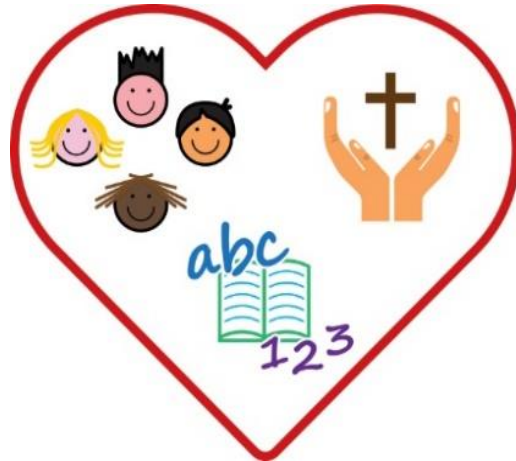


ST. MATTHEW'S C.E. PRIMARY SCHOOL



INTERNAL FINANCIAL REGULATIONS

Reviewed: September 2019
Date of next review: September 2020

INTERNAL FINANCIAL REGULATIONS (Preston St. Matthew's C.E. Primary School)

- 1.0 ESTABLISHMENT OF BUDGET HEADINGS, MONITORING AND CONTROL PROCEDURES AND EXERCISE OF VIREMENT**
- 1.1 Each year, on receipt of its funding allocations from the authority / ESFA the Governing Body shall establish appropriate budget headings for the school as a whole under which the budget shall be controlled and determine the initial budget allocation to each heading, the consistent financial reporting (CFR) framework is recommended. Any changes to budget allocations following notification by the Authority of the previous year's surplus / deficit brought forward shall be determined by the Governing Body.
- 1.2 The Headteacher may sub-divide the budget determined by the Governors on a departmental or other basis in order to facilitate day to day administration and control.
- 1.3 The Headteacher is empowered to exercise virement between budget headings approved by the Governors. The maximum virement level being £5,000, or 10% of the budget heading from which resources are being transferred (whichever is the lower in total for any heading during the year). All virements undertaken shall be reported to the Governors at their next meeting. Virement in excess of this figure requires the prior approval of the Governing Body. Increases to expenditure headings offset by increases in anticipated income can be undertaken by the headteacher providing there is evidence to substantiate the additional forecast income, these virements should also be reported to governors.
- 1.4 The Headteacher shall establish suitable arrangements for the control and monitoring of expenditure against budget headings (e.g. SIMS FMS).
- 1.5 At termly intervals, or more often, the Governors shall receive from the Headteacher a report on school expenditure compared with budget. Reasons for any significant variances between actual and estimated expenditure to date shall be identified. In addition, the Headteacher shall inform the Governors immediately if significant overspendings are likely to occur, resulting in the school budget falling into a financial deficit position.
- 1.6 In order to set a well-informed and balanced budget each year, the school should make a forward projection of its budget, including both revenue and capital funds, for at least three years. This is a requirement of SFVS. The Governing Body shall consider such financial forecast reports, ideally on a termly basis using the best / latest available information.
- 1.7 The Governing Body shall consider the appropriate level of reserves and balances at the school.

2.0 CHOICE OF SUPPLIERS AND CONTRACTORS

2.1 The Governing Body is responsible for ensuring that purchases and contracts entered into for the supply of goods and services comply with Procurement Rules for Schools, in particular:

Contract Procurement Activity Requirements for **Services and Supplies** by Value

- ◇ orders or contracts of up to £9,999 may be entered into with a minimum of one quote, although at least three are recommended;
- ◇ for contracts or purchases between £10,000 and £74,999 in aggregate value, at least three written quotes are required;
- ◇ contracts over £75,000 in aggregate value must be publicly advertised and tenders invited for each contract.

Contract Procurement Activity Requirements for **Execution of Works** by Value

- ◇ orders or contracts of up to £24,999 may be entered into with a minimum of one quote, although at least three are recommended;
- ◇ for contracts or purchases between £25,000 and £99,999 in aggregate value, at least three written quotes are required;
- ◇ contracts over £100,000 in aggregate value must be publicly advertised and tenders invited for each contract.

2.2 The Headteacher shall maintain a record and copies of all quotes and tenders received and retain for audit inspection.

- 2.3 All governors and staff should complete the school's register of business interests. All business interests should be declared that could result in a conflict of interest:
- ◇ financial – interests in a contract or proposed contract by direct or family connection
 - ◇ appointment – interests in the provision for sponsor governors or interests in someone's appointment, reappointment or suspension from office as a governor or clerk to the governing body
 - ◇ pay and performance – interests in the pay or appraisal of someone working at the school in cases where the governor or staff member is also paid to work at the school

The person concerned shall be excluded from any meeting whilst the contract or other matter which relates to their or their immediate family's business interest is being considered and voted upon.

- 2.4 For a contract where a payment is to be received by the school, the highest tender should be accepted, but where a payment is to be made by the school, the lowest tender should be accepted. Departure from these requirements may occur only with the prior approval of the Governing Body and the reasons for not complying with the conditions must be recorded in the minutes of the meeting. The receipt of sponsorship must not be regarded as a valid reason for not complying with these conditions.
- 2.5 The requirement for tenders or written quotations may be waived when a purchase is made under a contract arranged by Central Government or the County Council since arrangements have already been made for securing competition for such contracts.
- 2.6 Where the Governors have established an approved list of suppliers or contractors any order shall be placed with an appropriate supplier from that list.
- 2.7 Building maintenance orders shall only be placed with contractors who have adequate insurance.
- 2.8 The Headteacher shall maintain a record of all sponsorship received by the school, including the sponsor's name and details of cash / goods received, date of receipt and use made of cash / goods.

