Ledbury Primary School

Finance Policy

Due for review: September 2026

Reviewed and Updated on:	Changes made/notes:
Vs 2.0 September 2025	Updated Mrs. S Fletcher. Approved Governing Board.
Vs 1.9 September 2024	Updated Mrs. S Fletcher. Approved Governing Board.
Vs 1.8 September 2023	Updated Mrs. S Fletcher. Approved Governing Board.
Vs 1.7 November 2022	Updated Mrs. H. Crowley. Approved Governing Board.
Vs 1.6 November 2021	Updated Mrs. H. Crowley. Approved Governing Board.
Vs 1.5 November 2020	Updated Mrs. H. Crowley. Approved Governing Board.
Vs 1.4 November 2019	Updated Mrs. H. Crowley. Approved Governing Board.

LEDBURY PRIMARY SCHOOL
FINANCE POLICY

INTRODUCTION

One of the keystones of a successful school is sound financial management. The foregoing intends to provide a framework within which limited resources can be allocated and controlled in a manner which will provide optimum educational benefit to current and future pupils of the school.

The school must ensure that financial arrangements comply with the current financial regulations, standing orders and schemes of delegation issued by the local authority. The updated scheme of delegation from the LA will be formally adopted and approved by the Resources Committee. A copy of this document is kept in the Finance Office and is available to all staff and governors. LA accounting guidelines will be followed.

The Governing Board is responsible for selecting and maintaining appropriate systems for the management and accountability of the delegated budget and the school's private funds. Resources are targeted to maintain and improve the quality of education provided at Ledbury Primary School. The Governing Board will seek to inform all stakeholders about the allocation and use of resources in an appropriate format.

The Governing Board and Headteacher will maintain a School Development Plan which will help inform the preparation of annual budgets. Appropriate systems are maintained to monitor and evaluate financial activity.

Monitoring expenditure of the delegated budget is carried out by the Resources Committee on a termly basis. The statement of accounts is presented to the Governing Board for approval. The accounts are audited in line with LA policy.

AIMS

- To achieve value for money for all expenditure
- To ensure the budget is sufficiently balanced to provide optimum staffing levels, supplies and property costs whilst maintaining a reasonable surplus to cover unforeseen expenditure and long term planning
- To ensure that responsibilities for financial management are clearly defined and establish internal financial controls
- To consider exposure to risk and insure appropriately
- To ensure that legal and audit requirements are adhered to
- To ensure that property and stock are appropriately controlled and safeguarded
- To ensure that the LA scheme of delegation is adhered to.

SECTION 1 - ROLES AND RESPONSIBILITIES

The Governing Board

The Governing Board, working through the Headteacher, is collectively responsible for the overall direction of the school and its strategic management. It has responsibility for setting educational and financial priorities, and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations, through the Headteacher, and complies with the LA's financial regulations. It will ensure that adequate systems of financial control are in place and that it receives the necessary information to fulfil this role.

The Governing Board includes a range of competencies to ensure that the school is not over reliant on one individual.

The Governing Board and Headteacher also ensure that the range of competencies for staff is such that the school is not over reliant on one individual. To this effect, the staffing structure for staff with financial management responsibilities is reviewed at least every 2 years.

A register of business interests of Governors, the Headteacher and any other staff who influence financial decisions is maintained. This is open to examination by governors, staff, parents and the LA.

The Governing Board shall approve the composition of the Resources Committee and the Committee shall appoint its chairperson.

The Governing Board will:

- consider the annual budget plan, approve the budget and consider and approve any proposed revisions to the budget plan; the governors will have regard to forecasted income and expenditure for future years and will consider making current savings and/or the retention of funds to meet future needs;
- establish and review annually the financial limits of delegated authority
- review at each full Governing Board meeting the Register of Governor's business interests and to ensure its accuracy
- be consulted on the Local Authority's Scheme of Delegation and take account of this when considering the budget
- ensure that a sound and balanced budget is approved in line with the School Development Plan and statutory curriculum requirements
- ensure that the budget is managed effectively and accurate records are maintained and that these are available for audit and inspection as required
- consider the recommendations from Audit Reports and ensure that required action is carried out promptly and effectively
- determine the staff complement and pay policy and ensure, in conjunction with the Headteacher, that salary payments are made only to school employees in accordance with their appropriate conditions of employment

