



Trinity St Stephen Church of England (Aided) First School

Finance Policy

Ch. Megaw

Headteacher
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Full Governing Body review due – September 2021

Trinity St Stephen Finance Policy

The governing body has a duty to ensure the proper and efficient management of the money at its disposal for the purposes of the school, and in particular that all available finance is targeted appropriately in order to raise all aspects of standards in education. In relation to this duty, this policy aims to:

- Define the sources and purposes of income received by the school and any restrictions on its expenditure;
- Identify the functions to be carried out in relation to the LA's scheme of financial management to avoid duplication or omission;
- Clarify the individual roles and responsibilities of those concerned with the management of the school's delegated budget and other finances;
- Define the limits of delegated authority;
- Ensure that governors' statutory responsibility for the monitoring of financial management is carried out effectively;
- Provide a framework for accountability.

This policy statement has been written in conformity with the School Standards and Framework Act 1998 and the LA's published Scheme of Financial Management.

1. Sources of Income

Income to the school may come from a variety of sources. Although the purpose for which some of these may be used will be pre-determined, the governing body should take an overview of all sources in order to plan expenditure and ensure that money is used cost-effectively and for the prioritised educational objectives established in the School Development Plan. Possible sources of income will include:

- School's budget share delegated annually by the LA;
- Pupil Premium, Universal Infant Free School Meals (UIFSM) and other grants;
- Income from lettings;
- Donations from parents and other sources;
- Receipts from fund-raising activities;
- Receipts from sale of assets.

This policy statement applies to the use of income from all sources and its related expenditure.

2. Responsibilities of the Governing Body

The governing body is responsible to the LA for the funds allocated for running the school and accountable to the community for the appropriate use of public and private funds within its control. This responsibility and authority is largely delegated to the Resources Committee and Headteacher, however the governing body retains some key functions as part of its overall responsibility. It remains the responsibility of the whole governing body to:-

- Determine the broad priorities for expenditure and ensure that these are clearly identified through a School Development Plan which indicates the intended use of resources in order to achieve educational goals;
- Ensure that all members of the governing body are aware of the LA's scheme of financial management and that members of the Resources Committee are familiar with its content;
- Submit an agreed budget plan to the LA each year by the specified date and at other times upon request;
- Establish, maintain and annually review a Register of Business Interests for each member of the governing body, the Headteacher and members of their immediate family;
- Decide, after consulting with other staff, whether the school should take part in initial teacher training and approve associated financial arrangements;
- Establish a Resources Committee to:
 - Direct and supervise the management of finances and
 - Ensure compliance with the requirements of the LA's scheme of financial management in consultation with the Headteacher;
- Delegate to an appropriate committee the financial responsibility for planning expenditure on repairs and maintenance and capital projects; (?)
- Establish and monitor criteria for virement and limits of financial delegation and keep these under review;
- Consider recommendations from the Resources Committee on matters outside of their delegated powers, such as writing off a debt, and take the appropriate action, seeking advice for the LA as required.

The governing body delegates all other duties and financial powers to the Resources Committee and Headteacher. The division of responsibility is set out below and may be subject to amendment in discussion with those involved.

3. Delegated Responsibilities of the Resources Committee

Membership of this committee and terms of reference shall be determined by the governing body at the beginning of each year. The Chair of Governors, Headteacher and a staff governor will be amongst its members. The school's School Business Manager shall be invited to be a co-opted member of this committee and will, in any event, be expected to attend meetings in an advisory capacity.

The duties and powers of the Resources Committee will include, but may not be limited to, the following:

To advise the Headteacher and governing body on all financial matters affecting the school.

Planning

- Every three years to construct and recommend to the governing body a business plan which identifies anticipated income and future resource priorities;
- To ensure that the budget plan reflects and supports the governing body's policies and prioritised educational objectives as identified in the School Development Plan, taking account of:
 - Required and desired staffing levels;
 - Curriculum aims for the year;
 - Professional development of staff, and
 - Plans for development of the physical resources of the school.
- In the Spring term each year to recommend a draft budget, or up to three options for consideration by the governing body;
- To receive and monitor an expenditure plan for the annual allocation as submitted by the Headteacher
- To establish, maintain and regularly review the school's policies on:
 - Letting of school premises and associated charges;
 - Charging and remissions for school activities;
 - Recovery of cost of making good damage or loss of property by pupils, staff and third parties.

