

CHRIST CHURCH C of E PRIMARY SCHOOL FINANCIAL MANAGEMENT POLICY and PROCEDURES



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1. Overview

The school seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. In addition, this document has been drafted with reference to 'Keeping your Balance' produced by Ofsted and the Audit Commission. Notice has been taken of the DFES guidelines regarding 'Consistent Financial Reporting'. Practices described arise out of the implementation of Fair Funding employed here since April 1998 under Section 48 of the School Standards and Framework Act 1998, and that it conforms to Contract Standing Orders.

The Governing Body will convene twice a term. The Governing Body will apply the principles of best value to all financial and school dealings: to ensure the most effective, economic and efficient means available.

- challenge how and why a service is provided (including consideration of alternative providers)
- comparison of performance against other schools taking into account the views of parents and pupils
- consultation with stakeholders especially parents and children
- competition to secure efficient and effective services

2. Financial Objectives

- a. That the responsibilities of the Governing Body, its committees, the Headteacher and the staff should be clearly defined and the limits of delegated authority be clearly established;
- b. The Governing Body is responsible for ensuring that any grant from the Secretary of State is used only in accordance with the terms set down by the DfES and must take steps to ensure that the financial management and organisation of the Governing Body are such as to enable it to fulfil its obligations;
- c. That the budget should reflect the school's educational priorities and objectives, seek to achieve value for money and be subject to regular and effective monitoring;
- d. The school should seek to make the best strategic use of resources linking specific grants to educational decisions and priorities;
- e. The school will seek to apply the principles of best value in securing the use of resources and services;
- f. Regular and effective monitoring procedures will be adhered to;
- g. That the school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme For Financing Schools';
- h. That the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions;
- i. That the school should be adequately insured against exposure to risks;
- j. That the school should be registered under the Data Protection Act of 1998 and all data protected against loss;
- k. That the school should ensure that the purchasing arrangements achieve the best value for money;
- l. That there should be efficient procedures for the administration of personnel matters;

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- m. That stocks, stores and other assets should be recorded, inventoried and adequately safeguarded against loss and theft;
- n. That all income due to the school be identified, registered and banked promptly;
- o. That the school should properly control the operation of bank accounts and reconcile bank balances and accounting records;
- p. That the school should control the use of Petty Cash;
- q. That the school Voluntary Funds should be administered as rigorously as Official Funds;

3. Organisation of responsibility and accountability

3.1. Role of the Governing Body

- a. To take responsibility for overall financial management of the school and satisfy the LA that the school's financial management and organisation are such as to enable it to fulfil its financial obligations;
- b. To ensure that any grant from the LA is only used for the purpose prescribed (see LA financial regulations);
- c. To provide such information as the Secretary of State may require;
- d. To appoint external auditors (if considered appropriate);
- e. To provide the LA with timely monthly and annual financial returns in the required format (Consistent Financial Reporting);
- f. To manage the school budget:
 - Consider the annual budget plan
 - Approve the budget
 - Consider and approve any revisions to the budget
 - Agree levels of delegation for financial responsibility
- g. To delegate powers, including to spend, to the Head teacher as follows:
 - internal scheme of delegation to governors' committees
 - to delegate powers for finance to the Executive committee
 - the Headteacher may delegate the responsibility of faculty budgets to SLT and Heads of Faculty
 - limits to powers – spending, virements as per the Financial Management Policy
 - clarity of functions and responsibilities (Job Descriptions)
- h. To be consulted by the Local Authority:
 - on significant changes to LA's Fair Funding/Scheme of Delegation
- i. To ensure accounts are kept:
 - accurate
 - timely
 - in accordance with local and national requirements
- j. To determine staff disposition and policy
 - in accordance with Teachers Pay and Conditions agreement
 - non teachers requirements e.g. TAs, site supervisors etc
- k. To make judgements and estimates that are reasonable and prudent;
- l. To act as a 'critical friend' to the Headteacher by providing advice, challenge and support;

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- m. To evaluate the effectiveness of spending decisions;
- n. To ensure that financial duties of staff are clearly described to avoid potential conflicts;
- o. To establish and maintain a register of Business Interests of Governors and Staff who influence financial decisions;
- p. To ensure in conjunction with the Headteacher and via the appointed payroll provider, that:
 - salary payments are only made to school employees
 - salary payments are made in accordance with appropriate conditions of employment
 - salary payments are only made for services provided to the school
 - payroll changes are accurately recorded and promptly processed
- q. To produce a Controls Assurance Statement in accordance with the Financial Management Standard.
- r. To approve a list of authorised signatories for the following list of authorisation:
 - Bank transfers and cheques
 - Certification of invoices and petty cash payments
 - Orders for supplies, works and services
 - Salaries and wages, including honoraria, timesheets, overtime, car mileage and travel claims
 - Budget virements
- s. To ensure the requirements of the scheme and associated guidance are met;
- t. Responsible for ensuring the Financial Management and other policies are reviewed annually;
- u. To ratify Policies drawn up by the relevant committee;
- v. To draw up a Best Value Statement in line with the Scheme for Financing Schools;
- w. To authorise virements in excess of £20,000 for individual budget headings;
- x. To approve expenditure on major capital projects / leasing;
- y. To authorise write-offs and disposal of stock;
- z. To ensure appropriate insurance cover for the school is obtained;
- aa. To respond promptly to recommendations made by auditors or inspectors;
- bb. To ensure that the relevant staff are aware and implement the Construction Industry Taxation Scheme;
- cc. To approve and authorise Leasing Agreements;
- dd. To follow deficit budget procedures as set out in the 'Scheme For Financing Schools';
- ee. To set and review performance targets for the Headteacher;
- ff. To review annually the Governors Terms of Reference;
- gg. All maintain minutes of the meetings;

