

SCARCROFT SCHOOL BUDGET MANAGEMENT POLICY

Rationale:

It is the aim of the Governing Body 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.

Aims:

Financial decisions will be made with a view to meeting:

1. the priorities identified in the costed school improvement plan
2. the needs of the children and staff of the school
3. the need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the Governing Body
4. the resource, equipment and accommodation needs of the school
5. the conditions and requirements laid down in the Authority's approved Local Management of Schools (LMS) Scheme

Guidelines:

1. *Roles and Responsibilities*

- I. The Governors have 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 delegates responsibility for monitoring the school's finances to a Finance Sub-Committee, which meets at least twice per term. The make-up and responsibilities of the Finance Committee are set out in the agreed Terms of Reference, as approved by the Full Governing Body. The committee receives monthly budget-monitoring reports and considers the school's Start, Revised and Draft budgets at the appropriate times. The committee shares its minutes with the Full Governing Body and also gives verbal reports on matters under discussion. Where the term 'Governing Body' is used for the remainder of this policy, it is the Finance Committee that will carry out its obligations.
- III. The Headteacher is responsible for the day to day management of the budget. The agreed policy for 'Financial Delegation to the Headteacher' is drawn up by the Finance Committee and approved by the Governing Body (see separate policy.) The Headteacher is assisted by the administrative staff, which includes an Office Manager and a peripatetic Bursar. This ensures the segregation of duties, 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 are required to operate with integrity and observe regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets.

2. **Consistent Financial Reporting (CFR)**

The Governing Body has due regard for the Consistent Financial Reporting (CFR) Framework. It ensures that school income and expenditure is coded in relation to the Framework so that accurate CFR returns are submitted to the DCFS via the Local Authority (LA) in a timely manner.

3. Schools Financial Value Standard (SFVS)

The Governing Body has due regard to the Schools Financial Value Standard (SFVS) and operates accordingly to ensure that the school is managed well financially. It ensures that appropriate self evaluations and risk assessments, including use of Financial Benchmarking data where appropriate, are carried out in a timely manner. It makes these documents available to the LA as and when required, and takes prompt action to address any findings that require action.

4. Extended Schools Activities

The Governing Body has due 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 and not to support Community Extended School activities.

5. Procedures

All documentation of accounts and finance are 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 is available for inspection by Governors, OFSTED Inspectors and Officers of the LA.

6. Pecuniary Interests

Governors and staff of the school are required to complete a Register of Business Interests and to declare any links they may have with any firm from which the school may wish to buy goods or services.

BUDGETS

1. Planning to meet school needs

The annual School Improvement Plan (ScIMP) is drawn up by the Headteacher, in consultation with senior staff, teaching staff and governors. It provides costings for proposals to develop the school's short and medium term aims and objectives. These reflect the school's published Aims, Mission Statement and long-term vision. The school's annual budget includes funding to support the costed ScIMP, the current staffing levels and other necessary expenditure. This budget is always set so that an appropriate level of general contingency is carried forward in anticipation of sudden changes to rolls or staffing. This planned balance has due regard to the LA guidelines about excess balances and currently remains within an 8% limit. It is recognised that finite resources sometimes leads to a need to place proposals into some kind of priority and to accelerate/delay some spending plans as circumstances change.

2. Best Value

The Governing Body applies the principles of Best Value when making decisions about how the school's available resources are utilised, paying due regard to the statutory guidance contained in the LA Scheme for financing schools, which requires a school to demonstrate that they are following Best Value principles. (See separate Best Value policy.) Those principles are:

- **Challenge** (for example, ask why, how and by whom a service is provided)
- **Compare** (for example, compare the school's performance with similar schools, or compare a number of service providers)
- **Consult** (for example, consult within the Governing Body, or consult with the Parent Body)
- **Compete**, where appropriate (for example, look for competitive alternatives when reviewing service providers)

3. Budget Timetable

The Headteacher (with the support of the Bursar) prepares for consideration by the Finance Committee:

- I. A proposed Start Budget in March when the school's Resource Allocation Statement has been received.
- II. A Revised Budget in the Autumn Term to reflect any staffing changes or updating of spending plans.
- III. A Draft Budget, ideally in February, but dependant upon information available from the LA and DFE.
- IV. Monthly Monitoring Reports produced by the Bursar, to be discussed by the Financial Committee at least twice a term, with a verbal report and written minutes used to update the Full Governing Body. A copy of monitoring reports considered at meetings is sent to the LA on a termly basis (except where alternative procedures have been agreed in the case of an agreed deficit budget). Reports reflect both the sums paid, sums committed but not yet paid and estimated income and expenditure to the year end against approved budget headings. Financial systems are reconciled to the LA's Powersolve Summary Print and the School's Bank Statement.
- V. An Out-turn Report produced by the Bursar by June for the Governing Body to consider performance in the previous financial year.