Monitoring

- To monitor effectively throughout the year the progress of all school income and expenditure, review in-year priorities and make adjustments as necessary within the overall budget provision, calling an emergency meeting of the governing body if necessary;
- To ensure that the school abides by the LA's scheme of financial management and standing orders for purchasing, contracting and tendering matters;
- To monitor bids;
- To ensure that adequate insurance cover exists against theft, loss of cash, possible claims, legal expenses, etc.;
- To ensure that audit certificates are provided on an annual basis in respect of voluntary and private funds held by the school and a copy submitted to the LA.

- To ensure that the school's financial procedures are the subject of an annual external audit, to receive reports following such audits, agree actions to be taken as a result of any recommendations and ensure timely completion.

Evaluating

- To ensure that cost effective use is made of all income, including Pupil Premium and other in-year grants and private funds in order to raise pupils' standards of attainment.

Reporting

- Ensure that minutes of each meeting are taken and made available to the full governing body. Verbal reports are presented at governors' meetings.

Acting as an agent of the LA and on behalf of the governing body, in consultation with the Headteacher, the Resources Committee will:

- Oversee expenditure of the delegated formula budget received each year in accordance with the rules and procedures laid down in the LA's scheme of financial management;
- Ensure that financial information and financial records are kept and supplied as required by the LA;
- Ensure that the school follows any regulations and procedures established by the LA when making purchases, entering into contracts, paying staff and bills, collecting income, etc.;
- Allow relevant financial transactions to be audited by the LA and/or Audit Commission;
- Review and approve bank mandates, authorised signatories and the register of certifying officers on an annual basis (pro-formas for these are given the Financial Procedures handbook) and submit these to the Chair of Governors for signature.

4. Delegated Responsibilities of the Headteacher

The governing body delegates the day to day management of the school's finances and administration of expenditure to the Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the governing body.

The Headteacher will be responsible to the Resources Committee for the day to day control and disbursement of finances and is expected to:-

Planning

- Ensure that the governing body, and in particular members of the Resources Committee, receive the advice and support they require in order to fulfil their statutory responsibilities;
- Prepare an expenditure plan for the use of annual allocations each year and submit recommendations to the Resources Committee;
- Develop a rolling programme of expenditure for large items such as ICT;
- Establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- As far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

Monitoring

- Ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:-
- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services;
- Protection and control of consumable stock such as stationery;
- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the school.
- Regularly monitor planned expenditure;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Finance Committee as stipulated within policy and at other times on request.

Ensure that these monitoring and control systems are publicised to governors and staff and kept under review.

Evaluation

- Evaluate strengths and identify shortcomings in the school's financial administration and provide reports on these annually to the Resources Committee.

Reporting

- Each meeting, provide detailed reports to the Resources Committee under agreed cost headings for the school's budget share, Pupil Premium, capital and other grants;
- Provide termly budget re-calculations based on adjustments to pupil numbers;
- Provide any such other information as the committee requires in order to monitor the budget;
- Ensure that individual budget holders receive such information as they require in order to monitor their budgets;
- Establish and publicise reporting procedures to monitor all planned expenditure and keep these under annual review;
- Review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness and provide a report to the Resources Committee.

The governing body will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

5. Delegated Responsibilities of the School Business Manager

The governing body delegates the day to day management of the school's finances and administration to the Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the governing body.

The Headteacher delegates day to day operational management to the School Business Manager of financial processes, monitoring and reporting (including Accounts payable and Accounts receivable as defined in the Controls checklist)

Planning

- Ensure that the governing body, and in particular members of the Resources Committee and Headteacher, receive the advice and support they require in order to fulfil their statutory responsibilities;
- Assist in the development of a three year budget plan updated annually to monitor surplus balances and plan expenditure to deliver best value;
- With the Headteacher, prepare an expenditure plan for the use of annual allocations each year and submit recommendations to the Resources Committee;
- Assist the Resources Committee and Headteacher in developing a three year rolling programme of expenditure linked to SDP and AMP particularly for large items such as buildings and ICT;
- In conjunction with the Headteacher, establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- In conjunction with the Headteacher, as far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

