

# Mapledown School



Working and Learning Together

## Financial Management Policy

<b>Name of School</b>	Mapledown School
<b>This policy was updated on</b>	10 <sup>th</sup> November 2020
<b>The policy was reviewed in</b>	September 2021
<b>The policy is to be reviewed annually in</b>	September 2022

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. Practices described arise out of the implementation of Fair Funding employed here since April 1999 under Section 48 of the Schools Standards and Framework Act 1998, and that it conforms to Contract Standing Orders.

It reflects revisions to the Scheme for Financing Schools 1999 (updated September 2013)

### Financial Objectives

- That the responsibilities of the Governing Body committees, the Headteacher and the staff should be clearly defined and the limits of delegated authority be clearly established.
- That the budget should reflect the schools priorities and educational objectives, seek to achieve value for money and be subject to regular and effective monitoring
- That the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions.
- That the school should be registered under the data protection Act of 1998 and all data protected against loss
- That the school should ensure that the purchasing arrangements achieve the best value for money
- That there should be efficient procedures for the administration of personnel matters
- Assets should be recorded in the Inventory and adequately safeguarded against loss and theft.
- That all income due to the school be identified, registered and banked promptly
- Ensure that the school has a robust system of controls and separation to safeguard against fraud or the improper use of public funds or assets.

The Governing Body will apply the principles of value for money and efficiency in all financial and school dealing, to ensure the most effective and economic means available.

# 1 Organisation of responsibility and accountability

## 1.1. Role of the Governing Body

- o Responsibility for overall financial management of the school
- o To plan the budget and delegate responsibility for the day to day management to the Headteacher
- o To ensure the requirements of the scheme and associated guidance are met
- o To ratify policies drawn up by the relevant committee
- o To ratify and approve the school budget
- o To approve expenditure on major capital projects and to seek LA approval before proceeding
- o To produce a bi-annual year –end forecast of the budget as required in ‘The Scheme for Financing Schools’ – (Section 2.2)
- o To complete the School Financial Value Standard Assessment Form annually
- o To maintain a register of pecuniary interest listing each member of the Governing body, the Headteacher and any member of staff who is authorised to enter into a contract on behalf of the school, any business interests they or any member of their immediate family have. The register is kept up to date with notification of changes at each Governor Meeting. It is available for inspection by Governors staff and parents during normal school hours and at Governing Body meetings.

## 1.2 Role of the Finance Committee

- o To consider and approve a provisional budget upon receipt of the allocation from the LA for consideration by the main governing body
- o To monitor the income and expenditure in conjunction with the Headteacher and report to the governing body on a termly basis
- o To agree the level of delegation of the Headteacher for the day to day running of the school
- o To authorise write-offs and disposals of stock
- o To ensure a register of pecuniary interests is put in place and all governors to provide details on a termly basis
- o To be engaged in the drawing up and implementation of the school improvement plan.
- o To delegate to the Headteacher the ability to vire any sum up to £5000 without reference to the Finance Sub Committee and to agree the level of day-to-day financial management by the Headteacher and Senior Staff. Any amount vired will be reported to the next Sub Committee.
- o To approve variation in planned spending
- o To produce and review the Finance Policy/Pay Policy on an annual basis

## 1.3 Role of the Staffing & Pay Committee (in this school the Finance Staffing & Pay Committee)

- o To prepare and review the staffing procedures including recruitment and selection, disciplinary and grievance and make recommendations to the governing body.
- o To appoint staff in accordance with agreed procedures
- o To be actively involved in any disciplinary action
- o To annually review the staff salaries in line with legislation and make recommendations to the governing body
- o To set and review performance targets for the Headteacher and Deputy Headteacher (the support of an appointed School Improvement Partner will be used with the Headteacher)
- o Ensure that staff are correctly and fairly appointed
- o To check that arrangements for staff appraisal/performance management are in place and being developed

