



Doing our best to achieve our best

Clarendon Primary School, Nursery & Children's Centre

Finance Policy

The Purpose of the Policy:

- To establish proper financial management arrangements and accounting procedures in line with the LA, OFSTED and Department of Children, Schools and Families recommendations.
- To define the areas of responsibilities within the school and children centre
- To provide guidance on the application of regulations
- To identify procedures to ensure integrity of internal controls
- To set out guidelines to ensure effectiveness of Resources and the principles of best value are adopted.

Rationale and Accountability

The Governors

Governors have statutory responsibility for the oversight of the financial management in all maintained schools and children centres with delegated budgets.

The regulations setting out the financial management of schools are laid down in the:

- Education Reform Act 1988
- School Standards and Framework Act 1998
- Local Government Act 1972: s151.

Detailed guidelines are contained within the:

- Surrey Scheme for Financing Schools (available on the Surrey LEA website)
- Surrey Local Management of Schools Finance Manual (available on the Babcock website).

The aforementioned documents are adopted as forming part of this policy.

The Headteacher

The Headteacher has overall responsibility for the school's activities this includes the Children's Centre. The Headteacher should ensure:

- The Governing Body is provided with financial advice.
- Proper and adequate financial systems and controls are in place.
- Accounts are prepared and maintained as required by the Governing Body and the LA.

The Governing Body and Headteacher have a responsibility to target Resources to maintain and improve the quality of education they provide and to raise standards.

- Governing Body decides the strategic direction of the school (supported by information and advice provided by the Headteacher.)
- The Headteacher is responsible for implementing its decisions and the operational management of the school.
- Jointly developing the School Development Plan (SDP), School Improvement Plan (SIP) to identify the school priorities and allocating Resources to achieve the objectives.

The Governing Body need confirmation that their strategic financial decisions have been effective in achieving the desired improvements in pupil learning and attainment provided by the school.

They do this by:

- Monitoring the implementation of the SDP and SIP.
- Evaluating how effective the school has been in achieving the targets set.
- Evaluating the cost effectiveness of this decision.

Local events, national initiatives or impending legislation that may impact on the school's educational priorities for the future must be considered when constructing the School Improvement Plan as these will have consequences for financial management and budget planning. The budget is the financial dimension of the SDP and SIP, which informs and empowers spending decisions and facilitates the achievement of the school's educational aims.

The role of the Governing Body is to:

- Approve the budget.
- Receive auditors' reports.
- Set the terms of reference for the Finance Working Party.
- Monitor arrangements in accordance with contract specifications.
- Register business interests for both Governors and Headteacher.
- Provide a 'Speaking Out Policy' and make it available to all staff.

The role of the Finance Working Party is to:

- Approve the annual budget and present to the Governing Body, taking into account the SDP and SIP.
- Adopt the Local Authority Scheme of Delegation
- Review and maintain finance policies, including Pay Policy, Lettings and Charging & Remissions.
- Review systems of internal financial control.
- Monitor the annual budget and make recommendations to the Governing Body.
- Set levels of authority for spending and virement.
- Authorise issue of School Purchasing Card and agree appropriate limits.
- Advise the Governing Body on the affordability of the School Development Plan.
- Consider the impact of student numbers on the budget over short, medium and long term.
- Receive and respond to audit reports.
- Monitor standards in all areas of school's work relating to finance including budget and school fund.
- Approve expenditure over the limit of delegation of the Headteacher.
- Review salaries in line with the Pay Policy.
- Receive audited School Fund Account.
- Ensure that Surrey Scheme of Finance and Finance Manual guidance is followed at all times.

The Finance Working Party is scheduled to meet once each term plus an additional meeting to approve the budget plan. Committee meetings are minuted by the Clerk to Governors recording the discussions, actions and decisions approved.

