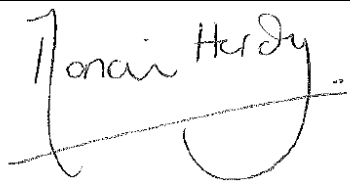


Drayton Green Primary School



Financial Administration Policy

Committee with oversight for this policy – Resources Committee (ReCo)	
Policy to be signed off by the Chair of Governors/Chair of Resources Committee	
Policy last ratified and adopted by Full Governing Body	September 2023
Policy / Document due for review	July 2024

Statement of Intent

This policy and attached procedures are intended to identify and clarify the responsibilities of different groups of individuals, who deal with or work with the finances of the school.

The Headteacher will advise all staff mentioned in this policy of their respective roles.

Evaluation and Review

This policy and its implementation will be reviewed annually by the Governing Body Resources Committee.

The implementation of the policy is in line with the 'Ealing Financial Procedures' document which can be viewed on the Ealing Grid for Learning site.

Financial Administration – Procedures

1. ROLES AND RESPONSIBILITIES

A1. The responsibilities of the Governing Body:

- To set and agree a balanced budget at the beginning of each financial year which supports the school's development plan and school's aims
- To keep a list of the pecuniary interests of members and update annually.
- To set limits on the use of any surpluses and virements.
- To read the reports from the Governing Body Resources Committee, which are included in the mailing before each full Governing Body meeting, and ask questions at the meeting about anything which they are unsure of.
- To monitor expenditure via the Headteacher's termly reports discussed at full Governing Body meetings.
- To set a charging policy.

A2. The responsibilities of the Governing Body Resources and Staffing Committees:

Resources Committee

- To plan and to review long term financial policy in light of school aims and the School Development Plan.
- To prioritise conflicting demands on the budget.

- To evaluate and agree tenders and estimates for services and work at the school, which are more than £5,000 and authorise the Headteacher to proceed.
- To make representations to the LA as and when necessary.
- To agree a draft budget to present to the full Governing Body.
- To meet at least once a term to monitor the school budget.
- To prioritise use of any annual underspend.
- To make available Resources Committee minutes, in advance, for governors to discuss at termly Governing Body meetings.
- To consider and authorise requests for funding priorities from the other Governing Body Committees and working parties.
- To delegate the day-to-day management and organisation of the budget to the Headteacher.
- To review the finance policy and procedures annually to ensure best value.
- To monitor virements (see limits listed under item C)

Staffing Committee

- To agree, annually, objectives for the Headteacher and Deputy Headteacher
- To coordinate the school management process.
- To set pay and other terms and conditions of employment for the Headteacher and members of the school's leadership team.
- To receive and consider recommendations from the Headteacher for pay reviews, increases and honoraria, both temporary and permanent for all other teaching and support staff and to decide upon these recommendations.
- To consider and recommend to the Governing Body any changes to the school's pay policy and any additional benefits to employees outside remuneration, having consulted staff appropriately.
- To deal with all other matters relating to staffing and make recommendations to other appropriate committees.

Organisation of the Governing Body Resources Committee

- Membership will consist of at least four governors, one of whom should be the Headteacher and another Chair or Vice Chair.
- Meetings will be chaired by the chair of the Resources Committee, the chair or Vice Chair of the GB will be a member of the Resources Committee and can chair in their absence. If neither is available another governor must volunteer, as the Headteacher is unable to chair Governing Body meetings.

- The Chair of Governors may not be Chair of the Resources Committee.
- Meetings will be quorate if three or half the membership of Governors are present, whichever is the smaller.

Organisation of the Governing Body Staffing Committee

- Membership will consist of at least three governors.
- Meetings will be quorate if two governors are present.
- Meetings will be held as required.

The Financial Responsibilities of the Governing Body Improvement Committee:

The School Improvement Committee and Staffing Committee do not have delegated financial responsibilities and can only make recommendations or applications to the Resources Committee.

