

St Monica's Catholic Primary School
FINANCIAL MANAGEMENT POLICY



Status	Recommended Governor Policy
Policy last reviewed	January 2020
Date presented to Finance Committee	11.2.20
Date approved by the Governing Body	10.3.20
Date published on the school website	Spring 20
Term of next review	Spring 2023
Signature of Chair of Finance Committee	

Mission

Our Mission prayer urges us to aim to be the best we can be. In order to achieve this, the Governors and Staff recognise the importance of astute and effective resource management. The sound management of finances is paramount in providing and securing resources that give best value to the school and optimal benefits to our children.

The school adheres to Warrington Borough Council's Education Department – Scheme for Financing Schools.

This policy should be read in conjunction with the following school documentation:

- School Fund Procedures
- Charging and Remissions Policy
- Debit Card Policy
- Schools Fraud Response Plan
- Schools Financial Value Standard
- Statement of Internal Control

The following roles are referred to:

Office Administrator ... Miss J Carter

Admin Assistant ... Mrs. G Twiss

Budget Officer ... Ms. L Broome

LA Accounts Officer ... Ms. S Hutt

1. PREPARATION AND PLANNING

1.1 The Dedicated Schools Grant (DSG) is based on the number of pupils on roll, as stated in the School Census.

1.2 In January, after Workforce Census (undertaken in November each year), the LA Accounts Officer and Headteacher meet to outline options for the coming year. These options are presented to the Resources Committee prior to the Spring Term Full Governors Meeting. At the full Governing Body Meeting decisions are taken about the coming year.

1.3 The DSG is then defined and any adjustments are made.

1.4 The budget is then set for the following year and ratified by the Resources Committee in the Summer Term.

1.5 The management and administration of that budget starts on 1st April of that financial year.

2. SCHEME OF DELEGATION

2.1 The Dedicated Schools Grant is delegated directly to the school from the LA. The Headteacher, in conjunction with the Governors, taking advice from the LA Accounts Officer, sets the budget from the 1st April each year.

2.2 Within that budget an agreed sum is set up for resources. Each subject co-ordinator is required to bid for money to purchase resources for that subject. Bids are based on an audit of resources, undertaken by the co-ordinator. A general amount is co-ordinated by the Headteacher e.g. rewards and incentives.

2.3 An amount is delegated to the Maintenance Officer for resources.

2.4 An amount is delegated to the Office Administrator for stationery.

3. Responsibility and Accountability

3.1 The Financial Management of this school is the responsibility of the Headteacher and the Governing Body. Together with the Headteacher, the Governors have the overall strategic view of the budget: the Headteacher oversees the day-to-day management of the school's finances.

3.2 The Resources sub-committee of the Governors is responsible for finance. This committee meets termly. Each member of the Resources Committee can request an extra meeting at any time. The Resources Committee is accountable to the governing body for the management and administration of the school accounts.

3.3. The Headteacher is responsible to the Governing Body.

3.4 The Office Administrator is responsible to the Headteacher for the efficient administration of the school accounts.

3.5 Where a member of staff is delegated a budget heading, he/she is responsible to the Headteacher for the efficient and effective utilisation of those monies.

4. Cover arrangements for the Headteacher and Chair of Governors

In the absence of Mrs. Norman (Headteacher), Mr. Marciniak (Deputy Headteacher) will act on her behalf in the signing of orders, invoices and payroll and Miss Carter (Office Administrator) will sign where two signatories are required. In the absence of Mrs Barker (Chair of Governors), Mrs. Lawrie Simmons (Chair of Resources Committee) will act on her behalf.

5. Monitoring

5.1 Each month central reports are received from WBC. These are checked by the Budget Officer with the Office Administrator, against computerised accounts. Any anomalies are noted and investigated by the Office Administrator with the Budget Officer. Central reports are reconciled by the Budget Officer and the Office Administrator, and signed by the Headteacher.

5.2 In order to ensure effective monitoring of 'cheque book management' the Budget Officer will visit the school this year for 9 half-day sessions.

5.3 The Office Administrator checks employee salaries and supply payment. Again any anomalies are noted and investigated.

