

# *Winchelsea*



*All Individuals Matter*

## **WINCHELSEA PRIMARY SCHOOL** **RUSKINGTON**

### **FINANCE POLICY**

## **Part 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.

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 shall consist of:

Chair – Mr Matthew Evans

Member 1 – Mrs Estelle Drayton

Member 2 – Miss Helen Duckett

Member 3 – Mr Huw Edwards

The Finance Committee will meet five times a year.

In April/May they will meet to agree the budget for the new financial year and to agree the Finance Plan. The Finance Committee will report, and make recommendations, to 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.

They will meet in July, October, December and February (around two weeks prior to the full governing body meetings) to consider the budget monitoring reports. Minutes of each Finance Committee meeting will be presented to the next meeting of the full governing body.

## **Part 2: 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.

### **2.1 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;
- elect 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 LEA within the specified timescale;
- approve the school's original and revised financial plans each year;
- take appropriate steps to ensure the school's budget does not overspend;
- contact the LEA 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;
- policy – the policy should clearly state what financial levels have been delegated to individuals;
- review the school's letting policy on an annual basis;
- review the school's charging 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 County Council 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 Interests and Conflict of Interests is kept up-to-date;
- ensure the School Financial Value Standard is completed and signed each year;
- review this policy document on an annual basis.

## **2.2 The Finance Committee will:**

- familiarise themselves with this policy document and their roles and responsibilities;
- ensure that the school complies with the LEA's Scheme for Financial Management, as approved by the Secretary of State;
- familiarise themselves with the way in which schools in Lincolnshire are funded;
- contact the LEA for advice in relation to leasing arrangements, as appropriate;
- produce a timetable of meetings at the start of the year outlining their key purpose;
- consider the draft budget papers prepared by the School Business Manager and approved by the headteacher;
- consider the draft finance plan prepared by the School Business Manager and approved by the headteacher;
- consider budget-monitoring reports produced by the School Business Manager throughout the year;
- ensure that the school obtains value for money;
- use management information, particularly that supplied by the County Council, to challenge the way in which the school uses its financial resources;
- ensure that the school complies with the County Council's financial regulations;
- ensure that the school does not overdraw its bank account;
- report to the full governing body;
- ensure that audit recommendations are implemented within a reasonable timescale.

## **2.3 The Headteacher will:**

- familiarise herself with this policy document and her role and responsibilities;

- ensure that School Development Plan priorities are properly costed and linked to the school's budget and finance plan;
- monitor the budget by attending the Finance Committee meetings;
- 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;
- authorise Business World transactions within her limit (up to £500,000);
- authorise Procurement Card transactions within her limit (up to £5,000 single transaction limit – up to a monthly spend of £20,000);
- act as an authorised signatory for the purposes of signing cheques, certifying employee claims;
- review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out;
- ensure that the school fund records are kept up-to-date;
- sign requisition forms to authorise orders for Business World;
- ensure that a Payroll Report is run to check the entries for accuracy as soon as payroll has run each month;
- ensure that school fund's annual accounts are prepared, audited, approved by the full governing body and submitted to the LEA in the timescale specified;
- ensure VAT is correctly accounted for;
- ensure an inventory is maintained.

#### **2.4 The School Business Manager will:**

- write budget papers;
- write original and revised finance plans;
- monitor the budget on a monthly basis;
- authorise Business World transactions within her limit (up to £1,000);
- authorise Procurement Card transactions within her limit (up to £1,500 single transaction limit – up to a monthly spend of £5,000);
- ensure that requisitions/value-based requisitions are raised prior to ordering goods/services;
- ensure that three quotes are obtained for purchases over £5,001;
- prepare paperwork for any virements (up to £1,500);
- keep the school fund records up-to-date;
- prepare the school fund's annual accounts for audit, ensure they are approved by the full governing body and submitted to the LEA in the timescale specified;
- maintain the accounting records using Business World;
- ensure that the LEA's timetable for completion of bank and other reconciliations are adhered to;
- submit income and expenditure statements, VAT returns, etc to the LEA within the specified timescales;
- contact the schools nominated Financial Assistant in the Schools' Finance Team with concerns or queries regarding financial administration;
- run a Payroll Report as soon as payroll has run each month to check the entries for accuracy;
- 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.

#### **2.5 The Deputy Headteacher will:**

- authorise Procurement Card transactions within her limit (up to £1,500 single transaction limit – up to a monthly spend of £5,000).

#### **2.6 The Site Manager will:**

- authorise Procurement Card transactions within his limit (up to £500 single transaction limit – up to a monthly spend of £1,000).

#### **2.7 The Administrative Assistant(s) will:**

- prepare and send invoices for the extended Nursery and Breakfast club provision;
- prepare and send invoices for all lettings;
- prepare and process paperwork and payments for swimming and educational visits;
- handle cash for general sales eg water bottles/book bags etc.

### **Part 3: 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.

### **Part 4: Budget Requirements**

#### **4.1 Setting**

The governing body recognises the importance of setting a detailed budget at the start of the year.

The School Business Manager will draft a detailed budget for each line of income and expenditure 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.

#### **4.2 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 School Business Manager will monitor the budget on a monthly basis by reviewing printouts from the school's financial system and act promptly, where appropriate, for:

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

### **4.3 Planning**

The governing body recognises the importance of financial planning beyond the current year. The School Business Manager will prepare a financial plan covering the next five years where practicable.

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 issued to schools each year. 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.

## **Part 5: 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 School Business Manager, ensuring that:

- accounting systems are kept up-to-date;
- bank reconciliations, for example, are completed in accordance with the LEA's published timetable;
- appropriate action is taken where the LEA advises the school that its day-to-day administration is not up-to-date.

## **Part 6: 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 School Business Manager will prepare budget-monitoring reports for consideration by the governing body.

The reports will include for each line of income and expenditure:

- 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;
- a variance between plan and current budget;
- an explanation for all variances exceeding £1,000 in value;
- details of proposals for additional spending or cost-cutting measures.

In addition to the reports in Business World, the County Council 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.

### **Part 8: Audit and Review**

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 herself with the Financial Procedures and Finance Handbook, which give guidance to best practice, internal controls and statutory requirements.

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

Signed: \_\_\_\_\_  
Chair of Governors

Dated: \_\_\_\_\_