



Deanshanger Primary School Financial Management Policy and Scheme of Delegation

I. Aims

The Governors of Deanshanger 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 in accordance with the financial management guidance issued by Northamptonshire County Council.
- 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 priorities of the school as identified in the process of school self evaluation, and as detailed in the School Improvement Plan.

2. Organisation For Responsibility And Accountability

A. 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 2011.

The Governors and Head teacher are responsible for the proper financial management and probity of the school.

If it is suspected that money or property of the school have been stolen or misappropriated, or that a financial irregularity has occurred, the governors and/ or the Headteacher must immediately report the matter to the local authority. Reference should also be made to the school's Whistleblowing Policy.

The Governors have delegated day to day spending authority within the approved annual budget for the School to the Headteacher. The Head teacher delegates to subject leaders an annual budget to support teaching and learning within that particular area and delegates the management of those budgets to the School Business Manager. The School Business Manager should ensure that there is sufficient money within the relevant budgets and that Order Requisitions follow school procedures.

A register of governor pecuniary interests must be maintained and available for inspection by governors, staff, parents and the matter must be immediately reported to the Head teacher or the Chair of Governors.

Orders

All orders should be presented on the school's Order Form, which can be found on the Staff Shared Drive. The Order Form should be signed by the relevant subject leader or the Head teacher, before being signed by the School Business Manager for checking against the relevant budget and processing.

All orders must be raised through SIMS 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. Head teacher, School Business Manager or Finance Assistant) and counter-signed by the Head, Deputy Head or the School Business Manager.

On receipt of goods, the delivery is checked against the consignment note and original order. The invoice is passed to the School Business Manager for payment, where a check is made on goods delivered, quantity and price. If the total of the invoice is under £500, it is then signed as correct by the School Business Manager and passed to the Finance Assistant for processing. If the total of the invoice is over £500, it is countersigned by the Head teacher before payment is processed.

The Finance Assistant then prepares cheque payments through SIMS. The cheques are then checked and signed by the authorised signatories, with the cheque stub being initialled by the Head teacher.

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.

The Head teacher and School Business Manager may also place internet orders using school procurement cards, or may make in-store purchases using the cards. A copy of the internet order or a till receipt will be passed to the School Business Manager immediately so that a SIMS order can be generated pending the arrival of the monthly statement for the card.

Petty Cash

An arrangement has been made for cash facilities at Barclays Bank, Stony Stratford for a maximum sum of £100 to be cashed. The maximum to be held at the School in petty cash at any one time is £100 and this is to be locked in the school safe at all times.

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.

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

When necessary a reimbursement claim is made to NCC (usually monthly) for all cheques issued including petty cash cheques. In order to do this the following documentation must be supplied:

- SIMS Local Bank Account Reimbursement Claim for the period.
- SIMS Petty Cash expenditure Analysis for the period.
- SIMS Bank Statement Comparison Report to date.
- Monthly reconciliation on SIMS for salaries and any central invoices.
- Monthly Transaction Document received to reconcile any payments not on the imported information.

B. Quotes and Tenders

Where work is obviously less than £1,000, quotations are sought at the discretion of the Head teacher and the School Business Manager. For items £1,000 to £10,000 a minimum of 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 decided otherwise by the Chair of Governors, in which case the consent of the Director of Schools must be received.

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

C. The Data Protection Act

The School is registered under the Act.

D. Virements

Virements between cost centres should be kept to a minimum as far as possible. However, the School Business Manager, with the consent of 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.

E. Back-Up Procedures

The server backs up the computer system daily. All backup tapes (with the exception of the tape currently in use) are locked securely in the school safe.

F. Inventories

An up-to-date inventory of School property which is easily portable, potentially attractive to thieves and with a purchase price of £50 or more 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 School Business Manager has delegated responsibility for this task.

G. 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 Headteacher to negotiate actual lettings charges, subject to keeping Governors fully informed of the actual position at the regular meetings.

H. Private 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 under Section 12 of the Schools' Financial Management Handbook. In particular, 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.

I. Value Added Tax

The Governing Body, Head teacher and School Business Manager will comply with current VAT regulations.

3. The Annual Budget

The annual notification of budget is received by the Head teacher and the School Business Manager. The school's 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 arising from school self evaluation and detailed in the School Improvement Plan. Once

completed, the budget plan should be ratified by Governors before final submission to Schools Finance.

Development Planning Cycle

Autumn Term

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

Spring Term

Based on the School Improvement Plan, the Finance Committee will recommend a draft Budget for the coming year to the Governors, within the constraints of the Budget Allocation from the Local Authority. The final step will be approval of a Budget by the full governing body to match the final Budget 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 School Business Manager and the Finance Committee.

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

Reconciliation of Oracles and SIMS FSM

The School accepts responsibility for ensuring that the statutory record of the School's accounts held on the County Council's accounting system (Oracle) 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 FMS 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 school as part of its premises development 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.
3. A larger contingency fund retained to ensure adequate staffing levels for specific year groups over a period of time as they move through the school.

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.

4. 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. This task is generally conducted by a local authority finance assistant, the services of whom form part of our annual service level agreement.