3.0 LOCAL BANK ACCOUNTS

- 3.1 The Governors shall decide, after consultation with the Headteacher, whether or not to operate a local bank account.
- 3.2 The decision to change the school's banking arrangements shall be made in sufficient time to allow four months' notice to the Authority to be given, new bank accounts can only be opened at the start of a financial year.
- 3.3 The Governors, in consultation with the Headteacher, shall be responsible for the selection of the bank with which the account is to be placed.
- 3.4 The Headteacher shall be responsible for ensuring that adequate arrangements are made for the administration of the account in accordance with the bank account scheme issued by the Authority.

4.0 AUTHORITY TO INCUR EXPENDITURE AND PLACE ORDERS

- 4.1 The Headteacher shall have delegated authority to incur expenditure on any goods and services or enter into any contracts related to the objectives of the school up to a value of (£20,000) provided that the expenditure can be met from within the appropriate approved budget heading and that no liability in excess of (£20,000) is incurred in any future year.
- 4.2 All orders for goods or service contracts of value (£20,000) and above or with an annual commitment of more than that amount shall be subject to the prior approval of the Governing Body.
- 4.3 The Headteacher is responsible for ensuring that there are secure arrangements for the authorisation of orders and the examination, verification, coding and certification of invoices including ensuring that:
- ◇ the duties of authorisation of orders and the certification of accounts for payment are not performed by the same person and wherever practicable, the duties of ordering shall be performed by the more senior person
 - ◇ all invoices shall be certified for payment by an officer authorised by the Headteacher. A record of specimen signatures shall be maintained of the officers authorised to certify invoices.

5.0 DETERMINATION OF STAFFING ESTABLISHMENT

5.1 The Governing Body shall determine the staffing establishment for the school having regard to available financial resources.

6.0 CONTROL OF ASSETS

6.1 The Headteacher shall ensure that adequate arrangements exist for the security of all buildings and the physical control of stores and equipment and for the maintenance of records, having regard to any guidance or instructions issued by the Authority.

6.2 The Governing Body shall determine a policy for the control of assets and the write-off of surplus equipment.

7.0 USE OF SCHOOL PREMISES

7.1 The Governing Body shall determine a lettings policy for the school.

7.2 Where the school has discretion relating to charges for use of school premises, these charges shall be determined by the Governing Body and shall be reviewed on an annual basis to ensure that overall there is no net cost to the school's budget share.

8.0 UNOFFICIAL SCHOOL FUNDS

8.1 Monies relating to unofficial school funds shall be held in a separate bank account identified with the name of the school and for which the signatures of at least two named persons shall be required to effect withdrawal from the account. The signatories to the account shall be appointed by the Headteacher.

8.2 The Headteacher shall inform the Governing Body at the end of each school year of the unofficial funds which are in existence or have existed during the year, indicating the general purpose of each fund.

8.3 The Headteacher shall submit to the Governing Body as soon as possible after the end of each school year a summary of the accounts of each voluntary fund signed by the Headteacher and the auditor appointed by the Governing Body.

8.4 The Headteacher shall submit copies of accounts of each unofficial fund, together with an audit certificate to the Authority on an annual basis.

9.0 CONSIDERATION OF AUDIT REPORTS

9.1 Audit reports relating to the school produced by the Authority or the County Council's external auditors must be considered by the Governing Body.

9.2 Governors should approve any action plan arising from the audit and monitor implementation of that plan to ensure that all agreed action has been taken.

10.0 INCOME

- 10.1 The Governing Body shall determine a charging policy for the supply of any goods or services.
- 10.2 The Headteacher shall ensure that all income due to the school is accounted for in accordance with the school's charging policy.
- 10.3 Bad debts up to the value of (£200) may be written off by the Headteacher without the prior approval of the Governing Body or nominated Committee. The Headteacher must report all such write-offs to the next meeting of the Governing Body or nominated Committee.
- 10.4 For bad debts in excess of (£200), the prior approval to write off must be obtained from the Governing Body, or a nominated Committee.

11.0 GIFTS AND HOSPITALITY

- 11.1 Prior approval should be sought, where possible, from the Headteacher before school staff accept any gift or hospitality that is estimated to be beyond a face value of £25. Gifts should not be in the form of cash or securities; the gift or hospitality is a one-off and not repeated on a regular basis; and the gift or hospitality is given openly, not secretly.
- 11.2 Any offer or receipt of gifts or hospitality with a token value of above £25 shall be declared and the Headteacher should maintain a register of all declarations of gifts and hospitality. Completed declaration forms should be completed within 10 days of the date of the gift or hospitality. The register will be open to inspection by the Chair of Governors and / or LCC Senior Officer (including LCC Audit) as appropriate and reported to the Governing Body and recorded in the Minutes of the Meeting.

Updated: 6th September 2019