

Thurlaston CE (Aided) Primary School



Financial Regulations Policy

October 2010

Signed

1. INTRODUCTION

- 1.1 These financial regulations shall govern the financial arrangements relating to all of Thurlaston Church of England Primary School's finances and accounts and were approved by the full Governing Body. The policy is part of FMSiS.

2. DELEGATED AUTHORITY

- 2.1 Under the Leicestershire's Scheme for Financing Schools, the Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting Leicestershire Council in the discharge of its statutory duties.

- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance Committee comprising:

Chair of Governors, the Headteacher, the bursar and at least two other governors (only governors may vote).

The Finance Committee will follow their terms of reference which are approved annually by the full governing body.

- 2.3 The Headteacher shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.

- 2.4 The School Administrative Officer shall assist the Headteacher in the discharge of financial responsibilities.

- 2.5 The following staff are designated as authorisers of

(i) Salaries Documentation:

Headteacher
Assistant Head (in the absence of the Headteacher)

(ii) Cheques

Chair of Finance Committee
Headteacher
Assistant Head
Next most senior teacher

- 2.6 However, the Governing Body will remain accountable when governors' financial responsibilities are delegated.

3. REVENUE BUDGET PREPARATION

- 3.1 The school's budget timetable for the next financial year shall be as follows:

Autumn Term

- Identify commitments and new plans; agree priorities
- Agree staffing requirements
- Cost first draft of the budget; submit to governing body

Spring Term

- Outline the budget plan, to be ready by the 31st March
- Adjust the budget to take account of the budget share notified by Leicestershire LA
- Submit to Governing Body for final approval
- Submit final approved budget plan to the LA's Schools Finance Team by the 31st May

3.2 The Finance Committee shall decide on the order of priorities from the School Development Plan.

3.3 The Headteacher shall prepare the detailed costings and submit them for approval to the Finance Committee.

3.4 All plans and budgets should be regularly reviewed during the year and all significant changes will require the approval of the Finance Committee.

3.5 The Headteacher shall inform the Local Authority of the school's revenue budget. This information should be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside its budget plan submitted to the LA, corrective action must be taken where possible and the Headteacher will formally make the LA aware of the school's financial position as soon as practicable.

4. REVENUE BUDGET CONTROL

4.1 The Governing Body shall decide how to use the budgets within the cash limit allocated. The Headteacher will be responsible for the control of spending against budgets. A commitment accounting system is in place to monitor current commitments and liabilities.

4.2 As far as possible a budget monitoring report should be prepared monthly for the Headteacher and this report should be forwarded to the LA when required. A bank reconciliation and VAT analysis should be prepared as soon as the bank statements have been received (at least on a monthly basis) and forwarded to the LA as part of the monthly BA expenditure return. These returns should be prepared by the School Administrative Officer and certified by the Headteacher.

4.3 The Headteacher shall prepare a termly review of the budgets (including Standards Fund) and submit them to the Governing Body for consideration.

4.4 Budget holders will receive a monthly SIMS financial transaction report.

5. VIREMENTS

5.1 Substantial virements (£1000) shall be approved and minuted by the Governing Body and should be within the agreed criteria and financial limits.

5.2 The Headteacher is given delegated power to vire from one budget to another and shall seek approval from the Governing Body retrospectively.

- 5.3 All virements exceeding £5,000 or 2% of the budget shall require prior approval from the Governing Body.

6. AUTHORITY TO INCUR CAPITAL EXPENDITURE

- 6.1 The Headteacher is given delegated power to incur expenditure up to £5,000 on any single item or issue within the financial year.
- 6.2 All expenditure exceeding £5,000 shall require the prior approval of the Governing Body.
- 6.3 All expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices should be made through the school local payments system and from the school bank account.
- 6.5 All central charges/recharges above £1,000 to the school budgets by Leicestershire LA must be authorised by the Headteacher.
- 6.6 The Governing Body may borrow money only with the written permission from the LA and the Secretary of State (i.e. external loans or bank overdrafts). The Governing Body needs to seek the LA (Education Finance) permission to enter into any arrangement, which commits the school to payments over a period of more than twelve months that exceed £12,000. The school will look at ESPO leases where available, or seek comparable quotes from the Resources Department (Investments Section). Borrowing will include:
- Financial leases
 - Credit Arrangements
 - Hire Purchase

7. LOCAL PAYMENTS SYSTEMS

- 7.1 The school Administrative Officer shall be responsible for making all payments on behalf of the school.
- 7.2 All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices only.
- 7.3 Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
- An official purchase order has been raised for the purchase
 - That the delivery note has been checked
 - That it is of correct quantity, quality and price
 - That it has not been previously paid
 - That funds are available in the relevant budget
 - That the VAT chargeability on qualifying expenditure is shown
- 7.4 The Headteacher should carry out selective invoice checking termly to ensure that all sums which the designed staff have certified for payment were legally and properly payable.

