

RINGSHALL SCHOOL FINANCE POLICY

GOVERNANCE

General

A list of all governors, their membership of committees and terms of reference is maintained by the Headteacher who keeps the records. Terms of reference for each committee are reviewed annually and are based on those suggested on the governor website.

The governing body meets at least once a term.

Committees of the governing body meet at least once a term.

The governing body agrees, no later than by the end of term, the dates of meetings for at least the next term.

The Governors

The governing body has approved the Governing Body Decision planner which shows who is responsible for key tasks. This is reviewed in the Autumn Term. Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation.

The governing body is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Headteacher

The governors delegate responsibility for the day-to-day management of the school to the Headteacher according to the decision planner.

The Headteacher/Finance Secretary ensures that sound systems of internal control are in place.

The Headteacher in consultation with the Senior Leadership Team and the Finance Committee compiles draft budgets.

The Finance Secretary monitors the budget and supplies the Headteacher and Finance Committee with monitoring information. The information for the Finance Committee takes the form of a budget report produced from the SIMS accounting system with a written budget commentary, as shown on the Record of Financial Responsibility. All of the reports shown in the Record of Financial Responsibility are available at any of the Finance or Whole Governing Body meetings.

The Staff

Staff comply with financial regulations in Suffolk's Scheme for Financing Schools and any School specific requirements.

Consideration to the School Development Plan is given before the Headteacher allocates subject funding. The Headteacher acts as the budget holder, with Subject Leaders helping to prioritise needs.

The Finance Committee

Membership is determined by the governing body and reviewed annually in the Autumn term. Terms of reference are reviewed annually.

The finance committee is responsible for:

- In consultation with the Headteacher, to draft the first formal budget plan of the financial year, for approval by the whole Governing Body.
- To establish and maintain an up to date 3 year financial plan, including Medium Term Planning and exploring different possible scenarios.
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Financial Regulations of the County Council (FMSiS)
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To annually review charges and remissions policies and expenses policies, including governors' expenses policy.
- To make decisions in respect of service agreements, including insurances etc to obtain best value.
- To make decisions on expenditure following recommendations from other committees
- To approve or prepare financial statements if required e.g under FOI Act.

- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
- In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments
- To inform internal audit of any financial irregularities.
- To seek whole Governing Body approval for disposal of redundant equipment if valued at over £500
- To receive, open and accept tenders for contracts above £50,000 as set by the governing body.
- To report to the LA on the intended use of surplus balances.
- To report to the LA on the recovery of deficits.

Any review of staffing agreed by the Personnel Committee is first referred to the Finance Committee who assesses the budgetary implications of the recommendations and advises the governing body accordingly.

Expenditure Limits

The inclusion of an item in the approved budget plan gives the Headteacher authority to spend, but approval from the finance committee for any individual transaction in excess of 5% total budget is required.

The Headteacher authorizes virements up to 5% total budget. Above this amount the approval of the finance committee is sought. All virements are minuted.

Orders

Quotations are obtained or tenders sought for purchases exceeding £1,000, which is well below the limit set out in Suffolk's Scheme for Financing Schools.

Minutes

Minutes record the basis for any decisions made and clearly state the decisions themselves. Minutes of one meeting are agreed and signed at the next meeting. The minutes of all committees are reported and copied to the governing body.

Register of Business Interest (Pecuniary Interest)

The Headteacher maintains a register of business interest for governors and for staff. The register is maintained annually in the Autumn Term and is kept in the school office.

GENERAL

Capitation Budgets.

The capitation budget is planned by the Headteacher and agreed by the Full Governing Body before being submitted to the LA. The School Development Plan informs where resources are needed. Subject leaders are asked to submit development plans for the School Development plan and therefore financial resources are allocated appropriately. Subject allocations within the ESS budget are controlled by the Headteacher and the school does not have other budget holders.

Devolved Capital Funding

The Governors' Premises, Health and Safety committee and Finance committee discuss and agree planned expenditure from this fund. Monies from previous years are always spent before allocated deadlines. Best value practice is applied to all expenditure and the LA procedures are followed e.g Form 13 and consulting the Property Adviser . Reports are given termly to the Finance Committee. Whilst DCF rules permit, an allocation will be made in the budget to allow for a rolling replacement of ICT equipment.

Other Grant Funding

From time to time, bids for other grant funding are made by the school. These are prepared by an individual or committee and following approval by the Headteacher, are submitted by the school office.

FINANCIAL PLANNING

The School development plan states the school's educational priorities to guide the planning process. The School development plan states the priorities in sufficient detail to provide the basis for construction budget plans.

There is a clear, identifiable link between the School's annual budget and the School Development Plan (SDP), which is shown on the Budget plan.

