Water Orton Primary

Finance Policy

STATEMENT OF ROLES AND RESPONSIBILITIES, FINANCIAL TERMS OF REFERENCE, FINANCIAL PROCESSES & SCHEME OF FINANCIAL DELEGATION FOR WATER ORTON PRIMARY SCHOOL

Introduction

These terms of reference have been produced to enable us to have a clear policy statement that identifies financial procedures and the financial management structure operating in **Water Orton Primary School**

These procedures are located in one reference document produced by the LA which is available on the WES website and on request.

The Strategic Role of the Governing Board

The Governing Board is given their powers and duties as an incorporated Board. The statutory responsibilities of the Governing Board are detailed in **Section 21 of the Education Act 2002**.

The Governing Board is the Board ultimately responsible for the overall financial affairs of Water Orton Primary School. It exercises this responsibility by establishing clear levels of delegation to the Governors and to the Head. The Head and the Governing Board may, in turn, authorise delegation to other members of staff to ensure sufficient clarity of responsibility and separation of duties to secure the effective and efficient administration of the school's financial affairs.

THE GOVERNING BOARD HAS A STRATEGIC ROLE IN THE FINANCIAL MANAGEMENT OF SCHOOLS AND ITS KEY RESPONSIBILITIES INCLUDE:

- APPROVAL OF ANNUAL BUDGET.
- AUTHORISATION OF THE 3 YEAR FINANCIAL PLAN.
- SETTING FINANCIAL PRIORITIES THROUGH THE SCHOOL DEVELOPMENT PLAN.
- APPOINTMENT AND SALARY OF HEAD TEACHER.
- DETERMINATION OF THE STAFF COMPLEMENT AND PAY POLICY FOR THE SCHOOL.
- AUTHORISATION OF NON-BUDGETED EXPENDITURE AND VIREMENTS SUBJECT TO THE LIMITS IN SECTION 2.
- TO APPROVE FINANCIAL REGULATIONS AND PROCEDURES ON AN ANNUAL BASIS.
- ACT AS A CRITICAL FRIEND TO THE SCHOOL ON ALL FINANCIAL MATTERS.

WHERE THERE ARE SERIOUS CONCERNS OVER THE SCHOOLS FINANCES THE GOVERNORS WILL REPORT THIS TO WARWICSKHIRE EDUCATION AUTHORITY

The Head Teacher has responsibility for the overall supervision of the day-to-day running of the financial affairs of the school.

The Head Teacher can delegate specific responsibilities to members of staff as appropriate to their job descriptions, ensuring adequate separation of duties in both manual tasks and financial systems.

The Head Teacher is responsible for the preparation and presentation to the Governing Board of reports on the school's finances in accordance with a pre-determined timetable as well as on an ad hoc basis as necessary.

THE HEAD TEACHER IS RESPONSIBLE FOR INITIATING CONSULTATIONS WITH THE CHAIR OF THE GOVERNING BOARD ON ANY SIGNIFICANT AND EXCEPTIONAL FINANCIAL CIRCUMSTANCES OR ANY FINANCIAL MATTER THAT IS CAUSING CONCERN.

- Any failure in any material respect of any member of the school staff to comply with these procedures.
- Any circumstances which could adversely affect the school's finances.
- Any matter of serious concern in relation to the school's finances.

Purchasing Procedures

Before goods or services can be purchased, a purchased order request form is to be completed by the staff member requesting the goods or services. All purchase order requests must be signed for authorisation by the Head Teacher. In the absence of the Head Teacher orders can be signed for authorisation by the DEPUTY HEAD OR FINANCE OFFICER as per the limit of authorisation detailed in section 2. Completed request forms should then be passed to the main office where a purchase order can be raised via FMS and the goods or services ordered from the relevant supplier. Goods received are checked against the delivery note.

Payment of Invoices

All invoices must be passed to the finance officer for processing for payment. They should be paid within 30 days of receipt or as otherwise stated as per payment terms. Non-order invoices should be kept to a minimum. All supplier invoices will be paid via BACS (commercial banking).
In order to maintain separation of duties two authorised members of the admin team are required to process / approve payments via commercial banking.

