



Dringhouses Primary School

FINANCIAL MANAGEMENT POLICY

Signature of Chair of Governors

Signature of Headteacher

Date of Adoption: May 2021

Date of Review: Annually May 2022

Reviewing Committee: Full Governing Body

Statutory/Non-Statutory

This is a Local Authority adopted policy.

It is the aim of the governing body of Dringhouses Primary School to spend the school's budget share for the purposes of the school and to ensure that all resources made available to the school are used in an efficient and effective manner, avoiding a deficit budget where possible.

Financial decisions will be made after consideration of:

1. conditions and requirements laid down in the Authority's approved LMS Scheme
2. priorities as identified in the school improvement plan
3. the needs of the children, staff and community of the school
4. the need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the governing body
5. the resources made available to the school

ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

1. Roles and Responsibilities

- I. The governing body has a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Authority's Standing Orders and Financial Regulations.
- II. The governing body should determine delegation using the governing body Decision Planner (Appendix A) and review it annually.
- III. A Finance Committee made up of at least 3 members approved by the governing body will be established and will meet at least once per term. It will work to the agreed Terms of Reference (see Appendix B) once approved by the full governing body. The committee will consider termly monitoring reports as a minimum (in some cases monthly may be considered more appropriate) and will consider the school's Start, Revised and Draft budgets at the appropriate times. The committee will submit a brief summary report to the full governing body at least once per term.

The headteacher will assume day to day responsibility for the budget and will operate under a scheme of delegation approved by the governing body (see Appendix C), have the delegated authority to determine spending within approved budget headings. The headteacher will be assisted by the appropriate staff to ensure segregation of duties and in the proper processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must operate with integrity and observe regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets. Other documents which help clarify staff and governors' roles and authorisation limits can be found in Appendix D (Governors' Delegated Authority to Postholders) and Appendix E (City of York Council Delegated Authority Scheme - Authorisation Certificate).

2. Consistent Financial Reporting (CFR)

The governing body will have regard for the Consistent Financial Reporting Framework and ensure that school income and expenditure is coded in relation to the Framework so that accurate CFR returns are submitted to the Department for Education via the LA in a timely manner.

3. Statutory Financial Management Standards

The governing body will have regard to the regulations governing statutory financial management standards and operate accordingly to ensure that the school is managed well financially. It will ensure that:

- appropriate self-evaluations and risk assessments, including use of financial benchmarking data, are carried out in a timely manner
- the self-assessment return is submitted to the LA, e.g. SFVS
- any findings resulting from this process are addressed to improve the school's financial management processes

4. Extended Schools Activities

The governing body will have regard for the LA's guidance on all aspects of Extended Schools activities. It will ensure that funds delegated to the school are used for the purpose of the school, including to support Community Extended School activities whilst not compromising core purpose.

5. Procedures

All documentation of accounts and finance will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's Financial Regulations and Standing Orders. A copy of the school's most recent Auditor's Report will be available for inspection by governors, OFSTED inspectors and officers of the LA.

6. Pecuniary Interests

Governors and staff of the school will be required to complete a Register of Business Interests to declare any links they may have with any firm from which the school may wish to buy goods or services. A review should be carried out annually when new staff and governors should be included.

BUDGETS

1. Aims and Objectives

The Finance Committee together with the headteacher will consider the agreed School Improvement Plan, which shall cover a period of one academic year and will provide proposals to develop the school's short, medium and long term aims and objectives as identified in the Plan. Such consideration will include the determination of:

- an appropriate level of general contingency (either an amount in pounds or a percentage of the annual budget)
- the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the Plan.

It is recognised that finite resources will lead to a need to place proposals into some kind of priority and to accelerate/delay some spending plans as circumstances change.

2. Efficiency and Value for Money

The governing body will seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the LA's purchasing, tendering and contracting requirements.

3. Budget Timetable

The headteacher (or other person with delegated authority in consultation with the headteacher) will prepare for consideration by the Finance Committee:

- I. A proposed start budget and 3/5 year financial plan following receipt of the school's Resource Allocation statement.
- II. A revised budget in the Autumn term to reflect any staffing changes or updating of spending plans. Revised budget plans will not be requested if other financial reports carry the relevant data.
- III. A revised budget will identify the schools potential budgetary position of the future years' financial plan.
- IV. Monitoring reports to be considered by the finance committee at least once per term with a brief report to the full governing body. A copy of monitoring reports considered at meetings will be sent to the LA on a termly basis. An exception to this is where the LA has approved a licensed deficit and defined the frequency in the terms of the license. Reports will reflect both sums paid, sums committed but

not yet paid, estimated income and expenditure, predicted outturn and variances to the year-end against approved budget headings.

