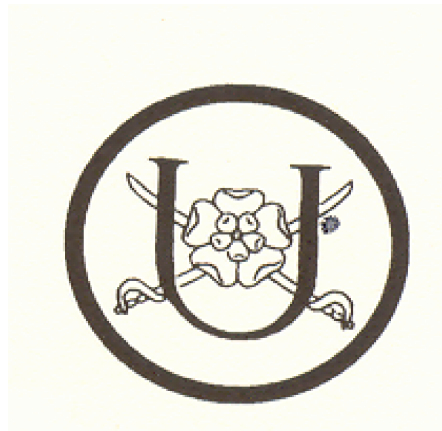


Underhill School and Children's Centre



Financial Management Policy and Procedures

Date Adopted: 7 September 2019

Review Date: September 2020

Cycle: Annual

UNDERHILL SCHOOL AND CHILDREN'S CENTRE
FINANCIAL MANAGEMENT POLICY AND PROCEDURES

The school (***the use of school includes the Children's Centre unless specified***) seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. In addition, this document has been drafted with reference to 'Keeping your Balance' produced by Ofsted and the Audit Commission. Notice has been taken of the DFE guidelines regarding 'Consistent Financial Reporting'. Practices described arise out of the implementation of Fair Funding employed here since April 1998 under Section 48 of the School Standards and Framework Act 1998, and that it conforms to Contract Standing Orders.

The Governing Body will convene once a term. The Governing Body will apply the principles of best value to all financial and school dealings: to ensure the most effective, economic and efficient means available.

- challenge how and why a service is provided (including consideration of alternative providers)
- comparison of performance against other schools taking into account the views of parents and pupils
- consultation with stakeholders especially parents and children
- competition to secure efficient and effective services

Financial Objectives

- a. That the responsibilities of the Governing Body, its committees, the Headteacher and the staff should be clearly defined and the limits of delegated authority be clearly established;
- b. The Governing Body is responsible for ensuring that any grant from the Secretary of State is used only in accordance with the terms set down by the DFE and must take steps to ensure that the financial management and organisation of the Governing Body are such as to enable it to fulfil its obligations;
- c. That the budget should reflect the school's educational priorities and objectives, seek to achieve efficiencies and value for money and be subject to regular and effective monitoring;
- d. The school should seek to make the best strategic use of resources linking specific grants to educational decisions and priorities;
- e. The school will seek to apply the principles of efficiencies and value for money in securing the use of resources and services;
- f. Regular and effective monitoring procedures will be adhered to;
- g. That the school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme For Financing Schools';
- h. That the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions;
- i. That the school should be adequately insured against exposure to risks;
- j. That the school should be registered under the Data Protection Act of 1998 and all data protected against loss;
- k. That the school should ensure that the purchasing arrangements achieve the efficiencies and value for money ;
- l. That there should be efficient procedures for the administration of personnel matters;
- m. That stocks, stores and other assets should be recorded, inventoried and adequately safeguarded against loss and theft;
- n. That all income due to the school be identified, registered and banked promptly;

- o. That the school should properly control the operation of bank accounts and reconcile bank balances and accounting records;
- p. That the school will not use Petty Cash;

Organisation of responsibility and accountability

Role of the Governing Body

- a. To take responsibility for overall financial management of the school and satisfy the LA that the school's financial management and organisation are such as to enable it to fulfil its financial obligations;
- b. To ensure that any grant from the LA is only used for the purpose prescribed (see LA financial regulations);
- c. To provide such information as the Secretary of State may require;
- d. To appoint external auditors (if considered appropriate);
- e. To provide the LA with timely monthly and annual financial returns in the required format (Consistent Financial Reporting);
- f. To manage the school budget:
 - Consider the annual budget plan
 - Approve the budget
 - Consider and approve any revisions to the budget
 - Agree levels of delegation for financial responsibility
- g. To delegate powers, including to spend, to the Headteacher as follows:
 - internal scheme of delegation to governors' committees
 - to delegate powers for finance to the Finance Committee
 - limits to powers – spending, virements as per the Financial Management Policy
 - clarity of functions and responsibilities (Job Descriptions)
- h. To be consulted by the Local Authority:
 - on significant changes to LA's Fair Funding/Scheme of Delegation
- i. To ensure accounts are kept:
 - accurate
 - timely
 - in accordance with local and national requirements
- j. To determine staff disposition and policy
 - in accordance with Teachers Pay and Conditions agreement
 - non teachers requirements e.g. TAs, CC Practitioners etc.
- k. To make judgements and estimates that are reasonable and prudent;
- l. To act as a 'critical friend' to the Headteacher by providing advice, challenge and support;
- m. To evaluate the effectiveness of spending decisions;
- n. To ensure that financial duties of staff are clearly described to avoid potential conflicts;
- o. To establish and maintain a register of Business Interests of Governors and Staff who influence financial decisions;
- p. To ensure in conjunction with the Headteacher and via the school's payroll provision, that:
 - salary payments are only made to school employees
 - salary payments are made in accordance with appropriate conditions of employment
 - salary payments are only made for services provided to the school
 - payroll changes are accurately recorded and promptly processed
- q. To approve a list of authorised signatories for the following list of authorisation:
 - Bank transfers and cheques
 - Certification of invoices and Debit Card payments
 - Orders for supplies, works and services
 - Salaries and wages, including honoraria, timesheets, overtime, car mileage and travel claims
 - Budget virements

