

West Tytherley Primary School

Financial Management Policy

Document Control

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Next Review: January 2018

Signed on behalf of the Full Governing Body:

Date:

This document defines the Financial Management Policies to be used by West Tytherley Primary School (WTPS) in its management and administration of finance.

Financial responsibility and accountability

The **Full Governing Body (FGB)** has overarching budget accountability but delegates financial management responsibility to the **Finance and Staffing (F&S) Committee**. The detailed responsibilities of the F&S Committee are defined in the Committee Terms of Reference.

The **Chair of Finance Committee** monitors the School budget regularly and reports back to Full Governing Body meetings. The Chair of the Committee is involved in discussions with the Headteacher and Admin Officer on major financial decisions.

The **Headteacher** has day to day operational responsibility for financial and budget management within the school and has delegated authority to spend up to the value defined in the table in the following section. The Headteacher has overall responsibility for ensuring the LEA/DCS requirements regarding financial management are implemented as appropriate.

The **Admin Officer** carries out or oversees all the daily financial duties. Together with the Headteacher, the Admin Officer produces a budget plan for the current financial year and a 3 year plan. The Admin officer is also responsible for preparing monthly expenditure reports and monitoring the school budget, producing figures for staffing budget planning, recording all financial information using computerised FMS (SAP) system and manually in some cases.

Delegated Authority

The following table defines the governance mechanisms and levels of financial authority delegated to the Headteacher.

1. Non-Staffing costs

Value	Action	Comment
Up to £1,000	No action	Fully delegated authorisation
£1,000 to £2,000	Inform F&S Committee	Either before or after the event
Over £2,000	Prior approval required by F&S Committee	Decision recorded in committee meeting minutes
£2,000 - £5,000	Verbal approval by Chair of Governors or Chair of F&S Committee	Exceptional circumstances- eg.. emergency situation requiring rapid decision and action.
Over £5,000	Prior approval required from FGB	

2. Staffing costs

Value	Action	Comment
Over £50	Prior approval from F&S Committee	Procedures and expenditure to be carried out in line with HCC policy

3. Competition

In line with the School's Best Value Statement, the table below defines the financial threshold required for obtain services or supplies from third party organisations.

Value	Action	Comment
Over £2,000	Obtain at least two quotes, selection based on the Most Economically Advantageous Tender	Single tender procurement may be sufficient if obtaining services or suppliers from an HCC framework.

4. Budget Amendments

Once the annual budget has been signed off by the F&S Committee and approved by FGB, the Headteacher has the following delegated authority:

Value	Action	Comment
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<p>Reallocation of budget items up to £2,000, with zero net impact on overall budget.</p>	<p>Inform F&S Committee of all changes.</p> <p>Clear record of amendments to be recorded in version controlled budget documents.</p>	<p>FGB to be notified of significant changes.</p>
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Budgets

Our current aim is to deliver the School Improvement Plan within the annual budget allocation and achieve a balanced budget over a three year period. This aim is reviewed annually.

The School Improvement Plan looks in detail at future expenditure for the following 3 years. The Admin Officer uses a financial tool to predict a 3 year forward budget within CFR guidelines.

Internal Financial Controls

Income/expenditure details are monitored monthly and reported at the F&S Committee. Particular attention should be given to aspects of the budget which are difficult to forecast, i.e. staff absence, which is met from the supply element of the staffing budget.

County Audits take place every five years. This includes computer security, official accounts, inventory, responsibility and accountability. The most recent audit was undertaken in 2013 and reported on 'Procurement Cards and Imprest'.

Insurance

HCC provides insurance for property, money and personal accident, this includes cover for up to £200 cash and £2,000 cheques.

Computer systems

The school is registered and complies with the ICO Data Protection Act 1984. The Headteacher, Deputy Headteacher and the Admin Officer have full access to the SAP financial records, each having their own password. The computer system is backed up daily internally and monitored by an external provider. The system backs up to five separate disks, one of which is kept offsite and is administered by the Deputy Headteacher.

Purchasing and Competition

The school's approach to achieving value for money from all purchases and services is defined in the Best Value Statement.

Advice is to be sought from County Architects Department for major building works and HCC procedures for obtaining quotations are to be followed.

Goods and services are usually purchased through the county, but competitive prices are sought for many items. Value limits relating to competitive quotes are defined in the Delegated Authority section above.

Computer generated orders using SAP are used for all goods and services except utilities (e.g. water, gas oil). Copies of all orders are kept in the school office. Only the Admin Officer can initiate orders and only the Headteacher or Deputy Headteacher can authorise them.