- V. Financial systems will be reconciled to the school's centrally held account reports provided by the LA and the school's bank statement on a monthly basis.
- VI. An Outturn statement and report by the end of the Summer term for the governing body to consider financial performance in the previous financial year.

4. Budget Submission to the LA

The governing body, after approving the budget, will send a copy on the date specified by the LA.. The governing body will not submit a deficit budget unless there are exceptional circumstances. Where a deficit budget is submitted to the licensed budget process the governing body will seek advice and submit a written request to the LA to seek the approval of the Director of Children, Education and Communities. The governors will take action to reflect the Director's written decision.

5. Virement Procedures

Unless the level of change does not warrant it, the budget will be revised each Autumn Term and the Finance Committee will vire funds between budget headings (ring-fenced grants) or from contingency funds as appropriate. Requests by the headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the headteacher (Appendix C) will also be considered by the Finance Committee and be subject to their minuted approval. Should the revised budget show a cumulative deficit balance, the LA will be notified.

6. Transfer of Funds

Funds shall not normally be transferred between "current" and "investment" accounts, "central" and BAFS", however should notification be received from the Local Authority that the central account has a negative funding calculation then the headteacher has discretion whether or not to transfer funds from the BAFS account following advice from the School Business Manager or School Bursar.

7. Quality of Information

It is expected that the financial information received by governors will be relevant, timely, reliable and understandable.

8. Capital Expenditure

The governing body may use its budget share to meet the cost of capital expenditure on the school premises. However, if the expected capital expenditure from the revenue budget share in any one-year will exceed £15,000, the governing body will notify the Authority. The governing body will take into account the advice of the Director of Children, Education and Communities as to the merits of the proposed expenditure. The governing body will seek the consent of the Authority to the proposed works.

9. Review of Revenue Balances

The governing body will consider the level of Revenue Balances reported to it through the budget monitoring process to assess whether priorities in the School Improvement Plan should be brought forward or put back in relation to the balances available to the School.

The governing body will pay due regard to the LA's Recycling of Excess Balances procedures.

10. Documentation

All financial systems and procedures carried out in the school will be in accordance with the LA's Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher and, where applicable, the Bank Accounts for Schools Scheme (BAfS). Governors will review the LA's Delegated Authority Scheme – Authorisation Certificate annually and ensure that up to date copies are submitted to the LA as and when authorisers' details and/or signatures change. A copy of these documents will be readily available and kept up to date.

11. Purchasing

Before purchases are made consideration should be given to economy and value for money and the financial regulations of the LA to ensure that appropriate tendering arrangements are instigated.

The governing body expect that school staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmation order, clearly marked as such. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the schools computerised financial system.

12. Procurement Cards

The Governing Body will follow the LA Policy and Procedures for the use of Procurement Cards and understand that it is responsible for its own purchase card account. It will seek assurances that cardholders will not use the cards for personal purchases and that they consider card security when selecting suppliers of goods and services. The account will be paid by Direct Debit each month to ensure that the school is not borrowing without the express agreement of the Secretary of State for Education.

13. Review of Service Contracts

The Finance Committee will carry out an annual review of the contracts purchased by the school to ensure quality, cost and impact of such services meet the needs of the school and are efficient and deliver value for money. Where an existing contract is coming to an end a review prior to its renewal should be undertaken. A comprehensive schedule of contracts will be maintained and published in accordance with the school's publication scheme.

14. Procedures and Security

The school will use an online financial monitoring package approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the school's central account reports provided by the LA. School bank statements will be reconciled every month and submitted to the LA.

School payments from parents will be collected safely and securely in a highly compliant online system which offers comprehensive banking settlement and reporting facilities.

Appropriate use of the packages and orderly filing procedures will ensure that all transactions are traceable. The governing body will ensure that General Data Protection regulations are followed. Security passwords will be maintained on the

computer and documentation will be kept in a secure location. Regular backups will be made of the information held online.

15. Security of Stock and Equipment

An inventory will be kept in school and updated and checked on an annual basis in accordance with Financial Regulations and the Authority's guidance. Where the governing body has opted to join the LA's Contents Insurance Scheme, a copy of the policy document will be available for inspection in school.

A register of equipment removed from and returned to the school for use off-site will be maintained.

16. Cash

The amount of cash in school will be kept to a minimum and all monies and financial records kept in secure storage. The amount of cash held on the premises overnight will not exceed the permitted insured amount. The school does not operate an Imprest petty cash system.

