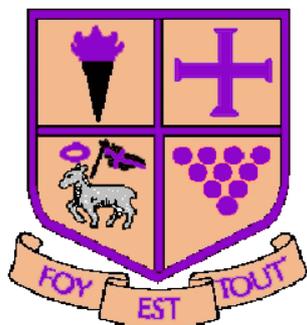


Rothley Church of England Primary School
Academy



Financial Regulations And Procedures

Approved by Governors.....10th December 2013.....

Signed on behalf of the Governing Body..........Mr T Regan
(Chair of Governors)

Mission Statement

“Together we aim to develop the Christian character of the school by striving towards delivering an excellent education and being committed to celebrating and valuing the gifts of each individual”

1. INTRODUCTION

- 1.1. These financial regulations shall govern the financial arrangements relating to all of Rothley C of E Primary School's finances and accounts and were approved by the full Governing Body on December 10th 2013.

2. DELEGATED AUTHORITY

- 2.1 The Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the Education Funding Agency in the discharge of its statutory duties.
- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance Committee.
- 2.3 The Headteacher (Accounting Officer) shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.
- 2.4 The Finance Manager shall assist the Headteacher in the discharge of financial responsibilities.
- 2.5. The following staff are designated as authorisers of:
- (i) Salaries/Personnel Documentation:

Chair of Governors (for documentation relating to the Head Teacher)
Headteacher
 - (ii) Overtime/Supply Documentation:

Headteacher
Admin Officer
School Business Manager
 - (ii) Cheques (two signatories required)

Trustee
Chair of Governors
Headteacher
Deputy Head Teacher
Assistant Head Teacher
 - (iii) Orders

Headteacher
Deputy Head Teacher
Assistant Head Teacher
- 2.5 However, the Governing Body will remain accountable when governors' financial responsibilities are delegated.

3. REVENUE BUDGET PREPARATION

- 3.1 The school's budget timetable for the next financial year shall be as follows:

Summer Term

Agree staffing requirements for following academic year
Cost first draft of the budget, covering at least the next three years, and submit to governing body

Adjust the budget to take account of the final Funding Allocation from the EFA
Submit to Governing Body for final approval
Submit final approved budget plan to the EFA

Autumn Term

Prepare and submit Annual Report and Financial Statement
Identify commitments and new plans; agree priorities

Spring Term

Identify commitments and new plans; agree priorities

- 3.2 The Finance Committee shall decide on the order of priorities from the School Development Plan after discussion with the Senior Leadership Team.
- 3.3 The Headteacher shall prepare the detailed costings for the School Development Plan and submit them for approval to the Finance Committee.
- 3.4 All plans and budgets should be regularly reviewed during the year and all significant changes will require the approval of the Finance Committee.
- 3.5 The Headteacher shall inform the EFA of the school's revenue budget. This information should be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside the budget plan submitted to the EFA, corrective action must be taken where possible and the Headteacher will formally make the EFA aware of the school's financial position as soon as practicable.

4. REVENUE BUDGET CONTROL

- 4.1 The Governing Body shall decide how to use the budgets within the cash limit allocated. The Headteacher will be responsible for the control of spending against budgets. A commitment accounting system is in place to monitor current commitments and liabilities.
- 4.2 As far as possible a budget monitoring report should be prepared monthly for the Headteacher and this report should be forwarded to the Finance Committee. A bank reconciliation and VAT analysis should be prepared at the end of each month and VAT126 claims should be submitted HMRC. These returns should be prepared by the Finance Manager and certified by the Headteacher.
- 4.3 The Finance Manager shall prepare a termly review of the budgets and submit them to the Governing Body for consideration.
- 4.4 Budget holders will receive a monthly SIMS financial transaction report

5. VIREMENTS

- 5.1 Substantial virements shall be approved and minuted by the Governing Body and should be within the agreed criteria and financial limits.
- 5.2 The Headteacher is given delegated power to vire from one budget to another and shall seek approval from the Governing body retrospectively.
- 5.3 All virements exceeding £5,000 or 2% of the budget shall require prior approval from the Governing Body.

