



# Hunsbury Park Primary School

## Financial management policy and scheme of delegation

## **1. AIMS**

The Governors of Hunsbury Park Primary School believe that sound financial management policies are essential to the fulfilling of their statutory duties under government legislation. Sound financial management is achieved by:

- Defining the financial roles and responsibilities of staff and Governors under the Financial Management Standard in Schools Procedure.
- Providing a framework to ensure consistently high standard of education is maintained for their pupils within the available resources.
- Preparing the budget in accordance with the identified properties of the School as identified in the Self Evaluation Form and School Development Plan.

## **2. ORGANISATION FOR RESPONSIBILITY AND ACCOUNTABILITY**

### **A. INTERNAL FINANCIAL CONTROL**

#### **DELEGATED BUDGET**

All Governors of the school have a collective responsibility for actions agreed in accordance with their own Standing Orders and regulations. Joint liability exists for such actions within the terms of the Education Act 1988. The Governors and Head Teacher are responsible for the proper financial management and probity of their school.

If it is suspected that money or property of the school has been stolen or misappropriated, or that a financial irregularity has occurred, the governors and/ or Head teacher must immediately report this matter to the Director for Children, Customers and Education and the Managing Director of LGSS . Reference should also be made to the school's Whistle Blowing Policy.

The Governors have delegated day to day spending authority within the approved annual budget for the School to the Head Teacher. Teaching Staff placing orders should ensure that there is sufficient money within their budget and Order Requisitions follow school procedures.

A Government Procurement Card has been delegated to the School Business Manager for use with Internet Purchases and the procurement of stamps etc. An account limit of £3,000 per month/£500 per transaction has been allocated and must be reconciled with each statement.

A register of Governor pecuniary interests must be maintained and available for inspection by governors, staff and parents. Any change in Governor's pecuniary interests must be reported immediately to the Chair of Governors.

#### **ORDERS**

All orders must be raised through ACCESS onto official order stationery and must only be made where there is sufficient budgetary provision. Orders may be placed by any authorised person (Head Teacher or School Business Manager)

Orders placed orally should immediately be placed on ACCESS and the printed order marked accordingly.

On receipt of goods, the delivery is checked against the consignment note and original order. The invoice is passed to the School Business Manager for payment, where a check is made on goods delivered, quantity and price. The invoice is then signed as correct and passed to the Headteacher, before payment is processed.

## **PAYMENTS**

The School Business Manager then prepares BACS payment run through Barclays.

Cheques must be signed by two authorised signatories (DY/MR/KO/JD), one of whom should normally be the Head Teacher. Three Signatories are required for Cheques over £5,000. Any cheque over £20,000 must also be countersigned by the Chair of Governors, Vice-Chair or Chair of Finance.

The BACS payment run is to be prepared by the School Business Manager and imported into Barclays.net online. The BACS Run Report is then given to the Head Teacher, who has their own Log in to Barclays.net and they will then authorise the payment run online. The Head Teacher and School Business Manager are to sign the BACS Run Report to ensure the payments, are for the correct amounts and made payable to the correct person.

## **PETTY CASH**

Petty Cash – An arrangement has been made for cash facilities at Barclays Bank for a maximum sum of £300 to be cashed.

The maximum to be held at school at any one time is to be £300 per account and this is to be locked in a secure place whenever the premises are vacant.

Petty Cash may be used to reimburse any member of staff who makes a purchase on behalf of the school, they are requested to pay by cash only, to enable the VAT to be able to be re-claimed.

A Petty cash voucher must be signed by the Head Teacher for all transactions and retained with the remaining cash float until reconciled.

When the bank statement is received (normally monthly) all cheques must be reconciled on ACCESS.

## **QUOTES AND TENDERS**

As HPPS is a PFI school there is limited need to arrange for completion of work outside of the PFI agreement. Where work is required and is not covered by the PFI agreement the following rules apply;

Under £1,000 quotations are sought at the discretion of the Head Teacher. For items £1,000 to £10,000 two quotations are required from independent suppliers. Items over £10,000 require three quotations.

Between £10,000 and £20,000, requires a minimum of three tenders. Three tenders are required for items over £20,000 unless Governors decide otherwise, in which case the consent of the Director of Schools must be received.

The exception to this rule is the procurement of IT equipment, where HPPS have a preferred supplier. However best value is always sought, and price comparisons are made.

Unforeseen items over £5,000 should be brought to the attention of the Chair and be placed on the agenda for the next Committee or full Governors Meeting.

#### **B. THE DATA PROTECTION ACT**

The school is registered under the Act.