17. Income

The governing body will implement a Charging and Remissions Policy and a Lettings Policy, which will be reviewed annually. Steps will be taken to ensure the early collection of income due. Receipts issued and records kept will be in line with the LA's Financial Regulations.

18. VAT Returns

Accurate VAT returns will be made monthly to meet published deadlines to the LA using the school's computerised system to meet HM Revenue and Customs' regulations.

19. Staffing

The appropriate Committee will administer the school's Pay Policy annually and will consider appointments, terminations and promotions according to the terms of reference for that committee.

20. Insurance

Where the governing body has delegated funds available for purchasing insurance it may use the LA or other insurance providers. However, the governing body will demonstrate to the LA, prior to taking out any alternative cover, that the alternative policy is at least as good as the relevant minimum cover arranged by the LA.

21. Computer Systems

The school will utilise the software provided by the LA or maintain approved software for the input of financial records. The school has been registered in accordance with the Data Protection Act 1984 and any subsequent updates.

22. Audit

The Governors, headteacher and staff will co-operate with auditors in accordance with the requirements of Financial Regulations and will consider and implement their requirements in a timely manner.

23. Whistle Blowing

The governing body will ensure that it has adopted a whistle blowing policy which will be made available to staff. This policy will be reviewed in line with the policy review schedule.

GOVERNING BODY DECISION PLANNER

THIS PLANNER SHOWS TO WHICH LEVEL THE GOVERNING BODY MAY LEGALLY DELEGATE FUNCTIONS**KEY**

Level 1: Full governing body

Level 2: A committee of the governing body

Level 3: An individual governor

Level 4: Headteacher.

Column blank: Action could be undertaken by this level.

Column blocked off: Function cannot be legally carried out at this level.

Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation

Key Function	Tasks	Decision Level			
		1	2	3	4
Budgets	To approve the first formal budget plans each financial year	X			
	To monitor monthly expenditure.		X		
	To establish a charging and remissions policy		X		
	Miscellaneous financial decisions within agreed start budget and scheme of delegation				X
	To enter into contracts (GB may wish to agree financial limits)				X
	To make payments				X
	To consider and approve the LA 'Services to Schools' agreements.				X
Staffing	Headteacher appointments (selection panel)	X			
	Deputy appointments (selection panel)	X			
	Appoint other teachers		X		
	Appoint non-teaching staff				X
	Adopt a pay policy	X			
	Pay discretions		X		
	Establishing disciplinary/capability procedures		X		
	Dismissal of headteacher	X			
	Dismissal of other staff		X		
	Suspending head	X			
	Suspending staff (except head)		X		
	Ending suspension (head)	X			
	Ending suspension (except head)		X		
	Determining staff complement	X			

	In voluntary and foundation schools to agree whether or not the Chief Education Officer/diocesan authority should have advisory rights	N/A	N/A	N/A	
	Determining dismissal payments/early retirement		X		
Performance Management	To implement the appraisal policy				X
	To review and monitor annually the appraisal policy		X		
Curriculum	Ensure National Curriculum (NC) taught to all pupils and to consider any disapplication for pupil(s)	X			
	To establish a curriculum policy				X
	To implement curriculum policy				X
	To agree or reject and monitor curriculum policy	X			
	Responsible for standards of teaching				X
	To decide which subject options should be taught having regard to resources, and implement provision for flexibility in the curriculum (including activities outside school day)				X
	Responsibility for individual child's education				X
	Provision of sex education – to establish and keep up to date a written policy	X			
	To prohibit political indoctrination and ensuring the balanced treatment of political issues				X
Target Setting	To set and publish targets for pupil achievement	X			
Discipline/Exclusions	To establish a behaviour policy		X		
	To review the use of exclusion and to decide whether or not to confirm all permanent exclusions and fixed term exclusions where the pupil is either excluded for more than 15 days in total in a term or would lose the opportunity to sit a public examination. (Can be delegated to chair/vice-chair in cases of urgency)		X		
	To direct reinstatement of excluded pupils (Can be delegated to chair/vice-chair in cases of urgency)		X		
Admissions	To consult annually before setting an admissions policy (but in community and controlled schools only where the LA has delegated this power to the governing body)		X		

