

Stathern Primary School



'Nurture, Inspire, Discover, Create'

Financial Regulations Policy 2020-2021

Reviewed and ratified at the Finance Committee on: 26/11/2020

Signed:

Signed by Head teacher:

A handwritten signature in black ink, appearing to read 'Kamstra', is written over the text 'Signed by Head teacher:'.

1. Introduction

- 1.1. These financial regulations shall govern the financial arrangements relating to all of Stathern Primary School's finances and accounts and were approved by the Finance Committee on 26th November, 2020.

2. Delegated Authority

- 2.1 Under the Leicestershire's Scheme for Financing Schools, the Governing Body is responsible for the control of expenditure and income in accordance with the delegated budgets and assisting Leicestershire Council in the discharge of its statutory duties.
- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance Committee comprising:
- Mr. Ken Bray
Ms. Sally Camm
Mrs Sarah Cross
Mr Marcus Helps
Mrs. Karen Lambert – Head Teacher
- 2.3 The Head Teacher shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.
- 2.4 The School Administrative Assistant and school Bursar shall assist the Head Teacher in the discharge of financial responsibilities.
- 2.5. The following staff are designated as authorisers of:

(i) Salaries Documentation:

Mrs Karen Lambert	Head Teacher
Miss Helen Widdowson	Senior Teacher
Mrs. Clare Allen	Chair of Governors

(ii) Cheques School Budget

The school has a Bank Mandate stating that

Cheques under £5,000 can be signed by one of the following Mrs. Karen Lambert–Head Teacher, Miss. Helen Widdowson or Mrs Clare Allen - Chair of Governors.

Cheques over £5,000 have to be signed by Mrs. Clare Allen - Chair of Governors or Mr. K. Bray and either Mrs Lambert or Miss. Helen Widdowson.

School Fund – Minimum of two signatures required.

Mrs. Karen Lambert	Head Teacher
Miss. Helen Widdowson	Teacher
Mrs. Denise Waller	Teacher

(iii) Orders

Mr. M. Lee – Head Teacher
Approves and signs

Mrs. L. Shaw
Enters official pre-numbered orders onto FMS.
Checks receipt of goods and services to ensure they match the order and the order is then marked accordingly.

(iv) Invoices

Certification by Head Teacher – Mrs Karen Lambert and entered by Bursar Mrs Liz Parnell

(v) Bank Reconciliation/Cash flows

Certification by Head Teacher – Mrs Karen Lambert and entered by Bursar Mrs Liz Parnell

2.6 However, the Governing Body will remain accountable when governors' financial responsibilities are delegated.

3. Revenue Budget Preparation

3.1 The school's budget timetable for the next financial year shall be as follows:

Autumn Term

- Identify commitments and new plans; agree priorities
- Agree staffing requirements
- Cost first draft of the budget; submit to governing body
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Spring Term

- Outline the budget plan, to be ready by the 12th April
- Adjust the budget to take account of the budget share notified by Leicestershire LA
- Submit to Governing Body for final approval
- Submit final approved budget plan to the LA's Schools Finance Monitoring Team by the 15th May.

3.2 The Finance Committee will ensure that the priorities from the School Development Plan are budgeted for effectively.

3.3 The Head Teacher and Bursar shall prepare the detailed costings and submit them for approval to the Finance Committee.

3.4 All plans and budgets should be regularly reviewed during the year and all significant changes will require the approval of the Finance Committee.

3.5 The Head Teacher shall inform the Local Authority of the school's revenue budget. This information should be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside the budget plan submitted to the LA, corrective action must be taken where possible and the Head Teacher will formally make the LA aware of the school's financial position as soon as practicable.

4. Revenue Budget Control

- 4.1 The Governing Body shall decide how to use the budgets within the cash limit allocated. The Head Teacher will be responsible for the control of spending against budgets. A commitment accounting system is in place to monitor current commitments and liabilities.
- 4.2 As far as possible a budget monitoring report should be prepared monthly for the Head Teacher and Finance Governors and this report should be forwarded to the LA on a termly basis. A bank reconciliation and VAT analysis should be prepared as soon as the bank statements have been received (at least on a monthly basis) and forwarded to the LA. These returns should be prepared by the School Bursar and certified by the Head Teacher. At the end of each term, a monitoring report on Standards Fund Grants must be prepared, for the Head Teacher.
- 4.3 The Head Teacher shall prepare a termly review of the budgets (including Standards Fund) and submit them to the Governing Body for consideration.

