



Waddington All Saints Primary School

“If they have wings, why make them walk?”

FINANCE POLICY

This policy should be followed with due regard to the requirements of the School’s Equality and Diversity Policy

A4.2.1 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.

A4.2.2 Organisation

In view of the importance and complexity of financial management in the school, the governing body has established a Finance Committee to enable due consideration to be given to all financial matters. The governing body has delegated a number of its powers to the Finance Committee (details of roles and responsibilities are set out later in this policy document).

The Finance Committee members are:

Chair *John McFadden*

Vice Chair *Andrea Smith*

Member 1 *Chaz Gimenez*

Member 2 *Wg Cdr Paul Yates*

Member 3 *Vacancy*

The Chair and Vice Chair of the Finance Committee are elected by the full Governing Body in September each year.

The Finance Committee plans to meet four times each year:

May

(to agree the budget for the new financial year and to agree the finance plan)

July

(to consider the first budget monitoring report for the year)

December

(to consider the second budget monitoring report of the year and to update the school’s finance plan in light of the September number on roll and purchasing plans from staff)

March

(to consider the final budget monitoring report for the year and a revised finance plan)

The Finance Committee will report, and make recommendations, to the full governing body.

Minutes of each Finance Committee meeting will be presented to the next meeting of the full governing body.

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



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A4.2.3 Roles and Responsibilities

The governing body recognises the importance of governors, Finance Committee members, 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.

A4.2.3.1 The governing body will:

- agree, and record in writing, the roles and responsibilities of the Finance Committee and headteacher review those roles and responsibilities on an annual basis select the Finance Committee members 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 Local Authority (LA) within the specified timescale
- approve the school’s original and revised finance plans each year
- take appropriate steps to ensure the school’s budget does not overspend
- contact the LA and seek approval to overspend where this seems unavoidable authorise the school’s applications for loans from the County Council
- satisfy itself that the Finance Committee and 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
- agree the school’s virement policy
- The policy should clearly state what financial levels have been delegated to individuals: E.g. budget holders for procuring goods/services; placing orders/goods receipting etc and virements.
- establish the school’s charging policy and review 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 County Council within its specified timescale
- review the financial training needs of governors, the headteacher and staff on annual basis and fund training needs, as appropriate. A programme of free training is available from the Local Authority ensure that the school’s Register of Business Interests 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. Further information can be found on LCC Website (type “extended schools” in the search box)
- ensure that a Statement of Internal Control is completed and signed each year (see guidance on the SFVS website www.education.gov.uk/schools/)
- review this policy document on an annual basis



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A4.2.3.2 The Finance Committee will:

- familiarise themselves with this policy document and their roles and responsibilities
- ensure that the school complies with the LA's Scheme for Financing Schools, as approved by the Secretary of State
- familiarise themselves with the way in which schools in Lincolnshire are funded
- contact the LA for advice in relation to leasing arrangements, as appropriate (Director of Resources Treasury Office)
- produce a timetable of meetings at the start of the year outlining their key purpose
- consider the draft annual budget papers prepared by the headteacher
- consider the draft medium term finance plan prepared by the headteacher
- consider budget monitoring reports produced by the headteacher throughout the year
- monitor the financial performance of catering and other functions (where applicable) throughout the year (some trading activities within school should not be subsidised by budget share) ensure that the school obtains value for money in line with the Best Value Statement.
- ensure that the school's other Government Grants allocations are fully utilised
- use management information, particularly that supplied by the County Council, to challenge the way in which the school uses its financial resources. The Consistent Financial Reporting website can also be used to assist with comparisons (refer to Finance Handbook for more information) ensure that the school complies with the County Council's financial regulations (available at www.lincolnshire.gov.uk, and follow menu path Home>Interested in Local Democracy>How the Council Works>Finances>Financial Controls>Financial Regulations & Procedures.
- ensure that the school produces a Best Value statement and adheres to it (refer to Finance Handbook for more information)
- report to the full governing body
- ensure that audit recommendations are implemented within a reasonable timescale
- ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc, and review this on an annual basis
- 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

A42.3.3 The headteacher will:

- familiarise him/herself with this policy document and his/her role and responsibilities
- draft budget papers June
- 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 (refer to Finance Handbook for more information)
- 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 Corporate Audit and Risk Management Team)