7.5 The Governing Body is permitted to use their budget share to meet the cost of capital expenditure on the school premises. If the expected capital expenditure from the budget share exceeds £15,000 within one year, the Governing Body will notify the Local Authority and take advice from the Chief Education Officer on proposed expenditure. (As an Aided School this is dealt with by YMD Boon Ltd, Chartered Surveyors, appointed by the Diocesan Board of Education.)

8. ORDERS FOR GOODS AND SERVICES

8.1 Staff may order goods and services from whatever reputable source they see fit, but will be expected to take into account quality and value for money.

8.2 An official order must be made in writing on the school's official order form for all expenditure on goods and services initiated by the school.

8.3 Orders must be completed in accordance with the following procedures:

- Authorised by designated staff only
- Show estimated prices on the order form
- Sent to the supplier through the School Administration Officer
- If placed by telephone, written copy of order with estimated prices must be given to the School Administrative Officer
- Telephone orders should be followed up by a confirmation order by the next working day if possible

8.4 Copies of all orders should be retained in file 'Copies of Official Orders' until delivery and payment.

8.5 On receipt of authorised invoice, Delivery Notes should be attached to invoice and it is checked against the "Official Order", then filed for payment. Once payment has been made, this should be moved to the 'Paid File'.

8.6 Individual budget holders are not permitted to spend in excess of £100 without the prior approval of the Headteacher.

8.7 Where ESPO is used for procurement of goods and services it is not necessary to seek alternative tenders.

8.8 Three written quotes should normally be obtained for all goods and services in excess of £6,000, unless no other equivalent goods or services are available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods. A sliding scale will be used as follows:

£0 - £1,000	-	one verbal quote + ESPO
£1,000 - £3,000	-	two verbal quotes
£3,000 and above	-	three verbal quotes

8.9 For building works expected to cost in excess of £10,000, three tenders will normally be obtained, usually through YMD Boon Ltd.

8.10 Where tenders have been obtained a tender form will be completed showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted). In the case of tenders obtained by YMD Boon Ltd they retain the paperwork.

8.11 Under the Authority's Constitution, all purchases estimated to exceed £50,000 should be put out to formal tender. The Education Finance Service is able to give more advice to schools on tendering procedures where required. Any proposal not to put a contract of over £50,000 out to formal tender should be authorised by the Governing Body. (Advice should be sought from the Clerk to the Governors in relation to reporting requirements, to ensure commercial confidentiality.)

8.12 Schools entering into high-value contracts should also be aware of EC procurement regulations.

9. CASH ACCOUNTS

9.1 No petty cash is held.

10. TRAVEL AND SUBSISTENCE

10.1 Payment shall be made in accordance with the National Scheme/school rate, as appropriate.

10.2 Car user allowances, both casual and essential, will be paid centrally through the school payroll provider who, in turn, will make a return to the Inland Revenue. (Home to office is taxable)

10.3 The School Administration Officer shall inform the Inland Revenue of casual car user allowances for home to base, which are paid locally, at the end of each month.

11. SALARIES, WAGES AND PENSIONS

11.1 The Governing Body is responsible for the salary and wages costs of all teaching and support staff employed to work at the school.

11.2 The contract of employment is between the employee and the Governing Body (applies to Voluntary Aided Schools).

11.3 The School Administration Officer must ensure that the school provides the necessary information and returns to its chosen payroll provider to effectively administer the payroll and related staffing procedures.

12. CONTRACTS

12.1 The school will enter into contracts for the provision of goods, services, materials and work within the procedures laid down by Leicestershire County Council's Standing Orders, as amended for schools.

13. INCOME

13.1 Income should be collected in advance wherever possible to improve cash flow.

13.2 The School Administrative Officer must maintain records of all income received/due; acknowledge receipt of income; and bank all monies promptly and intact into the School's bank account.

13.3 The Governing Body has delegated powers to write off debts up to £250. In the case of larger debts the school must consult with the Head of Education Finance at the Local Authority.

