

**PEOPLE (CHILDREN'S SERVICES)**

**DEVON HOSPITALS SHORT STAY SCHOOL**

**FINANCE POLICY**

This statement sets out the Managers' policy on the management of finances within the school. It applies to all funds delegated or devolved within the provisions of the Schools Standards and Framework Act 1998.

1. The Managers have overall responsibility for securing the efficient and effective administration of the school and its resources. Accordingly the Managers regard proper control of the school finances as being of utmost importance. The Managers endorse and have adopted the principles of good practice contained within the Financial Regulations.
2. All staff involved in financial transactions are required to be fully aware of, and to comply with these requirements.
3. There are two main strands to this:-
  - Operational Control over spending and income collection
  - Monitoring and control of the budget
4. The Head teacher is accountable to the Managers for the exercise of delegated authority and in turn staff are accountable through their line management to the Head teacher. Staff must not exceed their delegated authority which must only be exercised within the above framework of overarching rules and school policies and will be held accountable for their decisions and actions. Any matter of financial consequence shall be drawn to the attention of the Management Committee in a timely manner.
5. All financial dealings are to be conducted
  - In a framework of openness thereby allowing proper scrutiny and evaluation and
  - With absolute integrity and regard for the good reputation of the school.
6. Proposals for the deployment of financial resources shall be properly supported and each proposal shall demonstrate Best Value and its sustainability in the light of the resources likely to be available.

7. The regular comparison of spending against budget is intended to highlight those areas where the budget is under pressure to enable effective remedial management action and to identify those areas where resources may be released to further un-resourced elements within the school development plan. This process should take place at two levels.
  - Formal reporting to Managers
  - Ongoing Internal monitoring
  
8. The Managers regard the passage of timely and accurate information as being central to the success of their policy. With the ongoing support of the School Administrator, the Headteacher is responsible for putting suitable arrangements in place to ensure the financial data within school are both up to date and accurate so that any member of staff responsible for control of a budget can have an accurate position statement upon request. Internal monitoring is to take place not less frequently than monthly. Separate statements for each fund are required.
  
9. The Headteacher is responsible for ensuring regular monitoring of all budget lines and formal reporting to Managers. Formal reports with explanatory commentaries including information about changes in non financial data (e.g. pupil numbers) are required to be circulated no less than 7 days in advance of the relevant meeting. It is essential that the forecast year end position together with the implications for at least the next two years is kept under ongoing review.
  
10. Where routine budget monitoring reveals budgetary pressures requiring urgent attention which cannot await the next programmed meeting the Headteacher shall notify the Chair of Managers with a view to a meeting being convened.

The tables below set out the delegated authority and responsibilities of individuals together with the frequencies at which tasks and reports must be completed.

This policy was approved by the Management Committee on 21<sup>st</sup> November 2016.

and is signed on its behalf by Linda Chapman, Chair .....

## Table of Responsibility for Policy Review

Function	Local Authority	Managers	Headteacher	Administrator/ Clerk to Govs
<b>Finance Policy</b>				
Prepare			√	
Approve		√		
Initiate annual review				√
<b>Managers Expenses</b>				
Initiates Annual review				√
Recommendations			√	
Approve		√		
<b>Personnel: annual review of salaries</b>				
Initiates Annual review			√	
Recommendations			√	
Approve		√		
<b>Purchase of Services</b>				
Initiates review				√
Recommendations			√	
Approve			√	
<b>Appointment of Auditors</b>				
Initiates review	√			
Recommendations	√			
Approve		√		

## Table of Delegated Authority/Responsibility

Function	Local Authority	Managers	Headteacher	Administrator/ Clerk to Managers
Comply with Financial Regulations	√	√	√	√
Comply with Minimum Standards	√	√	√	√
Ensure separation of duties			√	A
Ensure internal controls operate correctly	√	√	√	√
<b>3 Year Development plan: updated annually</b>				
Prepare including costings (new + next 2 yrs)			√	√
Sets spending priorities		√	√	A
Approves costed items for new year budget		√	√	
Review plan outcomes		√	√	A
<b>Annual Revenue Budget</b>				
Prepare			√	√
Approve		√		
Monitor	√	√	√	√
<b>Register of Interests</b>				√
<b>Register of Eligibility to Serve</b>				√

### Key to all tables

Frequency	Functions	Notes
O = Ongoing	O = Oversee	# Substitute name of fund or budget holders
W = Weekly	S = Supervises	£ Insert individual limits
M = Monthly	R = Reports	
H = each half term	C = Co-ordinates	* Acts within delegated powers and if required
T = Termly	√ = does	
Y = as soon as possible after Year-end	A = Assists as required	

## Table of Delegated Authority

Function	Local Authority	Managers	Chair of Managers	Headteacher	Administrator/Clerk to Managers
<b>Spending decisions</b>					
Authorise appointment of staff/contracts	√	√			
Authorise payroll forms				√	A
Authorise spending on approved costed items provided in current year's budget. *				√	A
Subject to DCC limits authorise spending on other items (non routine / not identified in plan) *	√		√	√	
Accept formal quotations *				√	√
Receive goods				√	√
Verify invoices				√	√
Authorise invoices for payment (2 <sup>nd</sup> signatory)				√	
<b>Petty Cash</b>					
Petty cash authorise payments				√	√
Sign Petty cash cheques			√	√	√
Ensure correct attribution of costs				√	√
<b>Income</b>					
Cash receipting					√
Approve writes off	√	√		R	
<b>Virement</b>					
Authorise virement	√	√		√	

\* Subject to compliance with Governors Best Value requirements.

	Local Authority	Managers	Chair of Managers	Headteacher	Administrator/Clerk to Managers
<b>Asset protection</b>					
Security of Property & assets	√			√	
Security of Cash					√
Data protection registration				√	
Compliance with data protection rules		√		√	
Maintain back-up of data	√				
Maintain security of data	√				
Maintenance of Inventories				√	
Checking and certification				√	

### Table of Delegated Authority

### School fund/non public funds

Function	Local Authority	Managers	Chair of Managers	Headteacher	Administrator/Clerk to Managers
<b>School fund/non public funds</b>					
Appoint auditor		√			
Set objectives		√			
Custody and control of fund				√	√
Receive management reports		√			
Presents accounts for audit (within 1 month of period end)					√
Receive audit reports and certificate (within 3 months of period end)		√			
Authorise spending: routine recurrent items				√	
Authorise spending on other items				√	
Authorise bank accounts & signatories				√	√

For schools not operating school or other non public funds this page should be deleted.

### Responsibility for Budget Monitoring

	Managers	Headteacher	Administrator
	Frequency	Frequency	Frequency
Maintenance of records			W
Download of Data			W
Reconciliation of Data			M
Updates forecasts & resource forecast model			M
Monitoring of budget lines/cost centres		M	M
Maintain forecast of year-end position		O	M
Initiates management action*		O	
Prepares formal budget monitoring statement for each fund		M	M
Prepares commentary		T	T
Presents updated resource forecast model		T	
Receives report	T	H	
Initiates management action*/makes recommendations to Governors		O	
Amend Development Plan (if req)		T	
Outturn report	Y	Y	Y