6. AUTHORITY TO INCUR CAPITAL EXPENDITURE

- 6.1 The Headteacher is given delegated power to incur expenditure up to £5,000 on any single item or issue within the financial year.
- 6.2 All expenditure exceeding £5,000 shall require the prior approval of the Finance Committee.
- 6.3 All expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices should be made through the school local payments system and from the school bank account.
- 6.5 The Governing Body must seek approval from the Secretary of State for both short-term borrowing and longer term loans as per the Academies Financial Handbook. Borrowing will include:
 - Credit Arrangements
 - Hire Purchase
 - Finance Leases

7. LOCAL PAYMENTS SYSTEMS

- 7.1 The Finance Manager shall be responsible for making all payments on behalf of the school.
- 7.2 All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices only.
- 7.3 Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
 - An official purchase order has been raised for the purchase
 - That the delivery note has been checked
 - That it is of correct quantity, quality and price
 - That it has not been previously paid
 - That funds are available in the relevant budget
 - That the VAT chargeability on qualifying expenditure is shown
- 7.4 Any payments by direct debit can only be initiated by the Finance Manager and all relevant authorising documentation must be signed by the designated cheque signatories.
- 7.5 The Lloyds TSB debit card must be kept in the safe at all times and only used with the permission of the Headteacher, Finance Manager or School Business Manager and up to a limit of no more than £1,500.
- 7.6 The Headteacher should carry out selective invoice checking termly to ensure that all sums which the designated staff have certified for payment were legally and properly payable.

8. ORDERS FOR GOODS AND SERVICES

- 8.1 Staff may order goods and services from whatever reputable source they see fit; but will be expected to take into account quality and value for money. An order request form must be completed detailing supplier, subject and cost and sent to the Finance Manager.
- 8.2 Any call outs needed for premises contactors must be recorded by the Premises Officer on an official call out sheet and passed to the Finance Manager.
- 8.3 An official order must be made in writing on the school's official order form for all expenditure on goods and services initiated by the school.
- 8.4 Orders must be completed in accordance with the following procedures:
- Authorised by designated staff only
 - Show estimated prices on the order form
 - Sent to the supplier through the Finance Manager
 - Telephone or Internet orders must be placed by the Finance Manager with official order numbers quoted at time of order. Written copy of order with estimated prices to be authorised by designated staff.
- 8.5 Copies of all orders should be retained in file 'Copies of Official Orders ' until delivery and payment.
- 8.6 On receipt of goods, delivery notes should be checked and attached to official orders. Authorised invoices should be checked for goods/services, price and VAT. Once payment has been made, cheque stubs should be filed in numerical order '.
- 8.7 Individual budget holders are not permitted to spend in excess of their allocated budget without the prior approval of the Headteacher.
- 8.8 Where ESPO is used for procurement of goods and services it is not necessary to seek alternative tenders.
- 8.9 Three written quotes should normally be obtained for all goods and services in excess of £6,000, unless no other equivalent goods or services are available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods.
- 8.10 For building works expected to cost in excess of £10,000, three tenders will normally be obtained
- 8.11 Where tenders have been obtained a tender form will be completed showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted).
- 8.12 For building works expected to cost in excess of £50,000 an Invitation To Tender (ITT) should be issued. This is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. A Tendering Policy is at Annex A.

9. TRAVEL AND SUBSISTENCE

- 9.1 Car user allowances, both casual and essential, will be paid through the school financial system. Claims must be made on the schools 'Expense Claim Form' and authorised by the Headteacher. Claims made by the Headteacher must be authorised by the Chair of Governors and relevant cheques signed by the Chair of Governors, Trustee, Deputy Head or Assistant Head.
- 9.2 Mileage will be paid at the National rate of 45p per mile and can be claimed for 'travel by the shortest available route' from Rothley C of E Primary to the attended venue.
- 9.3 Payment will not be made for claims for 20 miles or less.