- 13.4 The Governing Body shall approve a charging policy for all income generation.
- 13.5 The school may retain income received from the sale of assets purchased with non-delegated funds. The sale of assets purchased with delegated funds must be decided by the LA, or if the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

14. BANK ACCOUNTS

- 14.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 14.2 New bank accounts may only be opened from the approved list supplied by Leicestershire. New bank arrangements may only be made effective from the beginning of each financial year.
- 14.3 The following procedures must be followed:
- Dual signatories for all cheque payments.
 - Chair of Finance Committee to sign cheques in excess of £2,000.
 - Cheque signatories are the Headteacher, Assistant Headteacher, Senior Teacher and Chair of Finance Committee.
 - The School Administrative Officer shall ensure that bank statements are received monthly and reconciled to accounting records.
 - The School Administrative Officer shall investigate and resolve all discrepancies.
 - The School Administrative Officer shall be responsible for cheque ordering and custody of unused cheques.
- 14.4 Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
- 14.5 In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
- 14.6 The School Administrative Officer must ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed £500.
- 14.7 Cash should be banked at least once per week during term time, and the value of the cash held on the premises should not exceed the insurance limit. (Cash will be taken to the bank by Kings.)

15. CARRY OVER OF SURPLUS/DEFICIT

- 15.1 Any surpluses at the end of the year will be carried over to the following year. The maximum will be 8% of budget.
- 15.2 The Governing Body must inform Leicestershire County Council immediately if a deficit is anticipated in the current year.

16. TRUST FUNDS AND INVESTMENT

16.1 The Governing Body shall authorise all investment of money under its control. Investment of Building Society and Bank Deposit Accounts shall be in the name of Leicestershire County Council and the school.

17. LEASING

17.1 The Governing Body must ensure that all leasing agreements involving prescribed capital expenditure are approved by the LA (Education Finance) prior to make any contractual arrangements.

18. INSURANCE

18.1 Insurance will be required for Governing Body; third party liabilities (if delegation taken), premises and equipment; and school trips.

18.2 The Governing Body must ensure that all insurance cover is adequate.

18.3 The Governing Body will meet the excess from insurance claims or any losses not covered by insurance.

18.4 The Governing Body shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The School will maintain a register of all accidents, losses and incidents.

19. HEALTH AND SAFETY

19.1 The Governing Body must ensure that all staff comply with the Health and Safety regulations.

19.2 The Headteacher will report significant injuries to all persons, including staff/parents/pupils/visitors.

20. PROTECTION OF PRIVATE PROPERTY

20.1 The Headteacher must inform all persons concerned that all private property taken onto the school premises will be at the owner's risk.

21. INVENTORIES AND STOCK

21.1 The Headteacher is responsible for the management of the school's assets and will maintain a record of stock receipts and issues.

21.2 The School Administrator under the direction of the Headteacher, must maintain an inventory of all non-consumable items purchased priced over £100. The inventory must be regularly updated in respect of purchases and disposals. Attractive, portable items having a value less than £100 should also be controlled/monitored.

21.3 The Headteacher should ensure that items that become obsolete or surplus to the school's requirements are disposed of economically.

21.4 A stock check is made to ensure only minimum levels of supplies are maintained. A stock book is kept in the office.

21.5 The Headteacher shall ensure that stock takes of inventories and stores are undertaken annually and certified by him.

22. SECURITY

22.1 The Headteacher is responsible for the security of the school's premises and equipment.

23. UNOFFICIAL FUNDS

23.1 The Governing Body shall ensure that all unofficial funds are properly controlled and audited annually, and presented to the Governing Body within 6 months of the year-end.

24. FINANCIAL IRREGULARITIES

24.1 The Headteacher shall inform Leicestershire County Council (Head of Education Finance or Head of Internal Audit) of any circumstances where a financial irregularity is suspected.

24.2 The Governing Body accepts that a suspected financial irregularity exists when:

- Leicestershire County Council's Standing Orders, Financial Regulations (as amended for schools) or the Scheme for Financing Schools are not complied with (whether or not the Council suffers a financial loss).
- An employee gains unauthorised financial benefit from his/her association with the Council.

25. INTERNAL AUDIT

25.1 The Governing Body must ensure that the Council's internal auditors and external auditors are allowed access to staff, premises and documents, as necessary.

25.2 The Governing Body shall discuss all audit reports and agree the implementation of audit recommendations with the Headteacher.

26. DOCUMENT RETENTION

26.1 The Headteacher shall ensure that documents are retained for periods in accordance with the requirements of the District Auditor, the Inland Revenue and Customs and Excise.

27. GIFTS AND HOSPITALITY OFFERED BY SUPPLIERS

27.1 Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 should be reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.

