

DRUMBEAT SCHOOL AND ASD SERVICE



Drumbeat

School & ASD Service

Finance Policy

(March 2020)

RESPONSIBLE PERSON – HEADTEACHER

SIGNED BY CHAIR OF GOVERNORS

Katy Donnelly

DATE: 01/10/20

SIGNED BY HEADTEACHER

Marie Neave

DATE 01/10/20

DRUMBEAT SCHOOL AND ASD SERVICE

SCHOOL FINANCIAL MANAGEMENT POLICY AND CODE OF PRACTICE

1. Aims

This code of practice brings together decisions made and systems established by the Governing Body of Drumbeat School and ASD Service in line with the LA's Financial Regulations, the advice of the Audit Commission and the Borough Auditors.

The aims of the Code of Practice are to ensure that the school has established procedures which enable the Governors, Headteacher and staff to

- (a) support the school's development plan by efficient use of resources and
- (b) to ensure financial accountability and integrity.

2. Financial Planning

The school's budget plan is central to the achievement of the school's educational objectives. These are contained in the School's Development Plan and will therefore be under constant review by the Governors Finance and Strategic Committee and agreed annually to allow the school's budget plan to be prepared before the commencement of the financial year. A final budget plan will be agreed by the Governing Body when notification of the school's budget share has been received.

Responsibilities devolved to the Strategic Committee, the Executive Headteacher and members of staff will enable the strategic committee to make decisions and manage the school's finances to achieve the overall aims and priorities established by the whole school as agreed by the Governing Body.

By receiving regular reports from the Strategic Committee, the Governing Body will be able to evaluate the extent to which financial decisions have promoted the prioritised educational objectives of the school and monitor the effective use of resources.

3. Monitoring

Monitoring will help secure value for money and financial probity while ensuring expenditure stays within budget. It will be achieved by adherence to agreed financial systems and particularly those relating to purchasing.

The Executive Headteacher and School Business Manager will monitor expenditure to ensure accuracy especially in relation to payroll charges.

The school's bank account will be reconciled monthly and will be reported to the LA with the VAT return.

The monthly Payroll reports from the LA will provide the focus for monitoring, which will extend to all other relevant areas of the budget.

The monthly report to the LA will provide the focus for a review of the school's spending against budget plan and spending profile.

The Strategic Committee will meet at least once a term to monitor and review the budget and take action as necessary. This process will enable the school to address potential overspend or under spend.

4. Financial Systems

Signatories to the school bank account cheques will be two from either Executive Headteacher, Deputy Headteachers and the Schools Business Director.

The school will have its own individual bank account as part of the LA's umbrella arrangements with Nat West.

The school is also using the BACS payments facility which is secured method of payment using the accounting system to create a secured file that is uploaded to the RBS bankline. This is then authorised by two current signatories the first one being the uploader and the second authorising the payment using a secured pin number.

The School Business Director will ensure regular banking of monies.

The school will also have its own independent bank account for school fund.

5. Accounting System

All financial transactions will be recorded in the appropriate manner on the Access – HCSS Finance System and/or the school's manual accounting system.

Monthly/quarterly /yearly reports to the LA will be completed by the School Business Director.

6. Purchasing

Orders may only be authorised by the Headteacher and the Deputy Headteachers, Assistant Headteachers and School Business Director.

All orders will initially be raised by a requisitioner using HCSS system, once authorised on the system, this will produce the official order number and the official order to send to the supplier..

In an emergency, where an order is made verbally/by telephone by a Budget Holder, an authorised written order should be sent within 24 hours. During school holidays, this period may be longer.

When placing an order value for money will be ensured by comparing prices/quality and obtaining discounts where possible. See table below

EXPENDITURE	ACTION
£0-£10,000	No quotations
Over £10,001 - £25,000	Three written quotations
£25,001 - £50,000`	Four written quotations
£50,001 - £100,000	Tender and outside PFI remit
£100,000 +	Tender with LA approval

Where a quotation other than the lowest is accepted the reasons for doing this will be recorded in writing.

Payment will be made by the School Business Director/ Finance Officer when the following checks/procedures have been carried out:

Goods/services which were ordered have been received and are satisfactory in both quantity and quality.

The price is as agreed at the time of ordering, correctly calculated and with appropriate discounts.

Inventories have been updated where applicable.

Appropriate VAT and taxation regulations have been applied.

The invoice is an original VAT invoice addressed to the school, an agreed electronic invoice by the school/supplier (or a certified copy invoice) and not a photocopy or faxed invoice.