Activity	Detailed task	Responsibility and other supports
Planning the budget	To estimate income, grants etc.	LA, Headteacher, Business Manager, Children Centre Manager
	To identify and propose priorities in relation to the School Development Plan,	Headteacher, Governors, Senior Management Team, Business Manager, Children Centre Manager
	To review and propose changes in staffing needs.	Headteacher, Governors.
	To draft budget options	Business Manager
	To evaluate budget options	Headteacher, Governors.
	To prepare final draft	Business Manager, Headteacher.
Approving the budget	To propose final budget draft,	Headteacher
	To agree the final draft	Full Governing Body
Monitoring and reviewing the budget	To review monthly the Sims FMS system with the LEA figures and preparing the monthly Financial Monitoring report	Headteacher, Business Manager, Children Centre Manager
	To report about financial matters to the Full Governing Body.	Headteacher, Business Manager,
	To recommend virements	Headteacher, Business Manager
	To approve virements	Full Governing Body
	To sign virement forms.	Headteacher, Business Manager

Budgets and authority levels:

The governors shall plan the school finances through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.
- Preparation of a medium term Financial Plan of at least three years, updated annually.

Levels of virement are set by the Finance Working Party, approved by the Governing Body, to maintain effective use of Resources. eg:

Finance Working Party: £10,000 may be vired between budgets without approval by the GB
 Head (and Business Manager): £ 3,000 may be vired within budget headings, and reported to the Resources committee.

The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan will be as follows:

Autumn Term	Spring Term	Summer Term
New action points for SDP & SIP presented to FGB.	Receive year end forecast	Approval of Budget by Finance Working Party by end of April and presented to FGB as soon after.
Draft Budget prepared using verification tool.	School fund accounts	Analysis of balances
Analysis of benchmarking data from LEA and DfE national data.	Review Statement of Internal controls- SFVS	Consistent Financial Reporting
Review SFVS		Review SFVS

Authority to incur expenditure

- A) Subject to B) the Headteacher has authority to incur expenditure and make payments which are consistent with the Revenue budget up to a value of £50,000 and up to £5,000 in respect of capital.
- B) The Finance Working Party has authority to approve all capital purchases and building projects costing more than £5,000 but less than £10,000 for which provision has been made in the budget or Devolved Formula Capital (DFC) is available.
- C) The Governing Body must agree any expenditure for which there is no budget.

Purchasing

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases will be made through the school's ordering system. The Business Manager shall keep records of all purchases made including quotations received but not accepted, together with the reasons.

The policy of Best Value will be applied by the Finance Working Party using four principles:

- **Challenging** how a service or supply is provided and why it is required
- **Comparing** performance with other schools
- **Consulting** with relevant stakeholders
- **Completing** as a means of securing efficient and effective services and supplies

Written quotes are required and the Headteacher is required to seek approval from the Finance Working Party with purchases above £3000.

All purchases will be made in line with the Finance Manual giving due regard to quotations and tendering requirements, and in line with the Surrey Scheme for Financing Schools.

Formal tenders and major works advice taken from Surrey County Council approved building consultants currently Surrey.

Leasing arrangements are entered into only after seeking advice from the LA finance group.

Segregation of duties is used whenever possible: requisition orders are placed by members of staff and authorised by the Headteacher.

The Admin Assistant raises a purchase order onto the SIMS FMS finance system.

The Business Manager processes the invoices and cheques are signed by the Headteacher, Deputy and Key Stage Co-ordinator.

Non-order invoices are discouraged.

E-purchasing or telephone orders should always be authorised before hand and supported by an official order.

Curriculum co-ordinators are responsible for the management of their budget account within the limit of their budget and in relation to the School Development Plan.

The Children's Centre Manager is responsible for the management of the Children's Centre budget.

The Governing Body must up-date annually a register of business interest for each member of the Governing Body and the Headteacher.

Internal Control

Sound financial management and controls are essential as they provide an effective framework for the financial planning and accountability and safeguard the use of public funds.

Internal delegation, subject to the limits above, will be as follows:

Activity	Detailed task	Responsibility
Placing orders	Requisition orders,	Curriculum co-ordinators and other staff members.
	Responsible for agreeing a requisition order within limit of account budget.	Headteacher
	Responsible for agreeing a requisition order above limit of account budget.	Headteacher
	Responsible for agreeing purchases above delegated limit. (£3000)	Finance Working Party
	Responsible for obtaining quotes. (3 written quotes required)	Business Manager or other specified staff.

