

Walton on the Hill Primary School

Finance Policy



1. The Purpose of the Policy

- Define the responsibilities within the school and set limits of authorisation for the Headteacher ("Head") and other budget holders.
- Provides guidance on the application of regulations.
- Identifies procedures to ensure that adequate arrangements are in place to guard against fraud and theft.
- Sets 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 Local Authority's purchasing, tendering and contracting requirements.
- This policy covers all funds delegated and devolved by the Local Authority.

2. Accountability

The Governing Body has a statutory responsibility for the financial management in maintained schools with delegated budgets and is accountable to the Local Authority. The regulations setting out the financial management of schools are laid down in:

- The Education Act 2002: Section 21
- The Education Reform Act 1988
- The School Standards and Framework Act 1998
- The Local Government Act 1972: Section 151

Detailed regulations and guidelines are contained within the:

- Surrey Scheme for Financing Schools ("SSfFS")
- Procurement Standing Orders for Schools
- Surrey Finance Manual and supplemented by many other sources of information available in school and on Surrey County Council ("SCC"), Strictly Education 4S website and other websites.

The Headteacher ("Head") has overall responsibility for the school's activities. The Head should ensure;

- The Governing Body is provided with financial advice.
- Proper and adequate financial systems and controls are in place.
- Accounts are prepared and maintained as required by the Governing Body and Local Authority.

The Governing Body and Head have a responsibility to target resources to maintain and improve the quality of education they provide and to raise standards.

- The Governing Body decides the strategic direction of the school (supported by information and advice provided by the Head).
- The Head is responsible for implementing its decisions and the operational management of the school.
- Governing Body and Head jointly develop the School Development Plan ("SDP") to identify the school priorities and allocating resources to achieve the objectives.

The Governing Body needs confirmation that their strategic financial decisions have been effective in achieving the desired improvements in pupil learning and attainment provided by the school. They do this by:

- Monitoring the implementation of the SDP.
- Evaluating how effective the school has been in achieving the targets set in the SDP
- Evaluating the cost effectiveness of decisions made.

Local events, national initiatives or impending legislation that may impact on the school's educational priorities for the future must be considered when constructing the SDP as these will have consequences for financial management and budget planning. The Budget is the financial dimension of the SDP which informs and empowers spending decisions and facilitates the achievement of the school's educational aims.

The role of the Governing Body is to:

- set the financial priorities of the school through the:
 - School Development Plan
 - The annual budget plan
 - 3 year financial plan
- ensure the budget includes an allocation for expected performance pay reviews
- approve and monitor the annual budget
- review systems of internal financial control
- ensure the budget is managed effectively and achieves value for money
- ensure the school meets all its statutory obligations and complies with the Authority’s Scheme for Financing Schools and Procurement Standing Orders
- meet the Schools Financial Value Standard (“SFVS”) annually
- receive and respond to auditors’ reports
- agree limits of authorisation for the Head.

In addition the Governing Body is responsible for:

- reviewing and the maintenance of finance policies including Finance, Pay, Lettings, Charging & Remissions, Use of Purchase Card, Governors’ Allowances and School Fund
- setting levels of authority for spending and virement
- considering the affordability of the School Development Plan
- considering the impact of student numbers on the budget over short, medium and long terms

The Governing Body is scheduled to meet twice each term. A clerk minutes the meetings and records the discussions, actions and decisions approved.

3. Application

Significant funding and financial responsibility has been delegated to schools and their Governing Body, and there needs to be a defined organisational structure and clear, established lines of reporting. The Head works in partnership with the Governing Body, School Business Manager and identified staff responsible for undertaking financial procedures and actions.

Summary of Financial Responsibility and Authority	
Governing Body	<ul style="list-style-type: none"> ○ Statutory responsibility for the oversight of financial management across the school site ○ Agrees SDP, sets school’s annual budget and how funding is used ○ Approves School’s annual budget ○ Determines the staff compliment and make decision on staff pay ○ Delegates to the Head powers to manage the school ○ Delegates to the Head agreed levels of authority ○ Clerk to Governors takes minutes at Governing Body meetings and records actions.
Head	<ul style="list-style-type: none"> ○ Responsible for the internal organisation, management and control of the site and day-to-day management of the budgets ○ Implements strategic framework established by Governing Body ○ Ensures financial advice provided and reports/accounts prepared and maintained as required by the Governing Body ○ Ensures proper financial systems and controls are in place as detailed in this policy and SCC regulations ○ Adheres to delegated authority levels.
School Business	<ul style="list-style-type: none"> ○ Informs Governing Body of all funding received

Manager / Department	<ul style="list-style-type: none"> ○ Develops school budget in line with priorities of SDP ○ Creates extended school's budget ○ Manages the budgets and produces monthly FMR reports ○ Assigned delegated authority to agree invoices, issue cheques /processes BACS payments on behalf of Walton site ○ Completes Sims FMS end of month returns and reconciles with SCC reports – accuracy confirmed by Head ○ Adheres to year end procedure and produces CFR for the DfE
Staff	<ul style="list-style-type: none"> ○ Staff are aware of the importance of financial responsibilities and would alert management if correct procedures were not being carried out ○ Job descriptions include level of authority and duties ○ All staff responsible for complying with school financial procedures (Staff and Governor Handbook) and the security of school property ○ Subject Leaders and Budget Holders are responsible for placing orders and monitoring their expenditure ○ Resource administrator authorised to raises official orders for managers and budget holders using school purchasing cards when necessary ○ Members of the Admin Team receipt and record income, process invoices and purchasing card expenditure onto FMS

4. Budgets and Authority Levels

4.1 Budgets

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.

