



FINANCE POLICY 2019-20

(Incorporating Bad Debt Policy)

Purpose: The Governing Body believes that sound financial management is vital to delivering the best educational outcomes for the school's pupils. The Governing Body also has a duty as custodian of public funds.

Status: Recommended

What was consulted? The policy follows the model policy provided by Norfolk County Council which is based on Norfolk's Scheme for Financing Schools and guidance from the Audit Commission

Relationship to other policies/procedures: The policy complements the school's charging and letting policies

Roles and responsibilities of headteacher, other staff, governors.

The policy states clearly the roles of all members of staff, and particularly the senior management team and the finance officer, in ensuring sound financial management of the school.

Arrangements for monitoring and evaluation

The Resources Committee of the governing body will monitor the impact of this policy by receiving on a termly basis financial reports and will receive periodic proposals for revision of the budget. The Full Governing Body has responsibility for approving the Original Budget annually but has delegated responsibility for the approval of all revision of the budget to the Resources Committee. A member of the Resources Committee attends all Budget Revision Meetings.

The school's financial controls will be subject to periodic audits by Norfolk Audit Services.

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This is a Statement of Organisation and Arrangements for Avenue Junior School. The Statement does not replace Norfolk County Council's Finance Procedures Manual

Section A Governance

The Governors

1. The Resources Committee of the governing body meets at least once a term. The terms of reference of the Resources Committee are attached at Appendix A.
2. The governing body approves the annual budget and the associated policies, eg charging policy and lettings policy.
3. The governing body is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Headteacher

4. The governors delegate responsibility for the day-to-day management of the school budget to the headteacher.
5. The headteacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.
6. The headteacher ensures that sound systems of internal control are in place.
7. The headteacher compiles draft budgets.
8. The headteacher monitors the budget monthly and supplies the Resources Committee with monitoring information.
The information for the Resources Committee takes the form of Norfolk's budget proforma, includes committed expenditure and is accompanied by the headteacher's commentary.

The Staff

9. Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements.
10. Staff are responsible for any budget whose management is delegated to them.

The Resources Committee

11. Membership is determined by the governing body and reviewed annually in the Autumn term.
12. The Resources Committee is responsible for:
 - agreeing draft budgets for the governing body's approval in time for submission to the LA by 1 May each year
 - all financial appraisals
 - forecasting numbers on roll and future budget shares
 - monitoring and approving any adjustments to in-year expenditure

This Finance Policy was reviewed during the Autumn Term 2019 by the Governors' Resources Committee and was approved by the full Governing Body: 2/12/2019 Review: 12/20

- approving in-year budget revisions
- ensuring accounts are properly closed and reviewing the outturn position
- evaluating the effectiveness of financial decisions
- ~~Monitoring voluntary funds~~
- Submission of the Schools Financial Value Standard (SFVS) return

as set out in the terms of reference for the Resources Committee.

13. Any review of personnel is discussed at the Resources Committee to assess the budgetary implications of the recommendations and to advise the governing body accordingly.

Expenditure Limits

14. The inclusion of an item in the approved budget plan gives authority to spend, save that the headteacher seeks approval from the finance committee for any individual transaction in excess of £5,000. If immediate approval is required approval may be requested via email to the Chair of Resources or, in their absence, by one of the Co-Chairs of the Governing Body. All evidence kept and recorded at the next Resources Committee.

15. The headteacher has no authority to make virements unless approved by the Resources Committee. All virements are minuted.

Orders

16. Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.

Minutes

17. Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves. Draft minutes are circulated to members of the committee and are agreed and signed at its next meeting. The minutes of all committees are reported to the governing body.

Register of Business Interests

18. The headteacher maintains a register of business interest for governors and for staff who influence financial decisions.