6. Ordering and Payment of Accounts

6.1 Each member of staff orders goods based on value for money. Resources are ordered based on maintenance and quality and need is assessed through resource audits.

6.2 When a member of staff wishes to purchase resources he/she completes an **internal requisition order form** (appendix A). This is checked and signed by the Headteacher or Deputy Headteacher. When orders are complete the Headteacher or Deputy Headteacher sign the orders. The orders are then processed by the Office Administrator.

6.3 As purchases arrive **the staff member responsible for the order** checks purchases against order. Any anomalies or mistakes are investigated. Then the goods are paid for. All staff have to manage their resources with the monies allocated to them. Authorised copy orders, delivery notes, purchase orders and invoices are filed appropriately together and kept in a file in the Office Administrator's office. Any discrepancies are investigated by the Office Administrator and rectified.

6.4 The Office Administrator is responsible for purchase orders and payment of invoices. Cheques and invoices are signed by two authorised signatories.

6.5 Generally, the Office Administrative Assistant will sign and receive goods but other members of staff can sign and receive goods in their absence.

6.6 Two out of the three authorised signatories are required for the signing of cheques – A Norman, Headteacher; J Marciniak, Deputy Headteacher; and Miss J Carter, Office Administrator.

6.7 The Governors allow the Headteacher to make purchases up to the value of £2000, without consultation. Any expenditure over £2000 requires written authorisation (incl. e-mail) by the Resources Committee which is filed with the order. If consultation is by email, there must be a quorate number of replies.

6.8 Wherever possible several quotations are obtained. In relation to sites and buildings, building work is managed by either the Diocesan representatives – Atkins or WBC Building Maintenance department via our SLA. Work is tendered by both organisations and a minimum of three quotes obtained on behalf of the school.

7. Rent of Building

7.1 The school has a **Lettings Policy** and all outside providers are subject to that policy.

7.2 Providers are required to send payments into school termly or half termly as agreed. Payment is directly paid in to the FMS budget code 710200 (income) and receipts are issued for payments received by the Office Administrator.

8. Payroll

8.1 This is administered by the SLA purchased from WBC.

8.2 Payment of temporary/casual staff is administered by the Office Administrator and authorised by the Headteacher.

8.3 Completion of electronic pay amendment forms, sickness claim forms and overtime payment is undertaken by the Office Administrator monthly. All forms are submitted via the Headteacher's PC.

9. Petty Cash

A maximum of £200 can be held in petty cash. This will be administered by the Office Administrator via cheque to Petty Cash, signed by two members of the authorised signatories. Curriculum purchases made by staff are reimbursed via this fund, not the school fund account. All receipts are kept and signatures secured as staff make claims. This account will be reconciled by the Budget Officer, Ms. Broome as an anti fraud measure to ensure that there is a separation of duties between those with access to the fund and those who are reconciling it.

10. Cash Income

Photocopying is monitored via passwords assigned to individual members of staff. Where applicable, charges will be made for non-school use. School phones are not used to make personal calls except in an emergency.

11. School Meals

11.1 A cashless payment system has been adopted by the school.

12. School Funds

12.1 The school operates 'School funds' which consists of all voluntary income received, eg for school trips, contributions to the Diocesan Schools Building Fund, extra curricular activities. All transactions are recorded. The school operates a 'Gift Aid' scheme. The monies are paid into the School Fund. All transactions are recorded, on Pebble Fund Manager.

12.2 The management and auditing of school fund is arranged with an appropriate person, taking note of the following advice:

- The status of the auditor should be in line with the type and complexity of the fund. For example, a fund with a large turnover, say, above £15,000 p.a., is recommended to be audited by a qualified accountant / registered auditor. However, this would not be expected of a small primary school fund where the level of transactions is minimal. Here, it is preferred that the fund is audited by a Governor and a Teacher simultaneously. It is appreciated, however, that this is not always practical and in such instances a 'financially astute' volunteer would be an appropriate alternative.

12.3 School trip costing schedules and trip lists are retained for a period of a year.

12.4 The school uses Pebble Fund Manager, an electronic tool for managing the School Fund Account. The Office Administrator provides balance and transaction reports for the Heateacher and Governors of the Resources Committee.