- r. To ensure the requirements of the scheme and associated guidance are met;
- s. Responsible for ensuring the Financial Management and other policies are reviewed as necessary;
- t. To ratify policies drawn up by the relevant committee;
- u. To approve expenditure on major capital projects / leasing and to seek LA approval before proceeding;
- v. To authorise write-offs and disposal of stock;
- w. To ensure appropriate insurance cover for the school is obtained;
- x. To respond promptly to recommendations made by auditors or inspectors;
- y. To approve and authorise Leasing Agreements;
- z. To follow deficit budget procedures as set out in the 'Scheme For Financing Schools';
- aa. To set and review performance targets for the Headteacher;
- bb. To review annually the Governors Terms of Reference;
- cc. Maintain minutes of the meetings;

Role of the Finance Committee, including Premises

It is the responsibility of the Finance Committee to follow the terms of reference agreed by the Governing Body as follows:

- a. Monitor and evaluate the budget allocated to the school to achieve value for money
- b. Review staff pay and conditions
- c. Agree procedures for staff conduct and discipline
- d. Set priorities for improvement and monitor and evaluate the impact of action plans which relate to the committee's area of operation
- e. Review policies identified within the school's policy review programme and in accordance with its delegated powers
- f. Prepare and present an annual budget to the full governing body for approval
- g. Agree the level of financial delegation to the Headteacher
- h. Ensure that the principles of 'best value' are adhered to
- i. Review, monitor and evaluate the annual maintenance programme
- j. Project manage maintenance, repairs and redecoration within the budget allocation
- k. Recommend an appropriate staffing structure to the full governing body for approval
- l. Monitor safer recruitment procedures
- m. Monitor and review the effective implementation of performance management procedures
- n. Monitor and evaluate the effectiveness of partnerships in securing improved pupil outcomes
- o. Provide guidance to the full governing body on the approval of the annual budget

2.6 Role of the Headteacher

The Headteacher retains ultimate responsibility but may delegate responsibility to a named member or a member of the Senior Leadership. This individual will work in partnership with the School Business Manager in all matters relating to finance. The schools buys into an external provider Finance Matters for Schools. The Governing Body will expect the Headteacher to take responsibility for making proposals about the educational character and mission of the school, for the organisation, direction and management of the school and Leadership of the staff and for the determination of the school's academic and other activities.

The Headteacher has a key role in all financial matters. Together with the Accountant/School Business Manager they will be aware of all financial transactions viz:

- a. To check that the funds delegated by LA are correct;
- b. To prepare budget estimates in conjunction with the School Business Manager and members of the Finance Committee;
- c. To submit the budget for approval of the Full Governing Body;
- d. To submit the ratified budget to the LA by the required deadline;
- e. To advise the Finance Committee on spending priorities;