SECTION B FINANCIAL PLANNING

1. The school development plan includes a statement of its educational priorities to guide the planning process. The school development plan states the priorities in sufficient detail to provide the basis for constructing budget plans.
2. There is a clear, identifiable link between the school's annual budget and the school development plan.
3. For each of the key issues in the school development plan, costs and other inputs are identified and budgets prepared.
4. The school development plan is reviewed in the autumn term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.
5. The school budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities.
6. The school budget is maintained for the current financial year and two further years in accordance with Local Authority directives.
7. The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget.
8. The budget and cash flow forecast are profiled in accordance with likely spending patterns.
9. In the event of a budget surplus this is earmarked for a future specified use.
10. A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.
11. All new initiatives are appraised by the Resources Committee in relation to their costs, benefits and sustainability.
12. Benchmarking information helps to identify priorities.
13. The budget cycle is as follows:

Spring Term

- The headteacher prepares a revised budget for the current year for the Resources Committee to consider at its meeting in the first half of the term.
- The budget revision is reviewed and approved by the Resources Committee and is reported to the next meeting of the governing body.
- The approved budget revision is sent to the LA by 28 February.
- A draft budget plan for the coming financial year, and at least two further years, is prepared by the headteacher and taken to the Resources Committee meeting in the second half of the spring term. This will form the basis of the committee's recommendation to the governing body.
- The full governing body meeting is arranged to take place after the meeting of the Resources Committee. The governing body will carefully consider the budget plan and a report from the Resources Committee before approving the school's budget plan.
- The headteacher submits the approved budget plan to the LA by 1 May each year.

Summer Term

- The headteacher prepares a revised budget for the Resources Committee to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year.
- The budget revision is reviewed and approved by the Resources Committee and is reported to the next meeting of the governing body.
- The approved budget revision is sent to the LA by the end of the summer term.

Autumn Term

- The headteacher prepares a revised budget for the Resources Committee to consider. The revision takes account of any changes to the school development plan, staffing adjustments and changes to the number of pupils on roll.
- The budget revision is reviewed and approved by the Resources Committee and is reported to the next meeting of the governing body.
- The approved budget revision is sent to the LA by the end of the autumn term.

SECTION C BUDGET MONITORING

1. The headteacher provides monthly monitoring reports, which include committed expenditure.
2. The Resources Committee receives the monitoring report at each meeting together with the headteacher's report thereon. The report takes the form of Norfolk's budget proforma.
3. The headteacher identifies and recommends to the Resources Committee appropriate remedial action for budget variances.
4. The headteacher recommends to the Resources Committee how to vire any in-year underspends.
5. The headteacher monitors expenditure on initiatives in the school development plan.
6. The headteacher monitors devolved budgets and agrees remedial action plans where necessary.
7. The headteacher provides monthly cash flow forecasts to ensure the school does not go overdrawn.

SECTION D PURCHASING

1. All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.
2. The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.
3. Prior approval of the governors is obtained for any expenditure in excess of £5,000.
Orders are not artificially split to evade this limit.
4. The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease".
5. Three written quotations are obtained for any order whose value is estimated at over £5,000 as long as comparable quotes are possible.
6. If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.
7. Contract specifications will contain the following:
 - contract duration
 - definitions
 - contract objectives
 - services to be provided
 - service quantity
 - service quality standards
 - contract value and payment arrangements
 - information and monitoring requirements
 - procedure for disputes
 - review and evaluation requirements
8. The official pre-numbered orders are used for all services except utilities, rent, rates and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.
9. Individuals will not use official orders to obtain goods or services for themselves.
10. All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories. This is attached at Appendix B.
11. The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.
12. Each order placed is entered in the school's financial system as a commitment.
13. The school checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. Evidence of this is provided by the use of rubber stamps approved by Norfolk Audit Services. The other checks indicated on the stamps are also carried out. These checks are not done by the person who signed the order.
14. Payment is made within the agreed time limits after certification by an approved signatory.
15. An invoice is not authorised for payment by the person who signed the order nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.