4. Budget Submission to the LA

The Governing Body, after approving the start budget each spring, sends a copy complete with a Best Value Statement to the LA on the date specified. This falls between 1st and 15th May each year. The Governing Body will not submit a deficit budget unless there are exceptional circumstances, whereupon the advice and written agreement of the LA will be sought. It must be borne in mind that deficits require the prior approval of the Director of ACE (Adults, Children & Education).

5. Virement Procedures

The budget is revised each Autumn Term and the Finance Committee will vire funds between budget headings (with the exception of earmarked funds such as Standards Funds and other 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 (see separate policy) will also be considered by the Finance Committee and be subject to their minuted approval.

6. Transfer of Funds

The Bank Account for Schools (BAfS account) must be with an LA approved bank, with any changes to current arrangements requiring the approval of the Finance Committee. Where funds are to be transferred between approved LA savings accounts and the main BAfS account, this requires the approval of the Finance Committee (as set out within the Policy for the Delegation to the Headteacher).

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 has access to Capital Funding which it may add to from its revenue budget share. This can be used to meet the cost of capital expenditure on the school premises or for the purposes of upgrading ICT hardware.

9. Review of Revenue Balances

The Governing Body considers the level of Revenue Balances reported to it through the budget monitoring process, in order to assess whether priorities in the ScIMP 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 i.e. amounts in excess of 8% of revenue carry-forward can be clawed back by the LA.

10. Documentation

All financial systems and procedures carried out in the school are in accordance with the LA Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher and, where applicable, the BAfS Scheme. Governors will review the LA's Delegated Authority to Postholders at least annually and ensure that up to date copies are submitted to the LA as and when details change. An up to date copy is kept readily available for F

11. Purchasing

Before purchases are made consideration will be given to the principles of Best Value and the financial regulations of the LA to ensure that appropriate tendering arrangements are instigated.

Governors 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 school's computerised financial system.

12. Procurement Cards

The Governing Body will follow the LA Policy and Procedures for the use of Procurement Cards and understands that it is responsible for its own purchase card account. It will ensure that cardholders will not use the cards for personal purchases and that they consider card security when selecting suppliers. The account will be settled 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 Governing Body will carry out a regular review of the contracts purchased by the school to ensure quality; cost and impact of such services meet the needs of the school and the principles of Best Value. Where an existing contract is coming to an end a review prior to its renewal should be undertaken.

14. Procedures and Security

The school makes use of a computerised financial monitoring package approved and supported by the LA. Data is input on a regular basis, including financial commitments made by the school. Information is input from and reconciled to the LA's Powersolve print-outs. School bank statements are reconciled every month and submitted to the LA. Appropriate use of the package and orderly filing procedures ensures that all transactions are traceable.

The Governing Body ensures that Data Protection regulations are followed. Security passwords are maintained on the computer and documentation is kept in a secure location. Regular backups are made of the information held on the computer with storage media stored securely and separately from the computer.

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. A copy of the LA's Contents Insurance Scheme policy document is available for inspection in school. The Governing Body will consider requesting and acting upon the advice of a Crime Prevention Officer where appropriate. A register of equipment removed from and returned to the school for use off-site is maintained.

16. Petty Cash

The school does not use a petty cash system. The amount of cash held on the premises overnight from donations, school fundraising events and school meals will not exceed the permitted insured amount and large amounts are stored in the safe.

17. Income

The Governing Body implements a charging and remissions policy which is regularly reviewed. Steps are taken to ensure the early collection of income due. Receipts issued and records kept are in line with Financial Regulations.

18. VAT Returns

VAT returns are made promptly and accurately to the LA using the school's computerised system to meet HM Revenue and Excise regulations.

19. Staffing

The Staffing & Personnel Sub-Committee administers the school's Pay Policy annually and will consider appointments, terminations and promotions as necessary.

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 must 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 maintains approved software for the input of financial records. The school has been registered in accordance with the Data Protection Act 1984.

22. Audit

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

23. Whistleblowing

The Governing Body has adopted the LA's Whistleblowing Policy, which is readily available and explained to all staff as part of their Induction.