Where goods and/or services are regularly purchased from individual contractors , there will be annual checks to ensure the school is receiving best value for money.

Authorised Signatory List

Role	Chair of School Governors	Executive Headteacher	Deputy Head	Budget Holders	School Business Director	Finance Officer
Cheque or Electronic Payment		√	√		√	
Certifying Invoices for Payment		√	√		√	
Requesting Orders for 10000 & above	√					
Requesting Orders up to £9999		√			√	
Orders up to £5000		√	√		√	
Orders up to £1000		√	√	√	√	
Officially Raise the Order					√	√

Authorisation levels are set in the finance system and cannot be overridden accept by the Executive Head or the School Business Manager. If this is done, a record will be made and kept with the order concerned.

7. Purchase Card

The School will maintain NatWest purchase cards linked to the school bank account.

The School Business Director will be the controller of the account along with the Executive Headteacher.

There will be cards in the name of the Executive Headteacher and the School Business Director.

The cards will remain locked in the school safe or on the cardholders person, they will not be left anywhere else.

The cards will be used to purchase items, usually online, where this delivers best value, such as shopping with Amazon or where a supplier will only accept payment by credit card. Normal procurement rules apply in every case.

The transaction limit is £5000

Once an item is identified for purchase, the cardholder will complete a Purchase Card form. The form lists the Items, the supplier and the price. It will be signed by the person requesting the item and authorised by the School Business Director and the Executive Headteacher. The form is then used to create an order on the Access – HCSS Finance System. Any invoice issued/mailed by the supplier is attached with the form

Once the Card Statement is received it is matched against the transactions in the finance system. The total on the statement must match the payment from the school bank account. The Executive Headteacher and the School Business Manager will sign the statement when they check the reconciliation at month end to confirm they have checked the payments and are satisfied that the correct procedures have been followed.

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8. Stock Control

The Premises Officers will maintain stock books listing all resources and equipment with a value of £100.00 and above or items termed as desirable.

New purchases will be recorded by the Premises Officers in the stock books when payment is authorised.

An annual stock check will be initiated by the Premises Officers.

Stock books will be available for inspection.

Authorisation will need to be given by the Governing Body or the Executive Headteacher for the disposal of surplus stocks, furniture and equipment with a value of £100 or above.

9. Staff Reimbursement

Authorisation for any purchases should be received from the Executive Headteacher and Deputy Headteachers, Assistant Head or School Business Director.

All claims for reimbursement will be supported by an official staff reimbursement form for expenditure between £10-£20. This will be reimbursed by BACS.

Staff reimbursement claims between £20-50 must be reimbursed by BACS and a pre-authorisation form completed and approved either by Executive Headteacher, Deputy Headteachers, Assistant Head or School Business Director.

Where there is an urgent need to make a reimbursement, this may be made by cheque. No single reimbursement, unless authorised by the Executive Headteacher, in excess of £50 will be permitted to be paid by cheque.

The Executive Headteacher will ensure that specific approval from the Chair of the strategic Committee or the Chair of Governors is given to sign reimbursements over £250.

Voucher/receipts/paid invoices for staff reimbursements, showing VAT where appropriate, must be obtained and submitted with the claim. If these cannot be produced the member of staff will write a letter to the Executive Headteacher explaining why and the claim will only be met if the Executive Headteacher is happy with the explanation. The letter will be filed with the claim.

10. Security

Key holders to the school safe shall be limited to the School Business Director, Finance Officer, Extended Services Manager and Head's PA in the absence of any of the above staff.

School money and cheque books must be kept securely in the school safe. Cheque books do not leave the premises.

The keys to the safe will be kept in a secure place at all times.

11. Roles & Responsibilities

The Governing Body

Has overall responsibility for financial planning and control to secure the most effective use of available resources;

Will establish and monitor financial systems to support its financial responsibilities and ensure probity;

Will pay due regard to the LA's financial regulations and provide reports which are requested by the LA to carry out its financial responsibilities;

Will devolve responsibilities as described in this Code of Practice to the Strategic Committee, the Headteacher, the School Business Director and Budget Holders but will -

Will receive regular financial reports to enable it to ensure priorities are being addressed and to monitor the effective use of resources.

Will ensure the accountability of staff.

Will receive an outline budget plan from the Executive Headteacher and Strategic Committee and agree the school's budget plan, which will be set within the available resources, when the school's budget share has been received.

Has designated the following people as signatories for the school's bank account; Executive Head teacher, Deputy Headteachers and the School Business Director.

Will regularly review security arrangements and receive reports on losses through theft and vandalism.

