



# FINANCIAL ORGANISATION POLICY

Revised: Autumn 2020  
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## DEFINITIONS

The following terms shall have the following meanings for the purposes of this document:

<b>the School</b>	means Clifton All Saints Academy
<b>ACMF</b>	means Academies Capital Maintenance Fund
<b>DCSF</b>	means the Department for Children, Schools and Families
<b>DfE</b>	means Department for Education
<b>ESFA</b>	means Education and Skills Funding Agency
<b>Ofsted</b>	means the Office for Standards in Education, Children's Services and Skills
<b>LA</b>	means the Local Authority
<b>PTA</b>	means Parent Teacher Association
<b>Responsible Officer</b>	means an independent advisor who works with the School to ensure their finances and procedures are in working order.
<b>the Committee</b>	means the Finance and Management Committee of the School

## PURPOSE

The purpose of this document is to make Governors and all staff, teaching and non-teaching, who have anything to do with finance/resources aware of the standards of financial administration and accountability expected from them.

## POLICY FOR THE ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY REGARDING THE SCHOOL'S FINANCES

Within the constraints of the current national and local schemes for local management of schools, the Governors have responsibility for the School's delegated budget. The Governing Body is accountable to the trust, parents and the local community for decisions taken in exercising its responsibility.

To allow speedier decisions to be made the Governing Body delegates management of the budget to the Committee. Further delegation, within the Committee, is given to the Headteacher. The Headteacher delegates the day-to-day management of the budget to the Business Manager.

## ROLES OF THE MANAGEMENT COMMITTEE, THE HEADTEACHER AND STAFF

### The Committee

The Committee ensures that all the Governor's responsibilities are considered when prioritising financial decisions. In order to assist the Headteacher in drawing up the budget plan (which is delegated to the Business Manager) for the next financial year the Committee meets at least once every term to discuss budget priorities required to implement the School Improvement Plan. In addition, regular budget monitoring is undertaken.

To fulfil the monitoring responsibilities, budget reports are discussed at the Governors' meetings. At other times the Headteacher can contact the chairperson if the need arises.

### **The Headteacher**

In addition to overseeing the day-to-day management and monitoring of the budget and the drawing up of the budget plans for presentation to the Committee, the Headteacher is responsible for ensuring the ESFA financial regulations, DfE and Ofsted financial requirements are implemented.

## **ACCOUNTABILITY**

### **The Governing Body**

Governors are required to provide the ESFA with a copy of the School's budget plan for the coming financial year. The Headteacher and Business Manager submit the plan accepted by the Governing Body before the May deadline.

Everyone involved in the School's finances is reminded, when they receive their budget statement, of their obligation to make a declaration of any pecuniary or other interest in any proposed transaction to be carried out by the School.

### **The Committee**

Minutes of the Committee meetings are provided in the agenda papers for meetings of the full Governing Body, a copy is also kept in the Headteacher's office for anybody to view.

### **Business Manager**

Up to-date reports on the day-to-day management and monitoring of the budget are presented to the Committee and the Governing Body at meetings each term. Continual monitoring of the budget is carried on throughout the school year.

## **SOURCES OF INFORMATION**

To assist in the drawing up of the budget a number of sources are consulted:

1. Historic details from previous budgets
2. Details from the DfE, Ofsted and ESFA including printouts and guidance notes to budgeting
3. Teachers' pay and conditions of service annual document (noting incremental drift).
4. Pay scales of non-teaching staff
5. Energy and water monitoring (including inflation figures)
6. Priorities as indicated by teaching and non-teaching staff
7. Recommendations of any committees and the Governing Body
8. Under spend/overspend from previous year
9. Possible levels of inflation
10. Condition survey

Throughout the drawing up of the budget plan, the emphasis will be on how the finance available can support the School Improvement Plan and realise the School's main purpose – the delivery of high quality education in a well maintained and safe environment for all pupils. The budget is managed throughout the year by the Business Manager and monitored by the Headteacher and Chair of Governor. Regular reports are given to the Committee as previously indicated. Adjustments are made during the year as the targets in the School's Improvement Plan are reviewed.

## **INTERNAL FINANCIAL CONTROL**

The Business Manager is responsible for overseeing the raising of an order presented by a person associated with a budget account. Each order requires the Headteacher or Business Manager's authorisation. The Business Manager oversees that; the goods are checked on arrival, the invoice is checked and coded and then authorised by the Head teacher before payment is made.

Accounting records are properly maintained and E1 Finance system backs up automatically every 24 hours. Documents relating to financial transactions are kept in school. Such documentation is kept until an audit of accounts, by external auditors, has taken place or until such time as indicated by the ESFA. All financial documents have to be kept for seven years after which time they can be destroyed,

Every effort is made to make sure that all financial transactions are traceable from the original documentation to the accounting records and vice versa.