Debit Card

The school debit card can only be used when the purchase order and invoice system is not available or applicable. The school has two cards, one held by the Head Teacher and one by the Deputy. Before the card can be used an order form needs to be completed and signed as authorised by the Head Teacher or deputy as per limits of authorisation detailed in section 2. After a transaction has been completed the card-use record, kept in the main office, is to be completed and all relevant documentation (receipts) to be retained. The finance officer will record all debit card expenditure on the Financial Management System (FMS) and reconcile against the bank statement at least monthly.

Petty Cash

All petty cash transactions must be supported by valid receipts and expenditure recorded on petty cash expenditure sheets which must be signed for approval for payment by the Head Teacher. The finance officer will record all petty cash expenditure on FMS and balance the petty cash float at least monthly.

Income

The school uses a cashless payment system for all transactions which involves payment for services used by parents, including school dinners, trips, after school club and sessions after school. These entries are automatically credited to the school bank account.
Non-cash income paid into the bank account is usually advised via a remittance advice and is reconciled against the bank statement on at least a monthly basis.

Administration

1. Keys to the safe are held by two members of staff determined by the Headteacher and removed from the premises each evening
2. Cheque signatories (two out of three to sign) are Emma Smith (Headteacher), Chris Plow (Deputy) Joanne Hanson, (Finance officer) and Sarah Bishop (Administrator) as per the bank mandate which is held securely.

References

These terms of reference should always agree with:

- The Warwickshire Scheme for Financing Schools.
- The Governance Handbook published by the DfE.

Roles and Responsibilities – scheme of delegation

The Governing Body

The Water Orton full governing body is responsible for:

- The overall direction of the school, ensuring the most effective use of resources to achieve a high standard of education for pupils in line with the Learning Improvement Plan (LIP).
- Approving the detailed budget for the school.
- Delegating their powers to spend the delegated budget and any other funds to the head teacher and the amount to be delegated.
- Ensuring that the school has segregation of duties in place to avoid fraud and corruption.
- Approving the writing off debts up to £500.

The FGB or on occasion members of the board nominated as the finance committee.

The Finance/Resources Sub-committee's financial responsibilities include the following:

- To ensure that the school complies with the legal requirements of the Fair Funding Framework, Financial Regulations and Contract Standing Orders for Schools.
- To review the school's financial systems and practices against the standards set out in the 'Scheme for the financing of schools' (**Section 48** Statement) and make recommendations to the governing body on any changes required.
- In consultation with the Head teacher, to draft any budget plans for the financial year and to recommend them to the governing body for approval.
- Establish and maintain an up to date three year financial plan with particular reference to the school's LIP.
- To draw up a plan on the use of school balances linking this to the schools LIP.
- To monitor income and expenditure against budgeted plans and report on a regular basis to the governing body drawing attention to significant anomalies from the anticipated position.
- In consultation with the Head teacher to agree any transfer of funds between budget areas up to £2000; higher amounts only to be approved by the governing body.
- In consultation with the Head teacher, and in accordance with the Schools Contract Standing Order, to approve contracts to be entered into up to the value of £5000 whether for goods, services or works.
- Make sure all spending represents value for money and follows 'Best Practice' principles.
- To recommend to the governing body the school's charges and remissions policy and expenses policy, and to keep those under annual review.
- To keep an up-to-date register that lists for each member of the governing body, the head teacher and any member of school staff with budget management responsibility, any business interests held by them or any member of their immediate family.
- To ensure that any pecuniary interests are declared at each meeting by everyone present.
- To receive and respond to reports from Auditors.
- To ensure that the financial implications of staffing decisions as recommended by the Personnel Committee are explicitly identified, understood and budgeted for by the governing body. For example, the appointment of new staff, re-grading and pay increments to existing staff.
- To monitor all voluntary funds kept on behalf of the governing body in accordance with the constitutions and management arrangements of the funds.
- To ensure all voluntary funds are properly audited annually for presentation to the governing body.
- To approve the writing off of irrecoverable debts up to £500 and the disposal of surplus and damaged equipment.
- Research and keep under review the opportunities (and challenges) from developing as an Extended School / Academy.

