



Courtland School
Everybody Can Be Somebody

Financial Management

November 2016

Financial Management

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Financial Management

Section 1: Policy Statement

The school seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. Practices described arise out of the implementation of Fair Funding under Section 48 of the School Standards and Framework Act 1998, and conform to Contract Standing Orders for Schools with Delegated Budgets.

The Governing Body will convene once a term. The Governing Body will apply the principles of best value to all financial and school dealings: to ensure the most effective, economic and efficient means available.

- challenge how and why a service is provided (including consideration of various providers).
- compare performance against other schools taking into account the views of parents and pupils.
- consult with stakeholders especially parents and children.
- compete to secure efficient and effective services.

Financial Objectives

- That the responsibilities of the Governing Body, its committees, the Headteacher and the staff should be clearly defined and the limits of delegated authority be clearly established
- That the budget should reflect the schools priorities and educational objectives, seek to achieve value for money and be subject to regular and effective monitoring.
- That the school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme For Financing Schools'.
- That the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions.
- That the school should be adequately insured against exposure to risks.
- That the school should be registered under the Data Protection Act of 1998 and all data protected against loss.
- That the school should ensure that the purchasing arrangements achieve the best value for money.
- That there should be efficient procedures for the administration of personnel matters.
- That stock, stores and other assets should be recorded, inventoried and adequately safeguarded against loss and theft.
- That all income due to the school be identified, registered and banked promptly.
- That the school should properly control the operation of bank accounts and reconcile bank balances and accounting records.

1. Governance

- 1.1 The roles and responsibilities of the *Governing Body*, its committees, the Headteacher and other staff in relation to financial decision-making and administration are set out 'Financial Management Roles and Responsibilities'.
- 1.2 The *General Purposes Committee* considers strategic financial issues on behalf of the *Governing Body*. Its remit and membership is reviewed annually.
- 1.3 The limits of delegated authority to make and act on financial decisions are set out in Appendix A.
- 1.4 The *General Purposes Committee* monitors the budget at least termly using the BVACS report produced at the end of each month. Variances and the reasons for them are discussed.
- 1.5 Virements are reported, considered or referred in line with delegated authority in Appendix A.
- 1.6 Minutes are taken of all meetings of the *Governing Body* and its committees and include all decisions and by whom action is to be taken.
- 1.7 The *Governing Body* maintains a register of business interests of governors, the Headteacher and any other staff who influence financial decisions and administration.

2. Financial planning

- 2.1 The school has a Strategic Plan which outlines school development priorities for periods of three years.
- 2.2 The school has an annual School Improvement Plan (SIP) which sets out educational priorities with actions and costs.
- 2.3 Any new initiatives are carefully appraised in relation to all likely costs and benefits and their financial sustainability before being approved by the *Governing Body*.
- 2.4 The *Governing Body* endeavours to ensure that the budget setting timetable allows sufficient time for proper consideration of all relevant factors but is dependant upon the LA timetables for the information needed to make final decisions.
- 2.5 There should be a clear, identifiable link between the school's annual budget and its Improvement plan.
- 2.6 The school's budget is based on realistic estimates of all expected expenditure and income, including grant income. Planned expenditure should not exceed the available budget. If a deficit budget is to be set, a recovery plan has to be submitted to the LA for approval.
- 2.7 The *Governing Body* periodically reviews the main elements of the school's budget so that historic spending patterns are not unhelpfully perpetuated.
- 2.8 The Headteacher profiles the budget and forecasts cash flow as required to take account of likely spending patterns.
- 2.9 Budget surpluses are earmarked for specific future use.
- 2.10 The *Governing Body* approves the school's budget and SIP after careful consideration and before the beginning of the relevant financial year.
- 2.11 A copy of the approved budget is submitted to the LA on the 'School Budget Financial Year Form'.

3. Budget monitoring

- 3.1 The Bursar produces monthly budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. These reports are reconciled with the LA's.
- 3.2 The Headteacher and Bursar provide budget monitoring reports to the *General Purposes committee* at least once a term. These show any significant variances against the budget with explanatory notes and, where necessary, remedial action plans including virements.
- 3.3 The Headteacher monitors expenditure on the initiatives set out in the School Improvement Plan.

