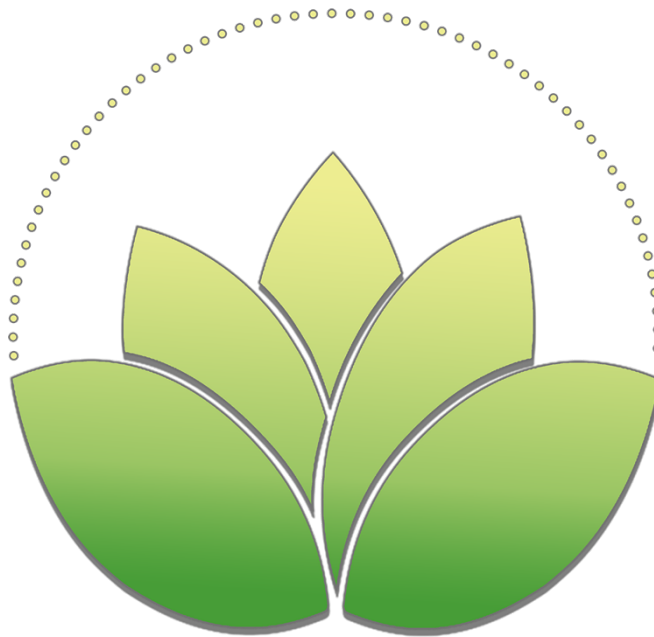


Code of Financial Management and Delegation of Financial Authority 2020

Shapla Primary School



Agreed Date:

Review Date:

Signed: Mark Campbell (Chair of Governors)

Statement

This Code of Practice details the procedures and practices agreed by the Governing Body of Shapla Primary School.

Aims and standards

- a) The Governing Body aims to help the School provide the best possible education for its pupils by ensuring that all available resources are used effectively and efficiently.
- b) The Governing Body accepts that it is accountable to the London Borough of Tower Hamlets and also to the parents and the wider community for the way it carries out its duties and responsibilities for financial planning, management and control.
- c) The Governing Body will carry out its responsibilities at all times in accordance with the current legislation and regulations.
- d) The Governing Body will also act fairly, without prejudice, and in accordance with the principles laid down by the Second Report of the Committee on Standards in Public Life.
- e) The Governing Body, in consultation with the Headteacher, will fulfil its responsibility for overseeing good financial practice within the School and for compliance with the Procedures as set out in the current Schools Financial Procedures Manual, July 2015, LEA Scheme for Financing Schools issued by The London Borough of Tower Hamlets and the standards as required by the Schools Financial Value Standard. (SFVS.)

Budget preparation & budget monitoring

- a) The Headteacher is responsible for drawing up proposed budget estimates, in consultation with the Resources Committee, for consideration and approval of the Governing Body.
- b) A proposed budget should be presented to the Governing Body for consideration in the May preceding the next financial year together with draft budget estimates for the following two years.
- c) The budget for each financial year should be approved in the preceding February or March together with proposed budget estimates for the following two years.
- d) The Headteacher, Financial Officer (LBTH) and the School Business Manager will table regular budget monitoring reports for consideration at Governing Body and Resources Committee meetings.
- e) The Headteacher, Financial Officer (LBTH) and the School Business Manager will provide the Governing Body with the financial information, advice and recommendations it needs to carry out its functions effectively and to understand how the School is performing.
- f) The Headteacher, in consultation with the Resources Committee, will be responsible for drawing up and keeping under review a statement setting out the objectives and purpose of each school fund account.

Delegation of functions

- a) The Governing Body has established a Resources Committee to which its financial functions, apart from the approval of the budget, are delegated.