	<p>Responsible for placing official orders</p> <p>Responsible for signing orders,</p>	<p>Admin Assistant</p> <p>Headteacher</p>
Deliveries	<p>Responsible for checking delivery against order.</p> <p>Responsible for returning goods/exchanging goods.</p>	<p>Admin Assistant</p> <p>Admin Assistant</p>
Invoices and payments	<p>Responsible for processing and paying invoices,</p> <p>Responsible for ensuring copy orders are marked with the date invoice was paid to prevent duplicate payments.</p> <p>Authorised signatures on Delegated (1 signature under £250, 2 signatures over £250)</p> <p>Bacs payments two signatures at all times</p> <p>Authorised signatures on Private school fund (2 signatures)</p>	<p>Business Manager</p> <p>Business Manager</p> <p>Headteacher, Deputy, Key Stage Co-ordinators</p> <p>Headteacher, Deputy, Key Stage Co-ordinator</p> <p>Headteacher, Governor, Key Stage Co-ordinator</p>
VAT	<p>Tax approval to check CIS,VAT,Income tax and appropriate arrangements made</p>	<p>Business Manager, Headteacher Gov if necessary check with Babcock45/Payroll Finance</p>
Leasing	<p>Advice sought from LA</p>	<p>Headteacher, Governors, Business Manager</p>
LA Service contracts	<p>Responsible for ensuring that contracts are delivered in accordance with contract specification. Tenders are occasionally sought from external contractors to ensure existing contracts continue to give Best Value.</p>	<p>Headteacher, Business Manager, Governors.</p>

Reconciliation of accounts, financial reporting and collation of information

Termly:	Financial Monitoring Report	To Head/Finance Working Party
Monthly:	Cost centre Summary Report	To Head
Monthly:	Cashflow	To Head
Termly:	Cost Centre Report	To Budget Holders
Annually:	Out-turn Statement	To Governing Body
	Consistent Financial Reporting	To Governing Body
	Unofficial Fund Audited Acc	To Governing Body
	Budget Plan	To Governing Body
	Benchmarking	To Governing Body

The school needs to continually monitor its financial progress and report on it to various bodies, such as governors, the LA, OFSTED and the Department of Education.

The school is required to complete various claims in relation to income and expenditure.

Finally, information gathering is an important factor to the effective management of the school's and children centre finance.

The list of reports, claims and returns and their submission deadlines is usually defined by the LA or the Department of Education.

Activity	Detailed	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements for delegated budget	Business Manager & authorised by Headteacher
	Monthly reconciliation of private school fund bank statement. Annually audited accounts by independent examiner	Admin Assistant, Business Manager, Headteacher, Finance Working Party
SIMS FMS	Monthly preparation of accounts Agreed by,	Business Manager Headteacher
Fin U81A-	Monthly report of local bank account expenditure	Business Manager Headteacher
FMS Reconciliation to County Tabs report	Monthly report, held in school and sent to LEA with Draft Budget	Business Manager Headteacher
Financial Monitoring Report	FMR prepared monthly and presented to Finance Working Party termly and to LEA with draft budget.	Business Manager Headteacher
Salary Profiles	Monthly	Business Manager Headteacher
Payroll	Monthly SAR & SVR	Business Manager Headteacher
Absence Insurance claims	Termly preparation of absence claims for personnel on sick leave,	Business Manager Headteacher