A3. The Responsibilities of the Headteacher:

- To manage the budget within the guidelines set by the Governing Body at the annual budget setting meeting. A record of which will be filed with the minutes from the meeting.
- To be accountable to the Governing Body for the management and administration of the school's finances.
- To ensure that appropriate records are made available to the LA when required.
- To vire monies from one area to another within guidelines set by the Governing Body at the annual budget setting meeting.
- To ensure purchasing arrangements achieve the best value for money.
- To use one staff meeting, after the budget has been agreed each year, to explain the budget to staff. When will this take place?
- To evaluate and agree tenders and estimates for services and works at the school which are less than £15,000.
- To ensure financial procedures are correct and secure.
- To implement charging policy.
- The control of expenditure and income, in agreement with the Governing Body.

It is not expected that the Headteacher would have 'hands on' experience of using the FMS Finance package, but the Headteacher would be expected to have a general knowledge in order to be able to manage and monitor the procedures.

A4. Financial Responsibilities of the School Business Manager (SBM)

- To manage the practical financial arrangements on behalf of the Headteacher.
- To participate in relevant training related to financial procedures.
- To be accountable to the Headteacher.
- To raise orders, check delivery notes against order; enter invoice details onto the computer, arrange payment, reconcile bank statements, keep accurate records of financial transactions in line with council procedures.
- To ensure that all equipment worth over £100 is included in the inventory.
- To ensure the schools registration in regard to the 1984 Data Protection Act is up to date.
- To ensure cheque books and other relevant bank books are stored safely.
- To attend Governing Body Resources Committee meetings.
- To meet with governors to discuss routines and procedures during normal work hours. This will include spot checks on procedures.
- To provide governors with regular, accessible financial reports

The school buys into the LA Bursarial Service to provide day to day financial support to the SBM and the HT, and specific support in the absence of the SBM.

B. Process for Budget Setting

1. During the spring term the Headteacher will draft costed budgets, comparing expenditure against the previous years. The draft budget will be on a prioritised needs basis, not on un-researched historical expenditure. At least one member of the RCo will assist with the drafting.
2. The draft budget will be presented by the Headteacher to the Governing Body Resources Committee. The Headteacher will explain how the draft budget supports the school's development plan and school aims and provide governors with any other information which they require. Alternative budgets will be provided if requested by the Resources Committee.
3. The Resources Committee will propose a draft balanced budget to the full Governing Body. This will be circulated in advance of the meeting.
4. A copy of the agreed budget will be sent to the LA.
 - Once the budget has been agreed the Headteacher will present the budget to teaching and support staff during a staff meeting so that all will become aware of the limitations of the budget and their responsibilities in using both human resources to give good value for money. (See Best Value Statement in appendix A)

5. The budget will be monitored throughout the year as described.

C. Virements Note: Limits differ from the recommendations in the Schools financial Handbook as governors consider that the lower limits would impede the efficient running of the school.

1. The Headteacher will be authorised to vire up to £5,000 on their own initiative. All such virements will be reported to the Resources Committee at their next meeting.
2. The Chair of the Resources Committee and the Headteacher will be authorised to vire up to £15,000. These virements will also be reported to the Resources Committee at their next meeting.
3. Any virements above £15,000 will be authorised by the Resources Committee or where this is impracticable by the Chair or Vice Chair of Governors. All virements at his level will be reported to the GB.
4. Limits on virements will be agreed at the annual Governing Body budget setting meeting.
5. Amendments to the budget will be passed to the LA via Journal/Virement forms and authorised by the Headteacher and to the Resources Committee via the Headteacher.

D. Leasing

1. Where possible equipment will be purchased outright.
2. For equipment which dates quickly, or which requires a great deal of maintenance e.g. classroom computers and office photocopiers, leasing terms will be considered.
3. If equipment is leased the Resources Committee will need to be sure that the budget will support the expenditure in the long term.
4. All leasing equipment will have to be covered for insurance purposes before contracts are exchanged ie with the London Borough of Ealing or by another insurance arrangement
5. For the procurement of leases Local Authority approval or recommendation should be sought and retained to evidence value for money. (See Best Value Statement in appendix A)

E. Tenders/Quotes

The level at which tenders/quotes must be obtained for goods/services purchased by the school is as follows:

- For expenditure below £5,000, no competitive process is required but staff should be able to demonstrate value for money.