The amounts allocated to various improvement areas are dependent upon the SIP and which area is high priority at the time. The Admin Officer manages the amounts spent and reports to the Headteacher on status of money spent or available to spend.

The Admin Officer or an assistant is responsible for checking goods upon receipt against the purchase order. The order is then goods receipted on the SAP system. The invoice can only be paid if the goods have been received in accordance with the purchase order.

The Admin Officer processes payments of invoices correctly accounting for VAT. Invoices can only be paid through SAP, because of internal controls, if they agree with the purchase order and goods receipting process.

The Headteacher is issued with a Government Purchasing Card (VISA) with authority to spend £500 per single purchase and a limit of £2.5K per month, in order to obtain the best value for money on purchases.

Personnel

The FGB adopts the Hampshire County Council Pay Policy for the administration of personnel activities including appointments, terminations and promotions. The pay policy is annually reviewed to encompass all staff. Relevant letters are sent to teaching staff in the autumn term, giving their annual salary statement.

The FGB adopts the Hampshire County Council's Performance Management Policies for both teaching staff and support staff.

The FGB has an appeals committee to ensure that any grievances are heard through the correct channels.

The LEA administers the payroll but the Admin Officer checks monthly county payroll figures on the YDEV 22 report against the staffing budget reports from the HCSS tool. The Admin Officer enters and authorises payment of supply teacher hours, casual hours and extra hours for all staff (except the Admin Officer), on the SAP system. The Headteacher authorises payment for extra hours to the Admin Officer.

The Headteacher authorises payment of travel claims for staff, except for himself. The Chair of Governors or Chair of Finance Committee authorises travel claims for the Headteacher.

Personnel records for all staff are kept in a filing cabinet in a locked cupboard in the Admin Officer's office. Admin Officer enters staff absence directly onto the SAP system.

Security of stock and other property

The school follows HCC guidelines setting maximums for cash held overnight and at weekends (£200 cash and £2,000 cheques).

The Admin Assistant maintains the Inventory (overseen by the Admin Officer) with notes of make, model and serial number of items where appropriate. In order to maintain a double check system, items are identified with invisible security marks and their location within the building noted. The inventory is dated and initialled. Write-offs are recorded in accordance with HCC policy.

Additional income

The FGB has established charging guidelines, which is aligned to the LEA charging policy and detailed in the school Charging and Remissions Policy.

On occasions the ICT suite is let internally to HTLC for training courses and payment is based on the statutory value via parked journal payments.

Donations made to the school are paid into the official account.

The school has never been approached by the public for lettings. However, should there be an occurrence, invoices will be issued by the Admin Officer. We do not require a deposit, but payment in full must be made before the first booking. A receipt would be issued by the Admin Assistant for any amount over £10.

All monies received are banked weekly by the Admin Assistant and recorded on the SAP system by the Admin Officer.

Banking Arrangement – official account

The school has its own chequebook for local payments. The account is with the Nat West Bank, Winchester. The Headteacher or Deputy Headteacher is authorised to sign cheques. All income is paid in to this bank account through the local Post Office. (N.B. A visiting Post office is only now available on Tuesday and Friday mornings)

Petty Cash

The school has an £800 petty cash allocation, which has been approved by county. However, cash on site rarely exceeds £200 and is always kept in a locked money box in a locked cupboard overnight.

The following staff have access to the petty cash: the Headteacher; Deputy Headteacher; Admin Officer; Admin Assistant. All expenditure is monitored by the Admin Officer. Any cash reimbursed to staff is recorded with a petty cash receipt, signed by the member of staff receiving the money and filed with the petty cash claim. No money is paid out without a receipt or invoice. These are all filed with the petty cash claim.

The petty cash is reconciled at least half-termly, more often if necessary to ensure the bank account does not become overdrawn.

Any money paid to the school by parents (income) for trips, etc., is paid into the official HCC account. Receipts are given for any amount over £10.

Dinner Money

Dinner Money received via the website is recorded automatically and paid directly into the HCC Bank Account.

Dinner Money paid by cash or cheque is recorded on an excel spreadsheet, then entered on Tucasi to update pupils records, and paid normally on a Friday to the local Post Office. During the week any cash is put away in a locked cupboard. The Admin Officer checks the Paying in Books and records the income on the Sap system. Receipts are given when payment exceed £10 at any one time.

Parents are now informed that if dinner money debt exceeds £30, their child will no longer be able to consume a school dinner and a phone call will be made asking the parent to provide a packed lunch.