- f. To ensure that school expenditure reflects priorities in the School Improvement Plan including plans for money held in reserve for future projects;
- g. To implement expenditure in line with the school budget;
- h. To manage the budget and ensure that the budget limits are not exceeded;
- i. To ensure the list of authorised signatories is maintained and updated when necessary;
- j. To make budget changes where necessary up to the value of £10,000 for individual budget headings, in conjunction with the School Business Manager;
- k. To consult the Finance Committee on virements in excess of £10,000;
- l. To monitor the budget monthly, or more regularly if appropriate, using reports issued by the School Accountant / Finance Assistant;
- m. To ensure budget holders receive termly reports and that their budgets are not overspent;
- n. To ensure all official orders are correctly processed by budget holders and signed off by authorised signatories;
- o. To authorise expenditure on a day to day basis in line with the budget;
- p. To submit reports to the Governing Body giving details of income, expenditure and commitments to date;
- q. To sign cheques (two signatures are required on all cheques) The additional signatories will be named members of the Headship Team or School Business Manager;
- r. To ensure all online bank payments above £500.00 are approved by two authorised persons
- s. To ensure that the School Budget Share Account does not become overdrawn;
- t. To authorise any overtime/extra duties/supply claim forms, or to delegate responsibility for doing so to authorised members of the Senior Leadership Team;
- u. To monitor salary expenditure with the School Accountant/School Business Manager making use of the statements produced by the LA;
- v. To authorise payroll amendments;
- w. To follow up and pursue outstanding queries;
- x. To keep up to date with the Financial Rules and Regulations;
- y. To follow deficit budget procedures as set out in the 'Scheme For Financing Schools';
- z. To immediately notify the auditors of any suspected irregularity;
- aa. To ensure that the auditors have access to such premises, documents and assets as they consider necessary;
- bb. To consider and respond to recommendations in audit reports and report to the Governing Body results and any action taken by the school;
- cc. To ensure audit recommendations are implemented;
- dd. To ensure LA Returns are submitted on time;
- ee. To implement the school personnel disciplinary procedures as appropriate;
- ff. To ensure that arrangements for staff appraisal / performance management are in place and being developed;
- gg. To inform Human Resources provider of any staff changes;
- hh. To verify the accuracy of the pay details provided by the payroll provider on a monthly basis.
- ii. To ensure that duties relating to the financial administration are distributed so that at least two people are involved whereby, one will act as a check on the work of the other;
- jj. To adhere to the principles of Efficiency and Value for Money at all times;
- kk. To ensure that relevant staff are aware and implement the VAT Regulations;
- ll. To ensure all aspects of the school's Health and Safety Policy are complied with;
- mm. To ensure that all staff are made aware of the LA's 'Whistle-Blowing' Policy;
- nn. To ensure that the financial competencies of relevant staff are reviewed regularly and appropriate training needs met;
- oo. To ensure that proper procedures and registration for GDPR are in place. (Delegated to Office Manager and School Business Manager);
- pp. To ensure that the schools insurance arrangements are adequate and are reviewed annually;

- qq. To ensure that an Inventory Book is maintained of all attractive and portable items above the value of £250 together with ICT and photographic equipment, and an annual check is performed;
- rr. To ensure effective financial systems, procedures and controls are implemented;
- ss. The Headteacher's delegated powers to be reviewed on an annual basis;
- tt. To ensure all staff are DBS checked and Single Central Record is kept up to date (delegated to School Business Manager);
- uu. Oversee lettings (delegated to School Business Manager)

2.7 Role of Headship Team and Budget Holders

- a. Named members of Headship Team line manage the roles of non-teaching staff;
- b. Named members to be a second signatory on cheques;
- c. Subject leaders will submit to the Headship Team the requirements for their area of responsibility on an annual basis;
- d. To monitor their budgets;
- e. To liaise with the Accountant/School Business Manager in the event of any queries;
- f. To ensure no budget goes overdrawn;
- g. To write Official Orders for their own budget areas and have signed by an authorised person.
- h. Additional funding for the School will need the approval of the Headteacher prior to spending the funds;
- i. Collates, analyses and organises cover for staff absences including supply

2.8 Role of Non-Teaching Staff (Children's Centre Senior Practitioner, CC Team Administrator, School Office Manager, School Administrative Assistants)

- a. Responsible for completing the termly school census and LSC returns. This is a census return of numbers of pupils and their ages and other characteristics from all schools to the DCFS. (School Admin and Senior Children's Centre Practitioner);
- b. Responsible for overseeing all outgoing mail and the operation of the postage. (School Admin and Children's Centre Team Administrator);
- c. To purchase stamps and maintain the postage stamp book (School Admin and Children's Centre Team Administrator);
- d. To raise Official Orders for educational and Children's Centre resources as requested by budget holders and ensuring that the stocks are replenished as necessary (Children's Centre staff);
- e. Ensure all cash is kept in Safes (All School Admin and CC Team Admin Staff)
- f. To check delivery of goods against Official Order Forms, signing and passing the invoice/delivery notes to finance (School Admin Assistants / CC Team Administrator);
- g. To follow up any queries relating to the orders (School Admin, and CC Team Staff);
- h. To pass goods received to the relevant budget holder for detailed checking against the Official Order
- i. Named support staff are responsible for ordering and maintaining stock levels for first aid material and office stationery (Office Manager);
- j. Responsible for collection of income for school trips/uniform/community use fees etc (School Admin Staff and CC Team Admin Staff);
- k. To book day trips and follow up queries (School Admin);
- l. To receive and count income for fees, journeys etc (School Admin Assistant and CC Team Administrator);
- m. To chase outstanding debts and seek authority to write-off long outstanding debts (Headteacher / School Admin/ School Business Manager and CC Team Admin Staff);
- n. Approval must be sought from the Headship team/Budget holder to obtain items using personal money. A valid VAT receipt/invoice must be obtained before reimbursement can be made. Separate receipts must be obtained for personal purchases;
- o. Manage administration of the SchoolMoney system – record all items for payment by parents/staff to enable the school to become 'cashless'.
- p. Ensure that all monies received are checked and recorded by second person.

