

THE DATA PROTECTION ACT

The School is registered under the Act. – Please refer to the School's Data Protection Policy

VIREMENTS

The Head Teacher may make provisional virements of up to £1,000 at any one time, subject to reporting these back to the next Finance Committee meeting for formal confirmation.

All other virements are to be approved and minuted by the Finance Committee for the information of the full governing body.

BACK-UP PROCEDURES

The server backs up the computer system daily. One weekly backup tape is held off the premises.

INVENTORIES

An up-to-date inventory of School property should be maintained and updated at least once a year. Serial numbers and identification marks should be recorded where appropriate as well as adequate descriptions for insurable items. The Bursar has delegated responsibility for this task under direction of the Head Teacher.

LETTINGS

The Governors have adopted the Northamptonshire County Council's Lettings Schedule and Rates of Payment as a general guide, but have delegated authority to the Head Teacher to negotiate actual lettings charges, subject to keeping Governors fully informed of the actual position at the regular meetings.

PRIVATE FUND (School Fund)

Formal annual accounts will be prepared covering activities in the School Fund Account for presentation to the Governors and for audit purposes. Preparation of these accounts will conform to the relevant provisions in the Schools' Financial Management Handbook, Private Funds, Appendix 3.



INCOME FROM TRIPS and ACTIVITIES

Individual balance sheets for each school trip or specific school activity will be prepared in order to make the results of such activities clearer to all concerned.

VALUE ADDED TAX

The Governing Body will comply with current VAT regulations.

THE ANNUAL BUDGET

The annual notification of budget is received by the Headteacher and Bursar. The schools budget plan must be prepared with a view to breaking even or creating a surplus at the end of the financial year. If a deficit budget is anticipated, the Director of Schools Finance must be notified immediately. The budget will be prepared in accordance with the identified priorities of the School as identified in the Self Evaluation Form and School Development Plan.

DEVELOPMENT PLANNING CYCLE

Autumn Term

Staff should formulate plans for the new financial year in discussion with the Headteacher. These plans are presented to the Committees for the Governors, as appropriate, in order to formulate a costed School Development Plan.

Spring Term

Based on the School Development Plan, the Finance Committee will recommend a draft Budget for the coming year to the Governors, within the constraints of the Provisional Budget Allocation from the Local Authority. The final step will be approval of a Budget by the full governing body to match the Final Authority Allocation when it is received in late March or early April.

Summer Term

The monitoring procedures outlined below will commence based on the final approved Budget.

BUDGET MONITORING

In the Autumn and Spring terms, contingencies and surplus balances will be examined and vired to other headings following recommendations by the Head Teacher and the Finance Committee.

At least once each term the Finance Committee will report to the full governing body on the progress of the School against its agreed Budget, highlighting any variances of significance. In the Autumn and Spring terms forecasts of the likely outcome for the year will also be circulated to aid in the forward planning process.



RECONCILIATION OF FAMIS AND SIMS

The School accepts responsibility for ensuring that the statutory record of the School's accounts held on the County Council's accounting system accurately reflects income and expenditure incurred by the School. The School will notify the NCC if budget changes and debits are not properly recorded on the NCC account. In practice, the principal procedure is reconciliation between the NCC account and the School's SIMS records.

Accounting procedures utilise the SIMS computer system and follow the Local Authority's Financial Management Handbook (copies of which are available on the County Council website).

BALANCES AND CONTINGENCIES

It is a fundamental aim of the School that the income for one financial year is used in that year. It is not the policy of the School to hold large balances or contingencies. The exceptions to this general rule will be:

1. A reserve of capital money may be retained to cover major but irregular works as identified by the Asset Management Committee's School Premises Plan.
2. A small general contingency fund (not exceeding 8% of the total annual budget) to cover any unforeseen overspending or changes in external circumstances.

OVERALL GUIDELINES

The Head Teacher and school staff are recommended to:

- Establish an appropriate framework of financial control in the public interest.
- Establish procedures which seek value for money.
- Ensure clear segregation and accountability for actions taken and not taken.

The Head Teacher should:

- Ensure clear records of financial transactions and decisions are maintained.
- Ensure the delegation of responsibility is accompanied by clear accountability and appropriate level of management supervision and monitoring.
- Ensure that financial procedures include adequate internal control.
- Ensure these financial regulations and other financial instructions are available to their staff.

CONTROLS ASSURANCE

The finance committee should be responsible for completing the pre-certification checklist required in order that governors can ratify a Statement of Internal Control. This statement should set out the processes that are in place to ensure effective financial management of the school and its resources, whilst making it clear that "absolute" assurance cannot be given as internal control systems cannot prevent or detect all errors or irregularities.



This statement forms part of the Financial Management Self-Assessment and should be completed annually after financial year-end processes have been completed.

Linked Policies:

Whistleblowing

School's Statement of Internal Control and Internal Control Pre-Certification Checklist

The School's SFVS documentation