	Admissions: application decisions (but in community and controlled schools only where the LA has delegated this power to the governing body)	N/A	N/A		
	To appeal against LA directions to admit pupil(s) (Voluntary, Foundation and special schools; also community and VC schools where LA is the admissions authority)		X		
Religious Education	Responsibility for ensuring provision of RE in line with school's basic curriculum (all schools) NB this must fall into line with locally agreed syllabus				X
	Decision to provide RE in line with locally agreed syllabus.				X
Collective Worship	In all maintained schools to ensure that all pupils take part in a daily act of collective worship (after consulting GB)				X
	To make application to the advisory councils, SACRE, concerning the requirements for collective worship (schools without a religious character) to disapply (after consulting GB)				X
	Arrangements for collective worship (schools without religious character (after consulting GB)				X
Premises & Insurance	Buildings insurance and personal liability– GB to seek advice from LA, diocese or trustees where appropriate (it is suggested that the GB as a whole should be involved in this decision)		X		
	Developing school buildings strategy or master plan and contributing as required to LA Asset Management Planning arrangements (it is suggested that the GB as a whole should undertake this decision)		X		
	Procuring and maintaining buildings, including developing properly funded maintenance plan		X		
Health & Safety	To institute a health and safety policy (in community and VC schools this would be the LA)		X		
	To ensure that health and safety regulations are followed		X		
School Organisation	To publish proposals to change category of school	X			

	To approve the dates of school professional development days.	X			
	To ensure that the school meets for 380 sessions in a school year				X
	To ensure that school lunch nutritional standards are met.				X
Information For Parents	To prepare and publish the school prospectus				X
	To prepare and publish the school profile				X
	To ensure provision of free school meals to those pupils meeting the criteria				X
	Adoption and review of home-school agreements		X		
Governing Body Procedures	To draw up instrument of government and any amendments thereafter	X			
	To appoint (and remove) the chair and vice-chair of a permanent or a temporary governing body	X			
	To appoint and dismiss the clerk to the governors	X			
	To hold a full governing body meeting at least three times in a school year or a meeting of the temporary governing body as often may require	X			
	To appoint and remove co-opted or sponsor governors.	X			
	To set up a Register of Governors' Business Interests	X			
	To approve and set up a Governors Expenses Scheme		X		
	To discharge duties in respect of pupils with special needs by appointing a "responsible person" in community, voluntary and Foundation Schools			X	
	To consider whether or not to exercise delegation of functions to individuals or committees	X			
	To regulate the Governing Body procedures (where not set out in law), eg Budget Management Policy and Governors' Delegated Authority to Postholders	X			
	Standard Financial Value Statement, (Consideration of SFVS may be delegated, but must be presented to FGB and signed by chair of FGB)	X			
	Benchmarking		X		
Federations	To consider forming a federation or joining an existing federation	X			
	To consider requests from other schools to join the federation	X			

	To leave a federation	X			
	To consider conversion to an Academy and consultation on this.	X			
Extended Schools	To decide to offer additional activities and to what form these should take	X			
	To put into place the additional services provided		X		
	To ensure delivery of services provided		X		
	To ensure financial viability of, and probity for, services provided		X		
	To cease providing extended school provision	X			

*Although these tasks are open to delegation under the Education (School Government) (Terms of Reference) (England) Regulations 2000, the expectation would be that these decisions would be undertaken by the full Governing body.

FINANCE COMMITTEE

TERMS OF REFERENCE

Membership

- The committee consists of the headteacher and at least three governors.
- If not a member of the committee in his/her own right, the school bursar and school business manager are asked to attend meetings of this committee.
- The committee may co-opt up to two non-voting members and must make recommendations for these appointments to the full governing body for approval.

Chair & Clerk

- In the first meeting of the academic year, prior to the Full Governors, the committee will elect a Chair.
- Only governors who are not employed by the school may take the role of Chair or Clerk.

Quorum

Three governors who are members of the committee, one of which must be a governor who is not employed by the school.

Agenda and minutes

The Clerk is responsible for circulating an agenda to all committee members no less than seven days before the scheduled committee meeting. The minutes of the meeting are presented to the Governing Body at the next FGB meeting.

Terms of Reference

- To set the start budget plan each year.
- To set and approve the revised budget plan each year.
- To monitor income and expenditure against the school's delegated budget, and consider Outturn statements and CFR.
- To set and subsequently monitor multi-year budgets based on priorities in the School Development Plan and other relevant information such as LA forecasts and local demographics.
- To ensure the existence of and adherence to a suitable framework of financial controls.
- To review and approve budget management policy and to monitor its efficacy and control as stated in the governors Scheme of Financial Delegation.
- To establish a Charging and Remissions Policy.
- To consider and approve the local authority "Services to Schools" agreements.
- To liaise with other committees, particularly the staffing committee, over staff levels and salaries.
- To prepare information regarding the school's finances for parents or third parties when necessary.
- To recommend consideration of action by the Full Governing Body to ensure compliance and financial health of the school, including Start and Revised Budgets.
- To approve items of expenditure additional to the school's budget above £2,500.
- To give pupils the best possible value from revenue by checking services are delivered efficiently and effectively
- In accordance with the Financial Management Policy, the Committee should meet at least once per term.
- To be responsible for any other functions as stipulated in the Governing Body Decision Planner.