16. Personal loyalty cards should not be used when purchasing goods for school.

SECTION E FINANCIAL CONTROLS

1. A written description of all the school's financial systems and procedures is maintained. These are kept up to date and all appropriate staff trained in their use.
2. The headteacher has secured contingency arrangements to ensure that financial control can be maintained in the absence of key staff. Sufficient numbers of staff will be authorised to use the school's financial systems. Should exceptional circumstances render these arrangements inadequate, the Co-Chairs of Governors will involve the finance officers of Norfolk County Council.
3. The headteacher has due regard to separation of duties in authorised financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.
4. The school maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.
5. Documents relating to financial transactions are retained in line with the LA's recommendations.
6. All records are securely stored and access allowed only to authorised staff, i.e. the headteacher, the deputy headteacher, the finance officer and finance administration staff.
7. Where there is a requirement to account separately for earmarked funding the headteacher ensures this is done and that money is spent on its intended purpose.
8. Evidence of procedures is kept up to date to facilitate the School Financial Value Standard (SFVS) and Internal Audit reviews.

SECTION F INCOME

1. The full governing body approves the school's charging policy and lettings policy and reviews these annually.
2. Proper records of all income due are kept. Lettings are approved by the headteacher in accordance with the governors' policy and recorded in the lettings register.
3. The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.
4. Official pre-numbered receipts are given for all cash collected. Other formal documentation is kept for other income. Receipts are kept securely and in order.

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5. Pending banking, cash and cheques are locked away.
6. Income is banked promptly and in full. Paying-in slips show the analysis between cash and cheques and cheques are individually listed. Income is not used for making any payment or for cashing personal cheques.
7. Income recorded in the accounts is reconciled monthly with the bank statement.
8. Where invoices are required, they are issued within 30 days.
9. Bad Debts. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, an invoice will be raised for immediate payment.

All debts will be recorded and non-payment will be followed up by issuing reminders as outlined below. Where a service is being provided, this will cease immediately and the debtor will be informed of this in writing. The service will not be reinstated until the debt is cleared and payment of future services is made in advance.

1. 3 weeks from date of invoice - 1st reminder
2. 6 weeks from date of invoice - 2nd reminder
3. 9 weeks from date of invoice - final reminder

The final reminder will be sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

After 14 days, where a debt is still outstanding, legal action will be considered and the debtor will be informed of this in writing. The debt may be referred to the County Legal Services, where appropriate.

Legal action will not be taken for debts under £50.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

- those up to the value of £100 to be approved by the headteacher and reported to the next meeting of the governing body
- those exceeding £100 and up to the value of £500 to be referred to the governing body for approval, either directly or after consideration by the finance committee
- those exceeding £500 to be referred to the Head of Children's Services (Finance & ICT) (as per the Norfolk Scheme for Financing Schools)

The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.

10. Any cash transfers between staff are recorded and signed for.

SECTION G BANKING

For official funds, the school banks with Barclays Bank. The bank account name is NCC Avenue Junior School.

1. Bank reconciliations are completed monthly and any discrepancies resolved
2. The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process.
3. The person completing the reconciliation is not responsible for processing receipts and payments.
4. Staff never use their private bank accounts for any receipt or payment due to or from the school budget.
5. The school's banker has been advised that the school is not allowed to go overdrawn or negotiate overdraft facilities.
6. The school is not allowed to enter any loan agreement except with the LA.
7. Each cheque is signed by two authorised signatories and supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed. Only manuscript signatures are allowed.
8. All cheques are crossed 'account payee'. Cheque books are stored securely when not in use.
9. Headteachers ensures that the correct staff are assigned the access rights within the banking online system that is appropriate (considering separation of duties) and ensure that these are kept up to date i.e. staff leavers.
10. Online user ids/cards/Pin numbers are specific to named staff and must not be shared with others.
11. School adheres to the policies laid down by their banker in respect of online payments and ensure that the data protection act is not breached in regards to holding suppliers bank information.
12. All BACS transfers above £1000 require 2 authorised users to independently sign off the transactions.
13. Supporting vouchers are made available to each authoriser to safeguard against inappropriate expenditure

SECTION H PAYROLL

1. Personnel procedures, including appointments, promotions and terminations are supervised by HT and overseen by the Resources Committee.
2. The headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.
3. The headteacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.
4. Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.
5. Only authorised staff are allowed access to personnel records, ie the headteacher, the deputy headteacher and the finance officer or finance administration staff.