2.8.1 Free School Meals

- q. A letter is sent to all parents annually with a request to complete a form and provide evidence e.g. income support documentation.
- r. The Admin Assistant will make spot checks on pupils taking free school meals in the canteen.

2.9 Role of the Premises Manager (Headteacher)

The Headteacher retains ultimate responsibility but may delegate responsibility to a named member of the Headship Team. All planning matters will be supervised by the Headteacher and a named member of the Headship Team. The role encompasses the following:

- a. To ensure school has adequate buildings and contents insurance cover;
- b. To ensure all aspects of the school's Health and Safety Policy are complied with;
- c. To ensure all statutory service contracts are met eg fire alarms, fire extinguishers and sprinkler system, P.E. equipment and portable appliance testing etc;
- d. To oversee grounds maintenance contracts;
- e. To ensure compliance with statutory guidance for fire safety, asbestos management and water regulations;
- f. To follow LA Contract Standing Orders for tendering procedures;
- g. To obtain quotations for any works or alterations to the site;
- h. To ensure that legislation relating to Public Liability Insurance is adhered to;
- i. Hold a list of key holders and review annually;
- j. Responsible for the contractors;
- k. Raise Official Orders, evaluate works on completion and approve invoices for payment;
- l. To maintain a contracts file and monitor progress;
- m. Plan, monitor and review the budget for buildings maintenance;
- n. Order materials and equipment needed for building repairs and maintenance;
- o. Obtain quotations for any alterations or building works;
- p. Advise and oversee capital projects;

2.10 Role of the Caretakers

- a. To keep the site, staff and equipment secure
- b. To supervise the cleaning staff including management of cleaning rota;
- c. To facilitate premises lettings as per Lettings Policy;
- d. To ensure accuracy of overtime claims for lettings;
- e. To order materials and equipment needed for basic building repairs, maintenance and cleaning;
- f. To place orders for cleaning materials and toilet requisites;
- g. To carry out minor building repairs and maintenance and claim overtime as appropriate;
- h. To ensure that legislation relating to Public Liability Insurance is adhered to;
- i. To sign some delivery notes on receipt of goods. If it is not possible to check them the delivery note must be marked 'unchecked' in order that a detailed check can be carried out to ensure accuracy;
- j. To pass the goods received to the relevant budget holder for detailed checking against the Official Order;
- k. The Senior Caretaker will line manage the assistant caretaker;
- l. To ensure that all workmen who come on site report to the office and sign the visitors book and wear a visitors badge;
- m. To accompany the workmen on site;

2.11 Role of School Business Manager

- a. Assist the Headteacher and School Accountant in the preparation of the annual budgets of income and expenditure for the school;
- b. Assist the Headteacher and School Accountant in the preparation of 'Planned use of Balances (DP12)' Report;

- c. Assist the Headteacher and School Accountant in the preparation of a medium term budgets;
- d. The School Business Manager will line manage the premises staff including caretakers and cleaning staff.
- e. Responsible for maintaining schools asset register
- f. To prepare the annual SFVS
- g. To be a second signatory on cheques
- h. Advise the Headteacher and Governors if fraudulent activities are suspected or uncovered
- i. Identify additional finance required to fund the school's proposed activities
- j. Seek and make use of specialist financial expertise
- k. Maximise income through lettings and other activities
- l. Monitor, assess and review contractual obligations for outsourced school services
- m. To distribute paperwork for DBS checks
- n. To arrange to place adverts for staff vacancies on relevant websites
- o. To inform the Headteacher of outstanding debts.
- p. To prepare and send school invoices.

Lettings

- a. Follow procedures laid down by the LA as set out in Financial Guide Information- Working with Children in Barnet and Governors Lettings Policy.
- b. The SBM manages bookings and sending of invoices and assists with all queries relating to lettings.
- c. Ensure the Premises Manager or Caretaker has full details of all lettings prior to them taking place.

2.12 Role of School Accountant Business Manager – Contracted Service This function is performed by an external provider, currently Finance Matters for Schools Ltd.

- a. Assist the Headteacher and School Business Manager in the preparation of the annual budgets of income and expenditure for the school and Children's Centre;
- b. Assist the Headteacher in the preparation of 'Planned use of Balances (DP12)' Report;
- c. Assist the Headteacher and School Business Manager in the preparation of a medium term budgets;
- d. Prepare financial statements for projects as required;
- e. To support the Headteacher and Headship team to investigate and generate additional sources of income for the school;
- f. Monitor the annual budget and present regular management reports;
- g. Responsible for monitoring the income;
- h. To ensure that the budget codes are not overspent and to take corrective action where necessary;
- i. ensure the school holds up to the value of balances brought forward (Revenue plus Capital) in the Reserve Account to earn maximum interest;
- j. To monitor salary expenditure making use of the statement of accounts produced by the LA monthly;
- k. To check staff pay details provided by the payroll provider on a monthly basis and review with the Headteacher;
- l. To prepare and process virements in conjunction with the Headteacher as necessary;
- m. To prepare Year-End Forecasts as stated in the Scheme for Financing Schools;
- n. To make and check insurance claims for long term staff absences;
- o. To attend regular meetings with the Headteacher to review budgets;