MODEL SCHEME OF DELEGATION TO THE HEADTEACHER

The headteacher shall have delegated power to undertake all functions delegated to the governing body under the Education Reform Act 1988 and any subsequent updates pursuant to the Local Management of Schools scheme except that:

1. He/she shall comply with all policy directions given to him/her from time to time by the governing body;
2. He/she shall have the authority to expend all monies allocated to individual or specific items in the approved budget without further reference to the governing body;
3. Where no such specific item exists in the budget he/she shall not enter into any financial commitment in excess of 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or in the case of an urgent matter, the Chair thereof;
4. The above delegation shall not apply in respect of the appointment of staff. It shall be for the governing body to determine from time to time the extent of the power of the headteacher to deal with staffing matter;
5. The headteacher shall not vire from one budget heading to another any sum exceeding 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or, in the case of an urgent matter, the Chair thereof;
6. The headteacher shall not transfer funds between “current” and “investment” accounts, unless a policy to do so has been agreed by the governing body;
7. The headteacher shall submit to the governing body at least once each term, and on such further occasions as the governing body may specify, a report on all expenditure incurred and commitments entered into, together with detail of any income generated, since the last such report to the governing body; this report to include a comparison of these latest figures with the school’s budget for the year;
8. Any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the headteacher to the governing body; the report to include details of cost in both the current and further years;
9. The headteacher shall have the power to nominate the deputy headteacher or another named (senior) member of staff to exercise the powers of this delegation during any period of absence;
10. The headteacher and any other person nominated under Regulation (9) above shall ensure that at all time the Financial Regulations and Standing Orders relating to schools with delegated budgets be complied with.

**DRINGHOUSES PRIMARY SCHOOL
GOVERNORS' AUTHORITY TO POSTHOLDERS**

Task	Authorised Posts Held	Notes
Ordering educational supplies within school budget and within delegated limits	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager Admin Assistant	Any
Ordering domestic supplies within school budget and within delegated limits	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager Admin Assistant	Any
Ordering office supplies within school budget and within delegated limits	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager Admin Assistant	Any
Ordering any other items within the school budget within delegated limits	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager Admin Assistant	Any
Ordering any items in excess of £2,500	Headteacher	
Ordering any items which would cause expenditure to exceed any budget heading by £500+	Headteacher	
Ordering any items which would cause expenditure to result in an overall overspend, irrespective of value	Headteacher	
Educational deliveries	Admin Assistant School Business Manager	Any
Checking and signing for domestic deliveries	Admin Assistant School Business Manager	Any
Checking and signing for office supply deliveries	Admin Assistant School Business Manager	Any
Checking invoices	School Business Manager Bursar	Any
Authorising invoice payment within delegated limits	Headteacher Deputy Headteacher School Business Manager	Any
Using a government procurement card and within delegated limits	School Business Manager	
Signing Cheques School Budget Lloyds TSB Bank	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager	Any Two
Signing Cheques School Fund Lloyds TSB Bank	Headteacher Deputy Headteacher Assistant Headteacher School Business Manager	Any Two

All purchasing ceilings are subject to annual review

Adopted by Finance Committee on: 24 May 2021

Adopted by the Governing Body on: 24 May 2021

**Signed: Diane Grayson, Chair
of Governors**


City of York Council Delegated Authority Scheme - Authorisation Certificate
Name of School: DRINGHOUSES PRIMARY SCHOOL
School DfE No: S2007/C2007

Position	Purchasing & Payment		Contracts		Salaries & Wages		Specimen Signature	Specimen Initials
	Net Maximum Order Value	Net Maximum Invoice Value	Auth Y/N*	Max Value	Appt Forms Y/N*	T/Sheets & Other Pay adjustment Y/N*		
Headteacher	£25,000	£25,000	Yes	£60,000	Yes	Yes		
Chair of Governors/ Finance	£25,000	£25,000	Yes	£60,000	Yes	No		
Deputy Headteacher	£25,000	£25,000	No	n/a	Yes	Yes		
Assistant Headteacher	£25,000	£25,000	No	n/a	Yes	Yes		
School Business Manager	£2,500	£2,500	No	n/a	Yes	Yes		
Signature of Chair of Governors						Print Name	DIANE GRAYSON	
Date								
When completed, please return to Schools Business Support Team, Millennium Bridge Hub, West Offices, Station Rise, York, YO1 6GA								
Approved for Chief Finance Officer						Print Name		