- b) The Resources Committee shall comprise of at least three governors and the Headteacher.
- c) The Governing Body must agree the Terms of Reference for the Resources Committee and appoint the Chair of the Committee. The Terms of Reference should be reviewed annually.
- d) The Headteacher has responsibility for the day-to-day management of the School's budget and for ensuring that all financial decisions, procedures, and practices are undertaken in line with this Code of Practice and the Schools Financial Procedures Manual, July 2015, LEA Scheme for Financing Schools issued by The London Borough of Tower Hamlets and the standards as required by the Schools Financial Standard (SFVS).
- e) The Governing Body has delegated to the Headteacher responsibility for authorising all expenditure within the approved budget plan subject to the limits set out below.
- f) The Headteacher is able to authorise payments of up to £5000. Any spending above this amount needs to be approved by the Headteacher and the Chair of Governors.
- g) The Resources Committee can authorise spends of up to £10000. Any spends above this amount need to be approved by the full governing body.
- h) The following members of staff are authorised by the Governing Body to be signatories to the School Bank account:
- Mr John Musgrave Bolanos - Headteacher
 - Ms Alison Corner - School Business Manager
 - Mrs Fatima Miah - Clerical Assistant
 - Miss Dawn Pritchard - Assistant Headteacher
 - Mr Kieran Baker - Assistant Headteacher
- i) All cheques must be signed by two of the signatories. The Chair of the Resources Committee must approve cheques in excess of £10,000 for whatever purpose, including cheques paying for multiple invoices from one supplier.
- j) The members of staff listed below are authorised by the Governing Body to be signatories to official orders, pay sheets, time sheets and agency staff claim and record forms and as budget account holders.
- Mr John Musgrave Bolanos - Headteacher
 - Ms Alison Corner - School Business Manager
 - Miss Dawn Pritchard - Assistant Headteacher
 - Mr Kieran Baker - Assistant Headteacher
- k) Budget Account holders may not place orders or incur expenditure that would result in overspending their budget allocation as set by the Governing Body at the time the annual budget was approved.
- l) All virements between budgets must be approved by the Headteacher and the Resources Committee prior to any expenditure against the vired amounts taking place.
- m) The following members of staff are authorised as budget account holders and approved to raise orders. The order must be approved and signed by one of the two signatories listed in j.

Mr John Musgrave Bolanos
Ms Alison Corner
Ms Dawn Pritchard
Mr Kieran Baker
Mr John Lovett
Mrs Christine Jones
Mrs Corinna Foster
Ms Persia Cassell
Mrs Debbie Lovett

- n) The Headteacher may vire amounts of up to £5,000 between approved budget account allocations. The Headteacher and the Chair of the Resources Committee may vire amounts of up to £10,000 between approved budget accounts. All virements are to be entered into the RM Finance accounting program and a virement report must be printed and signed and presented at the next meeting of the Resources Committee. Virements must be reported to the next meeting of the Governing Body.
- o) Any leasing or rental agreement must be authorised by the Resources Committee. The School may not enter into any Hire Purchase agreement. The Headteacher and the Governing Body must seek formal, written approval from The London Borough of Tower Hamlets before entering into any leasing or rental agreement over £10,000 per annum.
- p) At all times the Governing Body, the Headteacher and members of staff will comply with the Procedures as set out in the current Schools Financial Procedures Manual, July 2015, LEA Scheme for Financing School issued by The London Borough of Tower Hamlets and the standards as required by the Schools Financial Value Standard (SFVS).
- q) The Headteacher and the Resources Committee will be responsible, in the first instance, for responding in detail to any audit reports and ensuring that recommendations are carried out within a reasonable time-scale. Copies of all audit reports must be presented to the Governing Body.

Accountability and control

- a) The School Business Manager will monitor the receipt of all income, including funding from the LA and all other sources, to ensure that all funding and income due to the School has been received. Any discrepancies, shortfalls or variations are to be reported to the Headteacher immediately so that appropriate action can be taken.
- b) The Headteacher and the School Business Manager will monitor all expenditure, paying particular attention to payroll charges, in order to ensure the accuracy of all financial records.
- c) The Headteacher, Finance Officer (LBTH) and the School Business Manager will reconcile the School's financial records with the bank accounts, the payroll reports and the various LEA reports, notifications of allocations, etc. each month. Any variations from the approved budget estimates or from expected expenditure are to be investigated and reported to the Resources Committee.