- p. To attend Governors meetings as and when necessary;
- q. To monitor Pupil Premium Grant income and expenditure;
- r. To make the necessary Pupil Premium Grant budget adjustments as and when allocations are reviewed;
- s. To provide LA with Pupil Premium Grant reports as necessary;
- t. To ensure opening and closing balances reconcile to LA Accounts;
- u. To assist the Executive Headteacher to put an action plan into place following an Audit;
- v. To advise on Financial Policy and procedures;
- w. To advise and provide support on meeting SFVS;
- x. To ensure correct CFR coding for Income and Expenditure;
- y. To obtain authorisation and organise transfer of funds between the current and deposit account as and when necessary.
- z. To send a letter to follow up returned cheques and copy to the member of staff collecting the money. Parents will be charged an administration fee as agreed by the governing body.

2.13 Role of Finance Assistant – Contracted Service This function is performed by an external provider, currently Finance Matters for Schools Ltd.

Responsible for the administration of School and Children's Centre Account:

- a. To ensure that the financial records are maintained to an auditable standard;
- b. To maintain accurate and up to date accounting records;
- c. Maintain contact with statutory authorities and other organisations;
- d. To ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa;
- e. Prepare year-end returns including schedules of debtors, creditors, payments and receipts in advance and Certificate of Accountability by the required deadline;
- f. To raise and follow up queries as necessary;
- g. To keep the accounting package up to date;
- h. To reconcile computer accounts to the LA Reports on a monthly basis;
- i. To check all records relating to school finance;
- j. To provide LA with details of income and expenditure and statements of bank reconciliation on a monthly basis by the required deadline;
- k. To provide the LA with a summary of VAT paid and received on a monthly basis;
- l. To ensure that the School Budget Share Account does not become overdrawn;
- m. To ensure VAT Regulations are complied with;
- n. To be responsible for the back up system for of the accounting package;
- o. To process Official Orders;
- p. To commit Official Orders on the accounting package;
- q. To prepare cheques for payment and pass them with the relevant documentation to Headteacher and second signatory for certification where necessary;
- r. To file invoices in cheque number order
- s. To prepare monthly bank reconciliations
- t. To chase outstanding debts and seek authority to write-off long outstanding debts;
- u. To ensure that the account does not become overdrawn.

Accounting Systems and Controls Purchasing

The school has a separate procedure for purchasing. Please see the Official Order Procedures document for further details.

Procedures to note:

- a. Where a quotation other than the lowest is accepted, the reasons for this decision will be reported to the Governing Body and included in the minutes of the relevant meeting;
- b. The Governing Body will give consideration of value for money when considering contracts;
- c. Separation of duties is clearly established by the authorised signatory list and this is adhered to;

- d. No cheque will be made to individuals unless they are for goods only;
- e. Payments to individuals for services will only be made through the payroll provider. The school will not issue ex gratia payments, gift vouchers or give other types of gifts to members of staff from the official funds;
- f. The school will adhere to the Construction Industry Scheme as per the procedures;
- g. Paperwork and documentation will be retained for all quotations and tenders;
- h. A separate log will be kept for large contracts giving details of the contract, time on site and issues relating to the contract;
- i. Goods above the value of £250 are listed in the Inventory (as appropriate) and the Inventory page number should be written on the certification stamp on the invoice;