5. Virements

- 5.1 Substantial virements shall be approved and minuted by the Governing Body and should be within the agreed criteria and financial limits.
- 5.2 The Head Teacher is given delegated power to vire from one budget to another and shall inform the Governing Body retrospectively.
- 5.3 All virements exceeding £5,000 of the budget shall require prior approval from the Governing Body.

6. Authority to incur capital expenditure

- 6.1 The Head Teacher is given delegated power to incur expenditure up to £5,000 on any single item or issue within the financial year.
- 6.2 All expenditure exceeding £5,000 shall require the prior approval of the Governing Body.
- 6.3 All expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices should be made through the school local payments system and from the school bank account.
- 6.5 All central charges/recharges above £1,000 to the school budgets by Leicestershire LA must be authorised by the Head Teacher.
- 6.6 The Governing Body may borrow money only with the written permission from the LA and the Secretary of State (i.e. external loans or bank overdrafts). The Governing Body needs to seek the LA permission to entry into any arrangement, which commits the school to payments over a period of more than twelve months. Borrowing will include:
 - Finance Leases
 - Credit Arrangements
 - Hire Purchase

7. Local payment systems

- 7.1 The School Administrative Assistant and Bursar shall be responsible for making all payments on behalf of the school.
- 7.2 All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices only.
- 7.3 Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
- An official purchase order has been raised for the purchase
 - That the delivery note has been checked
 - That it is of correct quantity, quality and price
 - That it has not been previously paid
 - That funds are available in the relevant budget
 - That the VAT chargeability on qualifying expenditure is shown
- 7.4 The Head Teacher should carry out selective invoice checking termly to ensure that all sums which the designated staff has certified for payment were legally and properly payable.
- 7.5 The Governing Body is permitted to use their budget share to meet the cost of capital expenditure on the school premises. If the expected capital expenditure from the budget share exceeds £25,000 within one year, the Governing Body will notify the LA and take advice from the Chief Education Officer on proposed expenditure.

8. Orders for good and services

- 8.1 Staff may order goods and services from whatever reputable source they see fit; but will be expected to take into account quality and value for money.
- 8.2 An official order must be made in writing on the school's official order form for all expenditure on goods and services initiated by the school.
- 8.3 Orders must be completed in accordance with the following procedures:
- Authorised by designated staff only
 - Show estimated prices on the order form
 - Sent to the supplier through the School Administration Officer
 - If placed by telephone, written copy of order with estimated prices must be given to the School Administrative Officer
- 8.4 Copies of all orders should be retained in file 'Copies of Official Orders 00/01' until delivery and payment.
- 8.5 On receipt of authorised invoice, Official Orders and Delivery Notes should be attached to invoice and filed in the 'unpaid File 00/01'. Once payment has been made, this should be moved to the 'Paid File 00/01'.
- 8.6 Individual budget holders are not permitted to spend in excess of £200 without the prior approval of the Head Teacher.
- 8.7 Where ESPO is used for procurement of goods and services it is not necessary to seek alternative tenders.

- 8.8 Three written quotes should normally be obtained for all goods and services in excess of £5,000, unless no other equivalent goods or services are available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods.
- 8.9 For building works expected to cost in excess of £5,000, three tenders will normally be obtained.
- 8.10 Where tenders have been obtained a tender form will be completed showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted)
- 8.11 Under the LA's Constitution, all purchases estimated to exceed £50,000 should be put out to formal tender. The Education Finance Service is able to give more advice to schools on tendering procedures where required. Any proposal not to put a contract of over £50,000 out to formal tender should be authorised by the Governing Body. (Advice should be sought from the Clerk to the Governors in relation to reporting requirements, to ensure commercial confidentiality.)
- 8.12 Schools entering into high-value contracts should also be aware of EC procurement regulations.

