



Exeter Road Community Primary School

Finance Policy

Finance Policy

This statement sets out the Governors policy on the management of finances within the school. It applies to all funds delegated or devolved within the provisions of the Schools Standards and Framework Act 1998.

1. The Governors have overall responsibility for securing the efficient and effective administration of the school and its' resources. Accordingly the Governors regard proper control of the school finances as being of utmost importance. The Governors endorse and have adopted the principles of good practice contained within
 - [Minimum Standards](#)
 - [The Scheme for financing schools](#)
 - [Code of Business Conduct](#)
 - [School Finance Manual](#)
 - [VAT guidance](#)
2. All staff involved in financial transactions are required to be fully aware of and to comply with these requirements.
3. There are two main strands to this:-
 - Operational Control over spending and income collection
 - Monitoring and control of the budget
4. The Headteacher is accountable to the Governors for the exercise of delegated authority and in turn staff are accountable through their line management to the headteacher. Staff must not exceed their delegated authority which must only be exercised within the above framework of overarching rules and school policies and will be held accountable for their decisions and actions. Any matter of financial consequence shall be drawn to the attention of the Governing body in a timely manner.
5. All financial dealings are to be conducted
 - in a framework of openness thereby allowing proper scrutiny and evaluation and
 - with absolute integrity and regard for the good reputation of the school.
6. Proposals for the deployment of financial resources shall be properly supported and each proposal shall demonstrate Best Value and its sustainability in the light of the resources likely to be available.
7. The regular comparison of spending against budget is intended to highlight those areas where the budget is under pressure to enable effective remedial management action and to identify those areas where resources may be released to further un-resourced elements within the school development plan. This process should take place at two levels
 - Formal reporting to Governors
 - Ongoing Internal monitoring
8. The Governors regard the passage of timely and accurate information as being central to the success of their policy. The Headteacher is responsible for putting suitable arrangements in place to ensure the financial data within school are both up to date and accurate so that any member of staff responsible for control of a budget can have an accurate position statement

upon request. Internal monitoring is to take place not less frequently than monthly. Separate statements for each fund are required.

9. The staff identified as budget holders within this document are responsible for controlling those aspects of the budget and ensuring that the Headteacher is kept fully informed of spending against budget.
10. The Headteacher is responsible for ensuring regular monitoring of all budget lines and formal reporting to Governors. Formal reports with explanatory commentaries including information about changes in non financial data (e.g. pupil numbers) are required to be circulated no less than 7 days in advance of the relevant meeting. It is essential that the forecast year end position together with the implications for at least the next two years is kept under ongoing review.
11. Where routine budget monitoring reveals budgetary pressures requiring urgent attention which cannot await the next programmed meeting the Headteacher shall notify the chair of the Finance Committee with a view to a meeting being convened.

The tables below set out the delegated authority and responsibilities of individuals together with the frequencies at which tasks and reports must be completed.

This policy was approved by the governing body on 14th October 2020.

Table of Delegated Authority/Responsibility

Financial Management

Function	Governing Body	Chair of Governors	Resources Cttee	Nominated Govs	Headteacher	Administrator	Clerk to Govs									Scheme	Finance Manual
Comply with Financial Regulations	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	2.00	13.1/57.3
Comply with Minimum Standards	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	2.11	21 12.3.2
Ensure separation of duties	√				√												App1
Ensure internal controls operate correctly	√				√												App1
Ensure Governors Policies are complied with	√	√	√	√	√	√	√										
3 Year Development plan: updated annually			√														
Prepare including costings (new + next 2 yrs)					√												3/1.3.4
Sets spending priorities	√																
Approves costed items for new year budget	√																
Review plan outcomes	√																4.2
Annual Revenue Budget			√														
Prepare					√												1.3.2
Approve	√		R														1.3.3
Monitor			√														1.3 3+4.3
Register of Interests							√									2.9	13.4+AppA P33
Register of Eligibility to Serve							√										1.5.3

Key to all tables

Frequency	Functions	Notes
O = Ongoing	O = Oversee	# Substitute name of fund or budget holders
W = Weekly	S = Supervises	£ Insert individual limits.
M = Monthly	R = Reports	
H = each half term	C = Co-ordinates	* Acts within delegated powers and if required
T = Termly	√ = does	
Y = as soon as possible after Year-end	A = Assists as required	

Responsibility for Budget Monitoring

		Governors		Resources Cttee		Headteacher		Administrator		Budget Holders	Scheme	Finance Manual
		Frequency		Frequency		Frequency		Frequency		Frequency		4.3
Maintenance of records				S		√		W				App1
Download of Data				S		√		W				App1
Reconciliation of Data				S		√		W				App1
Updates forecasts & resource forecast model				S		√		M				4.2 4.3
Monitoring of budget lines/cost centres				C	M				√	M		4.2 4.3
Maintain forecast of year-end position.				√	O							4.2 4.3
Initiates management action*				√								4.2 4.3
Prepares formal budget monitoring statement for each fund				√	H	A						4.2 4.3
Prepares commentary				√	H	A				A		4.3.15
Presents updated resource forecast model				√	H							
Receives report			√	H								4.3.15
Initiates management action* /makes recommendations to Governors			√									
Receives report	√	T										4.3.15
Amend Development Plan (if req)	√											4.3.15
Outturn report	√	Y		√	Y	A						4.3.15

Table of Delegated Authority

Financial Administration

	Governors	Resources Cttee	Nominated Govs	Chair of Governors	Headteacher	Administrator	Clerk to Govs	Scheme	Finance manual
Spending decisions									
Authorise appointment of staff/contracts		√							App 2
Authorise payroll forms					√	√			
Authorise spending on approved costed items provided in current years budget.*					√				
Subject to DCC limits authorise spending on other items (non routine /not identified in plan)*		£10,000			£3,000				
Open tenders			√					2.10	7.5
Accept tenders			√		√			2.10	7.18
Evaluate tenders			√		A			2.10	7.18
Accept formal quotations*		£10,000			£3,000				
Receive goods					√	√		2.10	7.18
Verify invoices						√			7.24
Authorise invoices for payment.(2nd signatory)					√				7.24
Petty Cash									App1
Petty cash authorise payments					√				
Sign Petty cash cheques					√	√			
Ensure correct attribution of costs					√				
Income								5	
Cash receipting						√		2.1.6	9.6.4
Approve writes off					√				10.5.4
Virement									10.5.5
Authorise virement					£3,000			2.5	

*Subject to compliance with Governors Best Value requirements.

Current Maximum Spending limits <http://www.devon.gov.uk/fitschoolfinancemanualsection7.pdf>

Table of Delegated Authority

School fund/non public funds

Function	Governors	Resources Cttee	Nominated Govs	Headteacher	Administrator	Clerk to Govs	Scheme	Finance Manual
School fund/non public funds								S14
Appoint auditor	√							14.1.3
Set objectives	√							14.1.3
Custody and control of fund				√				14.1.6 14.1.5
Receive management reports	√	√						14.1.3
Presents accounts for audit (within 1 month of period end)				√	√			14.1.4
Receive audit reports and certificate (within 3 months of period end)	√	√					2.8	14.1.3
Authorise spending: routine recurrent items				£3,000				14.1.3
Authorise spending on other items	√	√		£3,000				14.1.3
Authorise bank accounts & signatories	√							
Security of Cash				0	√			14.1.4