and for services provided for the school (including appropriate tax and NI deductions) and to ensure that payroll changes are accurately recorded and promptly processed;
- establish a written Teacher Appraisal policy in respect of staff appraisal
- act as a 'Critical Friend' to the Headteacher by providing advice, challenge and support
- consider budget variations and virement at half-year and three-quarter year periods
- adopt the 4 principles of Best Value (**C**ompare how the school's performance compares with that of other schools; **C**hallenge whether the school's performance is good enough; **C**ompete to secure economic, efficient and effective services; **C**onsult with stakeholders about services provided) and evaluate the effectiveness of spending decisions
- monitor adherence to the school's purchasing & tendering procedures
- ensure that that financial policies and procedures are in place and well documented
- ensure the range of financial competencies of staff is such that the school is not over-reliant on one individual
- ensure the school meets its statutory obligations and financial requirements from the LA
- approve and review the school policy on charging and remissions
- consider annual insurance premiums for risk not covered by the LA
- report annually to parents a statement of income and expenditure.

The Resources Committee

The Resources Committee will consider the strategic financial issues on behalf of the Governing Board and ensure that the Governing Board is kept fully informed about financial issues through the presentation of minutes and briefings. It will have its remit and membership reviewed annually to ensure the fullest possible range of financial competencies.

The Resources Committee will meet to discuss the annual budget proposals. This will include a longer term forecast to give an indication of the effect of sustaining existing levels of expenditure, allowing for uncertainties such as future levels of funding and pupil numbers. In the course of its work, the Resources Committee is continually reviewing the budget and therefore the Head and Chairperson of the Resources Committee should only meet prior to the Committee where the budget proposals involve significant changes.

All members of the Committee shall receive monthly income and expenditure statements. The Headteacher and Chairperson will meet to discuss and resolve any in-year issues that may arise and decisions/actions reported back to the Resources Committee. The Committee itself will meet each term. Any recommendations /actions will be reported to the Governing Board. The Finance terms of reference of the Committee are contained in Appendix 1.

In particular the Committee will:

- scrutinise the proposed annual budget ahead of approval by the Governing Board
- explore and assess different expenditure options and bids
- consider predicted pupil numbers and income levels
- monitor the budget through monthly reports provided by the School Business Manager
- ensure reconciliation with the school's financial system, including by spot checking by the Headteacher/School Business Manager
- monitor and adjust in-year income and expenditure figures
- ensure end of year accounts are properly finalised and reported
- approve the disposal or write off of stock
- review end of year out-turn figures
- ensure the School Fund is properly managed and that annual audits are carried out and reported on
- ensure that its meetings have the required number of governors attending and are accurately minuted
- ensure appropriate resources are secured
- secure personnel with appropriate qualities for achieving the best outcome for each child
- agree the pay policy and staffing structure for approval by the Full Governing Board.

The Headteacher

The Headteacher provides vision, leadership and direction for the school and will ensure that it is internally managed and organised to meets its aims and targets. The Headteacher will formulate aims, objectives and policies for attaining the agreed targets.

In respect of financial management the Headteacher will:

- lead and manage the creation of the School Development Plan, ensuring it is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teachers effectiveness and securing school improvement
- plan for effective monitoring, evaluating and reviewing of the School Development Plan to secure progress and school improvement
- ensure that the relevant LA Financial Regulations and Standing Orders or DfE requirements are adhered to
- set appropriate priorities for expenditure, allocate funds and ensure effective administrative control
- ensure that resources and staff are dedicated to ensuring the highest standard of achievement for all pupils whilst working to best value principles
- establish sound internal financial controls which are managed on a daily basis by the School Business Manager and Finance Assistant

- ensure the effective implementation of current financial systems, policies and procedures
- in conjunction with the School Business Manager, check the funds delegated by the LA are as expected from the information provided in the Autumn Term Pupil Census
- in conjunction with the School Business Manager, compile a draft budget balanced to the amount delegated to the school for Governing Board approval via the Resources Committee
- in conjunction with the School Business Manager ensure the production of regular, reconciled budget / financial reports
- obtain Governing Board approval for budget virements above delegated authority level
- consider and respond promptly to recommendations identified in Audit Reports and advise the Governing Board of remedial actions to be implemented
- prepare a charging and remissions policy for approval by the Governing Board
- ensure the maintenance of an inventory for all school items
- ensure the adequacy of the school's insurance arrangements
- implement the school pay policy and appointments procedures, reviewing staffing requirements and curriculum needs as necessary