#### **1.4 Role of Headteacher**

- o To prepare budget estimates in conjunction with members of the finance committee
- o To advise the Finance committee on spending priorities
- o To ensure that school expenditure reflects priorities in the development plan including plans for money held in reserve for future projects
- o To implement expenditure in line with the school budget.
- o To consult the Finance Committee on virement in excess of £5000
- o To monitor the budget monthly using reports issued by the finance support officer
- o To authorise expenditure on a day to day basis in line with the budget
- o To submit reports to the Governing Body giving details of income, expenditure and commitments to date
- o To sign cheques (two signatures are required on cheques over £250) The additional signatories will be the Deputy Headteachers (and the secretary in emergencies in the absence of a Deputy Head
- o To ensure audit reports are implemented

#### **1.5 Role of Secretary**

- o To write and check official orders
- o To sign delivery notes
- o Secretary write cheques from the Official Funds (only in absence of other School's Accountant & Finance Assistant)

#### **1.6 Role of School's Accountant & Finance Assistant**

- o To prepare payments and process invoices
- o To keep the RM Finance System up to date
- o To produce monthly monitoring reports for the Headteacher and Governors Finance Committee, alerting when budgets are near to the set limit
- o To check all records related to school finance
- o Check all pre and post payroll reports against actual budgets
- o Raise queries with relevant payroll provider
- o Inform the Headteacher of any discrepancies
- o To provide the authority with details of income and expenditure, bank reconciliations and statements of reconciliations to LA Accounts on a monthly basis.
- o To provide the authority with a summary of VAT paid and received on a monthly basis

#### **1.7 Limit for each Budget Area**

The levels of spending for each budget heading including curriculum areas are determined by the Headteacher and Curriculum Manager (Deputy Headteacher) and are approved by the Governing Body Finance Committee at the time the budget is set

#### **1.8 L.A. Financial Regulations and Standing Orders**

- o The school operates within the limits of its delegated budget
- o The school bank accounts will not be overdrawn
- o Recommendations on the last audit report will be implemented
- o All checks of opening and closing down of accounts and the reconciliation to Key Solutions are carried out by the L.B.B.'s School's Accountant & Finance Assistant who act on behalf of the Director of Finance

## **2. Budgets**

### **2.1 Budget Administration**

- o The budget will be set and approved by the whole governing body. When this has been completed the Headteacher will administer the budget regularly. A monthly report in an approved format will be sent to the Chair of the Finance Committee. In

conjunction with the finance officer the Headteacher will check statements of accounts sent by the LA monthly and any errors and omission will be notified to the LA for correction.

- o Individual budget holders (co-ordinators) will monitor their own budgets and liaise with the Head or Finance Officer regarding any discrepancies
- o The allocation of funding is split into four main categories, employees, premises, supplies and services and contracted service and LA buyback.

The responsibilities for budget areas are as follows:

#### Employee Budgets

- |             |  |
|-------------|--|
| o Salaries  | Headteacher  |
| o Virements | Headteacher -<br>up to <u>£5000</u><br>with Chair's approval |
| o Training  | Deputy Headteacher   |

#### Premises

- |                 |                                |
|-----------------|--------------------------------|
| o Contracts     | - Headteacher                  |
| o Maintenance   | - Caretaker/Deputy Headteacher |
| o Capital Items | - Headteacher                  |
| o Insurance     | - Headteacher                  |

#### Supplies and Services

- |                            |                           |
|----------------------------|---------------------------|
| o Main curriculum subjects | Subject Leaders (& TLR's) |
| o Consumable stock         | Deputy head/Admin Support |
| o Office Supplies          | Secretary/Admin Support   |
| o Furniture & Equipment    | Headteacher               |
| o Leasing                  | Headteacher               |

#### Contracted Services & LA Buyback

The Finance Committee must approve the use of monies held in reserve. The Budget should include a Contingency Fund between 5% and 8% of the total annual budget. The school budget is linked to the school improvement plan, which is drawn up by the Headteacher in consultation with Leadership Team, Staff and Governors. This is approved annually by the full Governing Body

### 3. Internal Financial Control

To ensure financial control designated personnel are authorised by the Chair of Governors

- o Authorised signatures are as per the Authorised Signatory List
- o The school contracts 'Finance Matters for Schools' to support with all financial management arrangements
- o Official orders placed by the individual budget holders must be approved by an authorised signatory before being processed. In the absence of the Headteacher and an order needing to be placed an authorised signatory may sign the order. The Headteacher should be made aware of this process. All official orders must be authorised and approved before being processed to ensure sufficient budget available.
- o When goods arrive they are checked against delivery notes and official orders. The designated member of staff (secretary or admin support) will deal with any errors relating to deliveries. Invoices are coded to the appropriate budget heading and recorded on Cash Accounts by the Finance Officer.