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6. Arrangements have been made for staff to access their own records. These are by request to the headteacher or the deputy headteacher.
7. Payroll transactions are processed only through the payroll system; this includes the payment of all expenses and benefits.
8. The headteacher maintains an up-to-date list of teachers and other staff employed at the school. This is held on the Capita SIMs system and is amended, as necessary, on a monthly basis.
9. The monthly reports on payroll transactions are checked against the school's budget working papers to ensure they match.

SECTION I PETTY CASH

The School has been advised by Norfolk Audit Services that petty cash cannot be used for the purchase of postage stamps. As that is the only use the school might have, the school has no arrangements to hold petty cash.

SECTION J TAX

1. The headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the school any penalties imposed on it arising from an error by the school.
2. Proper VAT invoices are obtained for all transactions involving VAT.
3. The LA's VAT manual for schools gives details of accounting for VAT and is adhered to by the school.
4. All payments falling within CIS are made in accordance with the LA's agreed procedure.

SECTION K VOLUNTARY FUNDS

The School does not run a voluntary fund.

SECTION L ASSETS

1. The headteacher ensures that stocks are maintained at reasonable levels and are checked physically at least once a year.
2. An up-to-date inventory is be maintained of all items of equipment. Those that are portable, valuable and desirable are identified as school property with security marking.
3. The inventory is checked at least once a year, in the Autumn Term. The inventory is signed as evidence of the check having been undertaken. All discrepancies are investigated and any resulting in a loss of £100 or more will be reported to the

governors. Any loss exceeding £500 will be referred to the Head of Children's Services (Finance & ICT).

4. Whenever school property is allocated and may be taken off site, e.g. musical instruments, the register is noted accordingly. The register is held in the school
5. The safe is kept locked and the keys removed and held elsewhere.
6. The school's asset management plan will be reviewed when this function is available as part of the Star Accounts package.

SECTION M INSURANCE

1. The school reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager.
2. The governors consider whether to insure against any uncovered risks.
3. The school will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance.
4. The school will not give any indemnity to a third party.
5. The school will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.
6. Insurance will cover the use of school property when off the premises, e.g. musical instruments/computers

SECTION N DATA SECURITY

1. Computer systems used for school management are protected by password security. Passwords are changed monthly and more frequently in the event of staff changes.
2. All data is backed up daily and the back-ups stored in a secure fireproof location, preferably off site.
3. The headteacher is establishing a contingency plan for recovery from an emergency.
4. Only authorised software is installed on any school computer to safeguard against computer viruses.
5. The governors ensure that the Information Commissioners Office (ICO) is notified in accordance with the General Data Protection Regulation 2016, and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.

AVENUE JUNIOR SCHOOL

Resources Committee Terms of Reference

Based on The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and The constitution of governing bodies of maintained schools, Statutory guidance for governing bodies of maintained schools and local authorities in England May 2014

Finance

1. To provide guidance and assistance to the headteacher and governing body in all matters relating to budgeting and finance with reference to 'Keeping your Balance - standards for financial administration in schools' (OFSTED/Audit Commission).
2. To ensure that Schools Financial Value Standard (SFVS) is reviewed annually by the Governing Body and the supporting evidence is maintained.
3. To review regularly the delegated budget and the detail of the financial procedures agreed by the governing body.
4. To prepare and review financial policy statements, including consideration of long-term planning and resourcing giving due regard to equal opportunities.
5. To consider each year's school Improvement/ Development Plan (or post OFSTED Action Plan) priorities, to consider the Pupil Premium Strategy and the Sports Premium Action Plan and to draw up an annual budget plan for approval by the full governing body.
6. To review Finance, Charging, Letting and Governor Expenses Policies for the school for approval by the full governing body.
7. To monitor income and expenditure of all funds and to report the financial situation to the full governing body each term.
8. To monitor the impact of spending decisions upon educational achievements in the school.
9. The committee recommends to the Governing Body that the Head teacher's level of delegation continues to be set at £5,000. Any expenditure in excess of £5,000 to be authorised by the signature or via email of the Chair of Resources or, in their absence, by the Co-Chairs of the Governing Body.
10. It was agreed that, in the absence of departmental budgets, it was not necessary recommend to the governing body to permit virements (transfers between budget lines).
11. To provide the financial information to be included in any report required by the governing body.

