



St. Peter & St. Paul CE Primary School, Burgh-le-Marsh
"Striving for excellence together in a caring Christian community."

RESPECT COMPASSION COURAGE



FINANCE POLICY

Responsible: Governing Body

Agreed: January 2023

To be reviewed: Annually in line with DfE recommendation or in the event of review by LCC

Reviewed (and notes if applicable): January 2024

1. Introduction

The Governing Body of St. Peter and St. Paul Church of England Primary School recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

2. Organisation

2.1 In view of the importance and complexity of financial management in the school, the Governing Body has established the pattern of Governor meetings to enable due consideration to be given to all financial matters. The school has assigned Finance Governors to enable monitoring, discussion and due consideration of all financial matters.

2.2 The Finance Governor(s) meet with the Bursar prior to Full Governing Body meetings scheduled to take place as follows:

April/May

(to agree the budget for the new financial year and to agree the finance plan)

July

(to consider the first main budget monitoring report for the year)

September/October

(to consider the second main budget monitoring report of the year and to update the school's finance plan in light of the September number on roll)

November/December

(to consider the third main budget monitoring report for the year)

January/February

(to consider the final main budget monitoring report for the year and a revised finance plan)

Additional budget monitoring meetings, with the Headteacher, Bursar and the Finance Governor(s) are held, as appropriate, over the year to make timely decisions about budget

changes.

2.3 The Finance Governor(s) will report, and make recommendations, to the full Governing Body.

2.4 The Finance Governor(s) must maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

3 Roles and Responsibilities

3.1 The Governing Body recognises the importance of governors, the Headteacher and staff being clear about their respective roles and responsibilities with regard to the financial management of the school. The following sets out those roles and responsibilities.

3.2 The **Governing Body** will:

- a) agree, and record in writing, the roles and responsibilities of the Finance Governor(s) and Headteacher
- b) review those roles and responsibilities on an annual basis
- c) elect the Finance Governor(s) each year
- d) approve the school's budget each year, ensuring that a copy is attached to the minutes of the meeting
- e) submit the approved budget to the Local Authority (LA) within the specified timescale
- f) approve the school's original and revised finance plans each year
- g) take appropriate steps to ensure the school's budget does not overspend
- h) contact the LA and seek approval to overspend where this seems unavoidable
- i) authorise the school's applications for loans from the County Council
- j) satisfy itself that the Finance Committee and Headteacher are fulfilling their responsibilities as set out in this policy document
- k) review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes
- l) record in writing the transaction/process authorisation limits, etc. relating to the school's financial system for relevant members of staff (see Appendix A)
- m) agree the school's virement policy (see Appendix B). The policy should clearly state what financial levels have been delegated to individuals:

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E.g. budget holders for procuring goods/services; placing orders/goods receipting etc. and payments.

- n) establish the school's charging policy and review on an annual basis
- o) ensure that the school fund is audited each year
- p) ensure that a signed statement confirming that the school fund has been audited is issued to the County Council within its specified timescale
- q) review the financial training needs of Governors, the Headteacher and staff on an annual basis and fund training needs, as appropriate. A programme of free training is available from the Local Authority
- r) ensure that the school's Register of Business Interests and Conflict of Interests is kept up-to-date
- s) ensure that the school complies with the Local Authority's guidance relating to Extended Schools and, in particular, that it does not subsidise extended school activities from the school's main budget share.
- t) ensure that the Schools Financial Value Standard is completed and signed each year (see guidance on the GOV.UK website www.gov.uk/guidance/schools-financial-value-standard-and-assurance-sfvs)
- u) review the Finance Policy document on an annual basis

3.3 The **Governing Body, led by the Finance Governor(s)** will also:

- a. familiarise themselves with this policy document and their roles and responsibilities
- b. ensure that the school complies with the LA's Scheme for Financing Schools, approved by the Secretary of State
- c. familiarise themselves with the way in which schools in Lincolnshire are funded
- d. contact the LA for advice in relation to leasing arrangements, as appropriate.
- e. produce a timetable of meetings at the start of the year outlining their key purpose
consider the draft annual budget papers prepared by the Bursar and the Headteacher
- f. consider the draft medium term finance plan prepared by the Bursar and the Headteacher
- g. consider budget monitoring reports produced by the Bursar and Headteacher throughout the year

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- h. monitor the financial performance of catering and other functions (where applicable) throughout the year (some trading activities within school should not be subsidised by budget share)
- i. ensure that the school obtains value for money (refer to Finance Handbook for more information)
- j. ensure that the school's Other Government Grants allocations are fully utilised.
- k. The Consistent Financial Reporting website should be used to assist with comparisons (refer to Finance Handbook for more information)
- l. ensure that the school complies with the County Council's financial regulations
- m. ensure that audit recommendations are implemented within a reasonable timescale
- n. ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc., and review on an annual basis.
- o. ensure assets with a value up to £20,000 are disposed of in accordance with the guidance in the Finance Handbook.