For each of the key issues in the SDP, costs and other inputs are identified and budgets prepared.

The School development plan is reviewed in the Autumn Term to ensure that educational priorities are stated for the next 3 years and shows how the use of resources is linked to achieving the goals.

The School budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities. This mid-term planning also gives the opportunity for adjustments to be made in light of known changes to pupil numbers or staffing.

The School budget is maintained for the current financial year and 2 further years.

The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ significantly from the agreed budget. The LA provides the School with a 2 year delegated budget which has been inflated, expenditure is also inflated to offset this.

The budget and cash flow forecast are profiled in accordance with likely spending patterns.

In the event of a budget surplus, this is earmarked for future specified use.

A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.

All new initiatives are appraised by the Finance Committee in relation to their costs, benefits and sustainability.

The main elements of the budget are reviewed annually. Benchmarking information helps to identify priorities.

The budget cycle is as follows:-

Spring Term:-

- The Finance Secretary and Headteacher prepare for estimating the carryforward and closing the financial year. Creditors and Debtors are listed and final virements are made.
- The Finance Secretary and Headteacher prepare a budget for the new financial year for the finance committee to consider at its meeting in the second half of the term.
- The budget, once approved by the finance committee, is taken to the next meeting of the governing body for WGB approval on or before 31st March.
- The approved budget revision is sent to the LA by 30th April.

- A draft budget plan for the coming financial year, is prepared by the Finance Secretary, in consultation with the Headteacher, Leadership Team and Governors. The plan is approved by the finance committee, at the meeting in the second half of the Spring Term. This will be minuted and reported to the governing body. The plan must be approved by 31st March.
- The Finance Secretary, submits the approved budget plan to the LEA by 30 April each year.

Summer Term:-

- The Finance Secretary, in consultation with the Headteacher makes any necessary revisions to the budget for the finance committee to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year and further changes to staffing.
- The Finance Committee records in its minutes the approval and report to the whole governing body at the next meeting.
- Approved budget virements are sent to the LA by the end of the summer term.

Autumn Term:-

- The Headteacher, in consultation with the Finance Secretary and the LA prepares a Medium Term budget budget for the finance committee to consider. The revision takes account of any changes to the School Development Plan, staffing adjustments and changes to the number of pupils on roll.
- The budget revision, once approved by the finance committee, is reported to the next meeting of the governing body.
- The approved budget virements are sent to the LEA by the end of the Autumn Term.

BUDGET MONITORING

The Finance Secretary produces monthly monitoring reports, which include committed expenditure.

The finance committee receives a Budget Position Statement at each meeting which includes the Finance Secretary's Budget Commentary.

All of the reports stated on the Record of Financial Responsibility are available to governors at the Finance Committee or the Whole Governing Body meeting.

The Finance Secretary identifies and recommends to the finance committee appropriate remedial action for budget variances.

Any necessary virements are prepared by the Finance Secretary and the Headteacher for the Finance Committee to view/approve. This is reported on to the WGB at their next meeting.

The Headteacher monitors expenditure initiatives in the SDP and analyses the ESS budget under subject headings.

The Devolved Capital Budget is reviewed termly by the Finance Committee and the WGB informed.

PURCHASING

All orders comply with the LA's Standing Orders for contracts, as published in Suffolk's Scheme for Financing Schools.

The School demonstrates value for money through competitive tendering, when appropriate or by using County Stores or other approved purchasing arrangements.

Prior approval of the governors is obtained for any expenditure in excess of £5,000. Orders are not artificially split to evade this limit.

The School will not enter into any 'financial lease' unless terms and conditions are approved in advance by the LA.

Three written quotations are obtained for any order whose value is estimated above £1,000.

If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.

Contract specifications will contain the following:-

- Contract duration
- Definitions

- Contract Objectives
- Services to be provided
- Service quantity
- Service quality standards
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for disputes
- Review and evaluation requirements

The official financial information (SIMS) will be used for all orders. Any urgent verbal order is confirmed by a system order. The County Ordering pad may be used for Capital Allocation Orders

Individuals will not use official orders to obtain goods or services for themselves.

All orders are signed by an authorised signatory. A list of authorised signatories is maintained by the Finance Office. The authorised signatory is not permitted to create and certify any orders.

The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.

Each order placed is automatically entered into the School's financial system as a commitment.

The School checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order.

Payment is made within the agreed time limits after certification by an approved signatory.

Payment is only made against the original suppliers' invoice and not on a statement.

FINANCIAL CONTROLS

The Headteacher has a secured contingency arrangement in place to ensure that financial control can be maintained in the absence of key staff i.e. cover for the Finance Secretary can be provided by the Administrative Assistant.

The Headteacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.