The Deputy Headteachers

The Deputy Headteachers deputise for the Headteacher in her absence and at other appropriate times by undertaking all the duties of the Headteacher listed above. In addition, the Deputy Headteachers will:

- assist the Headteacher in the creation of the School Development Plan, ensuring it is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teachers' effectiveness and securing school improvement
- assist the Headteacher in planning for effective monitoring, evaluating and reviewing of the School Development Plan to secure progress and school improvement
- assist the Headteacher and School Business Manager in the compilation of the draft budget
- review the regular, reconciled budget / financial reports produced by finance staff

Finance Staff

The finance staff currently comprises of
School Business Manager (full time)
Finance Assistant (part time)
School Administrators (part time)

Each member of staff can undertake the duties of another to ensure that in the case of absence the finance office continues to operate effectively. A manual of financial procedures is kept in the finance office.

The School Business Manager

The School Business Manager's main duties and responsibilities are to oversee the financial processes, ensure procedures are in place to meet auditing regulations and seek value for money. The School Business Manager is also responsible for the preparation of the budget in consultation with the Headteacher and Governors and monitoring of spend. The School Business Manager is a member of the school leadership team and will attend meetings of the Governing Board Resources Committee.

Working with the Headteacher, the School Business Manager will:

- in conjunction with the Headteacher, check the funds delegated by the LA are as expected from the information provided in the autumn census
- in conjunction with the Headteacher, compile a draft budget balanced to the amount delegated to the school for Governing Board approval via the Resources Committee
- produce a regular reports for the Resources Committee to indicate current financial position and forecasts
- consult with the LA budget advisor to discuss budget
- monitor budget spending
- ensure the production of regular, reconciled budget / financial reports
- monitor all orders placed, checking value for money, and invoices received
- monitor all income received by the school from grants, donations or third party payments
- explore opportunities for income
- regularly review the School Fund account
- advise the Headteacher in respect of the school's insurance requirements
- ensure accuracy of payroll details on a monthly basis
- assist the Headteacher with appointments procedures
- provide accurate information to the LA regarding appointments, resignations, staff hours and job levels

- take overall responsibility for the provision of hot meals
- produce the annual census figures and termly returns to the LA.

The Finance Assistant

The Finance Assistant's main duties are to undertake the day to day financial processes relating to the delegated budget and the school's private funds. The Finance Assistant will attend meetings of the Governing Board Resources Committee.

Working with the Headteacher and School Business Manager, the Finance Assistant will:

- assist with the preparation of the budget
- ensure that the school's accounting system is reconciled with the LA figures on a monthly basis
- produce termly reports for all delegated fund holders;
- ensure expenditure is correctly recorded against relevant CFR (consistent financial reporting) codes to facilitate benchmarking exercises;
- review and develop financial management procedures on an annual basis and recommend changes as necessary
- maintain an inventory for school stock items
- seek approval for the disposal or write off of stock
- assume the day to day responsibility for placing orders, receiving goods and processing invoices
- maintain an orderly system of recording all transactions
- manage the School Fund account and arrange for annual audits
- ensure all financial records are retained as required under the Records Retention Policy
- update service contract list
- spot check the financial work of the school administrator
- spot check the records and returns for EEF system (nursery funding).

The School Administrators

The School Administrators duties include ensuring pupil numbers are accurately maintained, collection and banking of cash (for example for school trips) and the administration of lettings.

The School Administrators will:

- assist the Finance Assistant with placing orders, receiving goods and processing invoices
- assist the Finance Assistant with the maintenance of the inventory of school stock items

- take responsibility for the administration of instrumental music tuition.
- produce the detailed orders for school hot lunches including FSM
- assume the day to day responsibility for the receipt and banking of income for educational visits, swimming etc.
- assume responsibility for the secure holding of any income received into the school office
- assume responsibility for the administration of lettings
- ensure records are retained as required under the Records Retention Policy
- ensure accurate records and returns for EEF system (nursery funding).

The roles of the Head teacher and Deputy Headteacher are set out in job descriptions and in the School Teacher's Pay and Conditions Document. The roles of other staff are set out in their job descriptions.

Budget Holders

All teachers act as budget holders for their classroom stock. Subject co-ordinators act as budget holders for their subject. Budget Holders contribute to budgetary control ensuring that all expenditure provides value for money and is appropriate to intended outcome.

