

HOLY TRINITY Cof E SCHOOL, SUNNINGDALE – FINANCE POLICY – 2011

1. Introduction

The Governing Body has a duty to ensure the effective, economic and efficient management of the funding at its disposal for the purposes of the school, and in particular that all available finance is targeted appropriately in order to meet the school objectives and raise educational standards. In relation to this duty, this policy aims to:

- Identify the sources and purposes of income received by the school and any restrictions on its expenditure;
- Outline the functions to be carried out in relation to the LA's scheme of financial management;.
- Determine the individual roles and responsibilities of those concerned with the management of the school's delegated budget and other finances;
- Define the limits of delegated authority;
- Enable governors' statutory responsibility for the monitoring of financial management to be carried out effectively;
- Provide a framework for accountability of management of school finances

This policy statement has been derived from the School Standards and Framework Act 1998, the LA's published Scheme of Financial Management and the Financial Management Standards in Schools.

2. Sources of Income

Income to the school may come from a variety of sources. Although the purpose for which some of these may be used will be pre-determined, the Governing Body will take an overview of all sources in order to plan expenditure so that money is used cost-effectively and for the prioritised educational objectives established in the School Development Plan together with the School Improvement Plan and any post OFSTED action plan. Possible sources of income will include:

- School's budget share delegated annually by the LA;
- Standards Funds and other grants;
- Formula Capital delegated via the diocese;
- Income from lettings;
- Donations from parents and other sources;
- Receipts from fund-raising activities;
- Receipts from sale of assets.

This policy statement applies to the use of income from all sources and its associated expenditure.

3. Responsibility of the Governing Body

The Governing Body is responsible to the LA for the funds allocated for running the school and accountable to the community for the appropriate use of the funds within its control. This responsibility and authority is largely delegated to the Finance and Resources Committee and Headteacher. However the Governing Body retains some key functions as part of its overall responsibility, specifically to:

- Establish a Finance and Resources Committee
- Direct and supervise the management of the school's finances and
- Ensure compliance with the requirements of the LA's scheme of financial management in consultation with the Headteacher.
- Determine pay of the teaching and non-teaching staff through its Pay Panel.
- Administer all aspects of Performance Management.

- Manage the care and maintenance of all aspects of the school site and buildings.
- Have the financial responsibility for planning expenditure on capital projects;
- Agree to the broad priorities for expenditure and ensure that these are clearly identified through a School Development Plan which indicates the intended use of resources in order to achieve educational goals;
- Make governors aware of the LA's scheme of financial management and members of the Finance and Resources Committee familiar with its content;
- Approve an annual budget plan submitted by the Finance and Resources Committee and submit the approved plan to the LA each year by the specified date and at other times upon request;
- Establish, maintain and annually review a register of business interests for each member of the Governing Body.
- Establish and monitor criteria for virement and limits of financial delegation and keep these under review;
- Consider recommendations from the Finance and Resources Committee on matters outside of their delegated powers, such as writing off a debt, and take the appropriate action, seeking advice from the LA as required.

The Governing Body delegates all other duties and financial powers to the Finance and Resources Committee and Headteacher. The division of responsibility is set out below and may be subject to amendment in discussion with those involved.

4. Responsibilities of the Finance and Resources Committee

Membership of this Committee and its Terms of Reference, shall be reviewed and determined by the Governing Body at the beginning of each academic year. The Chairman of Governors and Headteacher will be among its members. The school's Finance Officer shall be a co-opted member of this Committee and will be expected to attend meetings in an advisory capacity.

The responsibilities and accountabilities of the Finance and Resources Committee will include, but may not be limited to, the following:

4.1 Planning

- In line with the LA requirement, establish a 3 year rolling plan every year to construct and recommend to the Governing Body a budget plan which identifies anticipated income and future resource priorities;
- To ensure that the budget plan reflects and supports the Governing Body's policies and prioritised educational objectives as identified in the School Development Plan, School Improvement Plan and any post OFSTED action plan taking account of:-
 - Required and desired teaching and support staffing levels;
 - Curriculum aims for the year;
 - Professional development of staff;
 - Plans for development of the school site and buildings;
 - Any capital expenditure plans.
- In line with the LA requirement, to recommend an annual budget for consideration and approval by the Governing Body;
- To establish, maintain and regularly review those policies that are allocated to the responsibility of the Finance and Resources Committee. These include:
 - Letting of school premises and associated charges;
 - Charging and remissions for school activities;

- Disposal of any school assets;
- Health and Safety;
- Pay and performance management policy;
- Staff discipline, conduct and grievance;
- Recovery of cost of making good damage of loss of property by pupils, staff and third parties.

4.2 Monitoring

- To monitor throughout the year the progress of all school income and expenditure, review in-year priorities and make adjustments as necessary within the overall budget provision, and make any necessary recommendations to the Governing Body;
- To ensure that the school abides by the LA's scheme of financial management;
- To ensure the correct procedure is followed regarding any bids from prospective suppliers;
- To liaise with the LA to ensure that adequate insurance cover exists against theft, loss of cash, possible claims, legal expenses, etc.;
- To ensure that audit certificates are provided on an annual basis in respect of voluntary and private funds held by the school and a copy submitted to the LA;
- To ensure that the school's financial procedures are the subject of an external audit, to receive reports following such audits, agree actions to be taken as a result of any recommendations and ensure timely completion.