- 3.4 Budget holders and the Resource Manager liaise with the Headteacher or Bursar about amounts spent or committed to date against their budgets. The Headteacher monitors these amounts periodically and takes action where necessary.
- 3.5 The Headteacher monitors monthly budget reports to ensure that the school does not go overdrawn.
4. Purchasing
- 4.1 The school always considers price, quality and fitness for purpose when purchasing goods or services.
- 4.2 Prior approval from the Governing Body should be obtained for all expenditure over £10,000.
- 4.3 Purchases over £5000 must be reported to the GP committee at the next meeting.
- 4.4 At least two or three if practicable, written quotations must be obtained for all expenditure over £5,000 unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the Governing Body.
- 4.5 Where a quotation other than the lowest is accepted, the reasons for this decision is reported to the Governing Body and included in the minutes of the relevant meeting.
- 4.6 Competitive tendering is required for all contracts over £60,000 - in which event the school should seek professional advice from the LA.
- 4.7 Contract specifications are required to define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.
- 4.8 The school does not enter into any financial agreement with capital implications without the approval of the LA.
- 4.9 Official, pre-numbered orders are used for all goods and services except utilities, rents, rates and petty cash payments. Where urgency requires an oral order, this is confirmed by a written order.
- 4.10 Orders are used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their private use.
- 4.11 All orders are signed by the member of staff approved by the Governing Body. See Appendix C for list of authorised signatories.
- 4.12 The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.
- 4.13 When an order is placed, the estimated cost should be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- 4.14 The school checks goods and services on receipt to ensure they match the order and the order should be marked accordingly. This is not done by the person who signed the order.
- 4.15 Payment is be made within time limits specified in law for the payment of debts and only when a proper invoice has been received, checked, coded and certified for payment.
- 4.16 A member of staff approved by the Governing Body certifies invoices for payment. This should be neither the person who signed the order nor the person who checked the receipt of goods or services.
- 4.17 The school maintains a list of staff authorised to certify invoices for payment. Where the payments are made by the LA on behalf of the school, the names of authorised staff, together with specimen signatures, are forwarded to the LA.
- 4.18 All paid invoices are marked with the cheque number and the word 'Paid'. They are securely stored in order.

5. Financial controls

- 5.1 The Governing Body ensures that the school has written descriptions of all its financial systems and procedures. These are kept up to date and all appropriate staff are trained in their use.
- 5.2 The Headteacher ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.
- 5.3 The Headteacher ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one acts as a check on the work of the other and all checks are fully documented.
- 5.4 The school maintains proper accounting records and retains all documents relating to financial transactions for at least the period recommended by the LA.
- 5.5 All financial transactions are traceable from original documentation to accounting records, and vice versa.
- 5.6 Any alterations to original documents such as cheques, invoices and orders are clearly made in ink or other permanent form, and initialled. The use of rubbers and tippex is not permitted.
- 5.7 All accounting records are securely retained when not in use and only authorised staff are permitted access.
- 5.8 The Headteacher ensures that all expenditure from sources of earmarked funding is accounted for separately and that the funding is used for its intended purpose.

6. Income

- 6.1 The Governing Body has a charging policy for the supply of goods or services. It is reviewed as part of this policy by the full Governing Body.
- 6.2 Records are kept of all income due.
- 6.3 In November 2010 the school launched its new "Licensing Scheme", designed to offer various parts of the school's premises for use by the wider community, partly for altruistic reasons and partly as a means of supplementing the school's income at a time of severe budgetary constraints. Full details can be viewed on and downloaded from the school's website via the link entitled "Lettings" A School Licensing Manager has been appointed to administer the Scheme.
- 6.4 The responsibility for identifying sums due to the school is separate from the responsibility for collecting and banking such sums.
- 6.5 Where invoices are required, they are issued within 30 days.
- 6.6 The school issues official, pre-numbered receipts or maintains other formal documentation for all income collected.
- 6.7 Receipts are securely stored in order.
- 6.8 Cash and cheques are locked away to safeguard against loss or theft.
- 6.9 Collections are paid into the appropriate bank account promptly and in full.
- 6.10 Bank paying-in slips show clearly the split between cash and cheques and list each cheque individually.
- 6.11 Income collections are not used for the encashment of personal cheques or for other payments.
- 6.12 The Headteacher reconciles monthly the sums collected with the sums deposited at the bank.
- 6.13 The school follows up any invoices which have not been paid within 30 days. Debts are only written off only in accordance with LA regulations and the school keeps a record of all sums written off.
- 6.14 Transfers of school money between staff are recorded and signed for.

7. Banking

- 7.1 The school receives monthly bank statements and these are reconciled with their accounting records. Any discrepancies are investigated.
- 7.2 All bank reconciliations are signed by the person performing the reconciliation and also reviewed and countersigned by someone who understands the reconciliation process.
- 7.3 Staff responsible for undertaking bank reconciliations should not be responsible for the processing of receipts or payments.
- 7.4 All funds surplus to immediate requirements are invested to optimal effect in accordance with the LA's investment policy.
- 7.5 Individuals must not use their private bank accounts for any payment or receipt related to the school's budget.
- 7.6 The school's bankers are advised that schools should not be allowed to go overdrawn or negotiate overdraft facilities.
- 7.7 The school will not enter into any loan agreements, other than with the LA, without the prior approval of the Secretary of State for Education and Employment.
- 7.8 School procedures stipulate that all cheques must bear the signatures of two signatories approved by the Governing Body.
- 7.9 School procedures ensure that supporting documentation is made available to cheque signatories to safeguard against inappropriate expenditure.
- 7.10 School procedures stipulate that all cheques drawn on the accounts are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- 7.11 School procedures stipulate that manuscript signatures only are used and cheques should not be pre-signed.
- 7.12 Chequebooks/Cheques are held securely when not in use.
- 7.13 The Secretary/Bursar maintains a list of all bank and building society accounts held and the signatories for each.