3.2. Role of the Executive committee

It is the responsibility of the Executive committee to follow the terms of reference agreed by the Governing Body as follows:

- a. To advise the Governing Body on financial strategy and policy within the resources available;
- b. To receive, consider and present to the Governing Body, for approval, annual estimates of the school's budget, and revised forecasts as appropriate;
- c. To monitor the timely submission of grant applications and financial returns to the LA and DfES (where appropriate);

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- d. To advise the Governing Body on the application of the Individual Schools Budget and other payments made to the school in accordance with current legislation;
- e. To receive regular reports on the school's income and expenditure as compared with budget, and report to the Governing Body;
- f. To keep under general review the personnel establishment of the school and to recommend to the Governing Body the financial limits for salaries and wages within the overall school budget;
- g. To ensure that the staffing levels in the school reflect the needs of the students and support the School Development Plan;
- h. To advise the Governing Body on the provision of resources and services to the school and to undertake the setting up of contracts for services as determined by the Governing Body. To consider, where appropriate, the substitution of in-house provision and to advise the Governing Body accordingly;
- i. To review the Financial Procedures Manual from time to time together with any related matters concerning administrative systems and related equipment;
- j. To monitor all financial controls;
- k. To determine policy with regard to virement between budget headings;
- l. To review at least annually the Register of Governors' business interests and to ensure its accuracy. (There is an opportunity to review / declare changes to business interests at each meeting of the Full Governing Body);
- m. The Chair of Governors should be responsible for signing the annual accounts.
- n. Provide such information as may be required by the Auditors;
- o. To respond promptly to recommendations made by auditors or inspectors;
- p. Authorise changes in payroll (joint authority with Headteacher);
- q. Advise on financial aspects of contracts;
- r. Be responsible for signing the school's annual accounts, ensuring they are properly presented and ensuring records relating to the accounts are maintained;
- s. To ensure that all Governing Body and other Committee decisions are based on raising the achievement of all pupils;
- t. To ensure that budget expenditure is appropriate, controlled and prioritised against all available resources;
- u. To approve variations in planned spending;
- v. To approve and authorise Leasing Agreements;
- w. To produce and review the Financial Management Policy on an annual basis;
- x. To provide information relating to finance issues for parents for example via the School Profile;
- y. To review annually the Governors Terms of Reference;
- z. To maintain minutes of meetings that may be open to a full Governing Body meeting;
- aa. To follow deficit budget procedures as set out in the 'Scheme For Financing Schools';
- bb. To oversee the operation of the Private Account;
- cc. To request that private funds are audited annually and presented to the Governing Body for approval;

3.3. Role of the Buildings Committee

The Buildings committee will keep the Executive committee informed of any business relating to finance. They will:

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- a. Assist in the preparation of how the school plans to maintain or improve their accommodation and grounds to provide a suitable, healthy and safe environment., via the school's Premises Development Plan;
- b. Premises management should take into account a large range of issues which fall into three main categories:
 - Maintaining current premises so that they are fit for purpose
 - Making the best use of the premises
 - Planning necessary changes / improvement to the premises
- c. Prepare tenders for capital programmes;
- d. Monitor and oversee capital programmes;
- e. Review all existing contracts on an annual basis;
- f. Review Policy and procedures for Health and Safety annually;
- g. Ensure works are completed as per Health and Safety requirements;
- h. Review the Critical Incident Plan annually;
- i. To ensure that the relevant staff are aware and implement the Construction Industry Taxation Scheme;
- j. To review annually the Governors Terms of Reference;
- k. To maintain minutes of meetings that may be open to a full Governing Body meeting;

3.4. Role of the People and Pay Committees

- a. To ensure that the school establishes and maintains personnel policies that are in accordance with relevant national legislation and current good practice;
- b. To ensure that the school has clear personnel policies relating to recruitment, retention, discipline and grievance, dismissal and redundancy;
- c. To review the above policies annually;
- d. To oversee the development and operation of the school's Performance Management scheme for the support and teaching staff;
- e. To oversee the formulation of the school's pay policy;
- f. To be responsible in consultation with the Headteacher for the placement of staff on the appropriate point of the relevant pay scales;
- g. To establish and review on a regular basis administrative arrangements for personnel matters, whether carried out internally or by external agencies;
- h. To establish and review on a regular basis arrangements for obtaining professional and legal advice in personnel matters;
- i. Ensure that staff are correctly and fairly appointed in line with appropriate policies and procedures;
- j. To make arrangements to ensure that selection panels are available at short notice for appointments that are not delegated to the Headteacher; in the case of Headteacher and Deputy Headteacher appointments;
- k. To review annually the Governors Terms of Reference;
- l. To maintain minutes of meetings that may be open to a full Governing Body meeting;

3.5. Role of the Learning Committee

The responsibilities of the Learning Committee are:

- a. To ensure the National Curriculum is followed;
- b. To assist the Headteacher in the production of the school prospectus;
- c. To monitor, review and ratify whole school policies connected with learning and teaching;

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- d. To monitor data on student performance including public examination results, progression between Key Stages, data on attendance, exclusions.
- e. To analyse the school's RAISE report;
- f. To approve statutory target setting annually with the School Improvement Partner;
- g. To be involved in the monitoring of achievement and assessment throughout school;
- h. To review annually the Governors Terms of Reference;
- i. To maintain minutes of meetings that may be open to a full Governing Body meeting;

3.6. Role of the Headteacher

The Headteacher retains ultimate responsibility but may delegate responsibility to a named member or members of the Senior Leadership Team. This individual will work in partnership with the School Finance Manager in all matters relating to finance. The Governing Body will expect the Headteacher to take responsibility for making proposals about the educational character and mission of the school, for the organisation, direction and management of the school and Leadership of the staff and for the determination of the school's academic and other activities.