Will receive regular financial reports indicating potential overspend and under spend.

Will review the schools Best Value Policy

Will seek financial advice from the LA when necessary.

Will complete a Register of Business interests form annually.

Will complete a SIC (statement of internal control) annually.

12. Strategic Committee

The Strategic Committee will scrutinise and where necessary approve financial expenditure to ensure the achievement of the school's management plan.

To this end it will

- Receive regular financial reports.
- Scrutinise and agree the costing of staffing plans of the Human Resources Committee
- Supervise and agree the purchasing or tendering of any items of expenditure over £10,000 but less than £50,000, minuting where a quotation other than the lowest is accepted. Provided that the Committee may only spend £50,000 twice in any financial year following which approval must be sought from the governing body.
- Approve budget virements where necessary.

- Approve disposal of stock / equipment with a write off value of over £100
- Submit minutes and reports to at least once a term to the Governing Body. Monitor all financial systems.
- Respond in detail to audit reports.
- Will receive an outline budget plan from the Executive Headteacher and agree the school's budget plan, which will be set within the available resources , when the school's budget share has been received.

13. The Executive Headteacher

Will advise the Governing Body on financial matters.

Will prepare a budget plan and options which reflect the school development plan priorities.

Will ensure the agreed financial procedures are followed on

purchasing procedures budget virement

budget reports to governors and LA security of stock (including stock taking)
disposal of stock/write off

Will be one of the signatories for the school's bank account.

Can approve budget virements up to 1% of the staffing budget and 5% of other budgets.

Can approve expenditure not in excess of £10,000 (unless specific expenditure approved by governors at budget setting)..

Will sign the stock books when the annual stock check is carried out confirming acceptance.

14. Support Staff

The School Business Director

Will be a cheque signatory.

Will maintain all school accounting records retaining the current and the previous seven years financial records.

Will assist the Headteacher in preparing budget plan options.

Will be a budget holder.

Will ensure payments are made by BACS/cheques when purchasing procedures have been completed.

Will ensure that cash held in the school safe does not exceed the amount covered by insurance.

Will ensure regular banking of monies and ensure insurance limits are adhered to.

Assist the Headteacher in preparing regular reports for the Strategic Committee.

Prepare relevant reports to the LA and regular reports for the Governing Body having completed a monthly bank reconciliation and VAT return.

Prepare monthly/six monthly/yearly reports to the LA.

The Finance Officer

Will be a signatory for the school fund, the account requires two signatories the additional signatories are Executive Headteacher and Deputy Headteacher.

Will be a signatory for the PSFA (Parents, Staff and Friends Association), the account requires two signatories the additional signatories are Executive Headteacher and Assistant Headteacher.

Monitor expenditure of Outreach Team

Keeping manual and HCSS accounting records where appropriate

Will monitor and record income for training

Will monitor and record accounting for Service Level Agreements

The Extended Services Manager

Will ensure regular banking of parent's payments

Ensure payments and records of accounts are kept on HCSS and manual accounting system.

The Premises Officers will

Authorise and dispose of stock / equipment with a write off value of under

£100, together with the relevant Budget Holder, and report to the Headteacher on a termly basis.

Stock/equipment that is written off will be deleted from the inventory.

15. Budget Holders

Each budget holder will prepare an annual budget plan based on their development plan within their budget allocation.

Each budget holder will monitor their spending against expenditure reports issued by the School Business Director and using any accounting records that they may themselves maintain.

Budget Holders must complete an electronic requisition.

Budget Holders must ensure that appropriate budget is available before requesting that an order be raised or invoice be paid by the School Business

Director/ Finance Officer.

Verbal orders made by Budget Holders should not occur but in an emergency must be confirmed by an authorised official written order within 24 hours.

Budget Holders will ensure purchasing procedures are followed.

For orders, the approval of the Headteacher or of a Deputy Headteacher will be sought. Where a quotation other than the lowest is accepted, it should be reported to the Finance & Resource Committee and duly noted in the minutes.

The Premises Manager will record the receipt of goods, having made certain that the order is complete, and inform the Finance Officer.

The Premises Manager will enter inventory items in the stock books as they are received.

Budget Holders will ensure goods are kept safely and marked with security labels as appropriate.

When old stock is to be disposed of the agreement of the Executive Headteacher or Governors/Strategic Committee will be obtained in writing.

An annual stock check will be carried out by each budget holder and the Premises officers. The Headteacher will sign the stock books confirming acceptance of the annual check.

This Policy will be reviewed every two years.

Last updated Sept 2020