- d) The Headteacher, Finance Officer (LBTH) and the School Business Manager will provide termly, detailed budget monitoring reports to the Resources Committee and a summary monitoring report to each ordinary meeting of the Governing Body.
- e) All orders, and other financial transactions, must be signed by two members of staff, one of whom must be an authorised signatory to the School's Bank account.
- f) Only computer-based accounting systems approved by the LA may be used for official accounting purposes. Currently the RM Finance accounts program, which is officially approved, is in use by the School.
- g) All valuable items and those easily stolen will be entered onto the Asset Register as soon as possible after they have been received. Entries in the Asset Register must include: serial numbers of individual items, where appropriate, model numbers and/or descriptions, date of purchase, value and the location where the item is stored or kept. Where appropriate valuable items must be security marked and kept secure when not in use.
- h) The Resources Committee will review the Asset Register periodically to ensure that they are a true record of the stock within the School.
- i) The School will follow the procedure for the disposal of assets as set out in the Schools Financial Procedures Manual, July 2015.

Purchasing

- a) Only a Budget Account Holder, authorised by the Headteacher, may place orders for the supply of goods and services. The Premises Manager/Budget Account Holder is authorised by the Headteacher to use official printed order forms sequentially numbered and with the prefix letter P.
- b) All orders must be made using an official printed, sequentially numbered order form or preferably an order form automatically generated from the RM Finance accounts program.
- c) Official orders, once signed by two signatories as specified above, may be faxed if so requested by the supplier.
- d) All members of staff responsible for making purchases will 'test the market' to ensure value for money and the best use of the School's budget.
- e) For purchases from £2,500 - £5000 several catalogues or price lists should be compared and details noted on the order as evidence of 'testing the market'.
- f) For purchases over £10,000 three quotations are required. These may be 'telephone quotes' or catalogue prices provided that a brief written record of the details is attached to the copy of the official order.
- g) In addition, purchases in excess of £10,000 are subject to Resources Committee approval.
- h) When purchasing regularly from the same supplier a check should be made from time to time to ensure that value for money, or appropriate discount, is being obtained over the year.
- i) Official orders may not be used for individuals to obtain goods or services for their private use.
- j) The Resource Manager and the Budget Account Holder will ensure that all goods and services received are carefully checked and that delivery notes and invoices are marked to show that the following processes have been carried out before payment

is made: Goods/Services received; Amount/Calculations Correct; Date of Payment; Amount Paid; Cheque Number; Budget Account; Expenditure Code; Certified for Payment and Authorised for Payment. Invoices should be stamped with a checklist for completing the processes detailed above.

- k) The School Business Manager will check that the prices, and VAT if due, as shown on the invoices have been calculated correctly.
- l) Budget Account holders may make Petty Cash purchases without official orders. (See below.)
- m) Petty Cash purchases are limited to a maximum of £50 for any single item and a total of £100 for any one purchase of one or more items. All petty cash expenditure will be paid for from the Budget Account Holders budget. Reimbursement of petty cash expenditure over £50 will be paid by cheque.
- n) A VAT receipt should be obtained, where applicable, for all petty cash purchases so that the School can claim back the tax and make full use of the available budget. (However, there is no requirement for a retail outlet to issue a VAT receipt for purchases below £100.)
- o) Petty Cash receipts must be firmly attached to an official Petty Cash Voucher, which must be completed and signed using the same procedure as for an invoice.

Collecting money

The following procedure applies to all members of staff who have responsibility for collecting money from pupils and parents.

- a) Members of staff may not collect money from pupils or parents without prior approval of the Headteacher.
- b) Money may only be collected in accordance with the Charging and Remissions Policy of the Governing Body, the LA arrangements for dinner money collections, the sale of small items as authorised by the Headteacher or for parental contributions to residential school journeys.
- c) Members of staff authorised to collect money from pupils and parents must keep a Collections Record showing the name of each person, the amount collected and the date and a receipt issued.
- d) All monies collected must be handed to the School Business Manager promptly, intact and without any money being withdrawn in order to meet any payments on behalf of the School or any individual.
- e) Any monies received in envelopes or other sealed or enclosed containers must be opened and counted in the presence of two persons and the amount entered in the record.
- f) In addition to the above, members of staff who take responsibility for organising a School Journey must adhere to the procedures for School Journeys as set out in the current Schools Financial Procedures Manual.

This Code of Practice was agreed by the Governing Body.

Signed..... Date:
(Chair of Governors)