The Headteacher has a key role in all financial matters. **The specific controls they exercise are detailed elsewhere in this manual.** Together with the Schools Finance Manager and the appropriate Financial Consultants he will be aware of all financial transactions viz:

- a. To check that the funds delegated by LA are correct;
- b. To prepare budget estimates in conjunction with the Schools Finance Manager and members of the Executive Committee;
- c. To submit the budget for approval of the Full Governing Body;
- d. To submit the ratified budget to the LA by the required deadline;
- e. To advise the Executive Committee on spending priorities;
- f. To ensure that school expenditure reflects priorities in the School Development Plan including plans for money held in reserve for future projects;
- g. To implement expenditure in line with the school budget;
- h. To manage the budget and ensure that the budget limits are not exceeded;
- i. To ensure the list of authorised signatories is maintained and updated when necessary;
- j. To make budget changes where necessary up to the value of £20,000 for individual budget headings, in conjunction with the Finance Manager;
- k. To consult the Executive Committee on virement in excess of £20,000;
- l. To monitor the budget monthly, or more regularly if appropriate, using reports issued by the Schools Finance Manager / Finance Assistant;
- m. To ensure budget holders receive monthly reports and that their budgets are not overspent;
- n. To approve all official orders before they are processed, or to delegate responsibility for doing so to the relevant senior leader;
- o. To authorise expenditure on a day to day basis in line with the budget;
- p. To monitor the Standards Fund Grant income and expenditure and to ensure that the eligibility criteria for the spending are met;
- q. To administer and process the allocation of the Access Fund Grant from the LA;
- r. To submit reports to the Governing Body giving details of income, expenditure and commitments to date;

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- s. To sign cheques (two signatures are required on all cheques over £5,000) The additional signatories will be named members of the Senior Leadership Team or Governing Body;
- t. To ensure that the School Budget Share Account does not become overdrawn;
- u. To authorise any overtime/extra duties/supply claim forms, or to delegate responsibility for doing so to authorised members of the Senior Leadership Team;
- v. To monitor salary expenditure with the School Finance Manager making use of the statements produced by the LA;
- w. To authorise payroll amendments;
- x. To follow up and pursue outstanding queries;
- y. To keep up to date with the Financial Rules and Regulations;
- z. To follow deficit budget procedures as set out in the 'Scheme For Financing Schools';
- aa. To immediately notify the auditors of any suspected irregularity;
- bb. To ensure that the auditors have access to such premises, documents and assets as they consider necessary;
- cc. To consider and respond to recommendations in audit reports and report to the Governing Body results and any action taken by the school;
- dd. To ensure audit recommendations are implemented;
- ee. To arrange audit of Private Account which is to be carried out by an auditor who is independent of the school;
- ff. To ensure that audited Private Accounts are copied promptly to the LA;
- gg. To present audited accounts to the Governing Body;
- hh. To ensure LA Returns are submitted on time;
- ii. To implement the school personnel disciplinary procedures as appropriate;
- jj. To ensure that arrangements for staff appraisal / performance management are in place and being developed;
- kk. To inform Human Resources of any staff changes;
- ll. To verify the accuracy of the pay details provided by the payroll provider on a monthly basis.
- mm. To ensure that duties relating to the financial administration are distributed so that at least two people are involved whereby, one will act as a check on the work of the other;
- nn. To adhere to the principles of Best Value at all times;
- oo. To ensure that relevant staff are aware and implement the Construction Industry Taxation scheme and VAT Regulations;
- pp. To ensure all aspects of the school's Health and Safety Policy are complied with;
- qq. To ensure that all staff are made aware of the school's 'Whistle-Blowing' Policy;
- rr. To ensure that the financial competencies of relevant staff are reviewed regularly and appropriate training needs met;
- ss. To ensure that proper procedures and registration for Data Protection are in place.
- tt. To ensure that the schools insurance arrangements are adequate and are reviewed annually;
- uu. To ensure that an Inventory Book is maintained of all attractive and portable items above the value of £1,000 together with ICT and photographic equipment, and an annual check is performed;
- vv. To ensure effective financial systems, procedures and controls are implemented;
- ww. The Headteacher's delegated powers to be reviewed on an annual basis;
- xx. To ensure all staff are CRB checked and records kept up to date;

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3.7. Role of Senior Leadership Team and Budget Holders

- a. Oversee Lettings;
- b. Named members of SLT line manage the roles of Premises, Finance, ICT and non-teaching staff;
- c. To be a second signatory on cheques;
- d. Subject leaders will submit to the Headteacher the requirements for their area of responsibility on an annual basis;
- e. To monitor their budgets;
- f. To liaise with the Schools Finance Manager in the event of any queries;
- g. To ensure no budget goes overdrawn;
- h. To authorise Official Orders for their own departments.
- i. Additional funding will need the approval of the Headteacher prior to spending the funds;