Budget holders will receive statements of their accounts upon request from the Finance Assistant and are responsible for managing their account:

- Place orders in line with school procedures and within budget and keep a record of commitments made
- Reconcile budget information with own records of income and expenditure
- Account for the use of the resources purchased from the budget under their control
- Inform the Headteacher of any irregularities on the budget reports.

All Staff

All staff will ensure that premises and equipment are maintained in good order and limit unnecessary damage in a way that minimises unbudgeted expenditure on repairs.

SECTION 2 - DELEGATED BUDGET PLANNING

Under the LA regulations the school is required to prepare a budget expenditure plan, including a costed staffing plan for the financial year in a prescribed form. The budget preparation is conducted by the School Business Manager and Headteacher in consultation with senior staff. When preparing the budget, consideration is given to forecasted income/expenditure for future years and where savings may need to be made or funds retained to meet future needs. A draft budget is analysed by the Governors' Resources Committee before submission to the full Governing Board for approval.

To assist in the preparation of the budget the following information is used:

- LA formula allocation for income, based on projected pupil numbers
- teacher costings projections
- non teacher costings projections
- Historical data on income and expenditure trends
- Benchmarking information
- Developments resulting from the School Development Plan
- Pupil Premium

Pupil premium funding to allocated to schools based on the number of pupils identified as eligible in the autumn term school census under the categories of Looked After Children, Free School Meal Children, Free School Meal Ever 6 children and Forces children. Funding is received based on census data. However, any PP child who joins the school in an in-year transfer and is not included in the latest census data will have PP funding allocated from the main school budget. Schools do not have to spend pupil premium so it solely benefits eligible pupils. They can use it wherever they identify the greatest need. For example, they might spend it on pupils who do not get free school meals but have or have had a social worker or act as a carer. Using pupil premium funding to improve teaching quality is the most effective way to improve outcomes for disadvantaged pupils. By doing so, schools will inevitably benefit non-eligible pupils as well. The expenditure of Pupil Premium is fully accountable for audit purposes.

The budget is approved by the Governing Board in May each year. Details of approved budgets are forwarded to the Local Authority by 1st June with any subsequent budget changes forwarded during the financial year.

Carry forward of savings/deficit

The Governors approve an annual budget for the LA funds based on a break even unless specifically approved by the LA due to agreed circumstances. Any carry forward of surplus is to be within the amount permitted by the LA, if a restriction is placed. The Resources Committee regularly monitors the potential under/overspend and makes adjustments to the annual plan where necessary and/or possible.

SECTION 3 - BUDGET MONITORING

Responsible Officers:
Governors' Resources Committee
Headteacher
Deputy Headteacher
School Business Manager
Finance Assistant
Budget holders

The approved delegated budget is monitored and controlled using the Business World software package. To comply with CFR the budget is loaded into the system in income and expenditure activity groups. This level of information is designed to give a clear picture of the overall activity of the school account. However, budget holder information is recorded at a greater level of detail and allocated to cost centres rather than ledger groups. The overall allocation of income and expenditure, in both ledgers and cost centres should not show a deficit.

- CFR income and expenditure reports are produced monthly and analysed by the Finance Assistant.
- Budget holders keep commitment records and receive print outs of their cost centres on request for reconciliation purposes.
- Management accounts are compiled for the Headteacher and Governors prior to each termly Resources Committee meeting, using consolidated information from CFR reports and budget plans. In addition summary financial reports are issued monthly and distributed to all members of the Resources Committee.

SECTION 4 - PURCHASING/TENDERING

The school will always consider price, quality and fitness for purpose when purchasing goods or services. The school procedure for routine purchasing is to place orders with suppliers providing best value for money, using Herefordshire Council's approved list of contractors when appropriate and CIS requirements.

REVENUE BUDGET

Budget holders are authorised to commit expenditure in line with their departmental plans and agreed budget allocation. Requisition orders must be completed and signed by budget holders for processing and entering on to the accounting system as a commitment. Official orders are signed according to the expenditure limits set out below:

- Headteacher £100,000
- Deputy Headteachers £25,000
- School Business Manager £5,000

The Governing Board will review and approve changes to the Authorised Signatories and Financial Limits on an annual basis.