3.4 The Headteacher will:

- a. familiarise him/herself with this policy document and his/her role and responsibilities
- b. with the Bursar, draft budget papers
- c. with the Bursar, draft original and revised finance plans
- d. ensure that School Development Plan priorities are properly costed and linked to the school's budget and finance plan
- e. with the Bursar, monitor the budget on a monthly basis
- f. oversee the day-to-day running of the school's financial administration and ensure that the County Council's timetable is adhered to (See Finance Handbook for more information)
- g. ensure proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Corporate Audit and Risk Management Team)
- h. authorise transaction/processes within the school's financial system up to limits agreed by the Governing Body including the release of purchase order (see Appendix A)
- i. act as an authorised signatory for the purposes of signing cheques, certifying employee claims etc. In the absence of the Headteacher, the Deputy Headteacher will authorise

submitted claims.

- j. review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out
- k. monitor that the payroll report is run on a monthly basis, checks have been undertaken to ensure the data is correct, and initial documents as evidence that monitoring has taken place
- l. ensure that income collected by external companies is reconciled on a regular basis
- m. ensure VAT is correctly accounted for
- n. agree virements up to his/her authorised limit (see Appendix C)
- o. ensure an inventory is maintained
- p. ensure that the school fund records are kept up-to-date
- q. ensure that school fund's annual accounts are prepared, audited, approved by the full Governing Body and submitted to the LA in the timescale specified
- r. ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime, with regard to budget monitoring and reporting etc.
- s. Ensure assets with a value up to £20,000 are disposed of in accordance with the guidance in the Financial Handbook.

3.5 The Administrator/ Bursar will:

- a) maintain the accounting records using the school's financial package.
- b) carry out transactions/processes within the school's financial system up to limits agreed by the Governing Body (see Appendix A)
- c) ensure that the LA's timetable for completion of bank, imprest and other reconciliations is adhered to
- d) Contact the Schools Finance Helpdesk with concerns or queries regarding financial administration
- e) ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to ensure compliance with the Council's No PO No Pay policy and to aid effective budget monitoring and management – An exemptions list is available to access on the LCC Connect area at www.lincolnshire.gov.uk
- f) ensure that payments are made to suppliers within LCC's payment policy, i.e. 28 days of the date of the invoice

- g) ensure that claims for Sickness Absence Insurance Scheme are made promptly and no later than 1 month after the relevant period
- h) ensure that the Employee Costs Reports and Gross to Net Report are run on a monthly basis, as close to 23rd of the month as possible, and that checks are undertaken to ensure the data is correct.
- i) ensure that income collected by an external company is recorded accurately on Business World and that regular reconciliations are undertaken.

3.6 The Chair of Governors / Finance Governor(s) will:

- a. authorise and sign claims made by the Headteacher.

4. Training

- 4.1** The Governing Body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.
- 4.2** The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made wherever possible and governors and staff will be actively encouraged to undertake that training. This will be recorded in the minutes of the Governing Body. A programme of free training is available through the Local Authority.

5. Budget setting

- 5.1** The Governing Body recognises the importance of setting a detailed budget at the start of the year.
- 5.2** The Bursar and Headteacher will draft a detailed budget for each line of income and expenditure. It is recommended that the budget is re-evaluated each year (as opposed to incremental budgeting) for Governors' consideration.
- 5.3** The Headteacher will include options for increased spending, as set out in the School's Development Plan, and options for cost-cutting measures, where appropriate.

6. Budget monitoring

- 6.1** The Governing Body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

6.2 The Bursar and Headteacher will monitor the budget on a monthly basis by reviewing printouts from the school's financial system for:

- errors
- miscodings
- large or unusual items
- potential underspending or overspendings against budget

and act promptly, where appropriate.