3.8. Role of Office Staff

- a. Collate staff absence details on to a monthly form for submission to Payroll Department;
- b. Collates, analyses and organises cover for staff absences including supply;
- c. Responsible for completing the termly school census and LSC returns. This is a census return of numbers of pupils and their ages and other characteristics from all schools to the DfES;
- d. Responsible for maintaining schools asset register;
- e. Responsible for overseeing all out-going mail and the operation of the postage or franking machine;
- f. To purchase stamps and maintain the postage stamp book;
- g. To raise Official Orders for educational resources as requested by budget holders and ensuring that the stocks are replenished as necessary;
- h. To check delivery of goods against Official Order Forms, signing and passing the invoice/delivery notes to finance;
- i. To follow up any queries relating to the orders;
- j. To pass goods received to the relevant budget holder for detailed checking against the Official Order;
- k. Named support staff are responsible for ordering and maintaining stock levels for first aid material and office stationery;
- l. Responsible for collection of income for school trips/journeys/music etc;
- m. To book residential and day trips and follow up queries;
- n. To receive and count income for journeys / music etc;
- o. To chase outstanding debts and seek authority to write-off long outstanding debts;
- p. To distribute paperwork for CRB checks;
- q. To place adverts for staff vacancies in Newspapers;
- r. Approval must be sought from the Headteacher/Finance Manager to obtain items using petty cash prior to purchase. A valid VAT receipt/invoice must be obtained before reimbursement can be made. Separate receipts must be obtained for personal purchases;

3.9. Role of the Site Manager

The Headteacher retains ultimate responsibility but may delegate responsibility to a named member of the Senior Leadership Team. All planning matters will be assumed and supervised by the Headteacher and a named member of the Senior Leadership Team. The role encompasses the following:

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- a. To ensure school has adequate buildings and contents insurance cover;
- b. To ensure all aspects of the school's Health and Safety Policy are complied with;
- c. To ensure all statutory service contracts are met eg fire alarms, lifts, , portable appliance testing etc;
- d. To oversee cleaning and grounds maintenance contracts;
- e. To ensure compliance with statutory guidance for fire safety, asbestos management and water regulations;
- f. To follow LA/LDBS Contract Standing Orders for tendering procedures;
- g. To obtain quotations for any works or alterations to the site;
- h. To ensure that relevant contractors are aware of, and implement, the Construction Industry Taxation scheme prior to order being placed;
- i. To ensure that legislation relating to Public Liability Insurance is adhered to;
- j. Hold a list of key holders and review annually;
- k. Responsible for the contractors;
- l. Raise Official Orders, evaluate works on completion and approve invoices for payment;
- m. To maintain a contracts file and monitor progress;
- n. Plan, monitor and review the budget for buildings maintenance;
- o. Order materials and equipment needed for building repairs and maintenance;
- p. Obtain quotations for any alterations or building works;
- q. Attend regular meetings with the Headteacher and the Schools Finance Manager to review budgets;
- r. Advise and oversee capital projects;
- s. General premises and building related tasks as directed by the Headteacher;
- t. To supervise the cleaning staff including management of cleaning rota;
- u. To facilitate premises lettings as per Lettings Policy;
- v. To ensure accuracy of overtime claims for lettings and cleaning staff;
- w. To order materials and equipment needed for basic building repairs, maintenance and cleaning;
- x. To place orders for cleaning materials and toilet requisites;
- y. To carry out minor building repairs and maintenance and claim overtime as appropriate;
- z. To ensure that legislation relating to Public Liability Insurance is adhered to;
- aa. To sign delivery notes on receipt of goods. If it is not possible to check them the delivery note must be marked 'unchecked' in order that a detailed check can be carried out to ensure accuracy;
- bb. To ensure that all workmen who come on site report to the office and sign the visitors book and wear a visitors badge;
- cc. To accompany the workmen on site;

3.10. Role of School Finance Manager

- a. Assist the Headteacher in the preparation of the annual budget of income and expenditure for the school;
- b. Assist the Headteacher in the preparation of 'Planned use of Balances (DP12)' Report;
- c. Assist the Headteacher in the preparation of a medium term budgets;
- d. Prepare financial statements for projects as required;
- e. To support the Headteacher and SLT to investigate and generate additional sources of income for the school;
- f. Monitor the annual budget and present regular management reports;
- g. Responsible for monitoring the income;

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- h. To ensure that the budget codes are not overspent and to take corrective action where necessary;
- i. To ensure the school holds up to the value of balances brought forward (Revenue plus Capital) in the Reserve Account to earn maximum interest;
- j. To monitor salary expenditure making use of the statement of accounts produced by the LA monthly;
- k. To check staff pay details provided by the payroll provider on a monthly basis and review with the Headteacher;
- l. To prepare and process virements in conjunction with the Headteacher as necessary;
- m. To prepare Year-End Forecasts as stated in the Scheme for Financing Schools;
- n. To make and check insurance claims for long term staff absences;
- o. To attend regular meetings with the Headteacher to review budgets;
- p. To attend Governors meetings as and when necessary;
- q. To monitor Standards Funds Grant income and expenditure;
- r. To make the necessary Standards Funds Grant budget adjustments as and when allocations are reviewed;
- s. To provide LA with Standards Funds Grant reports as necessary;
- t. To ensure opening and closing balances reconcile to LA Accounts;
- u. To assist the Headteacher to put an action plan into place following an Audit;
- v. To advise on Financial Policy and procedures;
- w. To advise and provide support on meeting FMSiS;
- x. To ensure correct CFR coding for Income and Expenditure;
- y. To ensure that the Construction Industry Taxation Scheme is adhered to;
- z. To complete Taxes Management Act 1970 Returns by the required deadline;
- aa. To obtain authorisation and organise transfer of funds between the current and deposit account as and when necessary.
- bb. To send a letter to follow up returned cheques and copy to the member of staff collecting the money and Headteacher. Parents will be charged an administration fee as agreed by the governing body.
- cc. To inform the Headteacher of outstanding debts.
- dd. To prepare and send school invoices.