9. Cash accounts

- 9.1 Small items of expenditure not exceeding £50 will be made from the School Fund Account.
- 9.2 The School Administration Assistant shall ensure that all petty cash payments are properly recorded and authorised; and supported by receipts. This will require prior approval of the Head Teacher or the Deputy Head Teacher.

10. Travel and subsistence

- 10.1 Payment shall be made in accordance with the National Scheme/school rate, as appropriate.
- 10.2 Car user allowances, both casual and essential, will be paid centrally through the private payroll provider who, in turn, will make a return to the Inland Revenue. (Home to office is taxable)
- 10.3 The School Administration Assistant shall inform the Inland Revenue of casual car user allowances for home to base, which are paid locally, at the end of each month.

11. Salaries, wages and pensions

- 11.1 The Governing Body is responsible for the salary and wages costs of all teaching and support staff employed to work at the school.
- 11.2 However, the contract of employment is between the employee and Leicestershire County Council (applies to Community Schools).
- 11.3 The School Administration Assistant must ensure that the school provides the necessary information and returns to its chosen payroll provider to effectively administer the payroll and related staffing procedures.

12. Contracts

- 12.1 The school will enter into contracts for the provision of goods, services, materials and work within the procedures laid down by Leicestershire County Council's Standing Orders, as amended for schools.

13. Contracts

- 13.1 Income should be collected in advance wherever possible to improve cash flow.
- 13.2 The School Administrative Assistant must maintain records of all income received/due; acknowledge receipt of income; and bank all monies promptly and intact into the School's bank account.
- 13.3 The Governing Body has delegated powers to write off debts up to £250. In the case of larger debts, the school must consult with the Head of Education Finance at the LA.
- 13.4 The Governing Body shall approve a charging policy for all income generation.
- 13.5 The school may retain income received from the sale of assets purchased with non-delegated funds. The sale of assets purchased with delegated funds must be decided by the Local Authority, or if the asset concerned is land or buildings forming part of the school premises and is owned by the Local Authority.

14. Bank Accounts

- 14.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 14.2 New Bank accounts may only be opened from the approved list supplied by the LA. New bank arrangements may only be made effective from the beginning of each financial year.
- 14.3 The following procedures must be followed:
- Dual signatories for all cheque payments for the School Fund Account.
 - Cheque signatories are the Head teacher, Class 4 Teacher, Class 2 Teacher
 - The Bursar shall ensure that bank statements are received monthly and reconciled to accounting records
 - The Bursar shall investigate and resolve all discrepancies
 - The School Administrative Officer shall be responsible for cheque ordering and custody of unused cheques
- 14.4 Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
- 14.5 In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
- 14.6 The School Administrative Officer must ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed the £250 covered by the Insurance limit.

15. Carryover of surplus/deficit

- 15.1 Any surpluses at the end of the year will be carried over to the following year.
- 15.2 The Governing Body must inform Leicestershire County Council immediately if a deficit is anticipated in the current year.

16. Trust funds and investments

- 16.1 The Governing Body shall authorise all investment of money under its control. Investment of Building Society and Bank Deposit Accounts shall be in the name of Leicestershire County Council and the school.

17. Leasing

- 17.1 The Governing Body must not enter into finance leases or hire agreements which are, in all but name, still finance leases or sign any lease/hire agreement until approval has been received from the Corporate Resources Department at Leicestershire County Council.

18. Insurance

- 18.1 Insurance will be required for Governing Body; third party liabilities, premises and equipment; and school trips.
- 18.2 The Governing Body must ensure that all insurance cover is adequate
- 18.3 The Governing Body will meet the excess from insurance claims or any losses not covered by insurance. This does not create any personal liability in any part on any individual Governor.
- 18.4 The Governing Body shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The School Administrative Officer will maintain a register of all accidents, losses and incidents.

19. Health and Safety

- 19.1 The Governing Body must ensure that all staff comply with the Health and Safety regulations.
- 19.2 The Head Teacher will report significant injuries to all persons, including staff/parents/pupils/visitors.

20. Protection of Private Property

- 20.1 The Head Teacher must inform all persons concerned that all private property taken onto the school premises will be at the owner's risk.