13. Best Value Procedure for Purchase

In line with the LA recommendations for attaining 'best value' the Headteacher secures quotations for purchasing items of substantial value. Curriculum Co-ordinators compare price of goods in several catalogues before final purchase. (See appendix C for school's best value statement.)

14. Credit Income/Cash Collection

14.1 All incomes received by the school are recorded under School Fund/Petty Cash/Gift Aid. All income is receipted electronically.

14.2 Payment for meals is by a cashless system.

15. Asset Management

15.1 The Asset Register records all electrical appliances in school. It is kept electronically by the Office Administrator.

15.2 The school's Maintenance Officer ensures that the Asset Register it is monitored annually, by checking 10% of the items on the Register.

15.3 As items are purchased they should be added to the register at the time of acquisition.

15.4 As items are decommissioned and taken off site the date and reason should be added to the register. They will then be removed from the register at the annual review.

15.5 When an item is deemed to be no longer of use to the school, opportunities for it to be used by other schools is offered by an e-mail to all schools. If no other establishment wishes to have the item then it is considered to be condemned.

15.6 Periodically the school disposes of such items via refuse collections by Bagnall Morris.

16. Register of Pecuniary Interests

At the Governors meeting in the Autumn Term, the Governors are asked to declare any pecuniary interests. Staff are asked to make the same declaration at the beginning of the academic year. This is updated on an annual basis and is retained in the school office with other finance information by the Office Administrator.

17. Carry Forward

Budget carry-forward amounts are discussed by the Resources Committee and suggestions for use are proposed at the Summer Governors meeting. After discussion a decision is made about further purchases.

18. Procedure for Budget Virement

Income is moved into expenditure codes on a regular basis and in preparation for Governor's Resources Committee meetings. It is done by the Office Administrator and the LA Accounts Officer.

19. Procedure for Recovery of Overpayments

19.1 The School acknowledges that on occasion employees may experience an over or underpayment of salary, expenses or other allowances. The School commits to continuously keep its systems and controls under review to ensure that they are rigorous and sufficient to ensure that as far as is practically possible over or underpayments do not arise.

The School is required to ensure that employees are paid accurately and on time. If an overpayment of salary or any other payment occurs for any reason, the School will recover the overpayment from the employee. Similarly the School will take steps to correct any underpayment of salary or any other payment to which an employee is entitled.

19.2 Section 13 of the Employments Rights Act 1996, states *that an employee has a:*

Right not to suffer unauthorised deductions

(1) An employer shall not make a deduction from wages of a worker employed by them unless-

(a) the deduction is required or authorised to be made by virtue of a statutory provision or a relevant provision of the worker's contract, or

(b) the worker has previously signified in writing his agreement or consent to making of the deduction

However it further states in section 14 that:

Section 13 does not apply to a deduction from a worker's wages made by his employer where the purpose of the deduction is the reimbursement of the employer in respect of-

(a) An overpayment of wages, or

(b) An overpayment in respect of expenses incurred by the worker in carrying out his employment.

Every public organisation has a statutory duty to recover debts legally due to them and is therefore bound by law to seek recovery of overpayments.

19.3 In circumstances where an employee has been underpaid, the Headteacher/Principle must notify their payroll provider as soon as possible, who will arrange for a payment to be made.

Advance payments will only be made in circumstances where an employee faces financial hardship as a result of not receiving the pay, or where there has been an error on the part of the payroll service. Otherwise underpayments are paid in the next month's salary.

19.4 An overpayment of salary normally arises as a result of either an administrative error or as a result of incorrect, insufficient or late notification of a change to an employee's circumstances or contract of employment.

Employees are responsible for checking their wage slips to ensure that they have received correct payment, and must report any overpayments immediately by contacting their line manager, who will often be able to resolve the error in conjunction with the payroll team. Where the Headteacher/Principle is unable to agree a resolution, the Headteacher/Principle should contact their payroll provider for further advice and guidance. If there is dispute that arises out of an overpayment issue it may be necessary for the HR Advisory team to be consulted.

The procedure for dealing with overpayments differs depending on the circumstances of the case. The objective for the School will be to achieve the recovery of the overpayment in a way that is fair and reasonable for both parties.