- For expenditure between £5,000 and £50,000 at least three quotations must be obtained, compared and the results recorded.
- For expenditures over £50,000, three tenders must be obtained and a formal contract drawn up. Contracts at or above this level must not be entered into without appropriate technical advice.
- A contracts register should be maintained detailing all contracts over £15,000 per annum
- In addition, the basis for final supplier selection (ie cheapest/quality etc) should be clearly documented to demonstrate value for money. (See Best Value Statement in appendix A)

F. Handling Cash

The school operates a 'cashless system' (ParentPay) for payment for trips etc. This is used for all pupil/ parent payments unless there is an extenuating reason which has been agreed in advance.

1. School dinner money is the full responsibility of the catering company. All dinner money is paid directly to the catering company.
2. School photograph money will be handled directly by the photographers, staff will only sign acknowledge receipt of the paying in envelope.
3. Income and monies will be taken to the bank by the Finance Officer. Anybody has the right to refuse to take cash to the bank and should this occur the Resources Committee will agree a suitable alternative. This can be arranged by phone with the Chair of the committee if it is urgent)
4. Any other cash collections will be checked by two people where possible.
5. The school has two safes. There will never be more than the recommended LA limit held in the safe at any one time. Currently the limit is £1000 in cash.
6. The safe has two keys. One person will not hold both keys. Keys will not be left overnight on school premises and any loss of key will be reported to the Headteacher and the LA insurance department.

G. Cash Limits for Authorisation by Different Signatories

1. The school's senior leadership team will all be cheque/bank transfer signatories. Only two of the signatories are required to sign cheques/transfers.
2. The Headteacher will be the first signatory for items not authorised by herself.

3. Another member of SLT will be the first signatory if the order has been authorised by the Headteacher.
4. The Headteacher will sign off the BACs payment where this replaces a cheque, provided it has been authorised by one of the agreed signatories

H. Petty Cash System

1. Most reimbursement costs are paid directly into the claimant's bank account.
2. Petty cash will be paid up to a value of £100.
3. Reimbursements of petty cash float to be no more than £300.
4. All petty cash expenditures must be authorised by the Headteacher beforehand unless the payment is to the Headteacher, in which case one of the cheque signatories, or the Chair of Governors, will authorise the payment.
5. All non travel claims should be submitted within a month of purchase.
6. The Petty Cash Authority form should be signed by claimant to evidence receipt of reimbursement.

I System for Ordering

i) Limits of authorisation

- Provided the spend has been budgeted for, the Headteacher can authorise any order up to £5000
- Orders above £5000 and up to £15,000, raised by the Headteacher, should be authorised by the Resources Committee.
- Orders above £15,000 must be authorised by the Governing Body.
- Any commitments that have been agreed and minuted by the Resources Committee/Governing Body can be procured by the Headteacher, as these will have been ratified and minuted by the appropriate committee (Revenue and Capital funds).
- Any commitments** that have been agreed and minuted by the GB whilst setting the Devolved budget or Capital budget can be procured by the Headteacher, as these will have been ratified and minuted by the appropriate committee (Revenue and Capital funds).

** e.g. rates, buybacks, school meals recharge etc. or specified project expenditure where the tender process has been completed.

ii)

