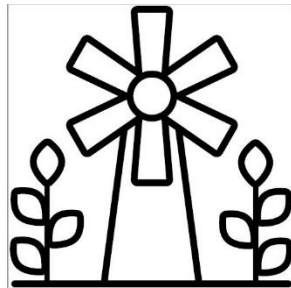


Sibsey Free Primary School



Finance Policy

Approved by: Governing Body

Date: October 2023

Next review due by: October 2024



Introduction

The Governing Body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities. Where appropriate, the school will also take account of the LA Document ‘Scheme for Financing Schools’.

Organisation

In view of the importance and complexity of financial management in the school, the Governing Body has appointed two Governors with responsibility for monitoring finance to enable due consideration to be given to all budgetary matters.

The Governing Body has agreed terms of reference for the Finance monitoring Governors details of which are included in the Governing Body Terms of Reference document.

The Finance monitoring Governors are confirmed annually by the Governing Body. The Finance Monitoring Governors are: Mr R. Atterby and Mrs. J. Hutson.

The Finance Monitoring Governors plan to meet regularly during the year, and as required. They will meet to:

- Consider the budget for the new financial year and agree a finance plan for consideration by the Full Governing Body.
- Consider budget monitoring reports during the year, and consider any update required in the light of any changes in pupil numbers.

The Finance Monitoring Governors will report, and make recommendations to the full Governing Body.

Finance Monitoring Governors will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

Roles and Responsibilities

The Governing Body recognises the importance of Governors, Finance Monitoring Governors, the Headteacher and Staff being clear about their respective roles and responsibilities with regard to the financial management of the school. This section sets out those roles and responsibilities.

The Governing Body will:

- Agree, and record in writing, the terms of reference for the Finance Monitoring Governors.
- Review those roles and responsibilities on an annual basis.
- Elect the Finance Monitoring Governors each year.

- Approve the school's budget each year, ensuring that a copy is attached to the minutes of the meeting.
- Submit the approved budget to the LA within the specified timescale.
- Approve the school's original and revised financial plans each year.
- Approve significant changes to the budget.
- Approve action necessary to control the budget.
- Take appropriate steps to ensure the school's budget does not overspend.
- Contact the LA and seek approval to overspend where this seems unavoidable.
- Adhere to LA carry forward policy when carry forward surpluses exceed authorised amounts.
- Authorise the school's applications for loans from the County Council.
- Maintain adequate controls in respect of both the payment of salaries and bills.
- Arrange insurance in relation to property, public and employer's liability and other risks.
- Ensure an inventory/asset register is maintained and proper arrangements are made for disposal of assets.
- Satisfy itself that the Finance Monitoring Governors and the Headteacher are fulfilling their responsibilities as set out in this policy document.
- Review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes.
- Record in writing the transaction/process authorisation limits, etc, relating to the school's financial system for relevant members of staff. (See Appendix A)
- Agree the school's virement arrangements. (See Appendix B)
- Ensure that formal order requisitions are completed by the member of staff requesting the goods and the order authorised by the Budget Holder (Head).
- Review the school's Charging and Remissions Policy on an annual basis.
- Ensure that the school fund is audited each year.
- Ensure that a signed statement confirming that the school fund has been audited is issued to the LA within its specified timescale.

- Review the financial training needs of Governors, the Headteacher and staff on an annual basis and fund training needs, as appropriate.
- Ensure that the school's Register of Business Interest and Conflict of Interests is kept up-to-date.
- Ensure that the school complies with the LA's guidance relating to Extended Schools and, in particular, that it does not subsidise extended school activities from the school's main budget share.
- Ensure that a Statement of Internal Control is completed and signed each year.
- Review this policy document on an annual basis.
- Ensure that all income due to the local authority is identified and charged correctly.
- Ensure that the Schools Financial Value Standard is completed and signed each year.

