



Bladon C of E Primary School

Finance Policy & Financial Manual of Guidance (F02)

Reviewed: January 2016

Next Review: January 2019

Authorised by:

Approved by:

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(Tracey Fletcher, Head Teacher)

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(Ray Banks, Chairman of Governors)

Purpose:

To define financial roles and responsibilities within the School: to provide guidance on the application of regulations: to identify procedures to ensure integrity of internal controls: and to set out guidelines to ensure effectiveness of resources.

This document summarises the procedures adopted by the Governing Body in order to discharge its responsibilities for the sound financial management of the School within the financial regulations and standing orders that may be in force, and scheme for the local management of schools issued by Oxfordshire County Council (OCC).

Roles & Responsibilities:

The Governors shall plan the School finances via the Resources Sub-Committee for the approval and implementation of an annual budget based on the School Improvement Plan, its aims, objectives, priorities and the financial position of the School.

The roles of the Governing Body in relation to its financial obligations are:

- To meet at least once per term.
- To approve the School's annual revenue budget.
- To approve any capital expenditure greater than £10,000.
- To formulate an appropriate strategic plan in support of the School Improvement Plan.
- To receive, review and give guidance on periodic financial monitoring reports.
- To set the terms of reference for the Resources Committee and all other committees.

The Resources Sub-Committee (RSC) shall consist of:

- Three Governors appointed by the Governing Body
- The Head Teacher,
- The Office Manager who shall also provide Clerking duties.
- A quorum shall be any two Governors, the Head Teacher and the Office Manager.

The role of the RSC in addition to Terms of Reference defined by OCC regulations is:

- To review the School Improvement Plan and advise Governors of its affordability.
- To review on a regular basis, at least once per term, the status of the School's financial performance to ensure it is maintained within budget and to determine any corrective action that may be necessary and to ensure that appropriate tools are in place to achieve those actions.
- To review the School's staffing structure and pay scales taking into account Staff Pay Policy (S04) and any relevant budget guidelines or constraints.

- To review and maintain finance related policies including charging and letting.
- To ensure that processes are in place for the prompt and accurate recording of all financial transactions on the School's accounting records, ensuring that sound systems of internal control are used that enables the proper processing of the School's transactions.
- To review financial procedures periodically and to ensure that any identified weaknesses are addressed.
- To ensure that all insurance cover meets statutory requirements in particular:
 - Buildings & Contents
 - Employers & Public Liability
 - 'Engineering Insurance' (breakdown cover excluding wear & tear; sudden and unforeseen damage: explosion & collapse cover)

The role of the Head Teacher is:

- To be responsible for the correct day-to-day operation of financial procedures in the School as defined herein and to provide the RSC and Governors with information and guidance to enable them to carry out their strategic roles.
- To ensure accurate records of income and expenditure are maintained in line with the local authority's accounting procedures.
- To ensure the correct level of authority is given to the raising of orders; payment of invoices; overtime and other discretionary changes to staff salaries.
- To ensure that sound controls are maintained over:
 - Ordering and payment processes.
 - Staffing costs,
 - The School's equipment and assets.
 - The collection, recording and accounting of all income.
 - The School's bank accounts.
- To ensure that School staff receive appropriate financial training to carry out their duties effectively.

The role of the School's Office Manager is:

- As defined in the incumbent's job description and:
- To be responsible to the Head Teacher for the sound day-to-day running of the School's financial processes and procedures and for working to local authority guidelines and regulations that may be in force.
- To maintain a Register of Pecuniary Interests for the Governors and Staff.
- To provide regular Budget Monitoring reports with any variances highlighted for discussion and appropriate action. Monthly budget monitoring reports, comprising of each cost centre will be provided to the Head Teacher and the RSC who shall provide appropriate reports to the full Governing Body.

The Head Teacher has the authority to vire between accounts during the course of the year provided the total budget amount is not exceeded.

Application of regulations:

Governors have statutory responsibility for the oversight of financial management as laid down by national and local government acts and guidelines that may be in force. The regulations setting out the financial management of schools are found in:

- The Education Reform Act 1988.
- The School Standards and Framework Act 1998.
- The Local Government Act 1972
- Detailed guidelines are contained within the Oxfordshire County Council website.

Integrity of internal controls:

Authority levels to incur expenditure and make payments that are consistent with the revenue budget and capital budget shall be as follows:

- Head Teacher: up to £5,000 revenue; up to £10,000 devolved capital.
- RSC has approval authority for revenue items exceeding £5,000 and capital items exceeding £10,000 up to £25,000.

In addition the Head Teacher and Resources Committee shall jointly ensure that:

- Appropriate local authority services (e.g. Payroll) are properly used.
- All cost centre transfers are within authorised levels.
- Cheques drawn for £500 or more must be authorised by two signatories.

Guidelines to ensure effectiveness of resources:

The Head Teacher, Office Manager and RSC shall maintain a policy of Best Value for all purchases on behalf of the Governors. All purchases will be made through the School's ordering system. The Office Manager shall keep records of all purchases made including quotations received but not accepted together with the reasons. The policy of Best Value will be applied using the following principles:

- Challenging how a service or supply is provided and why it is required.
- Comparing performance with other schools.
- Consulting with relevant stakeholders.
- Competing as a means of securing efficient and effective services and supplies.