1. Orders will be placed via reputable firms, after comparisons for value for money have been made.

2. A school internal manual order form will be completed and given to the Headteacher for checking. The Headteacher will see all orders so that one person has an overview of all of the school's resources.
3. The Headteacher will then authorise the order and give it to the SBM for processing, stating which cost centre the order should go through.
4. Orders will not be processed which would exceed the budgeted expenditure. The SBM will bring these situations to the attention of the Headteacher who may authorise a virement or ask the coordinator to prioritise the order.
5. The Headteacher /SLT will be responsible for ordering the consumable stock after reviewing consumption from previous orders. They may delegate this task and then check the work.
6. The site manager can order items relevant to his areas of responsibility, which must be authorised by the Headteacher. Keeping unnecessarily large amounts of stock in storage will not be permitted unless savings will be made from a particular deal.
7. Bulk ordering will be done when savings are obvious and the turnover of stock will be at least annual. Storing items which will not be used up annually will be discouraged to make best use of space and quality.
8. Any telephone or faxed/email orders will be supported by an official order form although this process will only be used in an emergency.
9. The school should consider the timing of processing orders to make best use of accruing bank interest.
10. When received, stock will be checked and receipted by a nominated person and stored appropriately. Bulk orders will generally go into the stock cupboards and made available as needed. The stock cupboard for staff to use on a day-to-day basis will be kept unlocked to enable them to work effectively.
11. The nominated person will monitor stock consumption and ensure that it is efficiently used and will take action when deemed necessary.

K. School trips

For all school journeys and trips with an overnight stay, approval should be sought in advance from the Governing Body and evidenced in the minutes. Journeys should be costed in advance and a record of the costing retained. It is understood the school will complete all the necessary paperwork prior to the proposed trip or journey. Journey statements should be checked by a member of the Resources Committee before being presented to the full GB and recorded in the minutes.

L. Inventory

1. All items over £100 will be entered in the inventory by the Finance Officer, who will also be responsible for informing the insurance department.
2. The SBM will be responsible for ensuring that equipment is insured and serial numbers are entered into the inventory.
3. Staff taking any piece of school equipment of site, other than consumable

stock, must seek the permission of the Headteacher and sign the item 'out and in' in a logbook held in the school.

4. Teaching staff will be allocated a school laptop, which can be taken off site once the member of staff has insured it whilst it is on home property. An inventory check will be carried out at the end of each academic year.
5. The Headteacher will be able to 'write off' equipment by signing the inventory. The Chair of the Resources Committee should be made aware of this annually.
6. A member of the Resources Committee will arrange for the inventory to be checked at least once per year and for the checks to be evidenced in the inventory or on the hard copy printout by the date and the signature of the governor undertaking the examination.

M. Security of Expensive Equipment

When not in use such equipment will be locked away, except computers, which will be kept in classrooms. Sensors for the monitored alarm system have been placed to ensure all computer equipment and vulnerable areas are covered. After break in advice will be sought from the LBE'S security officer to review systems and procedures.

N. Security of Data

1. Computer passwords will be changed termly.
2. System is backed up remotely.
3. Financial records will be kept for a minimum of seven years.
4. Only relevant staff and the Headteacher will be able to access finance data directly from the computer.

O. Equipment Write – off

No item of permanent, major or minor equipment can be thrown away without the permission of the Headteacher.

Only equipment which

- Is broken or damaged beyond economic repair
Or
- No longer meets the demands of the curriculum/current provision
Or
- Has been superseded by more modern equipment and cannot be stored due to a shortage of space

will be declared obsolete.

Consideration will be given as to whether the obsolete item could be sold on for school funds.

No article with an estimated current value exceeding £1,000, or several articles with a total estimated current value exceeding £1,000 shall be written off without the approval of the LA. Wherever possible the article should be either recycled or offered to other LA establishments and due consideration should be made with reference to health and safety and environmental policies.

All electrical items, which are declared obsolete, will have the serial number and model number taken so that a cross- reference can be made against the inventory. Once this list has been completed, an administrator will find the relevant items in the inventory so that Headteacher can sign items off.

All other items will be written off by the Headteacher in the relevant log or inventory.

Items not found during the annual stocktaking will be reported to the Headteacher so that appropriate action can be taken

Appendix A

Best Value Statement

The Governors are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in the school and will

- Regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement
- Monitor outcomes and **compare** performance with similar schools, neighbouring schools or within the school
- **Consult** appropriate stakeholders before major decisions are made
- Promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way;

The monitoring of Best Value activities will take place alongside the monitoring of the school budget and the School Development Plan.

When considering options for goods and services the Governors will undertake to evaluate “total life cost” where applicable.

This means, for example, that the cheapest cost for building contracts may result in the poorest quality of work and materials used thus the cheapest option is not always the best value.

Reviewed and agreed by governors on September 23

Date for next review: July 2024