- o Cheques and invoices are prepared by the finance officer and sent to the authorised signatories for signing. Designated personnel involved with financial documents including cheques, invoices, orders and receipts are aware that alterations should be made in ink and that Tippex or rubbers should never be used.
- o Documents relating to finance are kept for a period of six years in addition to the current year
- o All accounting records are all kept in the school office, which is locked when not in use. The chequebooks, receipt books and unused official orders are locked away.

#### 4 **Insurance**

- o The school is insured through London Borough Of Barnet and schedules of cover are issued annually
- o Both the premises and the contents are covered under the policy
- o School property such as musical instruments and computers are covered when they are off the premises
- o Any equipment taken off the premises must be logged in to the loans folder, which is kept in the school office
- o If school is receiving services from self employed independent contractors they will be asked to produce current Public Liability Insurance cover of £2million minimum.

#### 5 **Computer Systems**

The school is registered in accordance with the data Protection Act 1998 & GDPR (2018 UK)

- o A log is kept of the back up on RM Finance
- o A back up is taken each time the system is closed down
- o Access for the input of data is restricted to the school Accountant & Finance Officer
- o The computer systems are protected against computer viruses by the Norton antivirus software, purchased through the borough. Only authorised software is used on the system.

#### 6 **Purchasing**

The school is governed by Contract Standing Orders for Schools approved in July 2000

- o Separation of duties is clearly established by the authorised signatory list and this is adhered to
- o No payment will be made to individuals unless they are for goods only
- o Payments to individuals for services will be made through the payroll provider or by cheque on completion of self employed status form (to prove self employment status)
- o Official Z Orders are used for all purchases of goods and services with the exception of utilities or other fixed expenditure. Small miscellaneous items bought using the school's Credit Cards under the value of £50 do not require a Z Order but we do require a printed receipt or other official proof of purchase which will be countersigned by an authorised signatory.
- o Official orders are ruled off below the last item recorded one copy of the order is retained in the office prior to being processed. When orders are placed for services an estimated cost is indicated against appropriate budget allocation so that budget can be clearly monitored.
- o The Governors' Finance & Staffing Committee have agreed that both Deputies shall be issued with Credit Cards which can be used to make everyday purchases or occasional orders that require prepayment. All expenditure must be drawn from agreed budgets and receipts must be submitted to the Headteacher for countersignature who will then pass on to school's Finance Assistant for checking. Both cards have individual PIN numbers and cannot be used for cash withdrawals. There is a monthly limit of £2,500 on both cards.
- o The credit card procedure has been agreed with the Local Authority
- o The only users of the credit cards are the two nominated Deputies. The Headteacher does not hold any credit or debit cards for the school.

- o One deputy uses a secure PayPal account to enable the school to make purchases on the website 'eBay'. This is a very cost effective process. All purchases must be logged and printed out so that the school can verify the legitimacy of all such purchases. These purchases are checked by the Headteacher using the same forms as Credit Card purchases. These purchases are limited to a maximum of £250 unless prior consent is gained from the Headteacher.

## Contracts

When selecting contractors for works, supplies and services

- o £10,000 - £75,000 – three competitive quotations need to be obtained and successful quotes approved by Chair of Governors
- o Over £75,000 invitation by tender in line with LA contract standing orders contained in the Financial Guide for Schools document.

### **6** Payments

- o All staff are aware that when goods are received they should be signed for. When staff sign for goods they know to clearly write down on the delivered note 'unchecked' (U/C)
- o The goods are checked and distributed by the person who placed the order and distributed to the budget holders as soon as possible. The delivery note is checked against the original official order. The designated personnel usually do this.
- o Goods above the value of £250 are listed in the inventory book and the inventory folio number is written on the certification for payment
- o Payment is only made when the original invoice has been received, checked, coded, and certified for payment. Copy invoices can only be paid after rigorous checks have been made
- o The authorised signatories as per the authorised signatory list can only certify invoices
- o When invoices have been paid and authorised they are filed in cheque number order.
- o The person signing the cheque and certifying the invoice should not have signed the original order or checked the goods.