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Staffing

13. To monitor progress on the relevant key issues for action post-OFSTED and/or relevant priorities in the School Improvement/ Development Plan.
14. To review the staffing structure when vacancies occur, and at least annually in relation to priorities for school improvement and to give due regard to Equal Opportunities
15. To agree procedures for the appointment of school staff, in line with School Staffing (England) Regulations (Amendments) 2014.
 - For the appointment of members of the leadership group (Head teacher and Deputy), the governing body will agree a selection panel of at least three governors who will select candidates for interview, carry out interviews, and recommend to the governing body an interviewee for appointment.
 - In relation to all other staff appointments the governing body will delegate, to the headteacher, the responsibility for making such appointments, unless certain circumstances apply, as outlined in the Guidance relating to staff appointments. Where responsibility is delegated to the headteacher, it is the headteacher's decision as to whether to involve governors in the selection process. The final decision in making an appointment outside the leadership group is the headteacher's.
16. To ensure that every member of staff has a job description, which is reviewed annually, and that job descriptions are reviewed when vacancies occur.
17. To monitor and review all staffing policies and procedures, and the adoption of the LA's model personnel policies and procedures. These cover issues relating to pay, staffing adjustments, recruitment and selection (see above), equal opportunities relating to staff at the school and employee relations. Issues relating to conduct and capability, grievance and dismissal are covered by the work of the staffing committee. Separate panels may be convened, if necessary, to deal with particular circumstances (see item 7 below).
18. To ensure, via reports from the headteacher, that the Performance Management Policy is implemented throughout the school, and that all staff are included in the system of performance review.
19. To ensure that procedures for hearing staff grievances and for appeals against dismissal from school staff are in line with School Staffing (England) Regulations (Amendments) 2014.

Premises

20. To provide support and guidance to the headteacher in all matters relating to the school premises and grounds, security and health and safety.

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21. To inspect the premises and grounds at least annually and prepare a statement of priorities for maintenance and development to be approved by the full governing body. To review the Asset Management Plan and develop a rolling programme of repairs and maintenance. To approve the costs and arrangements for maintenance, repairs and redecoration within the budget allocation.
22. To draw up and keep under review an Accessibility Plan which will meet the requirements of the Single Equality Act 2010.
23. To undertake an annual Fire and Safety risk assessment and to ensure that the school complies with health and safety regulations. To regularly review the Health and Safety policy and Contractor Guidelines.
24. To agree procedures to be followed for carrying out emergency work. To make recommendations about delegation to the headteacher for taking appropriate action on behalf of the governing body in the event of an emergency.
25. To monitor the work, via reports from the headteacher or by site visits by the governors, of Norfolk Property Services, or other named contractor, in the preparation and implementation of contracts and to monitor and review arrangements for cleaning, grounds maintenance and school meals in line with the financial procedures agreed by the governing body.
26. To liaise with the Curriculum Committee on the capacity and suitability of the school premises for the delivery of the agreed curriculum.
27. To review and advise on the use of the premises by members of the community when they are not required by or in connection with the school.
28. To ensure that governors' responsibilities are discharged regarding litter and refuse under the Environmental Protection Act 2010

In addition

29. To liaise as necessary with other Governing Body committees.
30. To liaise with the LEA about any matters concerning our safeguarding obligations; and the school premises and grounds.
31. To attend or to commission any appropriate governor training.
- 32. To report to the full governing body at each of its meetings after each committee meeting**

AVENUE JUNIOR SCHOOL

List of Authorised Signatories

For NCC Avenue Junior School account

Debbie Dismore – Executive Headteacher *

Mike Hooper –Head of School*

Steve Chambers – Deputy Headteacher

** must be one of the signatories (except for payments to self)*