8. Payroll

- 8.1 The Governing Body, in conjunction with the LA, has procedures for the administration of personnel activities, including appointments and terminations.
- 8.2 The Headteacher should ensure that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.
- 8.3 The Headteacher ensures that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.
- 8.4 LA Payroll has names and specimen signatures of certifying officers.
- 8.5 Only authorised staff have access to personnel files. There are arrangements in place for staff to gain access to their own records.
- 8.6 Payroll transactions are processed only through the payroll system.
- 8.7 The Headteacher maintains a list of staff employed. This list is updated promptly to reflect new starters and leavers.
- 8.8 The Headteacher obtains regular reports on payroll transactions and checks them against the school's documentation on staffing and pay to ensure that they match. (This includes taxable benefits, for example. If in doubt, a school should consult its LA).

9. Petty cash

- 9.1 The school does not currently hold petty cash.

10. Tax

- 10.1 The Headteacher ensures that all relevant finance and administrative staff are aware of VAT, Income Tax and the CIS regulations.
- 10.2 School procedures stipulate that only proper VAT invoices are paid, as the school will not be reimbursed in the absence of such documentation.
- 10.3 LA procedures set out how VAT on business activities, school trips and other taxable activities is accounted for, both within the delegated budget and in voluntary funds.
- 10.4 The school makes payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS), details of which can be found in the LA's Financial Guide for Schools.

11. Voluntary funds

The school no longer maintains a private account for Voluntary funds all these transactions are now processed through the school budget account.

12. Assets

- 12.1 The Headteacher ensures that stocks are maintained at reasonable levels and subject to a physical check at least once a year.
- 12.2 Up-to-date inventories are maintained of all items of equipment with a value of £200 or more. Such items are identified as school property with a security marking.
- 12.3 Inventories are checked at least once a year against physical items. All discrepancies are investigated and any over £500 are reported to the Governing Body.
- 12.4 All teaching staff are assigned a laptop for which they sign. A register of all allocations with serial numbers is maintained. Laptops not in use at school are kept locked in the strong room.
- 12.5 Whenever school property, for example musical instruments, computers other than allocated laptops, is taken off the school site it has to be signed for and a register noted accordingly.
- 12.6 The Governing Body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the LA's regulations.
- 12.7 The strong room and safe are kept locked and the keys removed and held in a different location.
- 12.8 The Governing Body has a plan for the use, maintenance and development of the school's buildings.

13. Insurance

- 13.1 The school will review all risks annually, in conjunction with the LA where appropriate, to ensure that the sums insured are commensurate with the risks.
- 13.2 The Governing Body should consider whether or not to insure risks not covered by the LA. The cost of such premiums should be met from the school's delegated budget.
- 13.3 The school notifies its insurers and the LA of all new risks, property and equipment which require insurance or of any other alteration affecting existing insurance.
- 13.4 The school will not give any indemnity to a third party without the written consent of its insurers and the LA.
- 13.5 The school immediately informs its insurers and the LA of all accidents, losses and other incidents that may give rise to an insurance claim.
- 13.6 Insurance arrangements cover the use of school property, for example musical instruments or computers, when off the premises.

14. Data security

- 14.1 Computer systems used for school management are encrypted and protected by password security determined by LA staff.
- 14.2 Data is backed up regularly and all back-ups are securely held in a fireproof location or off-site.
- 14.3 Back ups of the school's computerised cash accounts are held in two separate locations (strong room safe and off-site in the possession of the bursar) to ensure continuity of financial administration in the case of emergency.
- 14.4 School computers are protected by anti-virus software which is automatically updated. To prevent viruses being imported, only authorised software is used.
- 14.5 The Data Protection Commissioner is notified in accordance with the Data Protection Act 1998. The school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with this legislation.

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Financial Management

Section 2: Roles and Responsibilities

Role of the Governing Body

- Responsibility for overall financial management of the school.
- Setting financial priorities through the: School Improvement Plan (SIP), 3 year financial plan and the annual budget
- To plan the budget and delegate responsibility to budget holders.
- To delegate the management of the budget to the GP and Finance Sub Committee and to receive reports on a termly basis.
- To delegate the day to day management responsibility powers to the Headteacher.
- To ensure the requirements of the scheme and associated guidance are met.
- To ratify Policies drawn up by the relevant committee.
- To ensure the school meets all its statutory obligations, and through the Headteacher complies with its LA's financial regulations or standing orders
- To determine virement and expenditure thresholds
- To draw up a best value statement in line with the Scheme.
- To ratify and approve the school budget.
- To monitor the budget through reports produced by the Headteacher/School Support Officer/Finance Assistant.
- To authorise virements in excess of £10,000 for individual budget headings.
- To approve expenditure on major capital projects and to seek LA approval before proceeding.
- To authorise write-offs and disposals of stock.
- To ensure appropriate insurance cover for the school is obtained.
- To ensure audit recommendations are implemented.
- To ensure that the relevant staff are aware and implement the Construction Industry Taxation Scheme.
- To approve and authorise Leasing Agreements.
- To follow deficit budget procedures as set out in the 'Scheme For Financing Schools'.
- To establish a Register of Business Interests following guidance issued by the LA and review it on an annual basis.
- To ensure a register of business interests is put in place and all governors and staff to provide details on an annual basis.
- To meet the standards for SFVS
- To complete the Standards for Internal Control (SIC) form each year.
- To benchmark the school to ensure best value