3.11. Role of Finance Assistant

Responsible for the administration of the Private Account:

- a. To ensure that the financial records are maintained to an auditable standard;
- b. To maintain accurate and up to date accounting records;
- c. Maintain contact with statutory authorities and other organisations;
- d. General financial and administrative tasks as directed by the Headteacher;
- e. To ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa;
- f. Prepare year-end returns including schedules of debtors, creditors, payments and receipts in advance and Certificate of Accountability by the required deadline;
- g. To check, initial and pass Official Orders to a named member of SLT for authorisation;
- h. To issue Official Orders to staff and maintain a record;
- i. To process invoices, stamp and complete the Certification Stamp for payment;
- j. Prepare cheques and pass them with the relevant documentation to the Headteacher and a second signatory for certification;
- k. To process payments for the Access Fund Grant from the LA
- l. To raise and follow up queries as necessary;

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- m. To check and input petty cash payments onto Cash Accounts and ensure that the vouchers are sanctioned by an authorised signatory and the person receiving the payment;
- n. To keep the accounting package up to date;
- o. To reconcile computer accounts to the LA Reports on a monthly basis;
- p. To check all records relating to school finance;
- q. To provide LA with details of income and expenditure and statements of bank reconciliation on a monthly basis by the required deadline;
- r. To provide the LA with a summary of VAT paid and received on a monthly basis;
- s. To ensure that the School Budget Share Account does not become overdrawn;
- t. To ensure VAT Regulations are complied with;
- u. To be responsible for the back up system for of the accounting package;
- v. To process Official Orders;
- w. To commit Official Orders on the accounting package;
- x. To prepare cheques for payment and pass them with the relevant documentation to Headteacher and second signatory for certification where necessary;
- y. To file invoices in cheque number order;
- z. To prepare petty cash vouchers and make payments to members of staff ensuring that the vouchers are sanctioned by an authorised signatory and the person receiving the payment
- aa. To bank income for school trips, charitable collections, donations, deposits, clubs in the Private Account;
- bb. To prepare monthly bank reconciliations
- cc. To chase outstanding debts and seek authority to write-off long outstanding debts;
- dd. To maintain the School Private Account
- ee. To ensure that the account does not become overdrawn.

4. Accounting Systems and Controls

4.1. Purchasing

Procedures to note:

- a. Where a quotation other than the lowest is accepted, the reasons for this decision will be reported to the governing body and included in the minutes of the relevant meeting;
- b. The Governing Body will give consideration of value for money when considering contracts;
- c. Separation of duties is clearly established by the authorised signatory list and this is adhered to;
- d. No cheque or cash payment will be made to individuals unless they are for goods only;
- e. Payments to individuals for services will only be made through the payroll provider. The school will not issue ex gratia payments, gift vouchers or give other types of gifts to members of staff;
- f. The school will adhere to the Construction Industry Scheme as per the procedures;
- g. Official orders are used for all purchases of goods and services with the exception of utilities, rents, rates and petty cash payments
- h. Official Z orders are ruled off below the last item recorded one copy of the order is retained in the office and the second copy is given to the budget holder. All Z Orders are signed by authorised officials and initialled by the headteacher or another official prior to being processed. The Z-order must indicate appropriate budget category costs to be deducted from.

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- i. Where items are purchased outside this system, a receipt/invoice is always presented before reimbursement
- j. When orders are placed for services an estimated cost is indicated against appropriate budget allocation so that budget can be clearly monitored.
- k. Paperwork and documentation will be retained for all quotations and tenders;
- l. A separate log will be kept for large contracts giving details of the contract, time on site and issues relating to the contract;
- m. Goods above the value of £1,000 are listed in the Inventory Book and the Inventory page number should be written on the certification stamp on the invoice;

4.2. Payroll and Personnel

- a. The school buys into EPM for Payroll and Personnel Services;
- b. The Payroll Provider administers the payroll on behalf of the school;
- c. All appointments, leavers and bank details are submitted on the relevant proforma to the payroll provider. Changes to existing employee details are submitted online to the Payroll Provider. The payroll amendment details have to be submitted to the Payroll Provider by the deadlines set. All the staff at the school are paid monthly;
- d. Any amendment to the Headteacher's salary is authorised by the Chair of Governors;
- e. Any amendments to the salary of the Senior Leadership Team and Advanced Skills Teachers are authorised by the Pay Committee and the Chair of Governors;
- f. The Governing Body has legal responsibility for the Threshold process and has delegated the receipt and assessment of applications to the Headteacher. The Headteacher notifies the Governing Body when an application has been assessed. Where successful, the Governing Body moves the teacher concerned to the upper pay spine in accordance to the Schools Teachers Pay and Conditions;
- g. All statutory changes to salary relating to annual pay awards are automatically amended by the Payroll Provider;
- h. All major decisions relating to staff which requires amendments to payroll can be confirmed by reference to interview details, appointment letters etc. All minor amendments are authorised by the Headteacher;
- i. The HR & Communications Officer is responsible for notifying the Payroll Provider of any payroll amendments;
- j. Any amendments to an individual's pay details are updated on the employee's own Personnel record by the HR & Communications Officer. The Personnel records are kept in the School office;
- k. All voluntary deductions from salary are authorised by the individuals concerned via Personnel Services, who in turn notify the Payroll Department;
- l. An Employee Preview Report produced monthly by the Payroll Provider is sent to the school prior to payday to enable the school to check them for accuracy. The HR & Communications Officer checks that the names, hours and spinal point details are accurate and up to date. Any discrepancies are resolved by the HR & Communications Officer/ Schools Finance Manager by telephone or in writing;
- m. On an annual basis the Headteacher completes and signs a salary statement for each member of the teaching staff, detailing the composition of their salary grade, i.e. points for qualifications, experience, additional responsibilities etc;
- n. The Schools Finance Manager receives the monthly payroll report which is checked for accuracy and queries raised for any discrepancies;

