



West Earlham Infant and Nursery School

Schools Finance Policy

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1. Statement of Intent

At WEINS, the governing board is committed to ensuring sound financial controls are in place and all expenditure is in line with best value principles.

All staff and governors are required to comply with this Finance Policy, which sets out the framework within which the school conducts its finances.

All parties concerned are expected to be aware of their responsibilities with regard to sound internal financial controls. The implementation of the following practices and procedures will ensure that funds are efficiently used to enhance pupils' education.

Aims

All procurement arrangements achieve value for money.

There are sound procedures in place for administering payroll and personnel matters.

All income is identified, and all collections receipted, recorded and banked promptly.

The school is adequately insured against exposure to risk.

The use of petty cash is tightly controlled.

The school provides training in financial administration to relevant members of staff

2. Governors Responsibilities

A list of all governors and their specific roles if relevant are listed below, these are also recorded on the school website.

Sarah Mardell – Head Teacher, School Development, FPP

Jade Hunter – Deputy Head Teacher,

Paul Harker – Chair of Governors, Safer Recruitment, Health and Safety, Performance Management

Susan Newton- FPP, Safeguarding, Safer Recruitment, Performance Management, Looked after children, Sports Premium

Becca Sturgess – Co Vice Chair - Performance Management, School Development

Mahbubur Rahman – Sports Premium, FPP

Martin Smith - School Development

Alex Holland - (Finance, Premises and Personnel Committee)

Rebecca Patterson – SBM, FPP

Sheila Lewis-Smith – Co Vice Chair – Performance Management, Pupil Premium, SEND

Eve Cator – Clerk

The governing Board and committee of the governing Board meet monthly. These are updated as necessary throughout the school year and published on our website. The governing Board agrees, no later than by the end of term, the dates of meetings for at least the next term.

2.1 The governing board has overall responsibility for the management of the school's delegated finances, including the setting of the school budget, which will be spent according to the LA's scheme for financing schools. Specifically, it will be spent:

- For the purposes of the school (usually for the educational benefit of pupils).
- For the benefit of pupils in other schools.

2.2 The governing board will make sure its budget is reflective of the school's educational objectives, and that it is linked to the SDP.

2.3 The governing board is responsible for developing a financial plan which establishes best value principles. This may be done by:

- Using the information gained from school leaders to challenge performance and set new targets.

- Using financial benchmarking to compare expenditure across schools of a similar size, structure and demographic.
- Using performance data to compare attainment across similar schools and against schools nationally.
- Consulting relevant stakeholders on policy developments.
- Ensuring resources and contracts for goods and services are secured in the most economic and efficient way by using fair and transparent quotation and tender processes.
- Working together with other schools to generate efficiencies by pooling funding, jointly purchasing services, sharing staff and facilities, etc.
- Driving up financial efficiencies by committing to appropriately and adequately resourcing CPD for the governing board to ensure governors are skilled in holding school leaders to account for the financial performance of the school.

2.4 The governing board will demonstrate compliance with the value for money requirements of their Dedicated Schools Grant, through the annual submission of the schools financial value standard (SFVS).

2.5 The governing board will identify and request the financial information needed to ensure spending is in line with projections.

2.6 The governing board must ensure that pupil premium and the PE and sport premium are being spent on improving participation and attainment for eligible pupils.

2.7 The governing board should consider information presented by the Head Teacher, school and SBM with regards to financial matters, including when considering the SFVS.

2.8 The governing board is responsible for maintaining an up-to-date register of pecuniary interests annually. Each governor and attendee will declare any interests at the beginning of any full governing board or committee meeting.

2.9 Agreeing draft budgets for the governing Board's approval in time for submission to the Local Authority by 1 May each year.

2.10 All financial appraisals

2.11 Forecasting numbers on roll and future budget shares.

2.12 Monitoring and adjusting in-year expenditure.

2.13 Ensuring accounts are properly closed and reviewing the outturn position.

2.14 Evaluating the effectiveness of financial decisions

2.15 Administering voluntary funds

2.16 And any other responsibilities as set out in the terms of reference for the FGB.

3 Head Teacher responsibilities

3.1 The Head Teacher will be responsible for implementing the decisions of the governing board.

3.2 The Head Teacher will work with the SBM to put together a three-year budget forecast.

3.3 The Head Teacher will work with the area finance officer to draft and monitor the annual budget.

3.4 The Head Teacher will advise the governing board and provide the required information that assists them with developing the school's financial plan and the annual budget.