Activity	Detailed task	Responsibility and other supports
Planning the budget	To estimate income, grants etc.	Local Authority, SBM
	To identify and propose priorities in relation to the School Development Plan	Head, Governors, SBM
	To review and propose changes in staffing needs.	Head, Governors
	To draft budget options	SBM
	To evaluate budget options	Head, Governors
	To prepare final draft	SBM, Head
Approving the budget	To propose final budget draft	Head
	To agree the final draft	Full Governing Body
Monitoring and reviewing the budget	To review monthly the Sims FMS system with the LEA figures and preparing the monthly Financial Monitoring report	Head and SBM

	To report about financial matters to the Full Governing Body	Head and SBM
	To recommend virements	
	To approve virements	Full Governing Body
	To sign virement forms	Head and SBM

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

Autumn Term	Spring Term	Summer Term
SDP consultation/review then approval by Governing Body	Receive Year End Forecast	Approval of Final Annual Budget (by 1 st May)
Approval of Draft Annual Budget (by 30 th November)	Review SFVS	Approval of School Development Plan
Review 3 year Financial Plan	SBM develops budget to circulate to Governors for approval	Review year end: <ul style="list-style-type: none"> • Analysis of Balances • Consistent Financial Reporting
Financial benchmarking review in conjunction with CFR data		

4.2 Expenditure and virement limits

- The Head has the delegated authority from the Governing Body to authorise expenditure and make payments which are consistent with the revenue budget up to a value of £50,000, and up to £5,000 in respect of capital.
- The Head (and SBM) may vire funds between cost centres and within budget headings up to the value of £2,000 for a single transaction. All virements must be reported to the Governing Body.
- The Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

4.3 Purchasing and 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 performance of contractors and the outcomes of purchases are continually reviewed and 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.

The SSfFS states that the Authority has Procurement Standing Orders for Schools relating to purchasing, tendering and contracting matters that the school has to comply with.

Value	Transaction type	Minimum requirement
Up to 9,999	Low Value Transactions	One written quotation
£10,000 - £49,999	Intermediate Value Transactions	Three written quotations

£50,000 and above	Higher Value Transactions	Full tender procedure
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For full details, refer to SSfFS and Procurement Standing Orders for Schools

The procurement process required for all goods, works and services depends on the total value of goods, works and services supplied under the order or contract throughout its entire term, NOT just the annual value.

For expenditure over £10,000 a 'Purchases £10k - £50k Justification' form is completed. At least two members of staff to be involved a minimum of three written quotations sought. Governing Body consider this evidence (email communication/agreement acceptable) and any approval recorded in the Governing Body minutes. References must be followed up and the contractor's insurance, safeguarding and H&S competency should be assessed.

Value for money is not always about the lowest price, as quotations are evaluated by considering capacity and reputation of provider, quality of output, range of service provision, responsiveness, reliability and price.

However, a decision **not** to

- accept the lowest quotation can only be made by the Governing Body and the reason for such a decision should be recorded.
- seek 3 written quotations for purchases between £10,000 - £49,999 can only be made by the Governing Body.

5. Internal Controls

Sound financial management and controls are essential as they provide an effective framework for financial planning and accountability and safeguard the use of public funds. The school have considered the principal elements for financial management and regularly review the procedural document R52 'School Risk and Control Checklist'.

This provides guidance for staff who have responsibility for the management of resources or the control of income and expenditure. There is internal delegation and clear separation of duties in place between authorisation, execution, custody and recording covering:

- ordering and receipt of goods / services
- authorisation and processing of payments (BACS according to the current BACS Policy or cheques)
- HSBC Purchasing Cards – management and guidelines
- receipt of all income and processing prior to banking and reconciliation
- transactions/journals executed on Sims FMS Finance System
- entries made by each approved staff member via the audit trail

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

Activity	Detailed task	Responsibility
Placing orders	Requisition orders	Curriculum budget holder and other staff members
	Responsible for agreeing a requisition order	Head/SBM
	Order raised online with purchasing card	Resource manager
Deliveries	Responsible for checking delivery against order	Resource manager
	Responsible for returning/exchanging goods	
Invoices	Responsible for processing and paying invoices	SBM
	Responsible for ensuring copy orders are	SBM

	marked with the date invoice was paid to prevent duplicate payments	
Payments	Invoice certified and cheques signed (up to £250 one signature, over £250 two signatures)	Head Deputy Headteacher
	Bacs payment run prepared	SBM
	Bacs payment run signed off - two signatures at all times	Head, Deputy Headteacher Senior teacher
Payroll	Payroll forms, overtime claims	SBM
	Changes to Headteacher's pay	Chair of Governors
Leasing	Lettings approvals	SBM