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- authorise transactions/processes within the school’s financial system up to limits agreed by the governing body. This could include the release of purchase orders, etc.
- 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 payroll report is run on a monthly basis, checks have been undertaken to ensure the data is correct, and initial documents as evidence that monitoring has taken place
- 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
- agree virements up to his/her authorised limit
- ensure VAT is correctly accounted for
- ensure CIS 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

A4.2.3.4 The Finance 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
- ensure that the LA’s timetable for completion of bank and other reconciliations is adhered to
- submit income and expenditure statements, VAT returns, etc to the LA within the specified timescales (Prime Account Schools only)
- contact the school’s nominated Finance Technician in the Schools’ Finance Team with concerns or queries regarding financial administration
- ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management – see finance handbook for possible exemptions
- ensure that payments are made to suppliers within LCC’s payment policy, i.e. 28 days of the date of the invoice
- ensure that, where appropriate, claims for sickness absence scheme
- are made promptly and no later than 1 month after the relevant period
- ensure that the payroll print is 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



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A4.2.4 Authorisation Limits for Purchase Orders

Administrator £1,000

Headteacher £150,000

A4.2.5 Agresso Schools only

This section should be included if the school has adopted the FB60 method of processing payments up to £500 gross without purchase orders/goods receipts.

The governing body has agreed that payments up to the value of £500 gross may be processed on Agresso using transaction FB60, without the need for a purchase order/goods receipt.

A4.2.6 Virement Limits

Virements of £5,000 or more should be approved by resolution of the full governing body.

The following virement limits have been agreed:

Finance Committee £4,999

Headteacher £2,500

Administrator £1,000



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A4.2.7 Purchase Card Limits

This section should be included if the school has joined the Purchasing Card scheme. Each member of staff should be listed with their Single Transaction Limit and Monthly Credit Limit. The limits are:

Transaction Limit	Designation
Up to £500	Budget Operator
Up to £1,000	Budget Holder
Up to £2,000	Headteacher/ Budget Manager

Monthly Credit Limit	Designation
Up to £2,000	Budget Operator
Up to £4,000	Budget Holder
Up to £10,000	Headteacher/ Budget Manager

Name:	Single Transaction Limit	Monthly Credit Limit
Anthony Cussons.....	£...300.....	£...300.....
Beth Saville	£...500.....	£...500.....
Andrea Harrison.....	£...350.....	£...350.....
Sue Guy.....	£...500.....	£...1000.....
Catriona Wright.....	£...350.....	£...500.....
Victoria Maycock.....	£...350.....	£...500.....
Susanna Craddock.....	£...350.....	£...500.....
Katherine Brown.....	£...350.....	£...500.....
Janet Hollis.....	£...350.....	£...350.....
Zoe Jepson.....	£...500.....	£...1000.....
Nicola South.....	£...350.....	£...500.....
Paul Martin.....	£...1,000.....	£...3,000.....
.....	£.....	£.....

(Names and limits to be updated September 2017)

A4.2.8 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.



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A4.2.9 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 Committee’s 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.

A4.2.10 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 reports from the school’s financial system for:

- errors
- miscodings
- large or unusual items potential underspendings or overspendings against budget

and act promptly, where appropriate. Recommended reports can be found in the Finance Handbook.

A4.2.12 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 Finance Administrator, ensuring that:

- accounting systems are kept up-to-date
- bank reconciliations, 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



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A4.2.13 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 Committee.

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

the original budget,

changes to the budget,

current budget,

expenditure and commitments to date,

expenditure and commitments to date expressed as a percentage of the current budget

an outturn projection

a variance between outturn and current budget

an explanation for all material variances

details of proposed virements

details of proposals for additional spending or cost-cutting measures

In addition to the reports in the school's financial system, the Local Authority issues spreadsheet and word-processing documents to schools on an annual basis to provide a framework for the preparation of finance plans and budget monitoring reports to governors.



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A4.2.14 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 three to four 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 County Council's financial planning spreadsheet, which is available to schools each year, free of charge.

The plan will include contingency plans, setting out the school's proposals 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.

A4.2.15 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 him/herself with the Financial Procedures and Finance Handbook, which give guidance on best practice, internal controls and statutory requirements.

A4.2.16 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.

A4.2.18 Review

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