Role of the General Purposes Committee

It is the responsibility of the General Purposes Committee to follow the terms of reference agreed by the Governing Body as follows:

- To ensure that all Governing Body and other Committee decisions are based on raising the achievement of all pupils.
- To provide guidance to the Governing Body and the Headteacher on all issues relating to finance.
- To prepare and review policies giving consideration to the planning and resources of the school in line with the School Improvement Plan.

- Deciding on how the school's delegated budget should be spent, in accordance with their SIP and the statutory curriculum requirements laid down by government
- To consider and approve a provisional budget upon receipt of the allocation from the LA for consideration by the main Governing Body.
- To monitor the income and expenditure in conjunction with the Headteacher and report to the Governing Body on a termly basis.
- To agree the level of delegation of the Headteacher for the day to day running of the school
- To authorise virements from £5000 up to £10,000 for individual budget headings.
- To approve variations in planned spending.
- To produce and review the Financial Management Policy on an annual basis.
- To provide information relating to finance issues for the School Profile.
- To maintain minutes of meetings that may be open to a full Governing Body meeting.
- To maintain confidential minutes that will have limited access.
- To follow deficit budget procedures as set out in the 'Scheme for Financing Schools'.
- Prepare the schools Asset Management Plan.
- Prepare and review termly a schedule of regular maintenance this work to be delegated to Head teacher.
- Prepare tenders for capital programmes.
- Monitor and oversee any capital programmes.
- Ensure health and safety training is up to date and implemented.
- Ensure works are completed as per Health & Safety requirements.
- To complete the R20 Matrix for SFVS
- To monitor the documents needed for SFVS

Role of the Staffing and Pay Committee

- To prepare and review the staffing policies including recruitment and selection, disciplinary and grievance procedures and make recommendations to the Governing Body.
- To appoint staff in accordance with agreed procedures.
- Ensure that staff are correctly and fairly appointed.
- To check that arrangements for staff Performance Appraisal are in place and being developed.
- To produce and review the Pay Policy on an annual basis.
- To check that arrangements for staff Performance Appraisal are in place and being developed.

Other Governing Body Committees

- A separate committee is appointed to deal with staff disciplinary matters.
- A committee of three appointed Governors sets and reviews performance targets for the Headteacher.

Role of the Headteacher

Although the head retains ultimate responsibility the Headteacher, the Deputy and the Secretary/Bursar work in partnership in all matters relating to finance.

- To adhere to the principles of Best Value at all times.
- To ensure that arrangements for staff Performance Appraisal are in place and being developed.
- To prepare budget estimates in conjunction with members of the Finance Committee.
- To submit details of the approved budget to the LA by the required deadline.
- To advise the General Purposes Committee on spending priorities.
- To ensure that school expenditure reflects priorities in the School Improvement Plan including plans for money held in reserve for future projects.
- To implement expenditure in line with the school budget.
- To manage the budget and ensure that the budget limits are not exceeded.

- To make virements where necessary of up to £5000 for individual budget headings.
- To consult the *General Purposes Committee* on virements over £5000.
- To monitor the budget monthly or more regularly if appropriate using reports issued by the Bursar.
- To approve all *Official Orders* before they are processed (Deputy Headteacher).
- To authorise expenditure on a day to day basis in line with the budget.
- To monitor the *Pupil Premium Fund Grant* income and expenditure and to ensure that the eligibility criteria for the spending are met.
- To submit reports to the *Governing Body* giving details of income, expenditure and commitments to date.
- To sign cheques (two signatures are required on all cheques). The additional signatories will be the Deputy Headteacher, and a senior teacher.
- To ensure that the *School Budget Share Account* does not become overdrawn.
- To authorise any overtime/extra duties/supply claim forms.
- To monitor salary expenditure with the *School Support Officer* making use of the statement of accounts produced by the LA.
- To follow up and pursue outstanding queries.
- To keep up to date with the *Financial Rules and Regulations*.
- To follow deficit budget procedures as set out in the '*Scheme For Financing Schools*'.
- To immediately notify the auditors of any suspected irregularity.
- To ensure that the auditors have access to such premises, documents and assets as they consider necessary.
- To consider and respond to recommendations in audit reports and report to the *Governing Body* results and any action taken by the school.
- To ensure audit recommendations are implemented.
- To ensure that relevant staff are aware and implement the *Construction Industry Taxation* scheme.
- To inform *Human Resources* of any staff changes.