	Agreed by,	Headteacher
Appointments	Staff recruitment Headteacher Deputy Business Manager Support Staff	Governors Governors, Headteacher, Business Manager, CC Manager Governors, Headteacher Headteacher, Business Manager.
Personnel	Maintaining personnel files and associated checks e.g. CRB, Occupational Health, references. Contracts and statement of Particulars. Take up of references. Yearly increments for support staff actioned with payroll. Agreed by,	Business Manager Headteacher
Pupil Census	Termly Pupil Census preparation Agreed by,	Data Administrator, Business Manager Headteacher- To DfE
Workforce Census	Annual Workforce Census	Data Administrator, Headteacher to DfE
Cost Centre Report	Termly to Budget holders	Business Manager
Consistent Financial Reporting	Preparation of annual return Agreed by	Business Manager Headteacher/Governing Body. To DfE
Outturn Statement	Annual return	Babcock
Budget Plan	Annual to FGB prepared by approved by	Business Manager, Headteacher, FGB and LEA
Statement of Internal Controls	Prepared annually	Finance Working Party
SFVS	SFVS self assessment	Prepared by Business Manager. Governors, Headteacher, signed by Chair of Governors. Sent to Surrey Audit department

Use of Business Cards

The Governing Body has authorised the use of Business Purchasing Cards from HSBC having considered the potential risk over and above that of the purchase order system and appropriate over usage.

- Business/Purchasing cards are in the name of the Headteacher.
- Spending limit on the card is £5000.
- Order forms should be completed and authorisation sought before purchases are made in line with the requirements of all orders/purchases.
- The card is kept in the safe and signed out. It should be returned and signed back in as soon as possible with documentary proof of the purchase (including a VAT receipt).
- Transactions should be entered onto the FMS system as soon as possible to ensure commitment accounting.
- Transactions should be reconciled to statements on a monthly basis by the Business Manager.
- Balance on cards is cleared monthly by direct debit.

Use of the BACS Payments (Bank Automated Clearing System)

The Governing Body has authorised the use of BACS payments to suppliers having considered this payment method and the appropriate controls over usage.

The BACS option should be used where possible as it provides a more secure route for payment and reduces the potential for fraud. It is recognised that some suppliers will continue to require payment by cheque but these will reduce over time.

BACS will be used in accordance with Section F of the Finance Manual and the controls detailed therein.

Consolidated daily limit for BACS files sent to Surrey County Council is £50,000. Any requests to increase this amount must be authorised by governors and agreed with Banking Services.

BACS payments require two authorised signatures irrespective of values.

Signatories should check that payments are being made to the correct supplier and that the amount is correct.

Lettings and other income

At Clarendon School and Children's Centre income generated by lettings represents an important percentage of the total budget and contributes to the financial health of the establishment.

The school and children centre has a lettings policy which establishes the general conditions for letting the school and children centre premises.

The Charging policy is the responsibility of the governors and lettings fees are regularly reviewed by the Resources Committee and the Full Governing Body.

Records are kept for booking and invoices.

A letting contract establishes the condition of let for each individual hirer.

Activity	Detailed task	Responsibility
Lettings	Establishment of policy,	Premises Committee, Full Governing Body
Lettings fees	Establishment of charging policy	Finance Working Party, Full Governing Body
Contracts	Authorisation of letting	Headteacher
	Preparation of individual letting contracts	Business Manager
Booking and Invoicing	Monthly preparation of booking forms and invoicing	Admin Assistant, Business Manager
Collection of fees	Monthly collection of fees and follow up is necessary	Admin Assistant, Business Manager, Caretaker

Asset register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non capital assets.

The Headteacher is responsible for ensuring that assets under his control are correctly recorded in the Inventory Book.

The disposal of assets should follow procedures set up by Surrey County Council.

Activity	Detailed	Responsibility
Updating the Inventory Book	Physical check of equipment against relevant records Recording of new assets	Admin assistant, ICT technician, Other relevant staff Admin assistant, ICT technician, Headteacher
Monitoring	Annual monitoring of Inventory Book Monitoring of individual room inventory Monitoring of equipment removed from premises by staff for use at home Advising staff re. the responsibility of insurance of equipment whilst off the premises Security mark all equipment	Governors, Headteacher Class teachers, Headteacher, Governors Business Manager, Headteacher Business Manager, Headteacher/Govs Admin assistant, ICT Technician, Business Manager
Disposal of assets	Disposal of assets with nil or nominal value Disposal of assets with a market value Ensuring that any income from sale of asset to be credited to the delegated budget.	Headteacher Full Governing Body, Headteacher Business Manager
Security	Keys to the main building and alarm system are issued to Senior Leaders and the caretaker.	Headteacher, Deputy, SLT Caretaker, Business Manager
Cheque stationary	Kept in locked cupboard	Business Manager

Insurance

The Finance Working Party reviews its insurance provision.