Orders for single items require quotes as follows:

Total	**Requirements**	**Shortlisting**
Under £2,000	2 quotes*	Budget holder
£2,001-£10,000	3 written quotes **	Headteacher, Deputy Headteacher, School Business Manager
£10,001-£25,000	3 written quotes	Headteacher and one other (either Chair of Resources or Chair of Governors or Vice Chair of Resources)
£25,001-£100,000	Formal written specification submitted to at least 4 candidates, at least 3 written quotations to be received	Headteacher, Chair of Governors, Chair of Resources or Chair of Governors or Vice Chair of Resources. Must be considered by the full Governing Board.
Over £100,000	Referred to LA.	Headteacher, Chair of Governors, Chair of Resources or Chair of Governors or Vice Chair of Resources. Must be considered by the full Governing Board.

*NOTE: for items of small value purchased from a supplier whose prices and service are regularly monitored against other suppliers, or for Dell equipment and consumables (only a limited amount of Dell equipment available from other sources), it is not always necessary to obtain quotations.
These recommendations are in line with Local Authority formal guidance.

For areas of property maintenance where regular contractors are engaged by school for annual maintenance contracts, and remedial works are identified, quotations for these works may only be requested from that contractor but these quotations will be assessed to ensure value for money.

The school where possible will make use of DfE approved frameworks for purchases of goods and services under £2000. These frameworks are pre-approved to ensure best value for price, quality and service.

In exceptional circumstances (e.g. urgency or lack of potential suppliers) the Headteacher/Deputy Headteacher may authorise immediate action/decision one level above that normally required without the requirement for quotations, in consultation if possible with the Chairperson of the Resources Committee or Chairperson of the Governing Board. In such cases, full justification of this action must be provided to the Resources Committee at the earliest opportunity. For values over £25,001, the Governing Board as a whole may vary the quotation requirements.

In the event of not receiving the required number of quotations, guidance will be sought from the LA.

The quotes must be submitted to the Finance Assistant for safekeeping.

In circumstances where it is apparent that the original allocation in a particular area will be insufficient to meet necessary expenditure, requests for amendments must be made to the Headteacher.

CAPITAL BUDGET

Works are identified by the Headteacher and School Business Manager and referred to the Resources Committee. At the termly meetings the committee will review works completed and discuss future projects. The School will request assistance from the LA for tenders exceeding the threshold of £50,000. The school therefore does not get involved in the tendering process apart from deciding who to award the contract to.

Total	**Requirements**	**Shortlisting**
Up to £5,000	2 quotations	Headteacher, Deputy Headteacher, School Business Manager
£5,001 - £25,000	Three written quotations	Headteacher, Deputy Headteacher, School Business Manager
£25,000 - £50,000	Four written quotations	Resources Committee for recommendation to full Governing Board.
Over £50,000	LA will be asked to co-ordinate tendering on behalf of School.	Resources Committee for recommendation to full Governing Board.

In the event of not receiving the required number of quotations, guidance will be sought from the LA.

Each project is signed, dated, recorded and filed for reference

SECTION 5 - ACCOUNTING PROCEDURES

Separation of Duties
No one officer should be able to complete the chain of processes including ordering, certification of invoices and payment without an independent verification and approval. The operating system for the LA Budget is Business World, the system for Private Funds is Excel. Two members of staff are able to operate these systems (currently the SBM and Finance Assistant).

Expenditure
Orders for Goods and Services
The purpose of placing orders is to ensure that the acquisition of goods and services is made in accordance with the approved annual budget plan and to reduce the risk of fraud. Only one type of order is currently used – these are requisition orders.

<u>Requisition Order</u>
A standard requisition order form is available from the Finance Assistant. Budget holders complete and sign with details of purchase (catalogue numbers, unit prices, quantities etc) and the cost centre to be debited. The Finance Assistant creates a requisition order by entering the commitment into the appropriate cost centre on Business World and alerting budget holders to potential overspend. These requisitions are then approved by the Headteacher/School Business Manager in accordance with the financial authority limits set in a previous section. They then become official Purchase Orders. In addition, small value property repair orders are raised by the Finance Assistant as required on Business World. All orders to be overseen by the School Business Manager or the Headteacher/Deputy Headteacher to ensure adequate funds are available within the budget.

Contracts and Leases
<u>Contracts</u>
Property Contracts are managed directly by the school.

The school places orders directly with the contractor and pays the contractor invoices directly.

Direct management of service contracts relates to the following provision:

- Grounds maintenance (retendered every 3 years via Herefordshire Council)
- Mechanical heating plant inspection, testing and maintenance
- Electrical inspection and testing (excluding PAT testing)
- Catering supplies (school lunches)
- Telephone system maintenance

- Office equipment maintenance
- Cloakroom services and water cooler
- Fire fighting equipment inspection and testing
- ICT support

All documentation relating to school contracts is maintained in a service contracts folder managed and retained by the Finance Assistant.

