



Torridon Primary School

SCHOOL FINANCIAL MANAGEMENT POLICY AND CODE OF PRACTICE

1. AIMS

This code of practice brings together decisions made and systems established by the Governing Body of Torridon Primary School in line with the Local Authority's Financial Regulations, the advice of the Audit Commission, the Office for Standards in Education (Ofsted) and the Borough Auditors.

The aims of this code of practice are to ensure that the school has established procedures which enable the Governors, Leadership team and staff to support the school's management plan by efficient use of resources and to ensure financial accountability and integrity.

2. FINANCIAL PLANNING

The school's budget plan is central to the achievement of the school's educational objectives. These are contained in the School's Improvement Plan (SIP) and will therefore be under constant review by the Governing Body (GB) and agreed annually to allow the school's budget plan to be prepared before the commencement of the financial year. A final budget plan will be agreed by the Full Governing Body when notification of the school's budget share has been received.

Devolution of certain responsibilities to the Resources Committee, the Headteacher, and members of staff will enable the Resources Committee to make decisions and manage the school's finances to achieve the overall aims and priorities established by the whole school as agreed by the Governing Body.

By receiving regular reports from the Resources Committee, the Governing Body will be able to evaluate the extent to which financial decisions have promoted the educational objectives of the school and monitor the effective use of resources.

3. MONITORING

Monitoring will secure value for money and financial integrity while ensuring expenditure stays within budget. It will be achieved by adherence to agreed financial systems.

The Headteacher and School Business Manager will monitor expenditure to ensure accuracy, especially payroll charges and report to the Resources Committee once a term.

The school's bank account will be reconciled monthly and will be reported to the LA with the VAT return. The 6-monthly/yearly reports to the LA will provide the focus for a review of the school's spending against budget plan and spending profile and lead to an action report for the Resources Committee. This process will also enable the school to address potential overspend or underspend.

4. ROLES AND RESPONSIBILITIES

The Governing Body

The Governing body has overall responsibility for financial planning and control to secure the most effective use of available resources. It is responsible for the monitoring of financial systems to support its financial responsibilities and ensure probity.

The Governing body has devolved responsibilities to the Resources Committee, the Headteacher, Budget Holders and School Business Manager but will

- * pay due regard to the LA's financial regulations and ensure reports are provided as requested by the LA to carry out its financial responsibilities.
- * obtain written LA approval for capital expenditure above £15,000.
- * declare and monitor personal financial interest.
- * approve the school's final budget plan as part of the schools improvement plan.
- * receive regular financial reports to enable it to ensure priorities are being addressed and to monitor the effective use of resources.
- * ensure the accountability of staff including appropriate separation of duties.
- * designate the Headteacher, Deputy Headteachers, and post holders as budget holders.
- * designate the following people as signatories for the schools' bank account: Headteacher, Deputy Headteachers, Head of Inclusion and School Business Manager.
- * Consider the Statement of Internal Control Pre-Certification Checklist and the findings and recommendations of the Resources Committee, who completed the checklist, prior to authorising its representative to sign the SIC.

The Governing Body will receive an outline budget plan from the Headteacher and Resources Committee and agree the school's budget plan, which will be set within the available resources, when the school's budget share has been received.

The Governors and staff with significant financial responsibilities will complete a Register of Business Interests form.

Resources Committee

The Resources Committee will scrutinise and where necessary approve financial expenditure to ensure the achievement of the School's Improvement Plan.

To this end it will -

- * have regular meetings (at least once per school term) receiving financial reports.
- * scrutinise and agree the costing of staffing plans.
- * supervise and agree the purchasing or tendering of any items of expenditure between £5,000 and £10,000.
- * Expenditure over £10,000 will be approved by the Governing Body.
- * approve budget virements of over £3000.
- * regularly review security arrangements.
- * submit financial reports and recommendations at each meeting of the Governing Body.

- * monitor all financial systems.
- * seek financial advice from the LA when necessary.
- * respond in detail to audit reports

The Headteacher

The Headteacher will advise the Governing Body on financial matters, prepare a budget plan and options which reflect the school management plan priorities.