The school buys back Surrey County Council liability insurance, Employers, Public, Professional indemnity and Officials Indemnity. The buyback also includes Off Site Activities Insurance for trips and visits which the school undertakes.

The School buys back Staff Cover Insurance from Babcock.

In the event of prolonged absence of the Business Manager, the Finance Working Party will arrange suitable cover through the Babcock Bursar Cover Scheme to ensure continuity of the financial systems of the school.

Data Security

Computer systems are password protected to ensure only authorised access to data. Only the Headteacher, Deputy Headteacher and Business Manager have access to files containing information relating to staff pay. Teaching staff are issued with encrypted USB sticks.

A remote off site back up system is used - provided by Babcock.

Staff are reminded annually about the Privacy Notice.

The Headteacher and Deputy have been provided with the VPN Client facility- provided by Babcock.

Whistleblowing

The school is keen to ensure that all members of staff and those working on behalf of the School who have serious concerns about any aspect of the School are encouraged to come forward and voice their concerns.

The processes for them to do this are outlined in the school's whistleblowing policy (available to all staff on the website or the Surrey County Council website)

Staff are regularly reminded of the whistleblowing policy, the local authority speaking out policy and Expolink (an external and independent organisation which provides a confidential hotline service for whistleblowing. The Expolink telephone number is displayed in the staffroom.

Clarendon Primary School & Children Centre

• Procedures for Financial Security

Receipt of Monies

Cash handling

Cash handling should be kept to a minimum and whenever possible and practical transactions should be done by cheques. Monies should be kept in a safe and secure place and whenever possible promptly paid into the bank accounts.

Cash is usually collected for the following purposes.

Dinner money/breakfast club
Lettings
School trips
Donations
Fund raising
Children Centre activities

Cash received should be promptly counted by the Admin Assistant and put away in the locked fire proof safe. Cash is now kept to a minimum with the introduction of the online payment system.

Audit recommendations on safe limits and transit of money should be adhered to.

Petty cash money should be kept to a minimum. Petty cash up to £200 is retained in the safe. All expenditure should be supported by receipts identifying any VAT paid. Payment from the petty cash fund should be limited to minor items which have been approved in advance by the Headteacher, Senior Leadership Team or Business Manager.

Petty cash expenditure on individual items must not exceed £20.

Petty cash claimant must sign to show receipt of cash.

Petty cash payments are entered on FMS immediately and reconciled with cash tin monthly. Business Manager to check reconciliation.

The following guidelines should be adhered to when handling cash.

- Avoid counting cash in a public place.
- Avoid leaving cash unsecured in an un-attended area or room.
- Use the fire proof safe to store large amounts of cash.
- Receipts are given for cash on request.
- Bank frequently to avoid excess of money held in the safe above the agreed insurance level of £250.
- Introduction the Wisepay Online Payments System will reduce amount of money held on site.

Dinner Money

The school purchases its school meal service from Surrey County Council Commercial Services. The Wisepay Dinner Module is used as the recording/accounting package. This system allows the online payments direct to Surrey County Council.

Cash or cheque payments - if any are received by the school, the admin team will enter it onto the Wisepay system and bank it weekly.

Weekly and Monthly meal figures are agreed by the kitchen against meals served and reconciled against monies banked. These are then authorised by the Headteacher.

Breakfast Club

- Breakfast club parents pay online via the Wisepay System.
- Money received, if any, is given direct to school office in a named envelope.
- Admin assistant/officer to count daily record payment.
- The online system reconciled weekly with the breakfast club staff.
- The introduction of the Wisepay online system will lead to less money held on site.

Children Centre Activities

- Money received by Children's Centre is collected by the admin and advice assistant.
- Money is recorded onto income sheets and kept in the Children's Centre safe.
- It is banked on a weekly basis.