21. Inventories and stock

- 21.1 The Head Teacher is responsible for the management of the school's assets and will maintain a record of stock receipts and issues.
- 21.2 Curriculum Heads must maintain an inventory of all non-consumable items purchased priced over £250. The inventory must be regularly updated in respect of purchases and disposals. Attractive, portable items having a value over £50 and moveable should also be controlled/monitored.
- 21.3 The Head Teacher should ensure that items that become obsolete or surplus to the school's requirements are disposed of economically.
- 21.4 The Head Teacher shall ensure that stock takes of inventories and stores are undertaken annually in July and certified by him/her.

22. Security

- 22.1 The Head teacher is responsible for the security of the school's premises and equipment.

23. Unofficial funds (School Fund)

- 23.1 The Governing Body shall ensure that all unofficial funds are properly controlled and audited annually.
- 23.2 The Fund Committee exists, comprising the Head Teacher, Governor Finance Committee, to decide on spending priorities and fund raising needs. The functions of the fund committee are managed by the finance committee. This Committee meets on a termly basis. For expenditure under £5,000.00, the agreement of the Head Teacher is sufficient. For purchases over £5,000.00 the approval of the Fund Committee must be obtained.
- 23.3 The Fund has a financial year end of August. The financial statements are audited annually. The Audited Accounts are presented to the Governing Body each year for formal approval in accordance with the LMS Scheme of Delegation.

24. Financial Irregularities

- 24.1 The Head Teacher shall inform Leicestershire County Council (Head of Education Finance or Head of Internal Audit) of any circumstances where a financial irregularity is suspected.
- 24.2 The Governing Body accepts that a suspected financial irregularity exists when:
- Leicestershire County Council's Standing Orders, Financial Regulations (as amended for schools) or the Scheme for Financing Schools are not complied with (whether or not the Council suffers a financial loss)
 - An employee gains unauthorised financial benefit from his/her association with the Council.

25. Internal Audit

- 25.1 The Governing Body must ensure that the Council's internal auditors and external auditors are allowed access to staff, premises and documents, as necessary.
- 25.2 The Governing Body shall discuss all audit reports and agree the implementation of audit recommendations with the Head Teacher.

26. Document retention

- 4.1 The Head Teacher shall ensure that documents are retained for periods in accordance with the requirements of the District Auditor, the Inland Revenue and Customs and Excise.

27. Gifts and hospitality offered

- 27.1 Staff and Governors should be most careful when accepting any form of hospitality or benefits. Their behaviour should always be transparent. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 should be reported to the Head Teacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the college for items other than travel expenses. If gift or hospitality is accepted in excess of £25 then the staff/governor must complete the Declaration of Acceptance form found in the pecuniary interest file (FMSIs D filed in school office)

28. Register of business interests

- 28.1 A register of business interests is maintained by the school. The LA advises that this be completed by all Governors and those staff with significant financial responsibilities. It is suggested that this be cheque signatories, finance staff and those members of staff with specific budgetary responsibilities (e.g. Head of Department, curriculum area leaders). Entries in the register should be kept up-to-date and, in all instances, be reviewed and amended (where relevant) on at least an annual basis. This annual review can be evidenced simply by staff re-signing and dated existing declaration forms, making any amendments as necessary.

29. Computer systems and disaster recovery plans

- 29.1 Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes. Passwords should be changed termly.
- 29.2 The Head Teacher should ensure that data is backed up remotely by LEAMIS each day.
- 29.3 The Head Teacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.
- 29.4 The Head Teacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.
- 29.5 The Governing Body should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.
- 29.6 The Head Teacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

30. Whistleblowing policy

- 30.1 The school follows the County Council Whistleblowing Policy. Governors and staff are aware of the existence of the policy and how to access the procedures.

31. School Financial Standard

- 31.1 The school will adhere to the Financial Value Standard at all times, and ensure that an annual assessment takes place in accordance with the LA timescale.

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

32. Monitoring and review

- 32. 1 This policy must be monitored and reviewed annually by the Finance sub-committee and be presented for approval to the Full Governing Body.

This policy should be reviewed annually by the Finance Committee and presented for approval to the Full Governing Body.

Log of changes and updates to the document:

Date	Page	Change	Approver
16/11/2020	All	Policy reviewed and updated by new Head teacher Change HT details in section 2 Add section 30,31,32	KL
26/11/2020	All	Reviewed	SDC