The Headteacher shall have responsibility for the day-to-day and operational management of the budget and all financial procedures, as delegated by the Governing Body, which will include ensuring the agreed financial procedures as set out in the LA's Schools Finance Manual, are followed on:

- purchasing
- budget virement
- budget reports to governors and LA
- security of stock (including stock taking)

The Headteacher will -

- * be one of the signatories for the school's bank account.
- * authorise orders made on official pre-numbered requisition/official order forms.
- * approve budget virements up to £3000
- * have authority to spend up to £5,000 (without any further authorisation) and up to £10,000 with the written approval of the Resources Committee.
- * ensure that specific written approval from the Chair of Governors is given to sign cheques over £10,000.
- * ensure that specific written approval from the Chair of the Resources Committee or the Chair of Governors is given to sign cheques made payable to members of staff for reimbursements over £250.
- * monitor expenditure.
- * prepare updated reports on the budget for the Resources Committee.

School Business Manager

The School Business Manager will:

- * maintain accounting records
- * prepare monthly/six monthly/yearly reports to the LA
- * assist the Headteacher in preparing regular reports for the Finance Committee.
- * ensure regular banking of money.
- * ensure that cash held in the school safe does not exceed £1,000.
- * and ensure insurance limits are adhered to.
- * ensure payments are made by cheques or petty cash.
 - by cheque when purchasing procedures have been completed
 - by petty cash when claims are supported by petty cash vouchers.

Budget Holders

Each budget holder will:

- * prepare an annual budget plan based on their management plan with their budget allocation.
- * monitor their spend against a budget profile.
- * make orders on the school's official order form and confirm in writing within 24 hours if made verbally.
- * Ensure upon receipt that goods ordered are fit for purpose and of good quality, reporting any problems to Business Manager immediately.

The Admin Team under the supervision of the School Business Manager will:

- * ensure goods are ordered using pre-numbered order forms
- * record the receipt of goods delivered, checking them against the order form and delivery note
- * enter inventory items in Asset Register
- * ensure goods are kept safely
- * maintain a record of orders placed, showing committed expenditure, under individual budget headings

All relevant staff are fully trained. The School's Finance Manual is published on Fronter and can be provided by the School Business Manager on request.

5. FINANCIAL SYSTEMS

Bank Account

The school will have its own individual bank account as part of the LA's umbrella arrangement with the National Westminster Bank.

Signatories to cheques will be two members of staff, currently the Headteacher, Deputy Headteachers and the School Business Manager.

The School Business Manager will ensure regular banking of monies.

Accounting System

All financial transactions, including payments collected via the ParentPay system, will be recorded on the HCSS Finance accounting system and/or the school's manual records.

Monthly/six monthly/yearly reports to the LA will be completed by the School Business Manager.

Purchasing

Orders may only be authorised by the Headteacher, Deputy Headteacher or the School Business Manager, and, where the expenditure is over £5,000, may only be placed once Resources Committee or Governing Body approval has been obtained within the expenditure limits set out in point 4 above

Invoices may be authorised by the Headteacher, Deputy Headteacher or the School Business Manager (if not processing the invoice).

All orders will be made on official pre-numbered requisition/official order forms. Where an order is made verbally/by telephone it will be confirmed in writing on an order form within 24 hours.

When placing an order, value for money will be ensured by comparing prices/quality and obtaining discounts where possible. For expenditure above £10,000 three written quotations should be obtained if possible. For expenditure above £25,000 four written quotations should be obtained if possible. Where the quotation other than the lowest is accepted the reasons for doing this will be recorded in writing. Expenditure above £50,000 will be put out to tender.

Payment will be made by the School Business Manager when the following checks/procedures have been carried out:

- goods/services which were ordered have been received and are satisfactory in both quantity and quality.
- the price is as agreed at the time of ordering, correctly calculated and with appropriate discounts.
- expenditure has been coded.
- appropriate VAT and taxation regulations have been applied.
- The invoice is a VAT invoice addressed to the school (or a certified copy invoice) and posted or emailed in pdf form to the school
- Authorisation of an invoice must be given by a different signatory to the one who authorised the order.