All service contracts are reviewed by the Governing Board every 3 years.

<u>Leases</u>
No leases currently exist.

Payment of Accounts
Every invoice must show the school address, full details of goods/services supplied, order number and, where VAT is charged, a correct VAT number. If a copy invoice is to be processed, a check must be made to ensure a duplicate payment is not made – a certification of this fact must be made on the copy invoice. Invoices are submitted to LA as soon as possible for payment. The school aims to pay all correctly certified invoices within 30 days of the invoice/tax point date. To ensure separation of duties the following process is used:

- Goods certified as received and prices must be checked by Finance Assistant/School Administrator against authorised requisition from budget holder. Goods are receipted on Business World which gives authorisation to the LA to pay the invoice.
- Payment of an invoice is approved at point of order by the Headteacher/School Business Manager.
- Invoices are double checked against the delivery note and order and forwarded to the LA for payment in PDF format.

Where applicable, checks are undertaken to ensure that individuals claiming self-employed status qualify. Copies of the relevant Inland Revenue declaration should be produced by self-employed individuals and copies retained by the school. Contractor checks should also be undertaken, if not already on the LA approved list.

Cheques for payment from the private funds are hand written and signed in accordance with the Bank mandate (see School Fund section below).

Income
Income received is recorded using Business World for the LA budget (in conjunction with the Parent Pay system) and Excel for Private Funds.

<u>Budget Income credited from the Local Authority</u>
(a) Formula based income. The resource allocation formula determined by the Local Authority is calculated according to pupil and non pupil factors. The pupil based

component, including nursery income, draws on data relating to pupil numbers, ages, special educational needs and disadvantaged pupils. The non pupil based component draws on data related to premises, such as area of premises, type and age of premises, and condition of premises.

<u>Other income</u>

(a) Charges to Parents.

Music lessons are provided by peripatetic music teachers who are accredited by Encore (the Herefordshire Music Service). The teachers charge pupils directly for the lessons. The School Administrators monitor the charges made by the teachers to ensure that they are in line with expectations. Pupils may hire instruments directly from Encore.

- Voluntary contributions for school trips, swimming etc. are received by the School Administrators. School uses the Parent Pay system to collect contributions as well as accepting cash payments. All income is recorded on class lists with the amount received recorded against the child's name. The School Administrator records all income and information is entered onto Business World via Journal by the Finance Assistant. Herefordshire Council receipts are issued for cash income in excess of £15. The Parent Pay System transfers income directly into the school bank account. For cash, an official bank paying in sheet is completed which is stamped by the bank/post office.
- School Lunches – School uses the Parent Pay system to collect dinner money from parents as well as accepting cash payments. The Parent Pay system pays the income directly into the school bank account and the cash is banked under the usual banking arrangements, as for trips etc. All lunch orders are recorded on Excel against each child's name on a weekly basis. School orders the required meals from Elite Catering Ltd on a weekly basis. Elite Catering invoice the school for the cost of free school meals and paid meals.
- Milk - Milk is provided free to pupils under the age of 5. Pupils in Reception reaching age 5 may continue to have milk at a subsidised rate, paid for by parents. School milk is also provided free to those pupils in receipt of benefits assessed free school meals who request it. School uses a company called Cool Milk to administer milk purchases directly with parents.

(b) Private telephone calls and private photocopying – cash collected from private photocopying and telephone calls in collected in the school office and stored in the safe. The cash is counted by two members of staff and banked. An official bank paying in sheet is completed which is stamped by the bank. The income is then recorded onto Business World via journal by the Finance Assistant.

(c) School Lettings – the school's facilities are used by community groups outside normal school teaching time and produce income. The governors have approved a Lettings Policy. The master copy is held in the School office. The lettings diary is managed by the School Administrator, and the rates of hire are determined by the Governors ensuring heating, lighting and caretaker costs are covered. The process is managed using LA approved lettings application forms signed by both the hirer and an authorised signatory in school. The Finance Assistant raises a Sales Order on Business World and an invoice is then issued by the LA.