Role of Teaching and Non-teaching staff

- Staff discuss with the Headteacher the requirements for their area of responsibility as part of the school self-review and development planning process. The *Governing Body* approve an overall budget for curriculum development at the time of the final budget for the school is set. This is then allocated in accordance with *School Improvement Plan* priorities for the academic year beginning the following September. Staff with responsibility for particular developments or areas ensure that new resources are ordered, liaising with the *Resource Manager*.
- The *Resource Manager* is responsible for preparing orders for curriculum resources and classroom consumables.
- The *Welfare Officer* is responsible for preparing orders for first aid/medical room supplies.
- The *Secretary or Resources Manager* is responsible for preparing orders for office stationery.
- Expenditure over allocated budgets will need the approval of the Headteacher.
- To make effective use of the available resources

Role of the Caretaker

- To advise/inform the *General Purposes Committee* as required.
- To order materials and equipment needed for basic building repairs and maintenance.
- To obtain quotations for any alterations or building works.
- To place orders for cleaning materials and toilet requisites.
- To carry out minor building repairs and claim overtime as appropriate.
- To carry out portable electrical appliance testing annually.
- To make effective use of the available resources.

Role of School Secretary/Finance Officer Team

- To prepare Official Order Forms once authorised by the Headteacher/Deputy Headteacher.
- To process the Official Orders.
- To sign delivery notes on receipt of goods. If it is not possible to check them the delivery note must be marked 'unchecked' in order that a detailed check can be carried out to ensure accuracy.
- To pass goods received to the Resource Manager for detailed checking against the official order.
- To follow up queries relating to the orders.
- To monitor the use of the Franking Machine.
- To collect and bank income for school trips, charitable collections, and donations, to collect and bank dinner money collections, chase outstanding debts and seek authority to write-off long outstanding debts.
- To maintain stock levels for office stationery.
- To maintain accurate and up to date accounting records.
- To commit official orders on Cash Accounts.
- To process invoices, stamp and complete the certification stamp for payment.
- Prepare cheques and pass them with the relevant documentation to the Headteacher for signing.
- To keep 'Cash Accounts' up to date.
- To produce monthly monitoring reports for the Headteacher and Governors.
- To reconcile computer accounts to the LA Reports on a monthly basis.
- To check all records relating to school finance.
- To provide LA with details of income and expenditure and statements of bank reconciliation on a monthly basis by the required deadline.
- To provide the LA with a summary of VAT paid and received on a monthly basis.
- To work closely with the Headteacher on budget preparation and monitoring.
- To monitor salary expenditure making use of the statement of accounts produced by the LA.
- To raise and follow up queries as necessary.
- To prepare and process virements in conjunction with the Headteacher as necessary.
- To ensure that the budget codes are not overspent and to take corrective action where necessary.
- If applicable to prepare and make petty cash payments and record expenditure in the petty cash ledger and Cash Accounts and to ensure these are sanctioned by an authorised signatory.
- To prepare paying in slips for school income.
- To ensure that the School Budget Share Account does not become overdrawn.
- To ensure VAT Regulations are complied with.
- To be responsible for the back up system for Key Solution Cash Accounts Package.
- To ensure that the Construction Industry Taxation Scheme is implemented.
- Prepare year-end returns by the required deadline.
- To ensure opening and closing balances reconcile to LA Accounts.
- To ensure the school holds up to the value of balances brought forward (Revenue plus Capital) in the Reserve Account to earn maximum interest.
- To maintain the Unofficial Funds Account, the expenditure of which is authorised by any two signatories i.e. Headteacher, Deputy Headteacher, Senior Teacher.
- To ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa.
- To ensure that the financial records are maintained to an auditable standard.
- To make effective use of the available resources

Role of the Resource Manager

- To maintain curriculum and other resources in good order.
- To organise and catalogue school resources in ways that help teachers and other staff to do their jobs effectively and efficiently.
- To liaise with other staff, including the Headteacher about all resource/service needs.
- To organise repairs and regular servicing where necessary.
- To liaise with external service providers e.g. ICT Technicians about work needed, working closely with subject leaders employed in the school.
- To source goods and services using best value principles.
- To seek out competitive quotes for various contracts.
- To prepare official orders for goods and services ready for authorisation.
- To check deliveries against orders, ensuring all goods are received in good condition, chasing up discrepancies with suppliers.
- To inform relevant staff when goods arrive.
- To store new goods appropriately.
- To maintain the School Inventory, advising on write-offs and preparing the necessary paperwork for authorisation.
- To manage the School Archive, storing, maintaining and disposing of records as appropriate.
- To carry out periodic audits of resources.
- To create and manage loan systems for staff for more expensive items.
- To make effective use of the available resources

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Financial Management

Section 3: Procedures

Budget Administration

- The School Budget is linked to the School Improvement Plan, which is drawn up by the Headteacher, staff and Governors. This is approved annually by the full Governing Body.
- The budget will be set and approved by the whole Governing Body. When this has been completed the Headteacher will administer the budget regularly.
- The Headteacher will check the statements of accounts sent by the LA monthly and any errors and omissions will be notified to the LA for correction.
- Individual budget holders will monitor their own budgets and liaise with the Resource Manager/Bursar regarding any discrepancies.
- The allocation of funding is split into two main categories, Revenue and Capital. The revenue is subdivided into three sections i.e. employees, premises, and supplies and services.
- The school also receives an allocation for the Pupil Premium and any changes to the allocation are implemented on a regular basis.
- The Headteacher will ensure that eligibility criteria are met when spending the pupil premium allocation.
- The Finance Committee must approve the use of monies held in reserve.