The Finance Monitoring Governors will:

- Maintain an up-to-date 'balanced' five-year budget plan, which shows clear links to the 'School Improvement' and 'Staffing' plans.
- Report monitoring and rollover to the full Governing Body, highlighting any significant variances.
- Evaluate any virement recommendations and report to the Governing Body.
- Analyse and report on Tenders for Contract Services in accordance with Governing Body delegated limits.
- Keep in-school financial procedures under review.
- Benchmark school financial performance against similar schools and report to the Governing Body.
- Evaluate proposed expenditure as set out within the delegated limits following recommendations from the Headteacher and present to the Governing Body.
- Draft the **Schools Financial Value Standard**, together with the Headteacher and Senior Administrator, using the support tools, for Governing Body approval by LCC's recommended dates
- Ensure that the school is working within the guidance of the **SFVS** recommendations.
- Ensure that all spending provides 'Value for money' in terms of raising standards in education and is wisely spent.
- Monitor benchmarking both locally and nationally and report to the Governing Body.
- Monitor and evaluate the management of the School Fund and to receive the audited accounts.
- Monitor the spend of extra funding such as pupil premium, sports premium, ensuring its use has impact.

- Review with the Headteacher, Chair of Governors, and any other appropriate staff, the finance policy; lettings policy; Whistle blowing policy; Governor allowance policy; making recommendations to the Governing Body.
- Ensure, with the Clerk, that the annual Governor financial skills audit is undertaken and evaluated.
- Review the business continuity plan making recommendations to the Governing Body.
- Review compliance audit reports, ensuring the Governing Body follows recommendations and actions.
- To make regular reports to the Governing Body and ensure that key financial decisions are recorded correctly in the minutes.

NOTE: The Finance Monitoring Pair will meet with the LCC Finance Team Member and any other Personnel as deemed appropriate, in order to carry out the above monitoring/reviewing etc. (Personnel will include the Headteacher, Senior Administrator, Chair of the Governing Body, and the Clerk.)

The Headteacher will:

- Familiarise himself with this policy document and his role and responsibilities.
- Draft budget papers.
- Draft original and revised finance plans.
- Ensure that School Development Plan priorities are properly costed and linked to the school's budget and finance plan.
- Monitor the budget on a monthly basis.
- Oversee the day to day running of the school's financial administration and ensure that the County Council's timetable is adhered to.
- Ensure that proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Audit team).
- Periodically check the banking process, i.e. check receipts, bank paying-in slips and BW-On! Reports, and evidence this check.
- Authorise BW-On! transactions within his limit.
- Authorise transactions/processes within the school's financial system up to limits agreed by the Governing Body. (See Appendix A)
- Act as an authorised signatory for the purposes of signing cheques/certifying employee claims, etc.
- Review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out.

- Monitor that the Employee Costs Report is run on a monthly basis, checks have been undertaken to ensure that the data is correct, and initial documents as evidence that monitoring has taken place.
- Monitor/approve all employee claims on BW-On! which are submitted in accordance with the School's Pay Policy.
- Review reconciliation's and returns on a regular basis and initial documents as evidence that such checks have been carried out.
- Ensure that the monthly payroll data is checked.
- Ensure that the school fund records are kept up to date.
- Ensure that the school fund's annual accounts are prepared, audited, approved by the full Governing Body and submitted to the LA in the timescale specified.
- Ensure Budget Returns and Medium Term financial plan are sent to the LA by 31st May annually.
- Agree virements up to his authorised limit. (See Appendix B)
- Ensure that income collected by external companies is reconciled on a regular basis.
- Ensure VAT is correctly accounted for.
- Ensure an inventory is maintained.
- Ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime, i.e. with regard to budget monitoring and reporting etc.
- Ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook.

The **Snr. Administrator** will:

- Maintain the accounting records using the school's financial package.
- Carry out transactions/processes within the school's financial system up to limits agreed by the Governing Body. (See Appendix A)
- Be responsible for administering the school's imprest account.
- Ensure that the LA's timetable for completion of bank, imprest and other reconciliations is adhered to.