28. REGISTER OF BUSINESS INTERESTS

- 28.1 A register of business interests is maintained by the school. The LA advises that this be completed by all Governors and those staff with significant financial responsibilities. It is suggested that this be cheque signatories, finance staff and those members of staff with specific budgetary responsibilities (e.g. Heads of Department, curriculum area leaders). Entries in the register should be kept up to date and, in all instances, be reviewed and amended (where relevant) on at least an annual basis. This annual review can be evidenced simply by staff re-signing and dating existing declaration forms, making any amendments necessary.

29. COMPUTER SYSTEMS AND DISASTER RECOVERY PLANS

- 29.1 Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes. Passwords should be changed termly.
- 29.2 The Headteacher should ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location, preferably off-site.
- 29.3 The Headteacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.
- 29.4 The Headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.
- 29.5 The Governing Body should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.
- 29.6 The Headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

WHISTLEBLOWING POLICY

See appendix / separate policy.

WHISTLEBLOWING POLICY

The Council and its employees have a duty to ensure that service users are respected and treated in a proper manner and that the standards of the services it provides are maintained at the highest possible level. The Council also has a duty to ensure that resources (finance and staff) paid for with public money are used effectively and efficiently and without waste. Members of staff have a right to be treated with respect by their colleagues, service users and the County Council as their employer.

WHEN TO USE THE PROCEDURE

If you have serious concerns about any aspect of service provision or the conduct of anyone acting on behalf of the Council you may not be sure whether there is a case for investigation. In these circumstances it may be helpful to remember that you have a duty both to members of the public and your colleagues. As a guide it might be helpful to ask the questions "is this situation unacceptable to me?" "is this wasteful?" "could this be done better?" If the answer is "yes" then you should follow the procedure set out below even if this could place you in an embarrassing situation with a particular colleague or group of colleagues.

You are expected to raise issues promptly and in good faith and can expect matters raised to be investigated properly and fairly.

PROCEDURE

You can raise concerns orally or in writing. Whichever you decide to do, you should make a note so that you have a record for future reference. This note should include what occurred, where and when, and also who you submitted the complaint to and when. If you decide to raise a matter orally you may be requested to make a written statement at a later stage depending on the circumstances. The seriousness of the issue will influence who you decide to raise it with. It may be:

- Your immediate Supervisor or Team Leader
- A Manager
- A Senior or Chief Officer

If the issue is of a very serious nature, for example concerning mis-treatment of service users, maladministration or an illegal act, you may decide that it is appropriate to contact your Chief Officer, the Chief Executive or the County Solicitor who is the Council's Monitoring Officer with statutory responsibility for taking action on illegality or

maladministration. If the issue involves possible fraud or corruption you may decide to contact the Director of Resources or the Audit Manager in the Resources Department. If you are unsure who to contact you can telephone the Head of Human Resources who will give you advice. Trade Union Members may also wish to contact their Trade Union for assistance or advice.

If you feel the issue is sufficiently serious for you to put it in writing, you can write directly to one of the people referred to above marking the envelope "Personal". This will be opened by the officer concerned and you will be guaranteed a response within 7 days. This can be sent to your home address if you indicate that is what you want.

If someone gives you information which is of concern to them you should treat it seriously in accordance with this procedure and not dismiss it without giving it proper thought.

If you raise an issue under this procedure in good faith and believing it to be true the Public Interest Disclosure Act 1998 protects you from any repercussions on your present position or future career. The Act does not protect anyone who is acting maliciously, making false allegations or who is seeking personal gain.

While issues raised anonymously will still be looked into, it is much better for complainants to identify themselves so the matter can be properly dealt with. Everything possible will be done to protect your identity, but you may be requested to act as a witness if disciplinary or other proceedings follow the investigation of the issues you have raised.

EMPLOYEES WHO ARE THE SUBJECT OF COMPLAINTS

If you are the subject of a complaint under this procedure it will be investigated in accordance with the appropriate disciplinary procedure. This means you will have all the rights contained in the procedure such as representation at the investigatory interview.

EXTERNAL ADVICE

This procedure is intended to provide an effective way for you to expose mal-practice in the workplace. If you are not satisfied with the procedure, wish to seek advice from outside the Council, or are not satisfied with the Council's response to something you have raised, it is possible for you to raise your concerns with an organisation called

PUBLIC CONCERN AT WORK

This is a registered Charity that provides free advice for employees who wish to express concerns about fraud or other serious mal-practice. They can be contacted on 020 7404 6609 and their address is:-

Suite 306
16 Baldwins Gardens
London EC1N 7RJ

Alternatively if you have concerns about fraud or corruption you can contact the Council's External Auditor 0116 305 7789 or you can contact the Audit Commission which has set up a special telephone line on 020 7630 1019.