7. Financial administration

7.1 The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the school.

7.2 The Headteacher will monitor the financial administration functions carried out by the administrator, ensuring that:

- a. accounting systems are kept up-to-date
- b. returns and bank reconciliations, petty cash claims, etc. are completed in accordance with the County Council's published timetable
- c. appropriate action is taken where the County Council advises the school that its day-to-day administration is not up-to-date

8. Reporting

8.1 The Governing Body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

8.2 The Bursar will prepare budget monitoring reports for consideration by the Governing Body.

The reports will include for each line of income and expenditure (including all Government Grants):

- Actual Expenditure to Date
- The original budget
- Changes to the budget (virements)
- Revised Budget (the current budget)
- Variance (Actuals – Revised Budget) - this is the difference between the current budget minus the actuals expenditure
- % Spent – this is the percentage of the budget that has been spent to date
- Forecast – this is the final forecasted expenditure and income for year
- Forecast Variance – this is the variance between the current budget and the forecast to give the forecasted year end position

In addition to the reports available in the school's financial system, the Local Authority issues a Medium Term Finance Plan document to schools on an annual basis which provides the framework for the preparation of finance plans and budget monitoring reports to Governors

9. Financial planning

- 9.1** The Governing Body recognises the importance of financial planning beyond the current year.
- 9.2** The Bursar and Headteacher will prepare a medium term financial plan covering the next five years.
- 9.3** The plan will show the projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.
- 9.4** The level of detail shown in the School's plan will include, as a minimum, the information set out in the Medium Term Finance Plan document issued by the Local Authority to schools every year.
- 9.5** The plan will include contingency plans, setting out the school's proposals for dealing with variations including, in particular, changes in the projected number on roll.
- 9.6** The Governing Body will consider the impact that the medium term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

10 Audit

- 10.1** The Governing Body recognises the importance of the County Council's audit regime in assessing the adequacy of the school's financial controls. The Governing Body and Headteacher will ensure that auditors are given access to staff, all relevant records and property as the auditors consider necessary. The Headteacher will ensure that audit recommendations are implemented as soon as possible. The Headteacher will familiarise him/herself with the Financial Procedures and Finance Handbook, which gives guidance on best practice, internal controls and statutory requirements.

11. Annual timetable

- 11.1** The Governing Body recognises the importance of planning its financial management work throughout the year. The Bursar and Headteacher will draw up an annual timetable of key events and will submit this annually to the full Governing Body's last meeting in each financial year.

12. Review

12.1 The Governing Body recognises the importance of keeping its Finance Policy up-to-date and will review the policy on an annual basis, or earlier in the event of legislation changes.

APPENDIX A – AUTHORISATION SUMMARY

Summary of authorised signatories

- Payroll claims: Headteacher or, in their absence, the Deputy Headteacher
- Headteacher claims: The Chair of Governors or Finance Governor(s)

Authorisation Limits

The authorisation limits relate to processing and release of purchase order and invoices. The Finance Policy states the authorisation levels that have been delegated to individuals to process or release purchase orders or invoices.

On BW-On the default purchase order release limit for administrators or bursars is £1,000. For Headteachers the default limit is £500,000.

Our school has agreed the following authorisation limits for Purchase Orders:

- Administrator/Bursar £1,000
- Headteacher £20,000

This can be reviewed annually and amended at the discretion of the Governing Body.

Procurement over £10,000

Quotes/tenders will be sought for all procurement over £10,000 in total (e.g. refurbishment of playground, IT infrastructure projects)

Purchase Card limits

Designation	Single Transaction Limit	Monthly Transaction Limit
Bursar	£1000	£2000
Headteacher	£1000	£2000

APPENDIX B - Virement Policy

Virements are in-year changes between budgets, e.g., on Business World £5,000 is moved from contingency to teaching staff.

The Schools virement policy forms part of their Finance Policy. The virement policy should clearly state what financial levels have been delegated to individuals to vire the budget from one budget heading/account code to another. The virement policy has a similar principle to Headteachers or procuring goods/services; placing orders/goods receipting etc. The recommended limit for delegating responsibility for virements to the Headteacher is £5,000, although secondary schools may wish to increase this limit. Schools may also choose to allocate virement levels to the Finance Committee and the Administrator.

APPENDIX C - Income Collected by External Company Policy

Schools can enter into a contract with an external company which agrees to collect income from parents by credit or debit card for activities such as meals, trips, uniform etc.

The policy must clearly state the company involved, how often income will be paid over to the school and how often income reconciliations are completed and who will be responsible.

The school must notify Treasury & Investment Section at LCC when they enter into an agreement with an income collection company.