Unofficial Fund Receipts

- Payments for trips are usually made via the Wisepay Online Payments System.
- School Trips, misc items.
- Monies, if any, are passed to the Admin Assistant via the class register wallet or via the reception. The Admin Assistant will check each payment, record it and give change as necessary. All payments are recorded in the paying in book, are entered onto the Wisepay system and receipt given.
- The introduction of the Wisepay online payment system will lead to less money held on site.
- All monies are kept in the school safe and are banked on a weekly basis.
- The fund is audited once a year. Governors receive an audit report and which is minuted.

Fund Raising

- Monies are passed to the Admin Assistant via the class register and banked each Friday unless amounts exceed insured limits of £250.
- The Admin Assistant will record all receipts in the Unofficial School Fund Cash book / spreadsheet. The money is entered onto the Wisepay System.
- The Unofficial School Fund spreadsheet is checked and signed by the Business Manager on a monthly basis together with the bank statement reconciliation.
- The Wisepay online payment system links into Fund Manager and will produce documents and reports which will aid reconciliation.

Delegated Budget

- Cash & cheques are passed to the Business Manager who will record them on the remittance record and issue receipts where necessary.
- The Business Manager will complete the Bank paying-in book and monies will be banked by the Admin Assistant (Children's Centre or school) or the Business Manager on a weekly basis.
- Bank statements are signed by Head and Business Manager on monthly basis and form part of the period end accounting procedures ensuring division of duties are adhered to.
- The introduction of the Wisepay online payment system will lead to less money held on site.

Petty Cash Payments and Reimbursements

Delegated Budget

- The Business Manager will reimburse, through the petty cash tin, receipts which have been authorised by the appropriate budget holder.
- The Business Manager will maintain records of payment on FMS and will ensure that a monthly reconciliation is undertaken. The Head will sign paperwork as part of the period end reconciliations.
- The Business Manager will arrange a cheque to be cashed as necessary to maintain a working float. The Head will provide the bank with written authority for the Business Manager to withdraw money from the bank account for use as a petty cash float for both the school and children centre to the value of £200.
- The Headteacher and deputy will authorise all cheques.

Unofficial Fund

- No floating cash is kept

Activity	Detailed task	Responsibility
Collection of money	Wisepay online system in use	Admin Assistant
	Collection of curriculum related money e.g. school trips	Admin Assistant
	Collection of money for school dinners/ Wisepay system	Admin Assistant
	Collection of money for breakfast club/Wisepay system	Admin Assistant
	Collection of money from lettings	Admin Assistant, Business Manager, Caretaker
	Collection of money from donations and any other sources	Admin Assistant/school & CC Admin Assistant/school & CC
Cash received	Wisepay online payment system in use	Admin Assistant, Business Manager/School
	Counting and recording of money	Admin Assistant, Business Manager/School & CC
	Banking money	Admin Assistant, Business Manager/ School & CC
Petty cash management	Access to petty cash fund	Business Manager, Children Centre Manager, Headteacher
	Payment from petty cash fund	Business Manager, Children Centre Manager
	Recording of petty cash fund expenditure and receipts	Business Manager, Children Centre Manager

Cheque security	Responsible for security of cheque i.e. to be locked in a secure place. Responsibility for ensuring Safe key is held in a secure place during office hours and securely when office and school are closed	Business Manager, Headteacher Business Manager, Headteacher, Caretaker
Unofficial fund	The aims and responsibilities of spending objectives of the fund in a formal mission statement delegated to the Headteacher	Governors, Headteacher

Cheque signatories

Current Signatories on the School accounts. It is an LEA requirement to have two signatures on all cheques over £250 and two signatures on BACS regardless of amount of payment.

Name	Designation	Signatory
Mr William Neale	Head teacher	Del/Private School Fund
Mrs L Stondzik	Deputy	Del
Mrs S Burgess	Children's Centre Manager	Del
Mrs D Bull	Admin Assistant	Private School Fund
Mrs J Francis	Ex-Governor	Private School Fund

Review

Date discussed by staff: Spring term 2018

Date reviewed by governing body: Spring term 2018

Date due for review: Spring term 2021