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- o. When the printouts are received by the school, the Schools Finance Manager makes the following checks to ensure the accuracy of the payroll data:
 - All amendments to payroll have been applied correctly
 - Ensures that the gross pay of individual members of staff is correct according to the latest strategic financial plan
 - Initials the payroll print to confirm that the check has been performed
 - Raise queries with the relevant department by telephone or in writing
- p. The SLT is responsible for staff cover and is also responsible for any supply cover required for absent teachers. Supply teachers complete their own timesheets. For agency supply staff, these are sent to the agency, which then invoices the school. Other supply staff are paid by the Payroll Provider. The HR & Communications Officer completes a monthly form showing hours worked by supply teachers, and these are checked before payment is made.
- q. All the year end returns are produced by the Payroll Provider on behalf of the school. i.e. Teachers' Pensions Agency return, Inland Revenue return, Local Government Pensions return, etc. The Payroll Provider sends the returns to the relevant agencies;
- r. The Schools Finance Manager inputs payroll information onto the accounting system coding appropriately between individual budget codes;
- s. The Governing Body will review, consult and be responsible for approving any significant changes in the staffing structure;
- t. The Governors will consult with staff when reviewing changes in the staffing structure;
- u. Procedures for appointments, promotions and payments are contained in the school Personnel Policy;
- v. Procedures for termination are also contained in the school Personnel Policy;
- w. It is the responsibility of the named member of the Senior Leadership Team to ensure that a log is maintained of staff absences for permanent contract staff and this information is available to the LA staffing section;
- x. The HR & Communications Officer is responsible for completing the monthly absence returns and a named member of the Senior Leadership Team checks and authorises these. The absence returns are sent to Payroll ;
- y. The named member of the Senior Leadership Team approves payment and appointment for supply work, both teaching and non-teaching;
- z. Time sheets will be signed by the Head Teacher;
- aa. The HR & Communications Officer notifies Human Resources of any staff changes;
- bb. A list of all staff employed by the school is kept by the Headteacher and is updated promptly to reflect changes;
- cc. Personnel files for members of staff are kept in the School Office and confidentiality is maintained at all times;
- dd. For disciplinary, capability, grievance issues, the LDDBS guideline procedures are followed;

4.3. Insurance

- a. The insurance provider is approved by the Buildings Committee (for the premises element of cover) and cover provided is checked to ensure that the school is adequately ensured;
- b. The school has separate policies for Premises, contents and employee insurance.
- c. The Employer's Liability Insurance Certificate is displayed in the Reception area of the school;

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- d. The Headteacher is responsible for reviewing insurance arrangements annually;
- e. School property such as musical instruments and computers are covered when they are off the premises;
- f. A loan book is kept in the School Office for staff taking ICT equipment/laptops off the premises;
- g. Records detailing incidents e.g. theft and accidents are kept in the School Office and/or Medical Room;
- h. All accidents, losses and incidents are immediately reported to the insurers on the appropriate form and copies retained in the School Office and/or Medical Room
- i. Appropriate Insurance claims are submitted by the individual with designated responsibility and copies given to the Schools Finance Manager;
- j. Contractors are requested to provide a copy of their company's current/valid public liability insurance prior to commencing work. This should be for a minimum of two million pounds plus cover for damage to the inside of the property;
- k. Insurance cover is obtained for staff on long term sickness and maternity leave. Short term cover is provided by the school;

4.4. Income

Public Funds

The main sources of income into the school Public Funds bank account are as follows:

- Income from LA
- Income from the DfES
- Bank Interest
- Lettings and Rental

Income from the LA

Income from the LA is paid directly into the school's current account. The school is invoiced monthly

Other sources of income

Listed below are main sources of income within a school:

Bank Interest

Interest is credited to the school's public funds Reserve Account on a quarterly basis.

Lettings and Rents

The Headteacher has oversight and responsibility for school lettings although the daily administration is undertaken by the Site Manager. See Lettings Policy.