APPENDIX D**Key Financial/Strategic Organisation Responsibilities**

- To monitor progress against the priorities of the School Improvement Plan (also known as the School Development Plan) particularly those related to finance & premises targets
- To undertake monitoring visits to the school
- To review regular reports made to the Governing Body
- To meet as a Governing Body as outlined in the Finance Policy with the focus on Finance and Strategic Organisation.
- To consider a budget position statement including virement decisions at least termly and to review significant anomalies from the anticipated position as a Governing Body
- To ensure that the school operates within the Financial Regulations of the County Council
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To annually review charges and remissions policies and expenses policies.
- To make decisions in respect of service agreements
- To make decisions on expenditure following recommendations
- To review priorities, including Health and Safety, for the maintenance and development of the school's premises ensuring, as far as is practical, that Health and Safety issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
- To oversee arrangements for repairs and maintenance and determine premises-related expenditure
- In consultation with the Headteacher, to oversee premises-related funding bids
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to Governing Body policy
- To establish and keep under review an Accessibility Plan and Travel Plan
- To draft and keep under review the staffing structure in consultation with the Headteacher
- To establish a Pay Policy for all categories of staff and to be responsible for its administration and review including the appointment of a Pay Committee
- To oversee the appointment procedure for all staff
- To establish and review an Appraisal/Performance Management policy for all staff
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence
- To oversee the process leading to staff reductions
- To make decisions on personnel-related expenditure

In addition to the main Governing Body, the following are required to fulfil specific tasks:

Pay Review Committee

Terms of reference:

The Pay Review committee of the Governing Body is authorised to recommend / decide all pay matters, but decisions will not be notified to staff until the full Governing Body has been notified.

1. Membership

- 1.1. Pay Review Committee will be elected by the Governing Body.
- 1.2. Where the Headteacher is not a member of the Pay Review committee, they will be entitled to attend all meetings in an advisory capacity.
- 1.3. The Headteacher will leave the meeting when their own pay is being discussed.

2. Terms of reference

The committee will have full powers to make recommendations/decisions within the pay policy adopted by the Governing Body. The terms of reference are as follows:

- 2.1. To achieve the aims and objectives of the school pay policy;
- 2.2. To apply the criteria set by the policy, including linkages with the school appraisal policy, in determining the pay of each member of staff;
- 2.3. To observe all statutory and contractual obligations;
- 2.4. To ensure that the policy complies with the most recent School Teachers' Pay & Conditions Document;
- 2.5. To ensure that all pay decisions have regard to the legislation outlined in Basic Principles;
- 2.6. To recommend the annual pay budget, including pay progression at all levels. The Governing Body recognises that funding cannot be used as a criterion to decide performance pay progression;
- 2.7. To minute clearly the reasons for all recommendations / decisions and to report these to the full Governing Body;
- 2.8. To ensure that each member of staff receives, by 31st October each year, a written statement;
- 2.9. To ensure that staff know the procedure for making an appeal against pay decisions;
- 2.10. To ensure that there are clear job descriptions for each post at the school, so that additional allowances can be awarded in a fair, equitable and consistent manner; and
- 2.11. To keep abreast of developments influencing pay considerations and to advise the Governing Body when the pay policy needs to be reviewed.

3. Pecuniary interest

- 3.1. No governor may participate in discussions leading to recommendations / decisions in which he / she has a pecuniary interest.

4. Procedure

- 4.1. The full Governing Body will receive the report of the Pay Review committee in the confidential section of the agenda. Once decisions have been made/communicated, they will be advised in writing to members of staff.
- 4.2. Every teacher's salary must be reviewed annually, with effect from 1st September.

KEY RESPONSIBILITIES

GOVERNING BODY TEACHING & LEARNING RESPONSIBILITIES

Monitor School Improvement Plan progress against targets
Undertake monitoring visits
Advise Governors on standards
School Curriculum Policy
Evaluate safeguarding procedures and policies
Educational Visits
Make recommendations from curriculum with financial implications
Fulfil duties in permanent exclusions and fixed term exclusions
Attendance analysis
Make arrangements for members of GB to attend meetings with LA/reports shared
Understand performance data, monitor achievement and pupil numbers
Website compliance
Oversee individual governor roles for specific areas/tasks

GOVERNING BODY STRATEGIC ORGANISATION RESPONSIBILITIES

Monitor School Improvement Plan progress against targets
Undertake monitoring visits
Draft budget (5yr plan)
Budget monitoring
Charging and remissions
Finance and Personnel Policies
Health & safety Policies and Procedures
Appraisal overview & Pay awards (as directed by Pay Committee)
Travel Plan/Accessibility
Review staffing structure
Site development & priorities
Oversee staff recruitment and reductions
Site inspections and fire drills
Make expenditure decisions from matters arising at other committees
Monitor School Fund
Admissions policy and procedures