Payroll and Personnel

- a. The school's HR and Payroll function is performed by an external provider, currently EPM.
- b. EPM administers the payroll on behalf of the school;
- c. All appointments, leavers and bank details are submitted via the EPM portal. Changes to existing employee details are submitted via the EPM portal. The payroll amendments have to be submitted to the Payroll Provider by the deadlines set. All the staff at the school are paid monthly;
- d. Any amendment to the Headteacher's salary is authorised by the Chair of Governors;
- e. Any amendments to the salary of the Headship Team are authorised by the Pay Committee and the Chair of Governors;
- f. The Governing Body has legal responsibility for the Threshold process and has delegated the receipt and assessment of applications to the Headteacher. The Headteacher notifies the Governing Body when an application has been assessed. Where successful, the Governing Body moves the teacher concerned to the upper pay spine in accordance to the Schools Teachers Pay and Conditions;
- g. All statutory changes to salary relating to annual pay awards are automatically amended by EPM;
- h. All major decisions relating to staff which requires amendments to payroll can be confirmed by reference to interview details, appointment letters etc. All minor amendments are authorised by the Headteacher.
- i. The School Accountant is responsible for notifying the Payroll Provider of any payroll amendments;
- j. Any amendments to an individual's pay details are updated on the employee's own Personnel record by the School Business Manager. The Personnel records are kept in the School Business Manager's room;
- k. All voluntary deductions from salary are authorised by the individuals concerned via EPM;
- l. The School Accountant receives the monthly payroll report which is checked for accuracy and queries raised for any discrepancies. The following checks are made to ensure the accuracy of the payroll data:
 - All amendments to payroll have been applied correctly
 - Ensures that the gross pay of individual members of staff is correct according to the latest strategic financial plan
 - Initials the payroll print to confirm that the check has been performed
 - Raise queries with the relevant department by telephone or in writing
- m. Once satisfied the Headteacher is then asked to authorise the payroll via the portal.
- n. On an annual basis the Headteacher completes and signs a salary statement for each member of the teaching staff, detailing the composition of their salary grade, i.e. points for qualifications, experience, additional responsibilities etc;
- o. The Headteacher/Deputy Heads are responsible for staff cover and are also responsible for any supply cover required for absent teachers. Recruitment agencies invoice the school for supply teachers. Supply teachers complete their own timesheets obtained from the relevant agency and a copy is forwarded to the School Accountant. These are checked and agreed to the copies of the timesheets which are attached to the invoices before payment is made to the agency;

- p. All the year end returns are produced by the Payroll Provider on behalf of the school. i.e. Teachers' Pensions Agency return, Inland Revenue return, Local Government Pensions return, etc. The Payroll Provider sends the returns to the relevant agencies;
- q. The School Accountant inputs payroll information onto the accounting system coding appropriately between individual budget codes;
- r. The Governing Body will review, consult and be responsible for approving any significant changes in the staffing structure;
- s. The Governors will consult with staff when reviewing changes in the staffing structure;
- t. Procedures for appointments, promotions and payments are contained in the School's Pay and Conditions Policy or, for the Children's Centre, the "Green Book";
- u. The School Business Manager is responsible for completing the monthly absence returns and a member of the Senior Leadership Team checks and authorises these. The absences are then entered on the EPM portal. An authorised member of the school staff approves payment and appointment for supply work, both teaching and non-teaching;
- v. Time sheets will be signed by authorised persons;
- w. All contracted staff are paid through the payroll system and payments are made to the appropriate agencies for supply staff;
- x. Personnel files for members of staff are kept in the School Business Manager's Office and confidentiality is maintained at all times;

Insurance

- a. The insurance provider (via London Borough of Barnet) is approved by the Finance Committee (for the premises element of cover) and cover provided is checked to ensure that the school is adequately insured;
- b. The school has separate policies for Premises, contents and employee insurance.
- c. The Headteacher is responsible for reviewing insurance arrangements annually;
- d. School property such as musical instruments and computers are covered when they are off the premises;
- e. A loan book is kept in the School Business Manager's Office for staff taking ICT or other equipment/laptops off the premises;
- f. Records detailing incidents e.g. theft and accidents are kept in the School Office;
- g. All accidents, losses and incidents are immediately reported to the insurers on the appropriate form and copies retained in the School Business Manager's Office;
- h. Appropriate Insurance claims are submitted by the individual with designated responsibility and copies given to the School Business Manager;
- i. Contractors are requested to provide a copy of their company's current/valid public liability insurance prior to commencing work. This should be for a minimum of two million pounds plus cover for damage to the inside of the property;
- j. Insurance cover is obtained for staff on medium/long term sickness and maternity leave in the school. Short term cover is provided by the school.

Income

Public Funds

The main sources of income into the school Public Funds bank account are as follows:

- Income from LA
- Income from the DFE
- Children in Need funding
- Nursery Education funding
- Extended Nursery income
- Bank Interest
- Lettings and Rental
- Children's Centre Income

Income from the LA

Income from the LA is paid directly into the school's current account. The school is invoiced monthly

Other sources of income

Listed below are main sources of income within a school:

Bank Interest

Interest is credited to the school's public funds Reserve Account on a quarterly basis.

Lettings and Rents

The Headteacher has oversight and responsibility for school lettings although the daily administration is undertaken by the School Business Manager. See Lettings Policy.

There is a lettings agreement form which must be filled in for all lettings.

A generic agreement for clubs that use the premises free of charge (after school, lunch time clubs) must be signed by the club provider.