(d) Grants and donations – sundry grants and donations are received from organisations such as the Town Council. Cash or cheques payable to Herefordshire Council are paid directly into the bank. Cheques payable to Ledbury Primary School are put into the amenities account and the same amount transferred to Herefordshire Council. An official bank paying in sheet is completed which is stamped by the bank.

(e) Nursery Fees – pupils aged 3-4 years are entitled to 15 or 30 hours per week free nursery education. Also some 2 year olds are entitled to 15 or 30 hours per week funding. The School Administrator sends a funding claim to the LA each term and funding is paid directly into the school budget. If not all the free entitlements are taken up, parents may elect to pay for additional sessions. Sessions for 2 year olds may also be paid for by parents/carers. In addition, school provides nursery wraparound care which is payable directly from parents. All of these are invoiced directly to the parent by the Finance Assistant and funds paid into the budget via Natwest Bank/Post Office.

(f) Breakfast and After School Club: Larks and Owls – parents may pay for extended services via Parent pay, by childcare vouchers or on the receipt of an invoice. The Finance Assistant monitors the attendance registers and charges are made accordingly. Receipts are paid directly into the Nat West bank/Post Office or via the Amenities account if parents pay by direct bank transfer.

(g) Debt recovery arrangements – for non payment of lettings charges, the LA will recover the debt through their debt recovery system. Where payment of an invoice for Nursery Fees is not received or a cheque returned, the Finance Assistant/School Administrator will contact the parent and request payment. If the payment is not received, the School Business Manager will cancel the Nursery place and will try to recover, within 30 days, the amount outstanding to the date of cancellation. Efforts will be made to arrange flexible payment plans to assist any parents suffering financial difficulties. Any outstanding amount not recovered will be written off as bad debt.

Banking

<u>Delegated Budget</u>

- Deposits are made into the National Westminster Bank via the Post Office.
- The school does not enter into any loan agreements, other than with the Local Authority.
- The School Administrator/Finance Assistant takes income to the bank, accompanied by another member of staff when cash over £250 is carried.
- Income is banked at least twice a week. Visits are made at irregular times to ensure security.

Private Funds

- Two bank accounts are held for private funds – termed the "Amenities Fund": a deposit account which accrues a small interest rate and a current account for the day to day transactions. Transfers are made between the two accounts by the Finance Assistant after authorisation by the School Business Manager.
- Regular bank statements are received and are reconciled monthly. Any discrepancies are immediately investigated.
- All bank reconciliations are carried out by the Finance Assistant and authorised by the School Business Manager
- Individuals should not use their private bank accounts for any payment or receipt related to the School Fund.
- The bank accounts are not allowed to go overdrawn nor can an overdraft facility be negotiated.
- All cheques must bear the signatures of two signatories approved by the Governing Board. Signatures must be manuscript signatures only and cheques should not be pre-signed.
- All cheques are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- A bank mandate is current and held by the bank. It is updated regularly to ensure accountability and security when there is a change in staff. An up to date list of bank accounts and signatories is held in the Finance Office.
- The School Administrator/Finance Assistant takes any income to the bank relating to the private funds, accompanied by another member of staff for cash amounts in excess of £250. The private funds are required to be audited annually by an independent auditor, currently Green Dawn Accounting of Ledbury.

VAT

The School complies with the Herefordshire Council VAT manual, held in the Policies and Procedures file.

Reconciliation of Accounts

Accounts are reconciled to:

- Bank statements – at least once a month – Imprest account and private funds
- Herefordshire Council Business World – New system from March 2019 – there is now no need to reconcile monthly as all records are held centrally by Herefordshire Council. However, the Finance Assistant will make regular checks on income and expenditure transactions to make sure all are correct. This will include the reconciliation of paying in slips to Business World.
- CFR (Consistent Financial Reporting) – monthly reports are scrutinised by the Finance Assistant/School Business Manager to highlight and correct any errors.

Production of Reports
Budget holders receive termly print outs of their cost centres as a matter of course, or on request.

Governors receive monthly reports of spending against budget and statements of significant variances and budget virements required etc.

Reports produced for Private Funds are reviewed by the Governors' Resources Committee.

Internal Audit Arrangements

School finance, personnel, and statutory policies and procedures are now reviewed against the financial standard SVFS. There are currently no formal arrangements for audit by the Local Authority. However, all schools are required to meet the control procedures of SVFS and submit evidence of compliance with the standard to the School Finance department. This evidence is reviewed by the LA and further details or clarification may be requested.