3.5 The head teacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.

3.6 The head teacher ensures that sound systems of internal control are in place.

3.7 The Head Teacher will be responsible for ensuring that all monies controlled by the school are handled in accordance with LA regulations and sound financial practice.

3.6 The Head Teacher will be responsible for overseeing staff dealing with finances and ensuring that procedures are carried out accurately.

3.8 The administration of financial procedures may be delegated to the SBM or other members of staff, and the details of this delegation will be recorded in the Finance Policy.

4 School Business Manager Responsibilities

4.2 The SBM will provide reports, as requested, on current school accounts to the finance committee and governing board.

4.3 The SBM will make sure that orders, invoices and other financial documents are processed according to established procedures.

5.3 The SBM will be responsible for checking the accuracy of information and providing regular reports to the Head Teacher and governing board.

5.4 The SBM will be responsible for the financial management system and all financial and personnel papers. They will ensure that only authorised staff members have access to personnel files and that arrangements to access their own files are in place – in line with the GDPR and the Data Protection Act (DPA) 2018.

5.5 The SBM will be responsible for maintaining a list of all assets.

5.6 The SBM will maintain a secure list of all bank and building society accounts and the signatories for each.

5.7 The SBM will check monthly bank statements and investigate possible errors.

5.8 The SBM will advise the Head Teacher on matters of financial administration or maladministration.

5 Other Staff Responsibilities

6.1 Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements.

5.2 Staff are responsible for any budget whose management is delegated to them.

6.3 Both teaching and non-teaching staff are encouraged to alert the Head Teacher or Governing Board if areas of concern arise in respect of the schools financial affairs.

6 Finance responsibilities

The Full governing board has responsibilities in the following areas of financial management:

4.1 Agree and monitor a three-year budget plan which is clearly linked to the SDP4.2

4.2 Maintain and review the Finance Policy annually

4.3 Keep in-school financial procedures under review

4.4 Assist with the annual budget for approval by the governing board.

4.5 Tender for contract services

4.6 Monitor the financial position of the school

4.7 Authorise any virement over £3,000

4.8 Review a Pay Policy for approval by the governing board

4.9 Endorse decisions in respect of service agreements and insurance

4.10 Monitor the impact of the planned spending of the pupil premium and PE and sports premium, and ensure spending is compliant with the funding guidelines

7. Financial Planning

Based on the NCC Model Policy. August 2021

To ensure sound financial control, school monies are to be properly monitored in accordance with the requirements of the LA and principles below:

- 7.1 The schools improvement and development plan includes a statement of its educational priorities to guide the planning process. The school development plan states the priorities in sufficient detail to provide the basis for constructing budget plans.
- 7.2 There is a clear, identifiable link between the school's annual budget and the schools improvement and development plan.
- 7.3 For each of the key issues in the schools improvement and development plan, costs and other inputs are identified and budgets prepared.
- 7.4 The schools improvement and development plan is reviewed in the autumn term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.
- 7.5 The school budget is revised after the review of the schools improvement and development plan and resources identified within the budget to deliver the plan's priorities.
- 7.6 The school budget is maintained for the current financial year and at least one further year.
- 7.7 The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget.
- 7.8 The budget and cash flow forecast are profiled in accordance with likely spending patterns.
- 7.9 In the event of a budget surplus this is earmarked for a future specified use.
- 7.10 A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.
- 7.11 All new initiatives are appraised by the FGB in relation to their costs, benefits and sustainability.
- 7.12 The main elements of the budget are fundamentally reviewed within a five year cycle.
- 7.13 Benchmarking information helps to identify priorities.

8 Purchasing

- 8.1 All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.
- 8.2 The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.
- 8.3 Prior approval of the governors is obtained for any expenditure in excess of £3000. Orders are not artificially split to evade this limit.
- 8.4 The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease".
- 8.5 Three written quotations are obtained for any order whose value is estimated between £3,000 and £30,000.
- 8.6 If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.
- 8.7 The official pre-numbered orders are used for all services except utilities, rent, rates, petty cash and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.
- 8.8 Individuals will not use official orders to obtain goods or services for themselves.
- 8.9 All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories.
- 8.10 The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.
- 8.11 Each order placed is entered in the school's financial system as a commitment.
- 8.12 The school checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. Evidence of this is provided by the use of rubber stamps approved by

Norfolk Audit Services. The other checks indicated on the stamps are also carried out. These checks are not done by the person who signed the order.