Head teacher

The financial role and responsibilities of the Head teacher are as agreed by the governing body and include:

- Managing the overall school budget and funds under the relevant CFR headings as delegated by the governing body.
- Ensuring that sound systems of internal control are in place.
- Monitoring the budget – reviewing reports on a regular basis. Reporting the budget situation to the Finance/Resources committee at least once a term.
- Authorise spending in line with the LIP up to £5000.

- Getting approval from the Finance/Resources committee for spending above £5000.
- Getting approval from the Chair of the Governing Body for spending above £10000.
- Getting approval from the Full Governing Body for spending above £25000.
- Complying with Contract Standing Orders and the Procurement Code of Practice for schools.
- Acting as the Contracts Officer.
- Disposal of unused or damaged equipment should be agreed with the governing body.
- Authorising the appointment of new staff, re-grading and pay increments to existing staff.

School Business Manager

The role of the School Business Manager includes responsibility for:

- Assisting in the preparation of the annual school budget and estimates for the governing body.
- Preparing financial updates, as required, for the governors and Head teacher.
- The day-to-day management of the school's finances, of finance staff, financial systems and procedures.
- Monitoring all accounting procedures and resolving problems from these as they arise.
- Preparing financial returns for the LA and DfE to comply with timetables.
- To chase up outstanding debt and report these to the Head teacher.
- Maintaining the school's Asset Register and formally checking it once a year.
- Notification to the LA the appointment of new staff, re-grading and pay increments to existing staff.
- Check that new appointments, re-grading and pay increments have been actioned.
- Processing of orders, deliveries and invoices.
- Payment of invoices.
- Petty Cash processing.
- Receipt of income and preparation of monies for banking.

Budget Holders

It is the responsibility of the budget holder to:

- Ensure that sufficient funds are available.
- Comply with the Schools Ordering Policy and Schools Contract Standing Orders when ordering goods and services.
- Ensure all spending represents value for money and follows 'Best Practice' principles.
- Review budgets on a regular basis.

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Adopted by FGB September 2022

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For review September 2028 (unless significant changes required by law)

Annex 2: Organisation Chart

Task	Governors	Head	Business Manager	Budget Holders
Managing the budget	✓	✓	✓	✓
Budget Preparation		✓	✓	
Prepare Draft Budget	✓	✓		
Approve Budget	✓			
Day to Day Budget Management				
Responsibility for Staffing		✓		
Responsibility for Premises		✓		
Responsibility for Admin. Exp			✓	
Responsibility for Curriculum		✓		✓
Virements (transferring funds between areas of the budget)				
Up to Approved Limit		✓		
Above Approved Limit	✓	✓		
Reporting on the Budget		✓		
Monitoring Monthly spending			✓	
Purchasing				
Raising Orders			✓	
Receiving Goods			✓	✓
Authorising Spending	✓	✓	✓	✓
Up to Approved Limit		✓	✓	✓
Authorise expenditure up to £60,000	With legal advice			
Authorise expenditure up to £25,000	✓			
Authorise expenditure up to £10,000	With COG agreement			
Authorise expenditure up to £5,000		✓		

Authorise expenditure up to £500			✓	
Authorise petty case up to £100			✓	
Authorise above Approved Limit	✓	✓		
Opening Tenders (always 2 people)	✓	✓		
Imprest / Bank Accounts				
Signing to Authorise Payments		✓	✓	
Keeping cheque books safe			✓	
Checking the accuracy of the account			✓	
Income				
Receipt of Dinner Money			✓	
Receipt of Other Income			✓	
Paying into Bank			✓	
Write off of Debts	✓			
Paying Staff				
Approving appointments	✓	✓		
Informing LA of staff changes				
Approving supply cover		✓		
Assets				
Keeping an inventory of school property			✓	
Disposing of assets (depending on value)	✓	✓		
Updating of inventory each year			✓	
Insurance				
Approving changes In insurance cover	✓	✓		
Reporting accidents and losses			✓	