



# Woodfield School

## Finance Policy 2018-2019

<b>Governor's committee responsible:</b>		Resources	
<b>Date adopted</b>	November 2016	<b>Review Date</b>	Autumn 2018
		<b>Next Review Date</b>	Autumn 2019
<b>Review period</b>	Annual	<b>Status</b>	Recommended
<b>Based on Surrey model?</b>	Yes	<b>Policy prepared by</b>	M Semikin

Governors have statutory responsibility for the financial management of 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 Babcock 4S website.

### The Purpose of the Policy:

- ~ to define the responsibilities within the school and set limits of authorisation for the headteacher and other budget holders
- ~ to provide guidance on the application of regulations
- ~ to identify procedures to ensure that adequate arrangements are in place to guard against fraud and theft
- ~ to set out guidelines to achieve efficiencies and value for money in the use of resources which invests in teaching and learning and takes into account the Authority's purchasing, tendering and contracting requirements.

### Application:

This policy covers all funds Delegated and Devolved allocated by the LA locally generated income attributable to the delegated budget and the School Fund.

### The role of the Governing Body is to:

- set the financial priorities of the school through the:
  - ❖ School improvement plan
  - ❖ 3 year financial plan
  - ❖ The annual budget plan
- Ensure the budget includes an allocation for expected performance pay reviews
- Approve and monitor the annual budget
- Ensure the budget is managed effectively & achieves value for money
- Ensure the school meets all its statutory obligations and complies with the Authority's
- Scheme for Financing Schools and Standing Orders

- Receive auditors' reports
- Set the terms of reference for the Finance or Resources Committee
- Agree limits of authorisation for the Finance or Resources Committee/Headteacher

#### **The role of the Resources Committee is to:**

- ~ prepare the annual budget for approval by the Governing Body
- ~ adopt the Local Authority Scheme of Delegation
- ~ review and maintain finance policies, including Lettings and Charging & Remissions.
- ~ review systems of internal financial control
- ~ monitor the annual budget and make recommendations to the Governing Body
- ~ 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

#### **The Role of the Head Teacher**

The Head Teacher has responsibility for the overall supervision of the day-to-day running of the financial affairs of the school.

The Head Teacher can delegate specific responsibilities to members of staff as appropriate to their job descriptions ensuring adequate separation of duties in both manual tasks and financial systems.

The Head Teacher, with the Business manager, prepares and presents to the Resources Committee, and to the Governing Body, reports on the school's finances in accordance with a pre-determined timetable as well as on an ad hoc basis as necessary.

The Head Teacher is responsible for initiating consultations with the Chair of Governors and Chair of the Resources Committee on any significant and exceptional financial circumstances or any financial matter which is causing concern. The Head Teacher should also report to the Chair of Governors:-

Any failure in any material respect of any member of the school staff to comply with the procedures contained or referred to herein.

Any circumstances regarding the schools finances which could adversely affect them.

Any matter of serious concern in relation to the schools finances.

The Head Teacher can amend the agreed budget by vireing between any budget head and can authorise the purchase of individual items up to the limits set out and indicated in this Policy.

#### **The Role of the Assistant Heads**

The Assistant Head will have the authority of the Head Teacher to continue the day to day running of the school's financial affairs when the Head Teacher is unable to do so.

At any other time the Assistant Head may authorise payments in accordance with the limits applicable to the Head Teacher.

The Assistant Head will also undertake such other duties or responsibilities relating to financial matters as may be required of them by the Head Teacher. In exceptional circumstances or in an emergency situation additional authority may be obtained from the Chair of Governors and the Chair of the Resources Committee acting jointly.

### **The Role of the School Business Manager**

Responsibility for monitoring all day-to-day records of the school and reconciling them with the records of the Local Authority as appropriate

Responsibility for the regular preparation of reports from the school's accounting system that will show the position of the school's finances as may be required by the Head Teacher, the Resources Committee and/or the Governing Body.

### **Financial Planning**

The Resources Committee 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 current financial position of the school and the levels of projected reserves.
- ~ the preparation of a medium term Financial Plan of at least three years, updated annually.

### **Annual Timetable**

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

Autumn Term:	Review 3 year financial plan
Spring Term:	Receive year end Forecast no later 30 <sup>th</sup> April Present Budget to Resources Committee no later 30 <sup>th</sup> April
Summer Term:	Approval of Budget by Governing Body no later 30 <sup>th</sup> April Approval of School Improvement Plan

### **Expenditure and Virement Limits:**

- The Headteacher has the delegated authority from the Governing Body to authorise expenditure or vire funds between cost centres up to the value of £5,000 for a single transaction without governor approval within the framework of the budget.
- Expenditure or virement of funds in excess £10,000 REQUIRE THE APPROVAL OF THE RESOURCES COMMITTEE
- The Resources Committee has authority to approve all capital purchases and building projects costing more than £5,000 but less than £10,000 for which provision has been made in the budget.
- The Full Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

### **Purchasing & Achieving Best Value:**

- 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 School Business Manager shall keep records of all purchases made including quotations received but not accepted, together with the reasons.

The minimum requirements for schools are as follows

Up to £4,999	One written quotation
£5,000-£49,999	Three written quotations
£50,000 - £99,999	Tendering
£100,000	plus EU compliant tendering

- The performance of contractors and the outcomes of purchases are continually reviewed
- The policy of Best Value will be applied using the four principles:
  - ~ 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.

### **Maintenance & Service Contract Limits:**

*The school adopts the Standing Orders contained in the Scheme for Financing Schools or locally agreed limits where appropriate*

### **Internal Controls:**

Internal authorisation, subject to the purchasing limits stated in this policy, will be as follows:

<b>Process:</b>	<b>Certifying officers:</b>
Orders, invoice approval, VAT, Expenses forms, and absence returns	School Business Manager
Petty cash, cheques up to £250	One signatory to the delegated bank account
Cheques over £250	Two signatories to the delegated bank account
BACS payments – for any amount	Two signatories to the delegated bank account
Income/expenditure return (FINU81A) – VAT claim	School Business Manager & Headteacher
Order requisitions, deliveries	Budget Holder
Payroll forms, overtime claims, daily supply claims	Headteacher
Changes to Headteacher's pay	Chair of Governors
Income received, banking slips	School Business Manager
School Meals reconciliation	Headteacher
Lettings approvals	Premises manager / SBM / Headteacher

### Separation of Duties:

- All petty cash expenditure must be supported by a voucher. For purchases of goods/services an invoice or receipt should be obtained.
- Purchase Orders should be completed and signed by the budget holder and authorised by the Senior Leaders or SBM
- Overtime sheets should be completed and signed by the Senior leaders.
- Appointment of staff and approval of salary changes should be signed by the Headteacher. Any changes for the headteacher should be signed by the chair of governors.

### Financial Reporting:

<b>Frequency</b>	<b>Document/Process</b>	<b>Reported to</b>
Monthly	Financial Monitoring Report and Commentary	Headteacher, Finance Committee
	Cost Centre Summary Report	Headteacher
	Cost Centre Report	Budget Holders
Annually	Out-turn statement	Governing Body
	Consistent Financial Reporting (CFR)	Governing Body
	Unofficial Audited Accounts	Governing Body
	Draft Budget Plan	Finance Committee
	Budget Plan	Governing Body
	Three Year Financial Plan	Governing Body