LA Financial Regulations and Standing Orders

- The school operates within the limits of its delegated budget and abides by the Authority's Contract Standing Orders.
- The school bank accounts will not be overdrawn.
- Audit recommendations will be implemented.
- All checks of opening and closing down of accounts and reconciliation to Key Solutions are carried out by the School Support Officer/Finance Assistant who acts on behalf of Director of Finance.
- The school will not authorise charge/credit/debit cards from the School's Budget Share Account.
- The school will make no gift or payment in cash or kind.

Internal Financial Control

- To ensure financial control designated personnel are authorised by the Chair of Governors.
- Authorised signatures are as per the Authorised Signatory List.
- Orders are submitted on internal order forms (Z orders), which are authorised and coded by the Deputy Headteacher. The Official Orders are signed, dated and processed ie faxed/sent to the supplier.
- Official Orders placed at times when the Deputy Head is unavailable are signed by the Headteacher. In these cases, the authorised signatories other than the Headteacher will sign the cheques.
- When goods arrive they are checked against delivery notes and official orders by the Resource Manager, who also deals with any queries relating to deliveries/orders.
- All invoices are stamped with a Certification Stamp, which is completed by the Bursar. These invoices are recorded on Key Solutions Cash Accounts.
- Cheques are prepared by the Bursar and passed together with all relevant documentation to the authorised signatories for signing.
- The Headteacher and Deputy Headteacher are aware of book-keeping procedures.

- Designated personnel involved with financial documents including cheques, invoices, orders and receipts are aware that alterations should be made in ink and that Tippex or rubbers should never be used.
- Documents relating to finance are kept for a period of six years plus current working year.
- All accounting records are all kept in an alarmed school office. The chequebooks, receipt books and unused official orders are locked in the safe/filing cabinet.
- An audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and visa-versa.
- Only authorised staff have access to school accounting documents and accounting package.
- Payroll information is monitored and queries raised where appropriate. These are noted and dated on the payroll reports.
- Debts are written off only in accordance with the LA regulations and the school keeps a record of all sums written off.

Insurance

- The school is insured through London Borough of Barnet and a schedule of cover is issued annually.
- Both the premises and the contents are covered under the policy.
- School property such as musical instruments and computers is covered when it is off the premises.
- School journeys are properly insured before the journey occurs.
- Reports of incidents are kept locked in the Headteacher's office.
- All accidents, losses and incidents are immediately reported to the LA on the appropriate form.
- The Headteacher is responsible for reviewing insurance arrangements annually.
- Insurance cover is obtained for staff on long and medium term sickness and maternity leave through arrangements with London Borough of Barnet. Short term cover is provided from the school's budget.
- Contractors are requested to provide a copy of the company's current/valid public liability insurance prior to commencing work.

Computer Systems

- The school is registered in accordance with the Data Protection Act 1984 and complies with this legislation. We aim to ensure that the school has an effective computer-based system for monitoring and processing financial information efficiently. Such information is properly protected and backed up and that information is restricted to authorised personnel and users.
- A back up is taken each time the system is closed down. The Bursar takes a copy off site and a copy is kept in the school safe.
- The computer systems are protected by encryption and password security to ensure that only authorised staff have access.
- The old data is archived on the computer and a copy is kept on the hard drive stored in the safe
- The latest data is taken off site by the Bursar.

Purchasing

- The school is governed by Contract Standing Orders for Schools approved in July 2000. A copy is available in the Financial Guide for Schools which is kept in the school office.
- Where a quotation other than the lowest is accepted, the reasons for this decision are reported to the Governing Body and included in the minutes of the relevant meeting.
- Separation of duties is clearly established by the authorised signatory list and this is adhered to.
- No payment is made to individuals unless it is for goods only.
- Payments to individuals are made through the payroll provider.
- The school adheres to the Construction Industry Scheme as per the procedures.
- The school does not issue gift vouchers to members of staff or other types of gifts.

- Official orders are used for all purchases of goods and services with the exception of utilities, rents, rates and occasional minor purchases for lessons.
- Official orders are ruled off below the last item recorded. One copy of the order is retained in the office and the second copy is given to the person initiating the order.
- Payment is only made when a proper invoice has been received, checked, coded and certified for payment.
- Invoices can only be certified by an authorised signatory.
- The person signing the cheque and certifying the invoice should not have signed the original order or checked the goods.
- All invoices are marked with the cheque number filed in cheque number order.
- Goods above the value of £200 are listed in the Inventory Book and the Inventory page number is written on the certification stamp on the invoice.
- The Headteacher/Deputy Headteacher sanctions all orders prior to them being processed. When orders are placed for services an estimated cost is indicated against appropriate budget allocation so that budget can be clearly monitored.