The School maintains proper accounting records. An audit trail can be maintained for all financial transactions. Any alterations are made in ink and initialed to identify the person making the alteration.

Documents relating to financial transactions are retained for 6 years plus current

All records are securely stored and accessed by authorised staff.

Where there is a requirement to account separately for earmarked funding the Headteacher ensures this is done and that money is spent on its intended purpose.

INCOME

The finance committee reviews the Schools charging and remissions policy and reports its approval to the full governing body annually.

Proper records of all income due are kept. The Schools financial information package SIMS is used to produce invoices when appropriate. For transfers of funds between county council departments, a Journal Transfer must be completed.

The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.

Income is listed on a daily basis and logged for future reference.

Pending banking, cash and cheques are locked away in a secure safe

Income is banked within one week of receipt. Income is not used for making any payment for cashing personal cheques, although the School may exchange a petty cash cheque for cash.

Income recorded in the accounts is reconciled monthly with the bank statement.

Where invoices are required, they are issued with a 30 day payment term.

The School sends a reminder for any unpaid invoice after 3 weeks, a second reminder and a final reminder after 9 weeks. A School invoice will be placed in the hands of the County Council (by issue of official 'A' Account), should the debt remain unpaid. Debts are written off only in accordance with the Schools bad debt policy.

For official funds, the School banks with Lloyds TSB.

Bank reconciliations are completed weekly and any discrepancies resolved.

The reconciliation statement is initialled by the person undertaking the reconciliation and reviewed and countersigned by an authorised signatory.

The School is not allowed to go overdrawn, and will apply to the LA for a cash advance should there be insufficient funds.

Each cheque written is signed by two authorised signatories and supporting invoices are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed.

All cheques are crossed 'account payee' and are secured securely when not in use.

PAYROLL

Personnel procedures, including appointments, promotions and terminations are supervised by the personnel committee.

The Headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.

All staff data is entered onto the Schools personnel information package (SIMS) and is reconciled with the ORACLE download. Only authorised staff are allowed to access personnel records.

Arrangements have been made for staff to access their own records. These are in writing to the Headteacher.

Payments to individuals are processed only through the payroll system, no local payments are made except for expenses to teaching staff via the petty cash system.

PETTY CASH

The Headteacher has determined the level of petty cash to be held as £200.

Cash is held securely and access to it is restricted to authorised staff.

Payments from petty cash are limited to £30. Expenses over this amount are reimbursed to employees by means of cheque.

Payments from petty cash are supported by a petty cash claim form which must have been approved and signed by the Headteacher in advance of the purchase being made. Receipts and VAT invoices, where applicable, are also required.

Transactions are entered onto the Schools financial information system (SIMS).

Petty cash is reconciled on at least a termly basis. A report of all transactions is run and the reconciliation statement countersigned by an authorizing signatory confirming the report balances with cash.

Personal cheques are not allowed to be cashed with petty cash

TAX

The headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the construction industry scheme.

Only VAT invoices are paid for transactions involving VAT.

In the case of the reimbursement of expenses, the VAT invoice must be in the name of the School and not an employee, as VAT belonging to the County Council can only be claimed by Suffolk County Council.

The School completes a monthly VAT return on SIMS, which is reimbursed. This is done on the first available day after month end.

ASSETS

An up to date inventory is maintained of all items of equipment. Those that are portable, valuable and desirable are identified as School property with security marking that bear the School's name.

The inventory is reviewed in the Autumn Term and signed as evidence of the check having being undertaken.

A log of School property that is taken of site, by staff or pupils is maintained. This property includes musical instruments and computers. The register is held in the general office, and referred to as the 'Equipment Borrowed Book'.

The governors have approved a policy in relation to redundant equipment. It is incorporated into the bad debt policy.

The safe is kept locked and the keys are removed.

The School's Asset Management Plan is supervised by the Headteacher.

INSURANCE

The Finance committee reviews all risks annually to ensure that the cover available and the sums insured are adequate.

The Finance committee considers at the start of the financial year within the budget process, whether to insure against any uncovered risks.

The School will notify the LA/insurers of any new risks or any other alterations affecting existing insurance.

The School will not give any indemnity to a third party.

The School will immediately advise the LA/insurers on any accident, loss or other incident which may give rise to an insurance claim.

Insurance will cover the use of School property when off the premises, eg musical instruments/computers.

DATA SECURITY

Computer systems used for School management are protected by password security (ie screen savers, logins and passwords etc). Passwords are changed annually and more frequently in the event of staff changes.

All data is backed up daily and the back-ups stored in a secure fireproof location, or preferable off site.

Only authorised software is installed on any School computer to safeguard against computer viruses.

The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 1998 and that the Schools use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.