Public and Private Funds

- a. Staff collecting money record receipt of money. The money collected is passed to the Finance Officer for banking weekly;
- b. Payment cards are issued for school journey payments;
- c. Where monies are collected on an instalment basis a payment card is set up by the Finance Officer and maintained in the agreed manner;

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- d. The collection of income relating to day trips/school journeys and other activities is paid into the appropriate bank account;
- e. The paying in book shows the split between cash and cheque receipts. All income is banked promptly;
- f. Income is recorded by the Schools Finance Manager / Finance Officer in the accounting system.;
- g. All income is locked away securely to safeguard against loss or theft;
- h. Income collections are not used for encashment of personal cheques or for other payments;
- i. Sums deposited at the bank are reconciled to sums collected on a monthly basis by the Schools Finance Manager/Finance Officer;
- j. Debts will be written off in accordance with LA Regulations and the school will maintain a record of sums written off;
- k. Separate records are maintained for money collected for school activities;
- l. Appropriate invoices will be dispatched where a charge is to be made for goods or services provided by the school;
- m. Outstanding invoices will be followed up if not paid within 30 days;

4.5. Petty Cash

The Finance Officer is responsible for the administration of petty cash.

- a. The level of petty cash held on site at any one time is less than £500;
- b. The Office Staff are the only staff who have access to petty cash;
- c. Petty Cash is kept in a locked cash box in the school safe;
- d. No payment will be made without a proper receipt identifying VAT when applicable;
- e. Separate receipts should be obtained for personal purchases;
- f. When petty cash payments are made to individual members of staff, a sequentially numbered voucher is prepared and signed as 'paid by' by the Finance Manager/Finance Assistant. All transactions are authorised by the authorised signatory and acknowledged by the recipient of cash;
- g. Authorised signatories are not allowed to certify payments to themselves;
- h. Reimbursements for individual receipts will be limited to £250. Payments above this level will be reimbursed by cheque;
- i. When petty cash payments are made to members of staff they must sign the voucher for receipt of the money;
- j. Personal cheques will not be encashed from petty cash funds;
- k. All petty cash transactions are entered onto the computerised accounting package by the Schools Finance Manager/Finance Assistant;
- l. Petty cash is reconciled monthly to the computerised accounting system and cash held;
- m. Petty cash vouchers are filed in numerical order in a separate file;

4.6. Staff Expenses

Travelling expenses are paid to staff & governors where approved by the Head Teacher in line with LA guidance;

4.7. Taxation

- a. The school complies with VAT, Income Tax and CIS Regulations;
- b. Only proper VAT invoices are paid from the School Budget Share Account;

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- c. Payments to contractors and sub-contractors are made in accordance with the Construction Industry Scheme

5. Budgets

5.1. Budget Administration

- a. The Headteacher & Treasurer in collaboration with the school's Finance Manager (the Budget Team) produce the draft budget after examining the financial information available to them (see above) and the financial implications of any additional information available, i.e. curriculum plan and management needs;
- b. Whilst assisting in the preparation of the budget the Headteacher considers not just the short term financial plans but also considers the medium and longer term implications;
- c. The School Budget is linked to the School Development Plan, which is drawn up by the Headteacher and Senior Leadership Team. This is approved annually by the full Governing Body;
- d. The Budget Team produces the budget after firstly identifying the Personnel costs, followed by all the other costs;
- e. The school receives an allocation for Standards Fund Grants. The Headteacher and Schools Finance Manager will ensure that the eligibility criteria are met when allocating the grants. Budget amendments are prepared and reflected in the year-end forecasts for any changes to the allocation;
- f. Headteacher /Treasurer present the draft budget to the Executive committee for approval.
- g. When the Executive committee is completely satisfied with the figures presented at the meeting, it agrees the budget before the figures are presented to the full board of governors for final approval;
- h. The approved budget is presented to the Full Board of Governors at their next meeting, with any additional information reported verbally by the Chairman of the Executive committee. The Governors once again have an opportunity to ask relevant questions on the figures presented to them before they finally approve it;
- i. When the Governors are satisfied with the budget presented to them, the Headteacher / Schools Finance Manager submits the required forms to the LA;
- j. When the budget has been fixed for the financial year, the Headteacher has the authority to spend within the agreed budget. When the Headteacher wants to spend from the contingency fund he is required to obtain the approval of the Executive committee;
- k. Faculty Budget Holders are given their budgets for the financial year. The Schools Finance Manager / Finance Assistant produces regular reports, or as and when requested, for faculty budget holders to allow them to monitor actual expenditure and commitments to-date and liaise with the Schools Finance Manager regarding any discrepancies;
- l. All Budget Holders are required to ensure that all purchases from their budget achieve the best possible value for money;
- m. Revising the budget is often necessary due to the funding arrangements. When the budget has to be revised, the Headteacher and Schools Finance Manager revise the budget forecasts and prepare virements for approval from the Executive committee and Full Board of Governors;
- n. All budget amendments approved under delegated powers must be reported to the next meeting of the Governing Body or an appropriate Committee as agreed and recorded in the school's Financial Management Policy and Procedures document;

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- o. Budgets are continually monitored by the Headteacher / Schools Finance Manager, and also reported to the LA on a monthly basis (Income and Expenditure Statement);
- p. The Headteacher is fully briefed by the Schools Finance Manager prior to all Executive committee meetings;
- q. The Schools Finance Manager produces a monthly variance report for the Executive committee produced on the accounting system;

6. Internal Financial Control

To ensure effective financial controls, designated personnel are authorised by the Chair of Governors as follows:

- a. Documents relating to finance are kept for a period of six years plus current working year;
- b. All accounting records are all kept in a locked school office;
- c. The cheques, cheque books, receipt books are locked in the safe;
- d. Unused official orders are kept in a locked cabinet;
- e. Only authorised staff will have access to school accounting documents and accounting package;
- f. To ensure that duties relating to the financial administration are distributed so that at least two people are involved whereby, one will act as a check on the work of the other;

7. Contracts

Prior approval from the governing body will be obtained for all expenditure above the value of **£5,000**. The school will always seek best value for money and take into consideration price, quality and fitness for purpose when purchasing goods and services.

