



Cranmere Primary School
Finance Policy

Governors' Committee Responsible: Finance

Reviewed: Summer 2012

Next review Date: Summer 2014

The Purpose of the Policy:

- to define the responsibilities of individuals within the school
- to provide guidance on the application of regulations contained in section 1
- to identify procedures to ensure integrity of internal controls
- to set out guidelines to ensure effective use of resources

1. Rationale and Accountability

Governors have statutory responsibility for the oversight of the financial management in all maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151.

Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the Surrey LMS Finance Manual, which can be found on the Babcock Four S website.

The role of the Governing Body is to:

- approve the budget
- receive auditors' reports
- set the terms of reference for the Finance and Personnel Committee, Strategy committee, Buildings and Premises Committee and Learning and Achievement Committee.

The role of the Finance and Personnel Committee is to:

- prepare the annual budget for approval by the Governing Body
- adopt the Surrey Scheme for Financing Schools
- review and maintain finance policies, including Lettings and Charging & Remissions.
- review systems of internal financial control
- monitor the annual budget and make recommendations to the Governing Body
- set levels of authority for spending and virement
- advise the Governing Body on the affordability of the School Development Plan
- consider the impact of student numbers on the budget over short, medium and long terms
- receive and respond to audit reports
- Review the operation of the Pupil premium policy
- To act as the Pay Committee on all pay decisions

2. Budgets and authority levels:

The governors shall plan the school finances through the approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.

Levels of virement are set by the Finance and Personnel Committee, approved by the Governing Body, to maintain effective use of resources

Finance Committee: £10,000 may be vired between budgets without prior approval by the GB, and reported to the GB

Head (and Bursar): £ 2,000 may be vired within budget headings, and reported to the Finance Committee.

The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan will be as follows:

Autumn Term:	Census date: October
	Preparation of Draft SDP: September
	Prepare and review draft budget: November
Spring Term:	Receive year end Forecast: March
	Present Budget to Finance Committee: April
	Approval of Budget by Governing Body: April

3. Authority to incur expenditure

- Subject to b) the Headteacher has authority to incur expenditure and make payments which are consistent with the Revenue budget up to a value of £10,000, and up to £10,000 in respect of capital.
- The Finance and Personnel Committee has authority to approve revenue and capital purchases and building projects costing more than £10,000 for which provision has been made in the budget.
- The Governing Body must agree any expenditure for which there is no budget.

4. Purchasing

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases will be made through the school's ordering system. The Bursar shall keep records of all purchases made including quotations received but not accepted, together with the reasons.

The policy of Best Value will be applied using the four principles:

- Challenging how a service or supply is provided and why it is required
- Comparing performance with other schools
- Consulting with relevant stakeholders
- Competing as a means of securing efficient and effective services and supplies.

Where an individual expenditure will be more than £2000, a minimum of 3 quotes will be sought with a detailed explanation of the reasons for the choice of supplier.

5. Internal Controls

Internal delegation, subject to the limits in 3 above, will be as follows:

Certifying officers:

Orders, invoice approval, VAT, Expenses forms, cheques	- Head, DH and KS1 leader
Petty cash	- Head, DH and KS1 leader
Order requisitions	-Budget Holder
Cheques signatories	- Head, DH and KS1 leader
Deliveries	-Admin Asst
Payroll administration - Service return	-Head, DH and KS1 leader

Cheques require one signature up to value £250, thereafter, two signatures

Financial reporting:

Monthly/Half-termly:	Financial Monitoring Report + commentary	To: Head, Finance Committee
Monthly:	Cost Centre Summary Report and Pay variances report	To: Head
Termly:	Cost Centre Report	To: Budget Holders
Annually	CFR	To: Governing Body
	Unofficial Funds Audited Accounts	To: Governing Body
	Budget Plan	To: Governing Body