- Contact the Schools Finance Helpdesk with concerns or queries regarding financial administration.
- Ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to ensure compliance with the Council's No PO No Pay policy and to aid effective budget monitoring and management (an exemptions list is available to access on the LCC Connect area at www.lincolnshire.gov.uk)
- Ensure that payments are made to suppliers within LA's payment policy. ie 28 days of the date of the invoice.
- Ensure that claims for Sickness Absence Insurance Scheme are made promptly and no later than 1 month after the relevant period.
- Carry out checks on the monthly payroll data including ensuring that the Employee Costs Reports and Gross to Net Report are run on a monthly basis, as close to 23rd of the month as possible, and that checks are undertaken to ensure the data is correct.
- Ensure that income collected by an external company is recorded accurately on Business World and that regular reconciliations are undertaken.
- Monitor and approve any expense claim made by the Headteacher of up to £250, and report these on a termly basis to the Finance Monitoring Governors for counter-signing. (Claims above £250 to be passed to the Chair for approval.)

Authorisation Limits for Purchase Orders (see Appendix A)

Administrator	£1,000
Headteacher	£50,000

Virement Limits (see Appendix B)

Virements of £10,001 or more should be approved by resolution of the full Governing Body.

The following virement limits have been agreed:

Finance Monitoring Governors	10,000
Headteacher	£5,000
Administrator	£1,000

Purchase Card Limits

Transaction Limit	Designation
Up to £200	Snr Administrator/Bursar

Monthly Credit Limit	Designation
Up to £500	Snr Administrator/Bursar

Name	Single Transaction Limit	Monthly Credit Limit
Mrs. C. Felipes	£200	£500

Training

The Governing Body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary, and governors and staff will be actively encouraged to undertake that training.

A programme of free training is available through the Local Authority.

Budget Setting

The Governing Body recognises the importance of setting a detailed budget at the start of the year.

The Headteacher will draft a detailed budget for each line of income and expenditure. It is recommended that the budget is re-evaluated each year (as opposed to, say, incremental budgeting) for the Finance Monitoring Governors' consideration.

The Headteacher will include options for increased spending, as set out in the School's Development Plan, and options for cost-cutting measures, where appropriate.

Budget Monitoring

The Governing Body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The Headteacher will monitor the budget on a monthly basis by reviewing printouts from the school's financial system for:

Errors
Miscodings
Large or unusual items
Potential underspendings or overspendings against budget

and act promptly, where appropriate.

Financial Administration

The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the school.

The Headteacher will monitor the financial administration functions carried out by the Snr. Administrator/Bursar, ensuring that:

Accounting systems are kept up-to-date

Sickness Claims, Imprest claims etc are completed in accordance with the LA's published timetable.

Appropriate action is taken where the LA advises the school that its day-to-day administration is not up-to-date

Where income is collected by an external company, that regular reconciliations are completed.

Reporting

The Governing Body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The Headteacher will prepare budget-monitoring reports for consideration by the Finance Monitoring Governors.

The reports will include for each line of income and expenditure (including all Government Grants):

Actual Expenditure to date

The original budget

Changes to the budget (virements)

Revised Budget (the current budget)

Variance (Actuals – Revised Budget) – this is the difference between the current budget minus the actuals expenditure.

% Spent – this is the percentage of the budget that has been spent to date.

Forecast – this is the final forecasted expenditure and income for the year.

Forecast Variance – this is the variance between the current budget and the forecast to give the forecasted year end position.

An explanation for all variances

Details of proposed virements

Details of proposals for additional spending or cost-cutting measures

In addition to the reports available in the school's financial system, the LA issues a Medium Term Finance Plan document to schools on an annual basis which provides the framework for the preparation of finance plans and budget monitoring reports to governors.

Financial Planning

The Governing Body recognises the importance of financial planning beyond the current year.

The Headteacher will prepare a financial plan covering the next five years.

The plan will show the projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.

The level of detail shown in the plan will include, as a minimum, the information set out in the Medium Term Finance Plan document issued by the Local Authority to schools every year.

The plan will include contingency plans, setting out the school's proposal for dealing with variations including, in particular, changes in the projected number on roll.

The Governing Body will consider the impact that the Medium Term Finance Plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

Audit

The Governing Body recognises the importance of the County Council's audit regime in assessing the adequacy of the school's financial controls.

The Governing Body and Headteacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Headteacher will ensure that audit recommendations are implemented as soon as possible.

The Headteacher will familiarise himself with the appropriate Financial Procedures and Finance Handbook, which gives guidance on best practice, internal controls and statutory requirements.

Annual timetable

The Governing Body recognises the importance of planning its financial management work throughout the year.

The Headteacher will draw up an annual timetable of key events and will submit this annually to the full Governing Body's last meeting in each financial year.

Confidential Reporting

(also known as ‘Whistleblowing’)

Where a member of staff has concerns about the actions or conduct of another member of staff these should be reported to the Headteacher who will take the necessary steps, including investigations in accordance with the Local Authority Whistleblowing procedures. When the concerns relate to the actions or conduct of the Headteacher, these should be reported to the Chair of the Governing Body. The Chair is responsible for liaising with the Local Authority in accordance with the procedures on Whistleblowing as laid down by the Local Authority.

The Code encourages staff to feel confident in raising serious concerns.

Examples of concerns which might be raised:

- Conduct which is an offence or a breach of the law;
- Unauthorised use of public funds;
- Possible fraud or corruption;

Full details of this procedure can be found in the School’s ‘Confidentiality and Confidential Reporting’ Policy.

Fraud

The Governing Body and Headteacher will follow LCC’s Counter Fraud Policy as detailed in the LA Scheme for Financing Schools (point 2.19)

Liability of Governors

Governors will not incur personal liability in the exercise of their power to spend the delegated budget share, provided they act in good faith.

Review

The Governing Body recognises the importance of keeping its Finance Policy up-to-date and will review the policy on an annual basis.

Updated March 2021

APPENDIX A

Authorisation Limits

The authorisation limits relate to processing and release of purchase orders and invoices.

The arrangements for procuring goods/services and releasing payments are as follows:

- The amounts delegated to individuals for subject headings will be set and reviewed annually. Budget holders will be updated by the Snr. Administrator on balances as required. Snr. Administrator is responsible for procuring as detailed above.
- A purchase order has to be raised prior to ordering of goods. The purchase order has to be quoted on all invoices.
- All invoices must be forwarded to Corby by the Supplier, quoting the Purchase Order Number.
- For Orders under £1,000 the Snr. Administrator is authorised to procure and release payment.
- Orders over £1,001 and under £50,000 must be released by the Headteacher.
- Orders over £50,001 must be approved by the Governing Body.
- For all goods and services with a value £0 - £10,000 up to three written quotes will be requested, the number of quotes being dependent upon the nature of the purchase.
- If the cost is between £10,001 and £25,000 a minimum of three quotes must be obtained. Over £25,001, the School will follow the 'LCC Contract and Procurement Procedure Rules'.
- All Capital Tenders must be addressed to the Senior Administrator at the School.
- Where appropriate, local suppliers will be used.

- Purchase Card: Only the Senior Administrator is authorised to use the Purchase Card. The limit on the card is £500 per month, with a single transaction limit of £250.

These amounts will be reviewed and confirmed annually by the Governing Body.

Expenses claimed by the Headteacher over £250 must be approved by the Chair of Governors.

APPENDIX B

Virement Policy

Virements are in-year changes between budgets, e.g. £5,000 is moved from contingency to teaching staff.

The Schools virement policy forms part of their Finance Policy.

- In respect of virements, the limits are as follows:

Snr. Administrator	Up to £1000
Headteacher	£1001 to £5,000
Finance Monitoring Governors	£5,001 to £10,000
Governing Body	£10,001 and over (Virements of £10,001 or more will be approved by resolution of the Governing Body.)