Monitoring and Control

- Working with the Headteacher, ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:-
- Receipt of income
 - The placing of orders, checking deliveries, authorising payments, etc.;
 - Purchasing of goods and services;
 - Protection and control of consumable stock such as stationery;
 - Maintenance of equipment;
 - Safe custody and control of cash and other property belonging to the school.
- Carry out monthly reconciliation of bank account (FMS6 schools) and salary check.
- Carry out any other financial or administrative tasks considered appropriate by the Headteacher
- Regularly monitor planned income and expenditure and report to Headteacher;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Liaise with the Headteacher to arrange appropriate security measures such as marking of valuable items;

- Provide reports to the Headteacher/ Resources Committee as stipulated within policy and at other times on request.
- Produce monthly/ termly monitoring reports for budget holders and report to the Headteacher on any overspend situations.
- With the Headteacher, liaise with external bodies for audit purposes.

Evaluation

- Annually review with the Headteacher strengths and shortcomings in the school's financial administration procedures and provide reports on these annually to the Resources Committee with progress made in addressing weaknesses.

Reporting

- Provide monthly reports to the Headteacher and reports to budget holders as determined by the Resources Committee and Headteacher.
- Assist the Headteacher to provide more detailed reports to the Resources Committee each half term under agreed cost headings.
- Discuss with the Headteacher termly budget re-calculations or funding adjustments based on adjustments to pupil numbers and assist with preparing reports;
- Recommend with the Headteacher the reallocation of funding to address Plan variance during the year;
- Provide any such other information as the Headteacher and Resources Committee requires in order to monitor the budget;
- Ensure that individual budget holders receive such information as they require in order to monitor their budgets;
- With the Headteacher, establish and publicise reporting procedures to monitor all planned expenditure and keep these under annual review;
- Work with the Headteacher to review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness and provide a report to the Resources Committee.

The governing body will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

6. Levels of Delegation

Income Source	Resources Committee	Headteacher	School Business Manager
Approved annual budget submitted to LA	<p>Not to exceed the grand total.</p> <p>To report to governing body any possibility of an over/under spend.</p> <p>No greater than 5% virement between headings outlined in the annual expenditure profile.</p>	<p>Expenditure not to exceed £3,000</p> <p>To report to the finance Committee any possibility of an over/under spend.</p> <p>May vire between all budget codes excluding Staffing but may not exceed the agreed total allocation for any heading within the budget plan.</p>	<p>Expenditure not to exceed £500</p> <p>To report to the Headteacher any possibility of an over/under spend</p> <p>May vire between all budget codes excluding Staffing but may not exceed £2.5K for any heading within the budget plan.</p>
Grants including Pupil Premium	<p>Agree virements by 31st December in accordance with prescribed guidelines.</p> <p>To report to the governing body any possibility of an over/under spend.</p>	<p>Not to exceed agreed plan for each category.</p>	<p>Report to Headteacher any overspends</p>
Private School Funds (not earmarked for any other specific application)	<p>Any available sum on any one item.</p>	<p>Up to £500 on any one item.</p>	<p>Up to £0 on any one item.</p>
Lettings	<p>Setting annual charging rates.</p> <p>Approving discretionary variations to charges in excess of 20%.</p>	<p>Discretionary variation of charges up to a maximum of 20% of fixed rates.</p>	<p>Discuss with Headteacher any variation of charges in specific situations.</p>

7. Best Value

The governing body expects that planned expenditure will reflect the principles of best value, taking into account of guidance provided in the LA's scheme of financial management. The annual budget plan submitted to the LA will include a statement setting out how these principles are being followed.

Competitive estimates will be obtained for all expenditure exceeding £500, with three written quotations being required for any planned expenditure in excess of £1000.

8. Insurance

All monies held in school will be covered by insurance up to an agreed sum (currently £500). The Headteacher shall ensure that the insured amount is not exceeded, although governors expect cash to be banked promptly and that it will be rare for this amount of money to be held on the premises.

The Headteacher is expected to liaise annually with the LA and other insurance providers to review insurance arrangements and to make recommendations on appropriate cover to the Resources Committee.