When selecting contractors for work: -

- Over £2,000 and under £5,000 – at least two quotations. This responsibility is devolved to the head teacher.
- £5,000 - £50,000 - 3 competitive quotations need to be obtained and approved by Chair of Governors. This responsibility is devolved to the Buildings Committee
- over £50,000 - 3 or more tenders need to be obtained, at least 2 of which must follow specified procedures and be approved by the LDBS.

A contracts file with details of tenders and quotations will be kept in the School Office.

Disposal of Assets

All disposals of material assets, by sale or write off, require authorisation by the Headteacher and/or Governing Body. The date of disposal, area removed to and quantity disposed is recorded in the assets register, and the Headteacher signs against the date.

The Headteacher will ensure that stocks are maintained at reasonable levels and are subject to a physical annual check.

Security Marking

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The Site Manager ensures that equipment is marked with the School name and Post Code prior to installation.

School Safe

The school safe is kept locked at all times. Only named members of staff have safe keys. These staff keep the keys off site.

Other

All staff, governors and visitors are responsible for their own possessions.

8. Documentation and Security of Records

This section lists the main accounting records maintained by the school and how they are kept secure, and shows how and where documents are filed.

Data stored on the school network is highly confidential in respect of staff, pupil records which are maintained using the Integris administration system and the RM finance package.

Accounting Records

The school maintains computerised accounting records. The accounts package is password protected so that only the Finance Manager and Finance Assistant have access.

No individual will have free access to all levels of the school's financial data enabling them to complete all elements of a financial transaction. The Schools Finance Manager and Finance Assistant have access to all parts of the computerised accounting package but are not cheque signatories. All accounting records are all kept for a required period of time in a locked school storage area. The cheques and cheque books are locked in the safe. Unused official orders are kept in a locked cabinet.

INTEGRIS

Only authorised personnel have access to Integris. Users are only given access by the Database Manager to that part of the system relevant to their role and responsibility.

Back Up and Office Security

The school is registered in accordance with the Data Protection Act 1998 and complies with this legislation. We aim to ensure that the school has an effective computer based system for monitoring and processing financial information efficiently. Such information is properly protected and backed up and that information is restricted to authorised personnel and users.

Back up of Integris (pupil and staff data) takes place on a regular basis.

The back up of financial data is as follows:

- a.
- b. The computerised accounting package is maintained online, and backups are controlled by the system.

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At the end of each financial year the Schools Finance Manager / Finance Assistant are responsible for the timely closure of the financial years' accounting system. The Schools Finance Manager is responsible for ensuring year-end returns are submitted to LA by the required deadline.

Disposal of Documents

All accounting documents are retained for the agreed number of years a minimum of 6, after which they are securely destroyed.

9. Banking Arrangements

- a. Cheques are prepared by the Schools Finance Manager/Finance Assistant for the categories of expenditure detailed on the DP11 and are attached to the appropriate documentation i.e. invoices for certification;
- b. The bank accounts are never overdrawn, nor will the bank negotiate overdraft facilities;
- c. The Executive committee must approve individual purchases above £5,000;
- d. Cheques are not pre-signed;
- e. When not in use, cheque books and computerised pre-printed cheques are securely kept in the schools finance office;
- f. Bank statements are received monthly for Official and Unofficial Funds;

Bank Reconciliations

The Schools Finance Manager / Finance Assistant performs the bank reconciliations on the School Budget Share and Reserve Accounts upon receipt of the bank statements. The statements are reconciled against the bank balances on the accounts package. Usually the Headteacher checks and authorises these reconciliations. The monthly Bank Reconciliations are sent electronically to LA and the printed reconciliation sheets are kept in the Finance Office to prove checks have been made. Statements are filed in statement number order and are kept in the Finance Office.

10. Private Account

The Unofficial Funds are administered by the Finance Officer who maintains manual records.

- a. The Governing Body has delegated responsibility for the Private Account to the Headteacher;
- b. The purpose of this fund is to administer money relating to fund raising, donations and other school activities;
- c. VAT will not be claimed for purchases being administered through this account as the Private Account is not registered for VAT;
- d. Any expenditure incurred via the Official Funds to save VAT will be reimbursed promptly from the Private Account;
- e. The signatories on the accounts are as per the Authorised Signatories List.
- f. Payments will not be made without supporting documentation;
All invoices will be authorised for payment and filed in cheque number order;
- g. The Finance Officer processes payments;
- h. All income is banked promptly by the Finance Officer;
- i. The Finance Officer maintains the accounts, which are reconciled to the bank statement on a monthly basis;
- j. The accounts are reviewed and signed by the Headteacher on a regular basis;



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- k. The Headteacher will ensure that the same standards of financial accounting which apply to income and expenditure for the schools delegated budget apply to the schools unofficial funds;
- l. The Unofficial Funds are accounted for separately from the school's delegated budget and are held in separate bank accounts;
The Headteacher will appoint an auditor who is independent of the school;
- m. The accounts are audited annually and a copy of the audit report sent to the governors. A copy of the Statement of Accounts will be sent to the LA as per the Scheme for Financing Schools;
- n. The Unofficial Funds are covered by insurance, including fidelity guarantee insurance;

11. Whistle Blowing

The School Whistle Blowing Policy is circulated to all staff and governors annually.

Signed by Chair of Governors

..... **Date**

Signed by Headteacher

..... **Date**