10. SALARIES, WAGES AND PENSIONS

- 10.1 The Governing Body is responsible for the salary and wages costs of all teaching and support staff employed to work at the school. However, the contract of employment is between the employee and Rothley C of E Primary School.
- 10.2 The Finance Manager must ensure that the school provides the necessary information and returns to its chosen payroll provider (Leicestershire County Council) to effectively administer the payroll and related staffing procedures.

11. INCOME

- 11.1 Income should be collected in advance wherever possible to improve cash flow.
- 11.2 The Finance Manager must maintain records of all income received/due; acknowledge receipt of income; and bank all monies promptly and intact into the School's bank account. Ensure all ParentPay income is allocated to correct cost centres.
- 11.3 The Headteacher has delegated powers to write off debts up to £50. In the case of larger debts the Governing Body must be consulted and decisions made on an individual basis.
- 11.4 The Governing Body shall approve a charging policy for all income generation.
- 11.5 The school may retain income received from the sale of assets purchased with non-delegated funds. The sale of assets purchased with delegated funds must be decided by the Education Authority, or if the asset concerned is land or buildings forming part of the school premises and is owned by the Education Authority.

12. BANK ACCOUNTS

- 12.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 12.2 New bank arrangements may only be made effective from the beginning of each financial year.
- 12.3 The following procedures must be followed:
- Dual signatories for all cheque payments.
 - Cheque signatories are the Headteacher, designated members of the Senior Management Team, Chair of Governors and Trustee.
 - The Finance Manager shall ensure that bank statements are received monthly and reconciled to accounting records
 - The Finance Manager shall investigate and resolve all discrepancies
 - The Finance Manager shall be responsible for cheque ordering and custody of unused cheques

- 12.4 Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
- 12.5 In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
- 12.6 The Finance Manager must ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed £500 and will be kept in the school safe.
- 12.7 Cash should be banked at least once per week, and the value of cash held on the premises should not exceed the insurance limit. Cash will be taken to the bank by Kings.

13. CARRY OVER OF SURPLUS/DEFICIT

- 13.1 Any surpluses at the end of the year will be carried over to the following year.
- 13.2 The Governing Body must inform the Education Funding Agency immediately if a deficit is anticipated in the current year.

14. TRUST FUNDS AND INVESTMENT

- 14.1 The Governing Body shall authorise all investment of money under its control. However, the Finance Manager has delegated powers to transfer monies between the Lloyds TSB current account and LloydsTSB High Interest Account to maximise interest received.

15. LEASING

- 15.1 The Headteacher must ensure that all leasing agreements are operational and NOT financial and are approved by the Governing Body prior to making any contractual arrangements.

16. INSURANCE

- 16.1 Insurance will be required for Governing Body; third party liabilities (if delegation taken), premises and equipment; and school trips.
- 16.2 The Governing Body must ensure that all insurance cover is adequate.
- 16.3 The Governing Body will meet the excess from insurance claims or any losses not covered by insurance from the school budget.
- 16.4 The Governing Body shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The School Business Manager will maintain a register of all accidents, losses and incidents.

17. HEALTH AND SAFETY

- 17.1 The Governing Body must ensure that all staff comply with the Health and Safety regulations.
- 17.2 The Headteacher will report significant injuries to all persons, including staff/parents/pupils/visitors.

18. PROTECTION OF PRIVATE PROPERTY

- 18.1 The Headteacher must inform all persons concerned that all private property taken onto the school premises will be at the owner's risk.

19. INVENTORIES AND STOCK

- 19.1 The Headteacher is responsible for the management of the school's assets and will maintain a record of stock receipts and issues.
- 19.2 An inventory of all non-consumable items purchased priced over £100. The inventory must be regularly updated in respect of purchases and disposals. Attractive, portable items having a value less than £100 but over £50 should also be controlled/monitored.
- 19.3 The Headteacher should ensure that items that become obsolete or surplus to the school's requirements are disposed of economically.
- 19.4 The Headteacher shall ensure that stock takes of inventories and stores are undertaken annually in the Summer Term and certified by him/her.