Separation of Duties

Process	Separation
Cash handling and recording	<p>Parents are encouraged to make all payments through the online payment system, Scopay. Income from pupils i.e. dinner money, educational visits, external clubs, is paid via Scopay. Cash is no longer handled in the classroom.</p> <p>Office staff collect any money for mufti days or donations in the office or on the school gate. This is locked in the red box in the office cupboard and is checked by the office manager/SBM prior to banking.</p> <p>All cash and cheques are banked in entirety at regular intervals.</p>
Purchase authorisation	<p>A requisition form signed by the relevant budget holder and either the Head or Deputy Headteacher is completed for all purchases.</p> <p>Whenever possible, an official order is raised by the Resource Manager or SBM through the SIMS FMS accounting system.</p>
Approval of overtime and salary changes	<p>Staff must obtain consent from the Head or Subject Leader prior to overtime being worked. The SBM and Head approve all claims before they are submitted to payroll.</p> <p>Changes to teachers' salaries are approved by the Head and are made in accordance with the school's annual performance management review.</p> <p>The Governing Body appoints a minimum of 2 of its members to form a performance management review panel together with an external consultant to carry out the annual appraisal process for the Head. The panel is responsible for making any subsequent salary recommendations which are subject to approval by the whole Governing Body.</p> <p>Support staff salaries are subject to annual review by Surrey County Council and all changes are approved by the Head before submission to Payroll by the SBM.</p>
Appointment of staff	The Governing Body are responsible for the appointment of the Head and Deputy Headteacher and follow due process as advised by the Department for Education.

	The Head is responsible for the appointment of all other teaching and support staff and for determining staffing levels.
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6. Financial reporting

This checklist shows the main regular accounting tasks undertaken by the Business Department and the recipients of these reports. Returns are submitted regularly to SCC who check the integrity of the accounting and financial monitoring and scrutinize the forecasting.

Timing	Report	Presented to:
Monthly	Salary Profiles – to complete and check against actual SCC salary payments. Ensure they agree with budgeted figures as informs Financial Monitoring Report (“FMR”) outturn	Head
Monthly	Non salary entries – to check that monthly charges/income on SCC tabs to site budgets are legitimate items of expenditure.	Head Budget Holders
Monthly	Fin U81a – to report the income and expenditure through the Local Bank Account (“LBA”) for the previous month to SCC and VAT reclaimed.	Head – signature required SCC
Monthly	Bank Reconciliation – to check that the computer system accounting records agree to the School’s LBA, reconciled transactions are checked and old transactions investigated.	Head – signature required
Monthly	SIMS FMS Period End Reconciliation Form (including Year End) – to check that the month end accounts have been correctly closed.	Head – signature required
Monthly	Reconciliation FMS to Cumulative Tab – to check that SCC and School accounts reconcile against one another.	Head – signature required
Monthly	Financial Monitoring Reports – to monitor expenditure and income against budget and ensure it reconciles with School and SCC records (School Revenue & School Capital)	Head Governors
Annually	Draft budget plans	Head, SBM, Governing Body
Annually	Final budget plans	Governing Body
Annually	Consistent Financial Report	Governing Body
Annually	Benchmarking and Comparative SCC data	Governing Body
Annually	Schools Financial Value Statement	SCC, Governing Body

7. Asset register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non capital assets. The Head is responsible for ensuring that assets under his control are correctly recorded in the Inventory Book. The disposal of assets should follow procedures set up by Surrey County Council.

Activity	Detail	Responsibility
Updating the Inventory Book	Physical check of equipment against relevant records Recording of new assets	Admin assistant, ICT technician, SBM
Monitoring	Annual monitoring of Inventory Book Monitoring of individual room inventory	Governors, Head Class teachers , Head

	Monitoring of equipment removed from premises by staff for use at home	SBM
	Advising staff re. the responsibility of insurance of equipment whilst off the premises	SBM, Head
	Security mark all equipment	ICT Technician, SBM
Disposal of assets	Disposal of assets with nil or nominal value/ Disposal of assets with a market value	Head, Governors
	Ensuring that any income from sale of asset to be credited to the delegated budget	SBM
Security	Keys to the main building and alarm system are issued to Senior Leaders and the caretaker	SLT, Caretaker

8. Whistleblowing

The school is keen to ensure that all members of staff and those working on behalf of the School who have serious concerns about any aspect of the School are encouraged to come forward and voice their concerns, usually on a confidential basis. The processes for them to do this are outlined on the Surrey County Council website.

9. Walton on the Hill Primary School Guidance documents

In addition to the financial regulations and guidelines referred to in Point 1, there are also specific documents developed at Walton:

- School Fund Policy
- Pay Policy
- Use of Purchasing Card Policy
- Lettings Policy
- Charging and Remissions Policy
- Governors' Allowances Policy