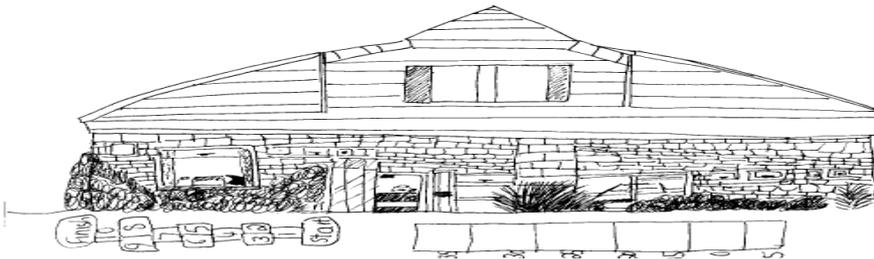


Graveley Primary
School
A Church of England (VC) School



Financial Policy
September 2017
To be reviewed September 2019

Introduction

The governing body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

Organisation

In view of the importance and complexity of financial management in the school, the governing body has established a Finance and Resources Committee to enable due consideration to be given to all financial matters.

The governing body has delegated a number of its powers to the Finance and Resources Committee (FRC) (See TERMS OF REFERENCE FOR GRAVELEY SCHOOL COMMITTEES).

The Finance and Resources Committee members are:

Chair: Nicola Taylor

Member 1: Albert Swinson

Member 2: Nicola Hand (Headteacher)

Member 3: Elaine Dunncliffe

Member 4: Claudia Griffin

Member 5: Jane Morgan

The FRC plans to meet regularly each year to:

- agree the budget for the new financial year
- consider budget monitoring reports at regular intervals
- agree development plans, tenders and salary increases.

The FRC will report, and make appropriate recommendations, to the Full Governing Body. Minutes of each FRC meeting will be made available for all school governors and discussed at Full Governing Body meetings.

Committee members will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

Roles and Responsibilities

The governing body recognises the importance of governors, Finance and Resources Committee members, the Headteacher and staff being clear about their respective roles and responsibilities with regard to the financial management of the school. This section sets out those roles and responsibilities.

Governing Body

The **governing body** will in line with Local Authority guidelines:

- Agree, and record in writing, the roles and responsibilities of the Finance and Resources Committee, Headteacher and the School Secretary.
- Review those roles and responsibilities on an annual basis and elect the Finance and Resources Committee members each year.
- Approve the school's budget each year, ensuring that a copy is attached to the minutes of the meeting
- Record in writing the transaction / process authorisation limits, etc, relating to the school's financial system for relevant members of staff.
- Agree the school's virement policy, setting a limit up to which the Headteacher can move funds between the currently approved budgets without seeking the governors' prior approval (see **Graveley Schedule of Financial Delegation**).
- Establish the school's charging policy and review this on an annual basis.
- Ensure that the school fund is audited regularly.
- Ensure that a signed statement confirming that the school fund has been audited is issued to the Local Authority within its specified timescale.
- Review the financial training needs of governors, the Headteacher and staff on annual basis and fund training needs, as appropriate.
- Ensure that the school's Register of Business Interests is kept up-to-date.

- Ensure that the school complies with the LA's guidance relating to Extended Schools and, ensure the school complies with all aspects of SFVS.
- Submit the approved budget to the LA within the specified timescale.

- Approve the school's original and revised financial plans each year, take appropriate steps to ensure the school's budget does not overspend and contact the LA and seek prior approval to overspend.
- Authorise the school's applications for loans from the LA.
- Satisfy itself that the FRC and Headteacher are fulfilling their responsibilities as set out in this policy document.
- Review this policy document every 2 years.

Finance and Resources Committee

The **Finance and Resources Committee** will:

- Familiarise themselves with this policy document and their roles and responsibilities.
- Ensure that the school complies with the SFVS, as approved by the Secretary of State.
- Familiarise themselves with the way in which schools in Hertfordshire are funded.
- Contact the LA for advice in relation to leasing arrangements, as appropriate.
- Produce a timetable of meetings annually their key purpose outlined in agendas published in advance.
- Consider the draft budget papers prepared by the Headteacher.
- Consider the draft finance plan prepared by the Headteacher.
- Consider budget-monitoring reports produced by the Headteacher throughout the year.
- Ensure that the school obtains value for money.
- Ensure that the school's Standards Fund allocations are fully utilised
- Use management information, particularly that supplied by the LA to challenge the way in which the school uses its financial resources.
- Ensure that the school complies with the LA's financial regulations.
- Ensure that the school produces a Best Value statement and adheres to it.
- Report to the Full Governing Body.
- Ensure that audit recommendations are implemented within a reasonable timescale.

- Ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims, etc, and review this on an annual basis.
- Review monthly detailed budget monitoring reports each term, ensuring that copies are attached to the minutes.

Headteacher

The **Headteacher** will:

- Ensure she/he is familiar with this policy document and her/his role and responsibilities.
- Draft budget papers.
- Draft original and revised finance plans.
- Ensure that School Development Plans' priorities are properly costed and linked to the school's budget and finance plan.
- Monitor the budget on a monthly basis.
- Oversee the day-to-day running of the school's financial administration and ensure that the LA's timetable is adhered to.
- Ensure that proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Audit team).
- Authorise transactions / processes within the school's financial system up to limits agreed by the governing body, this could include the release of purchase orders, releasing orders that have been blocked for payment, authorising the removal of a credit note billing block and authorisation of master data.
- Act as an authorised signatory for the purposes of signing cheques, certifying employee claims, etc.
- Review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out.
- Ensure that the school fund records are kept up-to-date.
- Ensure that school fund's annual accounts are prepared, audited, approved by the full governing body and submitted to the LA in the timescale specified.
- Agree virements up to her/his authorised limit.

- Ensure that any budgets that are delegated to other staff operate within a similar control regime, i.e. with regard to budget monitoring and reporting, etc.
- Ensure VAT is correctly accounted for.

School Secretary

The **School Secretary** will:

- Carry out transactions / processes within the school's financial system up to limits agreed by the governing body. For example, the school raising/releasing of purchase orders.
- Ensure that purchase orders are raised prior to ordering goods / services, wherever possible, to aid effective budget monitoring and management and signed only by an authorised signatory.
- Ensure that the LA's timetable for completion of bank and other reconciliations is adhered to.
- Ensure that payments are made to suppliers within Herts payment policy, i.e. 28 days after the date of the invoice.
- Ensure that, where appropriate, claims for the sickness absence insurance scheme are made promptly and no later than 3 months after the relevant period.
- Ensure that at all times money and cheques are kept securely.

Training

The governing body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all governors and staff will be reviewed throughout the year. Appropriate budgetary provision will be made, where necessary, and governors and staff will be actively encouraged to undertake that training.

Budget setting

The governing body recognises the importance of setting a detailed budget at the start of the financial year.

The Headteacher will draft a detailed budget for each line of income and expenditure, for the Finance and Resources Committee's consideration.

The Headteacher will include options for increased spending, as set out in the School's Development Plans, and options for cost-cutting measures, where appropriate.

Budget monitoring

The governing body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The Headteacher will monitor the budget on a monthly basis by reviewing printouts from the school's financial system for:

- errors
- miscodings
- large or unusual items
- potential under-spendings or overspendings against budget and act promptly, where appropriate

The monthly reports will be distributed to the members of the FRC.

Financial administration

The governing body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the school.

The Headteacher will monitor the financial administration functions carried out by the school secretary, ensuring that:

- Accounting systems are kept up-to-date.
- Bank reconciliations etc, are completed in accordance with the LA's published timetable.
- Appropriate action is taken where the LA advises the school that its day-to-day administration is not up-to-date.

Reporting

The governing body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The Headteacher will prepare budget-monitoring reports for consideration by the Finance and Resources Committee.

The reports will include for each line of income and expenditure (including standards funds):

- the original budget,
- changes to the budget,
- current budget,
- expenditure and commitments to date,
- expenditure and commitments to date expressed as a percentage of the current budget
- an outturn projection
- a variance between outturn and current budget
- an explanation for all variances exceeding £1,000 in value
- details of proposed virements
- details of proposals for additional spending or cost-cutting measures

In addition to the reports in RM Finance or other nominated financial system, the County Council issues spreadsheet and word-processing documents to schools on an annual basis to provide a framework for the preparation of finance plans and budget monitoring reports to governors.

Financial planning

The governing body recognises the importance of financial planning beyond the current year.

The Headteacher will prepare a financial plan covering as a minimum the next three years

The plan will show the projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.

The level of detail shown in the plan will include, as a minimum, the information set out in the LA's financial planning spreadsheet, which is issued to schools each year.

The plan will include contingency plans, setting out the school's proposals for dealing with variations including, in particular, changes in the projected number on roll.

Audit

The governing body recognises the importance of the LA's audit regime in assessing the adequacy of the school's financial controls.

The governing body and Headteacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Headteacher will ensure that audit recommendations are implemented as soon as possible.

The Headteacher will ensure she/he is familiar with the Graveley Schedule of Financial Delegation.

The governing body will ensure that the school meets the criteria for the Schools Financial Value Standard (SFVS).