4.3 Evaluating

- To ensure that maximum effective use is made of all income, in order to meet the School objectives and raise pupils' standards of attainment.
- Oversee expenditure of the delegated formula budget received each year in accordance with the rules and procedures laid down in the LA's scheme of financial management;
- Ensure that financial information and financial records are kept and supplied as required by the LA;
- Ensure that the school follows any regulations and procedures established by the LA and the Diocese when making purchases, entering into contracts, paying staff and bills, collecting income, etc.;
- Allow relevant financial transactions to be audited by the LA and/or Audit Commission;
- Review and approve bank mandates, authorised signatories and the register of certifying officers on an annual basis (pro-formas for these are given the Financial Procedures handbook) and submit these to the Chair of Governors for signature.

5. Responsibilities of the Headteacher

The Governing Body delegates the day to day management of the school's finances and administration of expenditure to the Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the Governing Body.

The Headteacher will be responsible to the Finance and Resource Committee for the day to day control and disbursement of finances and accountabilities are expected to include the following:-

5.1 Planning

- Ensure that the Governing Body and in particular members of the Finance and Resources Committee receive the advice and support they require in order to fulfil their statutory responsibilities;
- Prepare an expenditure plan for the use of annual Standards Fund allocations each year and submit recommendations to the Finance and Resources Committee;

- Develop a rolling programme of capital expenditure;
- Liaise with the Diocese with regard to funding and approval of any capital expenditure;
- Establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- As far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

5.2 Monitoring

Ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:-

- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services;
- Protection and control of consumable stock such as stationery;
- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the School and that these are publicised to governors and staff and kept under review.
- Regularly monitor planned expenditure;
- Ensure reporting formats and procedures comply with the LA's scheme of financial management and financial procedures handbook;
- Arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Finance and Resources Committee as stipulated within policy and at other times on request.
- Ensure all relevant policies (Charging, Lettings, Disposals etc...) are adhered to.

5.3 Evaluation

- Evaluate strengths and identify shortcomings in the school's financial administration and provide reports to the Finance and Resources Committee when necessary.

The Governing Body will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

5.4 Employment of Finance Officer

- The Headteacher is to identify the responsibilities of the Finance Officer in the Job Description for the person holding the post. The Governing Body notes that the current document was created and agreed in December 2005.

6. Levels of Delegation

Income Source	Finance & Resources Committee	Headteacher
Approved annual budget submitted to LA	Expenditure not to exceed £10,000 on any one item specified in the budget. Expenditure not to exceed £5,000 for items not agreed within the budget. Anything above to be approved by the Full Governing Body	Expenditure not to exceed £5,000 on any one item specified in the budget. Expenditure not to exceed £500 for items not agreed within the budget. Anything above to be approved by the Finance and Resource Committee

	To report to Governing Body any possibility of an over/under spend.	To report to the Finance and Resources Committee any possibility of an over/under spend. May review expenditure between all budget codes excluding Staffing but may not exceed the agreed total allocation for any heading within the budget plan.
Standards Fund	To report to the Governing Body any possibility of an over/under spend.	Not to exceed agreed plan for each category.
Private School Funds (not earmarked for any other specific application)	Any available sum on any one item.	Up to £500 on any one item.
Lettings	Setting annual charging rates. Approving discretionary variations to charges in excess of 20%.	Discretionary variation of charges up to a maximum of 20% of fixed rates.

7. Best Value

The Governing Body expects that planned expenditure will reflect the principles of best value, taking into account guidance provided in the LA's scheme of financial management.

Competitive estimates will be obtained for any regular expenditure exceeding £2000, with three written quotations being required for any one off expenditure exceeding £2000.

8. Insurance

All monies held in school will be covered by insurance up to an agreed sum. The Headteacher shall ensure that the insured amount is not exceeded, although governors expect cash to be banked promptly and that it will be rare for this amount of money to be held on the premises.

The Headteacher is expected to liaise annually with the LA and other insurance providers to review insurance arrangements and to make recommendations on appropriate cover to the finance committee.

9. Overall Monitoring and Reporting

The Governing Body will:

- Provide on request by a parent or other member of the public overall income and expenditure information for the school;
- This information will include the level and intended use of any reserves/ deficits of the school, and future financial priorities. Surplus balances in excess of 5% or £75,000, whichever is the greater, would normally be reviewed by the LA.

The Finance Committee is to:

- Ensure that minutes of each meeting are taken and circulated to the full Governing Body. Additional written or verbal reports deemed necessary by the committee or requested by the Governing Body may be presented at Governing Body meetings after consultation with the Chairman of Governors.

The Headteacher is to:

- Provide termly reports to the Finance and Resources Committee for the school's budget share, standards fund, capital and other grants;
- Provide any such other information as the committee requires in order to monitor the budget;
- Ensure that individual budget holders receive such information as they require in order to monitor and keep within their budgets;
- Establish and publicise reporting procedures to monitor all planned expenditure and keep these under annual review;
- Review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness and provide a report to the finance committee.

10. Finance Policy Review

This policy will be reviewed annually and account taken of any changes in legislation or revisions to the LA's scheme of financial management. The Finance and Resources Committee is responsible for reviewing the policy and making recommendations to the Governing Body.

Approved by FGB: 15.03.11 Review period: Annual Next review due by Mar 12 Lead Group: F&R Com
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