20. SECURITY

- 20.1 The Headteacher is responsible for the security of the school's premises and equipment.

21. UNOFFICIAL FUNDS

- 21.1 The Governing Body shall ensure that all unofficial funds are properly controlled and audited annually, and presented to the Governing Body within 6 months of the year-end.

22. FINANCIAL IRREGULARITIES

- 22.1 The Headteacher shall inform the Education Funding Agency of any circumstances where a financial irregularity is suspected.
- 22.2 The Governing Body accepts that a suspected financial irregularity exists when:
- The school's Financial Regulations are not complied with (whether or not the school suffers a financial loss)
 - An employee gains unauthorised financial benefit from his/her association with the Council.

23. INTERNAL AUDIT

- 23.1 The Governing Body must ensure that the appointed internal auditors and external auditors are allowed access to staff, premises and documents, as necessary.
- 23.2 The Governing Body shall discuss all audit reports and agree the implementation of audit recommendations with the Headteacher.

24 DOCUMENT RETENTION

- 24.1 The Headteacher shall ensure that documents are retained for periods in accordance with the requirements of the District Auditor, the Inland Revenue and Customs and Excise.

25 GIFTS AND HOSPITALITY OFFERED BY SUPPLIERS

- 25.1 Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 should be reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.

26. REGISTER OF PECUNIARY INTERESTS

- 26.1 A register of business interests is maintained by the school. This to be completed by all Governors and those staff with significant financial responsibilities. It is suggested that this be cheque signatories, finance staff and those members of staff with specific budgetary responsibilities (e.g. Senior Leadership Team). Entries in the register should be kept up-to-date and, in all instances, be reviewed and amended (where relevant) on at least an annual basis. This annual review can be evidenced simply by staff re-signing and dating existing declaration forms, making any amendments as necessary.

27 COMPUTER SYSTEMS AND DISASTER RECOVERY PLANS

- 27.1 Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes. Passwords should be changed termly.
- 27.2 The Headteacher should ensure that data is backed up regularly by the LEAMIS Remote Back Up Service.
- 27.3 The Headteacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.
- 27.4 The Headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.
- 27.5 The governing body should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.
- 27.6 The Headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

ANNEX A

Tendering

Tendering is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. This section sets out established good practice in tendering which should be followed for any formal tendering exercise.

There are four types of tendering procedure:

- Open – all potential suppliers are invited to tender. Allows for maximum competition and is commonly used when the market for the goods or services in question is known to be limited
- Restricted – certain suppliers are specifically invited to tender. Used when it is known a large number of suppliers would apply, the nature of the work needed is specific, or advertising costs would outweigh benefits of open tendering.
- Negotiated – school may negotiate the terms of the contract with one or more suppliers of their choice. Can be used in cases of extreme urgency, it is an existing supplier, very few suppliers are available or Open/Restricted tendering has resulted in no acceptable tenders. Negotiated tenders should be reported to the governing body.
- Competitive dialogue – intended to be used only for complex projects and contracts i.e above the EU threshold of £173,934.

Tendering Process

A pack of documents should be sent out to potential suppliers inviting them to submit a bid. The pack should include:

- Covering letter that covers tendering instructions, advice for suppliers on the project timescales and administration.
- Timetable for tender submission
- Specification. This will help the supplier respond to your requirements in the tender.
- Evaluation criteria. This will enable the suppliers to check that they're providing all the information for each of the criteria.
- Pricing schedule. A supplier must complete one of these to show their proposed prices and expenses
- Contract terms and conditions to include performance monitoring and payment schedule.

All tenders received will be retained unopened until the tender deadline. They will then be opened at the same time in the presence of a designated project team with all tenders duly examined for suitability. The successful bid will then be presented to the governing body together with reasons for choice.