8.13 Payment is made within the agreed time limits after certification by an approved signatory.

9. Budget Monitoring

- 9.1 The Head Teacher produces monthly monitoring reports, which include committed expenditure.
- 9.2 The SBM provides the monitoring report at relevant FGB meetings together with the head teacher's written report thereon. The report takes the form of Norfolk's budget pro forma.
- 9.3 The head teacher identifies and recommends to the FGB appropriate remedial action for budget variances.
- 9.4 The head teacher recommends to the FGB how to *vire* any in-year underspends in excess of £3000. (The head teacher is authorised to vire amounts up to £3000)
- 9.5 The head teacher monitors expenditure on initiatives in the school improvement and development plan.
- 9.6 Holders of devolved departmental budgets are supplied with monthly monitoring reports. The head teacher monitors devolved budgets and agrees remedial action plans where necessary.
- 9.7 An invoice is not authorised for payment by the person who signed the order nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.

10 FINANCIAL CONTROLS

- 10.1 A written description of all the school's financial systems and procedures is maintained. These are kept up to date and all appropriate staff trained in their use.
- 10.2 The head teacher has secured contingency arrangements to ensure that financial control can be maintained in the absence of key staff. These arrangements are the purchase of enhanced financial and professional services.
- 10.3 The head teacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.
- 10.4 The school maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.
- 10.5 Documents relating to financial transactions are retained in line with the LA's recommendations.
- 10.6 All records are securely stored and access allowed only to authorised staff, ie
 - Sarah Mardell –Head Teacher
 - Jade Hunter – Deputy Head Teacher
 - Rebecca Patterson- School Business Manager (Viv Lavender during the period of Rebecca Pattersons maternity leave)
 - Jo Woodman – School Secretary
- 10.7 Where there is a requirement to account separately for earmarked funding the head teacher ensures this is done and that money is spent on its intended purpose.

11 INCOME

- 11.1 The full governing Board approves the school's charging policy and reviews it annually.
- 11.2 Proper records of all income due including Nursery Fees are kept.

- 11.3 Lettings are approved by the head teacher in accordance with the governors' policy and recorded in the lettings register. (The school does not currently let its premises).
- 11.4 The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.
- 11.5 Where appropriate official pre-numbered receipts are given for all cash collected. Other formal documentation is kept for other income. Receipts are kept securely and in order.
- 11.6 Pending banking, cash and cheques are locked away or safe, as per insurance limits.
- 11.7 Income is banked promptly and in full. Paying-in slips show the analysis between cash and cheques and cheques are individually listed. Income is not used for making any payment or for cashing personal cheques.
- 11.8 Income recorded in the accounts is reconciled monthly with the bank statement.
- 11.9 Where invoices are required, they are issued within 30 days.
- 11.10 The school sends a first reminder for any unpaid invoice after 3 weeks, a second reminder after 6 weeks and a final reminder after 9 weeks. Legal action is considered if a further 14 days lapse. Debts are written off only in accordance with the school's bad debt policy.
- 11.11 Any cash transfers between staff are recorded and signed for.

12 BANKING

- 12.1 For official funds, the school banks with Barclays. The bank account name is Norfolk County Council West Earlham Infant School – Imprest Account. Account number 50331120.
- 12.2 Bank reconciliations are completed monthly and any discrepancies resolved.
- 12.3 The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process.
- 12.4 The person completing the reconciliation is not responsible for processing receipts and payments.
- 12.5 Staff never use their private bank accounts for any receipt or payment due to or from the school budget.
- 12.6 The school's banker has been advised that the school is not allowed to go overdrawn or negotiate overdraft facilities.
- 12.7 The school is not allowed to enter any loan agreement except with the LA. (This does not apply to loans pre-existing at 1 April, 1999).
- 12.8 Each cheque is signed by two authorised signatories and supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed. Only manuscript signatures are allowed.
- 12.9 All cheques are crossed 'account payee'. Cheque books are stored securely when not in use.
- 12.10 Where schools use online payments through their bank:
Head teachers must ensure that the correct staff are assigned the access rights within the banking online system that is appropriate (considering separation of duties) and ensure that these are kept up to date i.e. staff leavers.
- 12.11 Online user ID/cards/Pin numbers are specific to named staff and must not be shared with others.
- 12.12 Schools must adhere to the policies laid down by their banker in respect of online payments and ensure that the Data Protection Act is not breached in regards to holding suppliers bank information.
- 12.13 Supporting vouchers are made available to each authoriser to safeguard against inappropriate expenditure

For BACS Payments

12.14 We will ensure in the process of BACS (Bank Automated Credit System) payments that there is a clear, strict separation of duties. Each BACS payment batch is signed by an authorised signatory and supporting vouchers are made available to the signatory to safeguard against inappropriate expenditure. The BACS Creator and BACS Authoriser must not be the same person.