### **7** Personnel

- o From September 1<sup>st</sup> 2010 the school is contracted to 'Strictly Education' for Payroll and Human Resources Support services
- o SE sends payroll information to the school; this is checked on a monthly basis. Any errors or omissions are reported to the relevant service for correction
- o The Secretary notifies SE of any staff changes
- o The Head or Deputy can approve payment and appointment for supply work
- o The Head or the Deputy will sign time sheets
- o Salary printouts are received and checked monthly by the School's Accountant and Headteacher
- o Queries are raised with the appropriate department

### **8** Security of stocks and other property

- o The Headteacher, the Deputy Headteachers, Holiday Club Team Leader and the Caretaker are the only key holders.
- o A school inventory book lists all items over £250. There is a duty to maintain an inventory of all assets with a value in excess of £1000. Any 'disposals' or write offs of equipment worth more than £250 must be agreed and minuted by the Governors' Finance Committee.
- o A loan book is kept for staff to record property take from the premises
- o All write offs and disposals of stock and equipment are authorised by the Finance Committee and approved by the governing body
- o A daily backup disc is made of all work and kept in a fire proof safe overnight. In addition there are two encrypted portable drives for school data and media which

are taken off site every night. The password for access to the office computer is changed regularly and known only by senior staff. The cupboards within the school office, which may contain sensitive information, are kept locked and a key held by the secretary and the Headteacher.

## **9 Income and Petty Cash**

- o The Governors have a charging policy in place; a copy of this is available on request. The policy covers parental contributions for trips and other school activities. Dinner monies (including staff meals) are given to the school secretary who will use the School Meals Application (v1.60) Software to record payments. These figures will be checked and countersigned by the school's office admin assistant each week.

## **10 Lettings**

- o The school has a lettings Policy
- o School lettings are administered by the designated personnel
- o Official LA invoices, booking, acceptances are being issued at the correct time
- o All income is paid into the School Budget Share Account
- o The school does not engage in one-off lettings. Exceptions to be approved by Chair of Finance Committee.

## **11 Banking Arrangements**

- o Authorised signatories are  
The Headteacher, Deputy Headteachers, and Secretary (in emergencies only).
- o Cheques are written for the categories of expenditure detailed on the School Budget Plan
- o Two signatories are required on cheques above the value of £250.
- o The Finance Committee must approve individual purchases above £5000.
- o Cheques are never pre signed
- o When not in use, chequebooks and pre-printed cheques are securely kept in the school safe
- o Bank statements are received monthly and reconciled with accounting records
- o No later than 28<sup>th</sup> February each year the Governing Body must inform the Chief Finance Officer of its preferred option for the forthcoming financial year, arrangements will be put in place that most closely reflect those of the previous year.

## **12 Hospitality**

The school will maintain a budget for general hospitality (EO8HOSP). This will cover general expenses to pay for tea, coffee etc and pay for staff duty meals during inset. This budget will be subject to the same scrutiny, checks and balances as all other expenditure codes. These funds will NOT be used to buy gifts of any kind for staff.

## **13 Voluntary Funds**

The school does not currently hold any voluntary funds

## **14 Whistle blowing**

The school has adopted the LA's Whistleblowing Policy and Code of Practice to be followed by persons working at a school or school governors, who wish to complain about financial management or financial propriety at the school. Complaints can be made to the Headteacher, or Chair of Governors at the school; or, to the Chief Internal Auditor or the Council's Monitoring Officer of the LA, Details of the policy and code of practice of how such complaints will be dealt with are included in the Financial Guide for Schools. The Whistleblowing Policy is included in the Staff Handbook and forms part of the Induction for all staff. A copy of the Policy is kept on the shared area of the school's network.

## **12 Safeguarding/Child Protection**

Schools are required to release staff to attend child protection case conferences and other related events; the costs of which are to be met from the school's delegated budget

### 13 School Meals

From January 2003 all monies collected will be banked into the school budget share account and invoices from caterers paid directly. The school uses bespoke software to record all income from school meals.