Contracts

When selecting contractors for work:

- Up to £5,000 - 2 competitive quotations
- £5,000 - £9,999 - 3 competitive quotations and General Purposes Committee approval
- £10,000 - £59,999 - 3 or more quotations and Governing Body approval.
- £60,000 and over - tendering procedures as per Contract Standing Orders and Local Authority authorisation.

Payments

- All staff are aware that when goods are received they should be signed for.
- The goods are checked and distributed by designated personnel and distributed to the budget holders as soon as possible. The cleared delivery note is checked against the delivery note and the original official order. The designated personnel usually do this.
- Items above the value of £200 are listed in the inventory book and the inventory folio number is written on the certification for payment.
- Payment is only made when an original invoice has been received, checked, coded and certified for payment. Copy invoices can only be paid after rigorous checks have been made.
- Invoices can only be certified by the authorised signatories as per the authorised signatory list.
- When invoices have been paid and authorised they are filed in cheque number order.

Personnel

- The school currently has a contract with the Barnet Payroll and Personnel section, which provides support to the school and processes payments to staff.
- Procedures for appointments and payments are contained in the school pay policy.
- It is the responsibility of the Headteacher to ensure that a log is maintained of staff absences for permanent contract staff and this information is available to the LA staffing section.
- The Welfare Officer makes monthly and weekly absence returns to the LA.
- The Headteacher/Deputy Headteacher can approve payment and appointment for supply work, both teaching and non-teaching.
- Time sheets will be signed by the Headteacher/Deputy Headteacher or Secretary.
- The secretary will ensure that the schedule for the return of non-contract staff supply forms is adhered to.
- Salary printouts are received and checked monthly by the Bursar and Headteacher.

- The LA sends payroll information to the school. This is checked by the Bursar and the Headteacher. Any errors or omissions are reported to the relevant service for correction and queries are noted on the printout for future reference.
- The Headteacher notifies Human Resources of any staff changes.
- A list of all staff employed by the school is kept by the Headteacher and is updated promptly to reflect changes.
- All contracted staff are paid through the payroll system and payments are made to the appropriate agencies for supply staff.
- Personnel files for members of staff are kept in the Headteacher's office and confidentiality is maintained at all times. These are kept in a locked filing cabinet at all times
- For disciplinary, capability, grievance issues, the Barnet guideline procedures are followed.

Security of stocks and other property

- The Headteacher, Deputy Headteacher, Senior Teacher, Chair of Governors and the Caretaker are the only key holders.
- A school inventory book lists all items over £200. A physical check is made once a year.
- All valuable equipment is security marked.
- When school property is taken off the premises it is signed for in the school loan book, which is kept in the school office. When the property is returned, another member of staff confirms the return.
- All write-offs and disposals of surplus stock and equipment are authorised by the finance committee and approved by the Governing Body.
- The Headteacher will ensure that stocks are maintained at reasonable levels and are subject to a physical annual check.
- The school safe is kept locked at all times. Only the Headteacher and Secretary retain the keys.
- The school site is alarmed when closed and there are sensors in all corridors and offices. The Alarm is centrally monitored.

Income

- The Governors have a Charging Policy in place. This covers parental contributions for technology, trips and other school activities.
- Official receipts are issued for school journey payments. The Secretary maintains a class list on which is recorded money collected for class outings, etc.
- Separate accounts are kept in the school office to record money collected for school activities.
- All income into the school will be clearly identified and cash sums over the value of £50 will be receipted using an official receipt book.
- It will be possible to identify all monies paid into the school by a parent for any specific purpose.
- Where appropriate, invoices will be dispatched where a charge is to be made for a service or goods provided by the school.
- Where monies are collected on an instalment basis, the instalment collection sheet should be set up by the member of staff responsible and maintained in the agreed manner.
- In order to reclaim VAT, payments for school journeys/trips are made from the school budget share account. The collection of income relating to day trips/school journeys and other activities are paid into the appropriate bank account.
- Entries in the paying-in book indicate the split between cash and cheques and the names of cheque signatories.
- The official fund book shows the split between cash and cheque receipts. All official account income is banked promptly.
- All income is locked away in the safe to safeguard against loss or theft.
- Income collections are not used for encashment of personal cheques.

- Sums deposited at the bank are reconciled to sums collected at least on a monthly basis by the Headteacher.

Lettings

Please refer to paragraph 6.3 above.

Banking Arrangements

- Authorised signatories are the Headteacher, Deputy Headteacher and a Senior Teacher.
- Cheques are prepared by the Finance Officer for the categories of expenditure detailed on the School Budget form (DP11) and are attached to the appropriate documentation i.e. invoices for certification.
- The bank accounts are never overdrawn, nor will the bank negotiate overdraft facilities.
- The school will not enter into any loan agreement other than with the LA.
- Two signatures are required on all cheques.
- All cheques are crossed 'account payee only'.
- The General Purposes Committee must approve individual purchases above £5,000.
- The Governing Body must approve purchases over £10,000.
- Cheques are never pre-signed.
- When not in use, cheque books and computerised pre-printed cheques are securely kept in the school office.
- Bank statements are received monthly and reconciled with accounting records by the Finance Officer.
- Bank Reconciliations are prepared each month by the Finance Officer and countersigned by the authorised signatory. Any discrepancies are investigated immediately and corrective action taken.