Each BACS payment will generate a remittance document, which will be sent to the supplier, either by post or by email, to notify them of their payment having been sent.

12 PAYROLL

12.1 Personnel procedures, including appointments, promotions and terminations are supervised by the FGB.

12.2 The head teacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.

12.3 The head teacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.

12.4 Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.

12.5 Only the following authorised staff are allowed access to personnel records

Sarah Mardell –Head Teacher

Jade Hunter –Deputy Head Teacher

Rebecca Patterson- School Business Manager (Viv Lavender during the period of Rebecca Patterson's Maternity Leave)

Jo Woodman – School Secretary

12.6 Arrangements have been made for staff to access their own records. These are from the head teacher or school secretary

12.7 Payroll transactions are processed only through the payroll system; this includes the payment of all expenses and benefits.

12.8 The head teacher maintains an up-to-date list of teachers and other staff employed at the school. This is held on the schools and county hall personnel department database and is amended, as necessary, on a monthly basis. This forms part of the Schools Single Central Register.

The monthly reports on payroll transactions are checked against the schools' budget working papers to ensure they match.

13. PETTY CASH

West Earlham Infant and Nursery School does not use petty cash

14. TAX

14.1 The head teacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the school any penalties imposed on it arising from an error by the school.

14.2 Proper VAT invoices are obtained for all transactions involving VAT.

14.3 The LA's VAT manual for schools gives details of accounting for VAT and is adhered to by the school.

14.4 All payments falling within CIS are made in accordance with the LA's agreed procedure.

15. VOLUNTARY FUNDS

West Earlham Infant and Nursery School does not deal with voluntary funds

16. ASSETS

16.1 The head teacher ensures that stocks are maintained at reasonable levels and are checked physically at least once a year.

16.2 An up-to-date inventory is maintained of all items of equipment. Those that are portable, valuable and desirable are identified as school property with security marking.

16.3 The inventory is checked at least once a year, in the summer term.

16.4 The inventory is signed as evidence of the check having been undertaken.

16.5 All discrepancies are investigated and any resulting in a loss of £100 or more will be reported to the governors. Any loss exceeding £500 will be referred to the Head of Children's Services (Finance & ICT).

16.6 Whenever school property is taken off site, e.g. musical instruments/computers, they are signed for and the register noted accordingly. The register is held in the school office.

16.7 The governors have approved a policy in relation to redundant equipment.

16.9 The safe is kept locked and the keys removed and held elsewhere.

16.9 The school's asset management plan is supervised by the governors' Finance, premises and personnel committee.

17. INSURANCE

- A. The school reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager.
- B. The governors consider whether to insure against any uncovered risks.
- C. The school will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance.
- D. The school will not give any indemnity to a third party.
- E. The school will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.
- F. Insurance will cover the use of school property when off the premises, e.g. musical instruments/computers.

12 DATA SECURITY

- A. Computer systems used for school management are protected by password security. Passwords are changed frequently and more frequently in the event of staff changes.
- B. All data is backed up daily and the back-ups stored in a secure fireproof location.
- C. The head teacher has established a contingency plan for recovery from an emergency, this forms part of the schools Business Continuity Plans.
- D. Only authorised software is installed on any school computer to safeguard against computer viruses.
- E. The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 2018, and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.

13 PURCHASING CARD

A. A purchasing card is held by the following people:

1. Sarah Mardell –Head Teacher

i. Monthly Limit: £1500

ii. Transactional limit: £600

2. Jo Woodman – School Secretary

i. Monthly Limit: £3000

ii. Transactional limit: £600

B. The cards are used to purchase provisions for Early Start Club, alongside travel and accommodation payments. All procedures issued by county hall in relation to the use of this card are followed.

Supporting Policies:

- Redundant Equipment – due for review 1.9.2022
- Charging Policy – due for review 1.6.2022
- Bad Debt Policy – due for review 1.10.2022
- Nursery Fees Policy – due for review 1.6.2022

Approval

This policy has been reviewed in line with the 2010 Equality Act and Public Sector Equality Act. Due regard has been given to Equality.

This policy has been adopted in **October 2021**. The date of the next formal review will be **October 2022** and every year thereafter, unless statutory legislation changes.

Policy approved by the **Full Governing Board** of West Earlham Infant and Nursery School.