Learning Support Assistants have a contractual right to a school meal.

### 14 Responsibility for Repairs and Maintenance

All funding for repairs and maintenance to schools is delegated. Schools are also provided with devolved capital funds and it is expected that these funds be used to implement capital works, which have been identified as priority works in the school's Asset Management Plan.

Signature ..... Chair of Governors  
Date: November 15<sup>th</sup> 2021  
Signature .....Headteacher  
Date: November 15<sup>th</sup> 2021

Review Date – Sept 2022

## Financial Management Policy Procedures

Budget Preparation monitoring and reporting

### 1. Budget Preparation

The Headteacher together with the Chair of the Finance Committee will put together a provisional budget share and an estimated underspend. When the final budget share is received the Headteacher and the Chair of the Finance Committee will meet to adjust the budget in line with the budget share.

The full governing body will meet to consider and ratify the budget. The Chair of Governors will sign the budget and submit it to the LA on the approved School Budget Plan in accordance with the Scheme. This budget will be put onto the Cash Accounts system.

When the previous financial year's accounts have been closed the governing body will determine how this money is to be spent and complete the form, DP12 which is to be sent to the LA.

Monitoring and control must be continuous throughout the financial year. This is an ongoing function and is extremely important, not only in the current year to gauge actual performance, but also to aid future planning and decision-making. To be able to monitor budget effectively, actual expenditure and known commitments must be reported to give budget holders, the Headteacher and Governors a clear view of the overall financial position of the school. Regular reports will be given to all budget holders to enable them to check and control their budgets.

Any variances identified from the reports can be investigated and prompt action taken. Where appropriate virements need to be implemented the approval of the appropriate person must be obtained.

Governing Body or (Finance Committee)

An up to date report will be produced termly for the Governing Body meeting for evaluation. The Governing Body will approve virements and or any spending cuts or increases. The reports will enable to the Governing Body to revisit the Development Plan if any savings are identified.

#### 1.1 Headteacher/Leadership Team

A detailed report will be given to the Headteacher/Deputy Headteacher to enable monitoring of the income and expenditure against the original budget plan. This will enable the Headteacher/Deputy Headteacher to make informed decisions regarding individual budgets.

#### 1.2 Individual Budget Holders/co-coordinators

A regular half-termly report will be given to each budget holder to enable them to monitor their budget. That will be able to identify variances and evaluate their spending plan for the remainder of the financial year. The reports must include income, expenditure and commitments.

#### 2. Payroll Monitoring

The school receives its payroll from the company called Strictly Education. SE sends monthly reports detailing the number of hours gross pay and on costs for each member of staff. These costs are monitored against staffing estimates and timesheets. Overtime and supply claims are checked against timesheets held within the school, Mealtime Supervisors are monitored against the composite time sheets. Any errors or omissions are notified to the SE payroll or personnel department for correction.

Year-end creditors, debtor's payment and receipts in advance are completed and returned to the LA. When the creditors and debtor's appear on the LA report they are checked against the schools records for accuracy.

Each month the schools accounts are reconciled to the LA's statement of account code by code. The budget, income and expenditure are checked for accuracy and the overall position reconciled. Any errors are notified to the LA

#### 3. Virement

The Headteacher monitors and discusses the report from RM with the School's Accountant and makes any budgets virement necessary on a monthly basis. During the course of the year virements maybe necessary from contingency these will be done in line with procedures and with the approval of the governing body.

The Headteacher will be able to authorise a virement up to £5000. Any virement over this amount must be approved by the Chair of the Governing body.

#### 4. Special Projects – Virements

The special projects holding account is to identify commitments for future years. If a project is being delivered or brought forward, a virement must be done to meet the expenditure. The governing body will approve this and the Chair of Governors will sign the virement.

#### 5. Financial returns

The school will send monthly returns to the LA for income and expenditure using an LMS posting summary sheet. The VAT will be claimed using a VAT Posting summary sheet. The school will notify the LA of their current cash position by sending monthly bank reconciliation. The returns will be sent to the LA in line with the schedule of dates sent by the LA.