Stock Control

An Asset Register will be maintained listing all major items.

Purchases in excess of £100 will be recorded in the Asset Register by the School Business Manager when goods are received.

Annual stock checks will be diarised and initiated by the Headteacher. Portable ICT equipment such as laptops, ipads, cameras should be checked on a termly basis.

The Asset Register will be available for inspection.

Authorisation will need to be given by the Governing body for the disposal of surplus stocks, furniture and equipment with a value of £1000 or above.

Write off of Assets

- Missing Items - Any missing item will be promptly investigated.

Written records of investigations carried out for missing items will be held with the inventory records. The investigation details and outcome will be signed by the Headteacher and reported to the governors annually.

- Surplus/outdated items - Any item surplus to requirements or outdated will be considered for disposal in the most economical and effective way.

Written records of obsolete or defective items, including their value, repair and replacement costs, will be recorded in the inventory.

The records will be signed by the Headteacher prior to disposal, and reported to the governors annually.

Voluntary Fund - The School Fund

Voluntary funds are now an integral part of the ISB, and exclude funds held by the Parents Association.

Petty Cash

Authorisation for any purchases should be received in advance from the Headteacher, Deputy Headteachers or the School Business Manager.

No single reimbursement, unless authorised by the Headteacher, in excess of £50 will be permitted from petty cash account. Reimbursement claims over £50 must be reimbursed by cheque.

The Headteacher will ensure that specific written approval from the Chair of the Resources Committee or the Chair of Governors is given to sign staff reimbursement cheques where reimbursements exceed £250.

All claims for petty cash will be supported by official petty cash forms.

The Chair of the Resources Committee will periodically check petty cash receipts.

Petty Cash Forms/receipts/paid invoices for petty cash disbursements, showing VAT where appropriate, shall be obtained.

Security

Access to the school safe shall be limited to Headteacher and School Business Manager. School money and cheque books are kept securely in the school safe.

The School Business Manager keeps a key to the safe in her possession at all times. The Head teacher holds an additional key which is kept in her possession at all times.

Suspected Fraud

In case of suspected fraud, the school should contact Lewisham Schools Finance, Internal Audit and the Anti-Fraud & Corruption Team Manager, who will decide whether or not the police should be contacted. Where the

suspected fraud concerns a member of staff, the school should also contact Lewisham Schools Human Resources for advice on the procedures and obligations regarding suspension of the suspected party, should that be deemed necessary.

PETTY CASH - GUIDELINES FOR STAFF

- Authorisation for any purchases should be received in advance from the Headteacher or Deputy Headteachers.
- Petty cash claims will be given to School Business Manager indicating from which Budget Heading they are to be taken within the month in which the expense is incurred.
- Receipt/invoice will be attached to a Petty Cash claim
- Claim form will state:
 1. Amount paid to claimant and date of claim.
 2. Name of claimant.
 3. Details of Item(s) bought.
 4. Budget heading to be debited.
 5. Claims for travel expenses must state the reason for the expense and must state that it is a business expense, in order to comply with the LA Schools Finance Manual.
- The Petty Cash claim must be signed and approved by the Headteacher.
- Amounts over £50 will be reimbursed by cheque, under £50 by cheque or in cash.
- Petty cash claim must be signed by the recipient and School Business Manager to show cash/cheque has been paid out by School Business Manager and received by recipient.
- All petty cash vouchers must be in HCSS Finance.

6. DOCUMENT RETENTION

The school will retain all documents in accordance with the LA's guidelines and the Records Management Society's guidelines

(http://lbsact.org/download/policies/Document%20Retention%20Schedule_Nov15.pdf.)

The current and the previous six (6) years financial records will be retained.

The Admissions Register (the Green Book) will be retained in perpetuity.

7. WRITE OFF OF DEBTS

The Governors may write-off debts up to £1,000. Permission must be sought from the LA to write-off debts above this amount.

8. BUSINESS INTERESTS

All staff (with significant financial responsibilities) and Governors are required to declare their business interests. This disclosure should also include business interests of close relatives. These interests will be recorded in a register which will be publicised on the school website and Governors will be required to resubmit the information annually.