Public Funds

General

- a. The Admin Assistant collecting money raised for charities record receipt of money. The money collected is passed to the other Admin Assistant for banking;
- b. Records are maintained for school trip payments;
- c. Where monies are collected on an instalment basis this is recorded on SchoolMoney
- d. The collection of income relating to day trips and other activities is paid into the official funds;
- e. The school uses SchoolMoney which allows income for school meals, trips, clubs etc to be paid directly into the school account to lessen the amount of cash/cheques paid to the school.
- f. The paying in book shows the split between cash and cheque receipts. All income is banked promptly;
- g. Income is recorded by the Finance Assistant into the accounting system.;
- h. All income is locked away securely to safeguard against loss or theft;
- i. Income collections are not used for encashment of personal cheques or for other payments;
- j. Sums deposited at the bank are reconciled to sums collected on a monthly basis by the Finance Assistant;
- k. Debts will be written off in accordance with LA Regulations and the school will maintain a record of sums written off;
- l. Separate records are maintained for money collected for school activities;
- m. Appropriate invoices will be dispatched where a charge is to be made for goods or services provided by the school;
- n. Outstanding invoices will be followed up if not paid within 30 days;

Petty Cash

The school will not hold or use Petty Cash.

Staff Expenses

Travelling expenses are paid to staff where approved by the Executive Head Teacher or Chair of Governors in line with LA guidance;

Taxation

- a. The school complies with VAT and Income Tax Regulations;
- b. Only proper VAT invoices are paid from the School Budget Share Account;

Budgets

Budget Administration

- a. The School Business Manager and Headteacher produces the draft budget after examining the financial information available (see above) and the financial implications of any additional information available, i.e. curriculum plan and management needs;
- b. Whilst assisting in the preparation of the budget the Headteacher considers not just the short term financial plans but also considers the medium and longer term implications;
- c. The School Budget is linked to the School Improvement Plan, which is drawn up by the Headteacher and Headship Team. This is approved annually by the full Governing Body;
- d. The School Accountant and School Business Manager produces the budgets for the School and Children's Centres after firstly identifying the Personnel costs, followed by all the other costs;
- e. Headteacher presents the draft budgets to the Finance Committee for approval. The Headteacher also reports verbally on the proposed budgets, at the Finance Committee meeting.
- f. When the Finance Committee is completely satisfied with the figures presented at the meeting, it agrees the budgets before the figures are presented to the full board of governors for final approval;
- g. The approved budgets are presented to the Full Governing Body at their next meeting, with any additional information reported verbally by the Chair of the Finance Committee. The Governors once again have an opportunity to ask relevant questions on the figures presented to them before they finally approve it;
- h. When the Governors are satisfied with the budget presented to them, the Headteacher/School Business Manager submits the required forms to the LA;
- i. When the budget has been fixed for the financial year, the Headteacher has the authority to spend within the agreed budget. Budget Holders are given their budgets for the financial year. The Finance Assistant produces regular reports, or as and when requested, for curriculum budget holders to allow them to monitor actual expenditure and commitments to-date and liaise with the School Accountant regarding any discrepancies;
- j. All Budget Holders are required to ensure that all purchases from their budget achieve the best possible value for money;
- k. Revising the budget is often necessary due to the funding arrangements. When the budget has to be revised, the Headteacher and School Business Manager revise the budget forecasts and prepare virements for approval from the Finance Committee and Full Governing Body;
- l. All budget amendments approved under delegated powers must be reported to the next meeting of the Governing Body or an appropriate Committee as agreed and recorded in the school's Financial Management Policy and Procedures document;
- m. Budgets are continually monitored by the Headteacher / School Business Manager, and also reported to the LA on a monthly basis (Income and Expenditure Statement);
- n. The Headteacher is fully briefed by the School Business Manager prior to all Finance Committee meetings;

Debit Cards

Use of Debit Cards is controlled by the Debit Card policy. No cash will be withdrawn using a Debit Card. A credit card transaction form is to be completed each time the Debit Card is used, thus ensuring a paper trail is maintained. Currently two Debit Cards have been issued, one to the Headteacher, and one to the Office Manager. Please refer to the Debit Card policy.

The school also has a Trade UK card which are for use in Screwfix and B & Q. The caretaker holds the card and is issued with a receipt each time the card is used. The receipt is given to the Finance Assistant. This receipt is matched to the invoice received from either company.

6. Internal Financial Control

To ensure effective financial controls, designated personnel are authorised by the Chair of Governors as follows:

- a. Documents relating to finance are kept for a period of six years plus current working year;
- b. All accounting records are all kept in a locked school office;
- c. The cheques, cheque books, receipt books are locked in the safe;
- d. Unused official orders are kept in a locked cabinet;
- e. Only authorised staff will have access to school accounting documents and accounting package;
- f. To ensure that duties relating to the financial administration are distributed so that at least two people are involved whereby, one will act as a check on the work of the other;

7. Contracts

Prior approval from the governing body will be obtained for all expenditure above the value of **£10,000**. The school will always seek best value for money and take into consideration price, quality and fitness for purpose when purchasing goods and services.