Tax

- The school complies with VAT, Income Tax and CIS Regulations.
- Only proper VAT invoices are paid from the School Budget Share Account.
- Payments to contractors and sub-contractors are made in accordance with the Construction Industry Scheme.

Petty Cash

The school does not carry petty cash.

Financial Management Policy, Roles & Responsibilities and Procedures

Set Up:	December 2004	(A McClimont)
Reviewed:	October 2006	(L Walker, J Tullis & GP committee)
Reviewed:	October 2008	(L Walker, J Tullis & GP committee)
Reviewed:	November 2010	(L Walker, S Watkins & GP committee)
Reviewed:	November 2012	(L Walker, S Watkins & GP committee)
Reviewed:	October 2013	(L Walker, S Watkins & GP committee)
Reviewed:	October 2014	(L Walker, S Watkins & GP committee)
Reviewed:	November 2015	(L Walker, S Watkins & GP committee)
Reviewed:	November 2016	(L Walker, S Watkins & GP committee)

Next Review: November 2017

Signed:

(Chair of Governors)

Date:

Financial Management

Section 4: Charging for School Activities

Introduction

The school will not charge for any activities taking place in school time with the exception of individual music tuition and board and lodging for residential trips (see below).

The school, however, is permitted to ask parents for voluntary contributions for any activity, whether in or out of school time, and for school equipment and school funds.

On the occasions when a voluntary contribution is requested it is emphasised that there is no obligation to contribute. No pupil will be treated differently according to whether or not their parents have made a contribution.

If insufficient contributions are received for a particular event or activity, then it may be cancelled.

Music Tuition

A charge will be made for individual instrumental tuition, including the costs of the teacher, sheet music, insurance and instrument hire, if the teaching is not an essential part of the National Curriculum or part of a public examination syllabus taught by the school.

Visits and trips in school time

These activities are very valuable educationally and parents will usually be invited to make a voluntary contribution to cover the costs.

Residential Activities

For a residential activity taking place largely during school time, or one which relates to the National Curriculum, no charge will be made for the cost of education or travel. However, charges will be made for board and lodging except for pupils who are eligible for free school meals.

Ingredients and Materials

If parents have indicated in advance that they wish the finished product to be taken home or for the pupil to consume it in school, the school will require parents to provide the ingredients or materials or make payment to cover the costs. This will apply to certain subjects such as craft, design and technology and home economics.

Other charges

Specialist visitors to the school, including drama and dance groups, make a significant contribution to the education of pupils. On some occasions requests for voluntary contributions to the costs of arranging these visits will be made.

The costs of repair or replacement, resulting from wilful damage or loss of school property by a pupil will be charged to the parents of the offending pupil.

Waiving of charges

Pupils who are eligible to receive free school meals are entitled to have charges waived for the cost of board and lodging on residential trips.

When arranging a chargeable activity the school will invite parents to apply in confidence for the waiving of charges in full or in part. Authorisation of waived charges will be made by the Headteacher, in consultation with the Chair of Governors.

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Financial Management Policy: Charging for School Activities

Set Up: December 2004 (A McClimont)
Reviewed: October 2006 (L Walker, J Tullis & GP committee)
Reviewed: October 2008 (L Walker, J Tullis & GP committee)
Reviewed: November 2010 (L Walker, S Watkins & GP committee)
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Reviewed: November 2015 (L Walker, S Watkins & GP committee)
Reviewed: November 2016 (L Walker, S Watkins & GP committee)

Next Review: November 2017

Signed:
(Chair of Governors)

Date:

Courtland School
Everybody Can Be Somebody

Financial Management Delegation/Authorisation

Authorised Signatories

Lisa Walker	Headteacher	Signing cheques & authorising payments
Susan Swinburne	Deputy Headteacher	Authorising orders
Davina Tunkel	Deputy Headteacher	Signing cheques

Payroll Authorisation

Lisa Walker	Headteacher
Susan Swinburne	Deputy Headteacher
Davina Tunkel	Deputy Headteacher

Purchasing

Lisa Walker	Up to £5000
General Purposes Committee	Up to £10,000
Governing Body	Up to £60,000
LA	£60,000 and over

Virements

Lisa Walker	Headteacher	Up to £5000
General Purposes Committee		Up to £10,000
Governing Body		Above £10,000

Responsibility for Purchasing

Curriculum Resources	Subject Leaders & Resource Manager (Philippa Fallon)
Classroom Consumables	Resource Manager (Philippa Fallon)
Office Supplies	Secretary & Resource Manager (Philippa Fallon)
Repair/Cleaning Materials	Caretaker (Mark Day)
First Aid/Medical Supplies	Welfare Officer (Mary Brown)
Furniture & Equipment	Resource Manager & Headteacher (Philippa Fallon & Lisa Walker)

Financial Management Delegation/Authorisation

Signed:
(Chair of Governors)

Date: