

Finance Policy

And Checklist for Planning, Implementation and Monitoring

Stoke Holy Cross Primary School

Formally adopted by the Governing Board of:-	Stoke Holy Cross
On:-	February 2022
Chair of Governors:-	Rev Lyn Marsh
Last updated:-	February 2021

Version 5.0
Updated August 2020

A. GOVERNANCE	Implemented
<p><u>General</u></p> <p>1 A list of all governors, their membership of committees and terms of reference thereof, is attached at Appendix 1a. (See appendix 1a of the Finance Procedure Manual (FPM) for draft terms of reference)</p> <p>2 The governing board meets for nine FGBs across the year.</p> <p>3 The governing board agrees, no later than by the end of term, the dates of meetings for at least the next term.</p> <p><u>The Governors</u></p> <p>4 The governing board approves the annual budget and the associated policies, e.g. charging policy, bad debt and redundant equipment policy. (See appendices 10, 11 and 7 of the FPM for draft policies)</p> <p>5 The governing board is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.</p> <p><u>The Headteacher</u></p> <p>6 The governors delegate responsibility for the day-to-day management of the school to the headteacher.</p> <p>7 The headteacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.</p> <p>8 The headteacher ensures that sound systems of internal control are in place.</p> <p>9 The headteacher compiles draft budgets.</p>	
GOVERNANCE (continued)	Implemented

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<p>10 The headteacher monitors the budget monthly and supplies the finance committee with monitoring information. The information for the finance committee takes the form of Norfolk's budget proforma, includes committed expenditure and is accompanied by the headteacher's written commentary.</p> <p><u>The Staff</u></p> <p>11 Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements.</p> <p>12 Staff are responsible for any budget whose management is delegated to them.</p> <p><u>The Finance Governor(s) and FGB</u></p> <p>13 Membership is determined by the governing board and reviewed annually in the autumn term.</p> <p>14 As set out in its' terms of reference, the finance governor(s), along with the FGB is/are responsible for: agreeing draft budgets for the governing board's approval in time for submission to the LA by 1 May each year all financial appraisals</p> <ul style="list-style-type: none"> • forecasting numbers on roll and future budget shares • monitoring and adjusting in-year expenditure • ensuring accounts are properly closed and reviewing the outturn position • evaluating the effectiveness of financial decisions administering voluntary funds <p>15 Any review of staffing agreed is first referred to the finance governors(s) and FGB, who assess the budgetary implications of the recommendations and advises the wider governing board accordingly.</p> <p><u>Expenditure Limits</u> £250 0</p> <p>16 The inclusion of an item in the approved budget plan gives authority to spend, save that the headteacher seeks approval from the finance governor(s)/FGB for any individual transaction in excess of .</p>	

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GOVERNANCE (continued)	Implemented
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<p>17 The headteacher authorises virements up to £2500, above this amount, finance(s) governors/FGB approval is sought. All virements are minuted.</p> <p><u>Orders</u></p> <p>18 Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.</p> <p><u>Minutes</u></p> <p>19 Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves. Draft minutes are circulated to members of the FGB within one week of its meeting and are agreed and signed at its next meeting. Minutes are reported to the FGB.</p> <p><u>Register of Business Interests</u></p> <p>20 The headteacher maintains a register of business interest for governors and for staff who influence financial decisions. The register is attached at Appendix 2. (See appendices 2 & 3 of the FPM)</p> <p><u>Key Financial Tasks</u></p> <p>21 The finance governor(s) undertake the key financial tasks each term as outlined in the document at Appendix 3. (See appendix 4 of the FPM)</p>	
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B. FINANCIAL PLANNING	Implemented
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<p>1 The school development plan includes a statement of its educational priorities to guide the planning process. The school development plan states the priorities in sufficient detail to provide the basis for constructing budget plans.</p> <p>2 There is a clear, identifiable link between the school's annual budget and the school development plan.</p> <p>3 For each of the key issues in the school development plan, costs and other inputs are identified and budgets</p>	
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<p>prepared.</p> <p>4 The school development plan is reviewed in the Autumn term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.</p> <p>5 The school budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities</p> <p>6 The school budget is maintained for the current financial year and two further years.</p> <p>7 The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget.</p> <p>8 The budget and cash flow forecast are profiled in accordance with likely spending patterns.</p> <p>9 In the event of a budget surplus this is earmarked for a future specified use.</p> <p>10 A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.</p> <p>11 All new initiatives are appraised by the finance committee in relation to their costs, benefits and sustainability.</p> <p>12 The main elements of the budget are fundamentally reviewed within a five-year cycle. Benchmarking information helps to identify priorities.</p>	
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FINANCIAL PLANNING (continued)	Implemented
<p>13 The budget cycle is as follows:</p> <p><u>Spring Term</u></p> <ul style="list-style-type: none"> The headteacher prepares a third revision of the budget for the current year for the finance committee to consider at its meeting in the first half of the term. 	<p>Version 5.0 Updated August 2020</p>