Payment errors arising as a result of changes to an employee's pay entitlement, such as a change of grade or hours or work, that have not been possible to action before the payroll deadline for that pay period, will normally be corrected automatically in the next salary payment. In these circumstances, the employee will not normally be notified in writing of these adjustments.

Headteachers/principles are responsible for ensuring actions are carried out by the relevant payroll deadline and for keeping employees informed accordingly.

As a general rule, except where the amount is below £50 or the employee agrees to a higher rate of recovery, the rate of recovery should not exceed the rate of overpayments (for example if the overpayment was made over 3 months, then the recovery period should be 3 months).

Where an employee is repaying an overpayment but leaves the School before the full overpayment is recovered, the School's policy is that the balance will be deducted from the final salary payment. Where the amount outstanding exceeds the final salary payment, an invoice for the outstanding amount will be raised and sent to the employee.

For overpayments, other than those resulting from adjustments specified in 5.4, the following steps will be followed as soon as the overpayment is identified:

Once the overpayment has been identified, the Headteacher/Principle will discuss with the employee and agree a repayment plan;

The school or the payroll provider will write to the employee to outline:

The circumstances of the overpayment

The amount to be recovered

The repayment plan

An opportunity for the employee to propose an alternative repayment plan

As a general rule, the repayment period will normally be the same period during which the overpayment has occurred.

19.5 Where the employee no longer works for the School, the payroll provider will inform the school that an overpayment has been made.

The school or the payroll provider will write to the ex-employee giving details of the overpayment, the amount to be repaid and that an invoice will follow shortly.

19.6 Should an overpayment arise as a result of fraud or wilful misrepresentation by or on behalf of the employee, the matter should be referred to Internal Audit and Human Resources.

19.7 If, following discussions with the headteacher an employee disagrees with the size of overpayment and/or the requirement to repay the amount owed, and/or they believe that there are exceptional circumstances which mean that the amount should not be repaid, the employee may make a written submission to the Governing Body within 10 days of receipt of the letter.

The written submission will be considered by the Governing Body and the outcome will be confirmed to the employee, in writing. There is no right of appeal against the decision of the Governing Body.

INTERNAL REQUISITION

Order requested by: _____ **Date** _____

Name & Address of Supplier:

Catalogue Ref No	Item – Description	Quantity	Price each	Total Price	* Asset Register

*** Note: All electrical appliances need to be added to the School's Asset Register, the staff member placing the order is responsible for telling Miss Carter so it can be added.**

Capitation Budget:

Approved

Order number LMS000

Appendix B: Scheme of Delegation for Financial Year 2019/20

	PURCHASE ORDERS	CHEQUES	VIREMENTS	WRITE-OFFS
HEADTEACHER A Norman	√	√	√	√
DEPUTY HEAD J Marciniak	√	√	√	√
FINANCE COMMITTEE				
GOVERNING BODY				
ADMIN OFFICER J Carter		√		

Date Reviewed: _____

Signature of Chair of Governors: _____

Appendix C

BEST VALUE STATEMENT Fiscal Year 2019/20

The Governors of **St Monica's Catholic Primary School** are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school and will:

- regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement;
- monitor outcomes and **compare** performance with similar schools and within the school;
- **consult** appropriate stakeholders before major decisions are made; and
- promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

We will submit our Best Value statement with the annual budget plan. The progress of the annual budget plan and the Best Value statement will be monitored with the School Development Plan (SDP) in order to determine the extent of continuous improvement. When appropriate we link individual budget lines on the initial budget setting document (VB1) to the main priorities within the SDP.

The school has in place a strategy, updated annually, which will ensure that Best Value will be reviewed and demonstrated. This year we will focus on

- the school premises
- raising standards
- staff and governor training

Our most recent self-evaluation of the internal controls undertaken via the SFVS statement was completed in Spring 2019. We are satisfied that the internal control systems in operation at the school during the year were adequate and effective, except for those areas copied to Section E of the SFVS. We propose over the coming year to carry out the actions identified in Section E.

Reviewed January 2019

Agreed by Governing Body on: 22.1.19

Signature of Chair of Resources: _____ Date: _____