#### **C. VIREMENTS**

The Head teacher may make provisional virements of up to £5,000 at any one time, subject to reporting these back to the next Finance Committee meeting for formal confirmation.

All other virements are to be approved and minuted by the Finance Committee for the information of the full Governing Body.

#### **D. BACK UP PROCEDURES**

The school server is backed up on a daily basis with an additional back up completed at the end of each term. One back up tape is held off the premises with the EOT tape held in secure storage.

#### **E. INVENTORIES**

An up-to-date inventory of School property should be maintained and updated at least once a year. Serial numbers and identification marks should be recorded where appropriate as well as adequate descriptions for insurable items. The School Business Manager and IT Technician has delegated responsibility for this task under direction of the Head Teacher.

#### **F. LETTINGS**

We are a PFI school, therefore all lettings are controlled and managed by Amey Ltd.

#### **G. PRIVATE FUND**

Formal annual accounts will be prepared covering activities in the School fund Account for presentation to the governors and for audit purposes. Preparation of these accounts will conform to the relevant positions in the Schools Financial Management Handbook, Private Funds, Appendix 3. In particular, individual balance sheets for each school trip or specific school activity will be prepared in order to make the results of such activities clearer to all concerned.

#### **H. VALUE ADDED TAX**

The Governing Body will comply with current VAT regulations.

### **3. THE ANNUAL BUDGET**

The annual notification of the budget is received by the Head Teacher and School Business Manager. The schools budget plan must be prepared with a view to breaking even or creating a surplus at the end of the financial year. If a deficit budget is anticipated, the Managing Director of LGSS must be notified immediately. The budget will be prepared in accordance with the identified priorities of the School as identified in the Self Evaluation Form and School Development Plan.

#### **DEVELOPMENT PLANNING CYCLE**

### **Autumn Term**

Staff should formulate plans for the new financial year in discussion with the Head Teacher. These plans are presented to the Committees for the Governors, as appropriate, in order to formulate a costed School Improvement Plan.

### **Spring Term**

Based on the School Development Plan, the Finance Committee will recommend a draft Budget for the coming year to the Governors, within the constraints of the Provisional Budget Allocation from the Local Authority. The final Step will be approval of a Budget by the full Governing Body to match the Final Authority Allocation when it is received in late March or early April.

### **Summer Term**

The monitoring procedures outlined below will commence based on the final approved Budget.

### **BUDGET MONITORING**

In the Autumn and Spring terms, contingencies and surplus balances will be examined and moved to other headings following recommendations by the Head Teacher and the Finance Committee.

At least once each term the Finance Committee will report to the full Governing Body on the progress of the School against its agreed Budget, highlighting any variances of significance. In the Autumn and Spring terms the forecasts of the likely outcome for the year will also be circulated to aid in the forward planning process.

### **RECONCILIATION OF ACCESS**

The School accepts responsibility for ensuring that the statutory record of the School's accounts held on the County Council's accounting system accurately reflects the income and expenditure incurred by the School. The School will notify the WNC if budget changes, and debits are not properly recorded on the NCC account. In practice, the principal procedure is reconciliation between the WNC account and the School's ACCESS records.

Accounting procedures utilise the ACCES software system and follow the Local Authority's Financial Management Handbook (copies of which are available on the WNC Website).

### **BALANCING AND CONTINGENCIES**

It is a fundamental aim of the School that the income for one financial year is used in that year. It is not the policy of the School to hold large balances or contingencies. The exceptions to this general rule are:

- A reserve of capital money may be retained to cover major but irregular works as identified by the Asset Management Committee's School Premises Plan.

### **OVERALL GUIDELINES**

The Head Teacher and Staff are recommended to:

- Establish an appropriate framework of financial control in the public interest.

- Establish procedures which seek value for money.
- Ensure clear segregation and accountability for actions taken and not taken.

The Head Teacher should:

- Ensure clear records of financial transactions and decisions are maintained.
- Ensure the delegation of responsibility is accompanied by clear accountability and appropriate level of management supervision and monitoring.
- Ensure that financial procedures include adequate internal control.
- Ensure these financial regulations and other financial instructions are available to their staff.

#### **4. CONTROLS ASSURANCE**

The Finance Committee should be responsible for completing the pre-certification checklist required in order that governors can ratify a Statement of Internal Control. This statement should set out the processes that are in place to ensure effective financial management of the school and its resources, whilst making it clear that “absolute” assurance cannot be given as internal control systems cannot prevent or detect all errors or irregularities.

This statement forms part of the Financial Management Self-Assessment and should be completed annually after financial year-end processes have been completed.