<ul style="list-style-type: none"> The budget revision, once approved by the finance governor(s), is taken to the next meeting of the FGB for governor approval. The approved budget revision is sent to the LA by 28 February. A draft budget plan for the coming financial year, and two further years, is prepared by the headteacher and taken to the finance governor(s) meeting in the second half of the spring term. This will form the basis of the recommendation to the FGB. The FGB meeting is arranged to take place after the meeting of the budget setting and finance governor(s) approval. The FGB will carefully consider the budget plan before approving the school's budget plan. The headteacher submits the approved budget plan to the LA by 1 May each year. <p><u>Summer Term</u></p> <ul style="list-style-type: none"> The headteacher prepares a first revision of the budget for the finance governor(s) to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year. The budget revision, once approved by the finance governor(s), is taken to the next meeting of the FGB for governor approval. The approved budget revision is sent to the LA by the end of the summer term, as per Norfolk's Scheme for Financing Schools. 	
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FINANCIAL PLANNING (continued)	Implemented
<p><u>Autumn Term</u></p> <ul style="list-style-type: none"> The headteacher prepares a second revision of the budget for the finance governor(s) to consider. The revision takes account of any changes to the school development plan, staffing adjustments and changes to the number of pupils on roll. 	

<ul style="list-style-type: none"> • The budget revision, once approved by the finance governor(s), is taken to the next meeting of the FGB for governor approval. • The approved budget revision is sent to the LA by the end of the autumn term, as per Norfolk's Scheme for Financing Schools. 	
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C. BUDGET MONITORING	Implemented
<ol style="list-style-type: none"> 1 The headteacher produces monthly monitoring reports, which include committed expenditure. 2 The finance governor(s) receives the monitoring report at each meeting together with the headteacher's written 	

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<p>report thereon, where appropriate. The report takes the form of Norfolk's budget monitoring proforma.</p> <ol style="list-style-type: none"> 3 The headteacher identifies and recommends to the finance governor(s) appropriate remedial action for budget variances. 4 The headteacher recommends to the finance governor(s) how to vire any in-year underspends in excess of £2500. (The headteacher is authorised to vire amounts up to £2500.) 5 The headteacher monitors expenditure on initiatives in the school development plan. 6 Holders of devolved departmental budgets are supplied with monthly monitoring reports. The headteacher monitors devolved budgets and agrees remedial action plans where necessary. 7 Where appropriate, the headteacher produces monthly cash flow forecasts to ensure the school does not go overdrawn. 	
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D. PURCHASING	Implemented
<ol style="list-style-type: none"> 1 All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing 	

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Schools.

- 2 The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.
- 3 Prior approval of the governors is obtained for any expenditure in excess of £2500. Orders are not artificially split to evade this limit.
- 4 The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease". Leases will be submitted to the Finance and Business Services Team to be checked as to their type before any agreement is entered into.
- 5 Three written quotations are obtained for any order whose value is estimated between £5,000 and £49,999.
- 6 If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.
- 7 Contract specifications will contain the following:
 - contract duration
 - definitions
 - contract objectives
 - services to be provided
 - service quantity
 - service quality standards
 - contract value and payment arrangements
 - information and monitoring requirements
 - procedure for disputes
 - review and evaluation requirements
- 8 The official pre-numbered orders are used for all services except utilities, rent, rates, petty cash and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.