Financial systems are monitored by a contracted Independent Responsible Officer once a term and reported at the end of the financial year. A full audit of the School accounts is carried out in the October for the previous financial/academic year.

## **PURCHASING**

It is the intention of the School to achieve the best value for money from all their suppliers (in terms of quality, time and the best price available). Whenever possible the market is tested in the following ways:

- By contacting appropriate departments for advice on "best value" products.
- By obtaining verbal or written quotations 3 (where appropriate) from different suppliers. The lowest quote will be accepted if the quality is assured.

When ordering goods or services:

- Orders are only to be placed through the office.
- Orders for large items may only be authorised by the Headteacher. Orders for consumables up to the value of £1000 can be authorised by the Business Manager.
- The Governors have agreed that purchase orders and refurbishment works up to the value of £5000 may be authorised by the Headteacher and Business Manager without prior consent of the full Governing Body.
- Prior to signature orders will be checked as being appropriate and within budgets allocated.
- The E1 Finance system used enables accurate identification of committed expenditure.

## **PAYMENT OF ACCOUNTS**

- Goods and services are checked on receipt and signed for or may be signed for unchecked. If the latter occurs checking is done as soon as possible.
- Payment is made directly from the School's bank account via BACS once an invoice has been received, checked, coded and certified for payment. A check is made to ensure that expenditure has not previously been made and has been properly incurred, that the price

agrees with quotations given or catalogue prices, that the VAT and coding are correct and that discounts, if applicable, have been allowed.

- If BACS payment is not available then suppliers are paid via cheque, drawn on the School account and crossed “A/C payee only” this avoids the possibility of improper negotiation of the cheques. There are three signatories, the Headteacher, the Business Manager and the Chair of Governors. All cheques require any two signatures. The School retains chequebooks securely when not in use.
- Payment runs are set up by the Business Manager and authorisation for payment is made by the Headteacher.
- The School only makes payment on receipt of a correct invoice.

## **INCOME**

The Governing Body has established a charging policy for lettings. The Headteacher is responsible to the Governing Body for accounting for all income collected as set out in the policy documents.

Invoices are raised for the hire period. The School maintains formal documentation for all income collected through the E1 Finance system.

As an Academy the School can apply for ACMF for any capital projects.

## **BANKING ARRANGEMENTS**

The School banks all income with the Lloyds Bank, as advised by the DfE the School is not able to be overdrawn or able to negotiate overdraft facilities.

Monthly bank statements are received and reconciled with the accounting records. Any discrepancy is investigated. Bank reconciliations are performed by the Business Manager.

## **PETTY CASH**

Petty cash for making small payments is found to be useful. The maximum level of petty cash to be held at any one time is £150. The Business Manager, Secretary and Headteacher are the only authorised staff to have access to the petty cash. The School does not use cash for transactions with regular suppliers and limits its use to minor items needed on a day-to-day basis.

The School obtains receipts and completes a petty cash slip for all cash payments made and the recipient and Business Manager/Secretary/Headteacher sign that the money has been received.

## **INSURANCE**

The School liaises directly with Zurich concerning the following areas of insurance:

- Balance of Risks
- Liability & Property
- School offsite Activity
- Public Liability – PTA
- Legal Expenses

In the event of any damage, loss, or accidents the Insurance Company is informed. The School arranges its own Staff Absence Insurance through The Education Broker.

## **PERSONNEL**

The Governing Body has produced various policies for the administration of personnel activities. The Headteacher ensures that the completing, checking and authorisation of all documents and claims related to appointments, expenses and terminations of employment are carried out and authorised by the Business Manager which is overseen by the Headteacher. Routine documentation such as time-sheets and monthly sickness returns, are completed and authorised by the Business Manager. Payroll transactions are processed through Bedford Borough. The payroll prints from Bedford Borough are checked each month by the Business Manager and queries are taken up by the School if necessary. Personnel records are held in a filing cabinet in the Business Manager's office, only the Head teacher and Business Manager have access to these records.

## **SECURITY**

The Headteacher is responsible to the Governing Body for the safe custody and control of cash and property belonging to the School. To carry out these responsibilities the following have been put into place:

- Stocks are kept to a reasonable level. The Site Agent, Cleaner and Subject Leaders make regular checks.
- Inventories are made and kept up to date, listing equipment, noting make, model and serial number where appropriate.
- An annual check of inventories is taken. When redundant goods or equipment under the value of £500 are to be written off, the inventory is amended accordingly.
- The School banks any monies on a regular basis this ensures the amount of cash kept on the premises is minimal.

## **VAT**

The Headteacher is responsible for complying with VAT and other tax regulations to which the School may be subject.

The Business Manager completes VAT claims as part of the monthly reconciliation process. If necessary, the advice of the accountants is sought when dealing with VAT issues.