

West Exmoor Federation



Finance Policy

Reviewed in July 2017

Finance Policy

This statement sets out the Governors 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 Governors have overall responsibility for securing the efficient and effective administration of the school and its' resources. Accordingly, the Governors regard proper control of the school finances as being of utmost importance. The Governors endorse and have adopted the principles of good practice contained within
 - Minimum Standards
 - Financial Regulations
 - The LMS scheme
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 Headteacher is accountable to the Governors for the exercise of delegated authority and in turn staff are accountable through their line management to the headteacher. 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 Governing body 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 Governors
 - Ongoing Internal monitoring
8. The Governors regard the passage of timely and accurate information as being central to the success of their policy. 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 staff identified as budget holders within this document are responsible for controlling those aspects of the budget and ensuring that the Headteacher is kept fully informed of spending against budget.
10. The Headteacher is responsible for ensuring regular monitoring of all budget lines and formal reporting to Governors. 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 the next three years is kept under ongoing review.

11. Where routine budget monitoring reveals budgetary pressures requiring urgent attention which cannot await the next programmed meeting the Headteacher shall notify the Lead Governor of the Finance Group 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 governing body in July 2017

Table of Delegated Authority/Responsibility

Financial Management

Function	Governing Body	Chair of Governors	ResourcesLead Governor/committee Member in absence	Premises Group	Nominated Govs	Headteacher	leadership team in the absence of Headteacher	Administrators	Clerk to Govs						Scheme	Finance Manual
Comply with Financial Regulations	√	√	√	√	√	√	√	√	√	√	√	√	√	√	2.00	13.1/57.3
Comply with Minimum Standards	√	√	√	√	√	√	√	√	√	√	√	√	√	√	2.11	21 12.3.2
Ensure separation of duties	√					√	√	A								App1
Ensure internal controls operate correctly	√		√			√	√	A								App1
Ensure Governors Policies are complied with	√	√	√	√	√	√	√	√	√							
3 Year Development plan: updated annually																
Prepare including costings (new + next 2 yrs)						√	√	A								3/1.3.4
Sets spending priorities	√		√													
Approves costed items for new year budget	√		√													
Review plan outcomes	√					A	A									4.2
Annual Revenue Budget																
Prepare						√	√									1.3.2
Approve	√		R													1.3.3
Monitor	√		√													1.3 3+4.3
Register of Interests									√						2.9	13.4+AppA P33
Register of Eligibility to Serve									√							1.5.3

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	

Responsibility for Budget Monitoring.

		Governors		Resources Lead Governor/ Committee Member in absence		Headteacher Plus the leadership team in the absence of HT		Administrators		Budget Holders	Scheme	Finance Manual
		Frequency		Frequency		Frequency		Frequency		Frequency		4.3
Maintenance of records					S		√	W				App1
Download of Data					S		√	W				App1
Reconciliation of Data					S		√	W				App1
Updates forecasts & resource forecast model					S		√	M				4.2 4.3
Monitoring of budget lines/cost centres					C	M	A		√	M		4.2 4.3
Maintain forecast of year-end position.					√	O	A					4.2 4.3
Initiates management action*					√							4.2 4.3
Prepares formal budget monitoring statement for each fund					√	H	A	H (Minimum)				4.2 4.3
Prepares commentary					√	H	A	H (Minimum)		A		4.3.15
Presents updated resource forecast model					√	H		H (Minimum)				
Receives report			√			H (Minimum)						4.3.15
Initiates management action* /makes recommendations to Governors			√									
Receives report	√	T										4.3.15
Amend Development Plan (if req)	√											4.3.15
Outturn report	√	Y			√	Y	A					4.3.15

Table of Delegated Authority

Financial Administration

	Governors	Resources Lead Governor/Committee member in	Nominated Govs	Chair of Governors	Head teacher	leadership team in the absence of Headteacher/	Administrators	Clerk to Govs	Scheme	Finance manual
Spending decisions										
Authorise appointment of staff/contracts	√	R								App 2
Authorise payroll forms				√	√	√	√ A			
Authorise spending on approved costed items provided in current years budget.*					√	√	£1,000			
Subject to DCC limits authorise spending on other items (non routine /not identified in plan)*		£1,000			2% of overall annual budget	2% of overall annual budget	£1,000			
Open tenders			√						2.10	7.5
Accept tenders			√		√	√			2.10	7.18
Evaluate tenders			√		A	A			2.10	7.18
Accept formal quotations*		√								
Receive goods					√	√	√		2.10	7.18
Verify invoices							√			7.24
Authorise invoices for payment.(2nd signatory)					√	√				7.24
Petty Cash										App1
Petty cash authorise payments					√ £500	√ £500	√ £500			
Sign Petty cash cheques					√ £500	√ £500	√ £500			
Use of Credit/Procurement Card					√ £500	√ £500	√ £500			
Ensure correct attribution of costs					√ S	√ S				
Income									5	
Cash receipting							√		2.1.6	9.6.4
Approve writes off	√	R			√ £100	√ £100				10.5.4
Virement										10.5.5
Authorise virement	√	5% of overall annual budget AOT			2% of overall annual budget				2.5	

*Subject to compliance with Governors Best Value requirements.

Current Maximum Spending limits <http://www.devon.gov.uk/fitschoolfinancemanualsection7.pdf>

Asset protection	Governors	Resources Governor/committee member in absence	Nominated Gobs	Chair of Governors	Headteacher	leadership team in the absence of Head teacher	Administrators	Clerk to Gobs			Scheme	Finance manual
Security of Property & assets					√ S	√ S	√				2.1.4	10.2
Security of Cash					√ S	√ S	√					9.6.4/10.3
Data protection registration					√ O	√ O	√	√				10.8
Compliance with data protection rules					√	√	√	√				App1 9.6.3
Maintain back-up of data					√ O	√ O	√	√				10.6
Maintain security of data					O	O	√	√				10.6
Maintenance of Inventories					√ S	√ S	√					10.5
Checking and certification					√	√						10.5

PROCUREMENT

The Governors require that all purchasing decisions are made after adequate market testing or research.

Quotations and tenders as appropriate are required as shown below.

A note of verbal quotes for lower value items should be made and retained.

General

As per Finance Manual, Value for Money must be obtained and proven via an audit trail.

Devon Purchasing & Consortium Orders

By their very nature these provide VFM because research for “best value” is undertaken by them. Therefore, **any order for any amount** meets Governors’ requirements for VFM. **No evidence is required.**

Estimated value of goods or services	Number of quotes required
Over £1,000 - £2,500	Minimum two verbal quotes required and recorded
Over £2,500 - £10,000	Minimum three written competitive “quotations”
Over £10,000 - £50,000	Minimum three formal “quotations”
Over £50,000	Minimum four “tenders” . County Procurement Service to be used to comply with all financial regulations ie tenders required, etc.

Tenders must be managed to comply with specific tender procedures set out in “Finance for Schools”.

Exceptions to the above table

The above actions/limits will not apply where the school is purchasing via “special schemes” e.g. where books, materials are additionally purchased to add to existing stock of a special scheme. Special schemes purchase e.g. “Abacus” will be purchased on educational value not financial value.

A further exception is where a provider is the only known supplier, after reasonable enquiry has been made.