When selecting contractors for work: -

- Between £5,000 and £50,000 – at least two quotations need to be obtained and approved by Chair of Governors. This responsibility is devolved to the Finance Committee.
- over £50,000 - 3 or more tenders need to be obtained, at least 2 of which must follow specified procedures and be approved by the Education Committee.

A contracts file with details of tenders and quotations will be kept in the Finance Office.

Disposal of Assets

All disposals of material assets, by sale or write off, require authorisation by the Headteacher and/or Governing Body. The date of disposal, area removed to and quantity disposed is recorded in the assets register by the School Business Manager's Office, and the Headteacher signs against the date. The Headteacher will ensure that stocks are maintained at reasonable levels and are subject to a physical annual check.

School Safes

The safes are kept locked at all times. Only named members of staff i.e. School Admin staff/ Headteacher have safe keys. The keys are to be kept off site when not in use.

Other

The school site is partially alarmed when closed and there are strategically placed sensors in and around the building. All staff, governors and visitors are responsible for their own possessions.

8. Documentation and Security of Records

This section lists the main accounting records maintained by the school and how they are kept secure, and shows how and where documents are filed. Data stored on the school network is highly confidential in respect of staff, pupil records which are maintained using the RM Integris and SchoolPod administration system and the RM finance package.

Accounting Records

The school maintains computerised accounting records. The accounts package is password protected so that only the School Business Manager, Administrator, Accountant and Finance Assistant have access.

No individual will have free access to all levels of the school's financial data enabling them to complete all elements of a financial transaction. The School Accountant and Finance Assistant have access to all parts of the computerised accounting package but are not cheque signatories. All accounting records are all kept for a required period of time in a locked school office. The

cheques and cheque books are locked in the safe. Unused official orders are kept in a locked cabinet.

Databases

Only authorised personnel have access to the School and Children's Centre databases. Users are only given access by the L.A. Database Manager to that part of the system relevant to their role and responsibility.

Back Up and Office Security

The school is registered in accordance with the Data Protection Act 2018 and complies with this legislation. We aim to ensure that the school has an effective computer based system for monitoring and processing financial information efficiently. Such information is properly protected and backed up and that information is restricted to authorised personnel and users.

- The School MIS and financial accounting system is an internet based system that does not require the school to back it up.

All cheque books and cheque stationery are kept in a locked cabinet. Unused Official Order forms are stored in a locked cabinet by the School Admin Officer. The keys to the school safe are held by the Head Teacher and Office staff. The keys to the Finance Office are held by the Headteacher and Caretakers.

At the end of each financial year the Accountant / Finance Assistant are responsible for the timely closure of the financial years' accounting system. The School Business Manager is responsible for ensuring year-end returns are submitted to LA by the required deadline.

Disposal of Documents

All accounting documents are retained for the agreed number of years a minimum of 6, after which they are securely destroyed.

9. Banking Arrangements

- a. Cheques are prepared by the Finance Assistant for the categories of expenditure detailed on the budget and are attached to the appropriate documentation i.e. invoices for certification;
- b. The bank accounts are never overdrawn, nor will the bank negotiate overdraft facilities;
- c. The Finance Committee must approve individual purchases above £10,000;
- d. Cheques are not pre-signed;
- e. When not in use, cheque books and computerised pre-printed cheques are securely kept in the schools finance office;
- f. Bank statements are received monthly;

Bank Reconciliations

The School Accountant / Finance Assistant performs the bank reconciliations on the School Budget Share and Reserve Accounts upon receipt of the bank statements. The statements are reconciled against the bank balances on the accounts package. Usually the Headteacher checks and authorises these reconciliations. The monthly Bank Reconciliations are sent electronically to LA and the printed reconciliation sheets are kept in the Finance Office to prove checks have been made. Statements are filed in statement number order and are kept in the Finance Office.

10. School Fund Account: The school no longer has a separate Unofficial Funds account. All monies raised for charity are paid in to and out of the main school account.

11. Underhill PTA

- a. All cheques written by the PTA require 2 signatures
- b. The accounts for the PTA require auditing annually by an independent auditor.

12. Whistle Blowing

The Whistle Blowing Policy is circulated to all staff and governors annually.

Précis

Finance Committee to approve purchases over £10,000.

Finance Committee to approve virements over £10,000.

2 signatures on all cheques.

Contracts between £5,000 - £50,000 need 2 quotes

Contracts over £50,000 go out to tender

No cash will be withdrawn using a Debit Card.

A receipt and Debit Card transaction form must be completed and authorised each time the Debit Card is used, thus ensuring a paper trail is maintained

2 authorised persons to approve online bank payments over £500.00.

Inventory Book is to contain a list of all attractive and portable items above the value of £250 together with ICT and photographic equipment, and an annual check must be performed;