In addition to the above, a continuous audit of systems and procedures within individual school departments will be carried out. The informal audit will review information available from the following sources:

- Monthly print outs of cost centres
- Regular reports submitted to the Resources Committee
- Departmental development plans (particularly income and expenditure plans)
- Departmental reviews conducted by the Headteacher.

Where issues over systems and procedures emerge from the above data, the Resources Committee will conduct a formal audit within the area of concern, and agree an action plan with the budget holder to reduce identified risks.

PAYROLL
Procedures regarding the appointment of staff and authorisation for changes to contracts and hours follow LA guidelines.

Payroll Reports
Monthly payroll reports are reported within Business World. The School Business Manager is responsible for checking that only staff employed by the school appear on the report and that any staffing changes have been implemented.

Staff Claims

Travel and subsistence

All claims for travel and subsistence consistent with employment at the school are reimbursed via the payroll. Claim forms (available from the admin office) must be completed with full details of journey, miles or public transport costs claimed, and the reason for travel. Receipts should be obtained for all subsistence and public transport claims. Mileage will be paid at the LA rate. Mileage claims will be subject to random verification by the School Business Manager. Where possible and applicable, staff are encouraged to share transport. Claim forms must be passed for payment by the end of each month, signed by the claimant. Completed forms are certified for payment by the Headteacher and sent for processing to Herefordshire Council.

Non-teaching staff overtime

Overtime will only be worked by staff for a specific purpose with the prior approval of the Headteacher. Overtime hours are recorded on timesheets with the reason for the overtime given, and signed by the member of staff. At the end of each month, the Headteacher or School Business Manager will authorise the claim forms and then send to the LA for processing.

LA Budget Imprest and Credit Card

Total Amount: £30,000

The Imprest account total for cash and cheque reimbursement for small purchases made by members of staff on production of an appropriate receipt is £4,500. Stamps are held to a max. value of £500.
For details refer to the Herefordshire Council Accounting Guidelines G2 Petty Cash Imprest Account.

Credit Card Purchases

Credit Card Limit £5,000

Staff are able to access purchases on line through the finance office as the school has a Government Procurement Card assigned to the Budget Imprest Account.
For details of the procedure please see the Credit Card procedure in the policies file.

- The Government Procurement Card (GPC) is held securely in the safe
- Staff raise orders in the normal way (see financial procedures)
- Only the Authorised Signatories; Headteacher, Deputy Headteacher and School Business Manager approve spend on the GPC
- School Finance Assistant accesses the website and places the order
- Card is replaced in the safe
- Confirmation of purchase is printed and recorded with petty cash purchases.
- On delivery, the goods are checked by the Finance Assistant and the receipted invoice (date stamped) is married with confirmation of purchase

- Claims are incorporated with petty cash claims at month end
- Transactions are limited to purchases of £5,000 per month
- Single transactions are limited to £3000.

School Fund
The purpose of the School Fund is to receive donations e.g. charitable donations. Some donations may be to fund a specific project, and the money may be transferred immediately to the delegated budget.

The accounting system, Excel, is operated by the Finance Assistant; banking arrangements are set out in 'banking' section.

The operating procedures for the School Fund are described in the appendix "Ledbury Primary School Amenities Fund".

Insurances

The school insures via the government backed Risk Protection Arrangement. It offers comprehensive risk protection by covering losses that school might incur due to unforeseen events, effectively acting as a form of self-insurance. School pay an annual fee based on pupil numbers, and the government covers the cost of losses within the scope of the membership. Coverage includes the following:

- Public liability – insures against claims for personal injury or damage to third party property
- Employer's liability – insures against claims for personal injury or damage to property brought by a member of staff whilst at their place of employment
- Buildings and contents
- Flood and Fire
- Personal (covers death and serious injury) – staff, governors and volunteers
- Fidelity Guarantee – protects LA budget against loss by any fraud or dishonesty
- Contents – balance of risk policy tops up cover already purchased under building above – covers against theft and accidental damage to contents
- Fidelity guarantee – protects private funds against loss by any fraud or dishonesty
- Cyber security protection
- School journey on and off site – insures pupils and any accompanying adult for personal injury sustained due to an accident whilst engaged in an off site activity arranged by the school – also includes a full travel policy for UK and overseas.

  Occasional business use car insurance is purchased from a separate company Marsh Ltd.

Inventories

School inventories record items of material value for the following purposes:

- To prove ownership of items in the event of an insurance claim against loss
- To promote good custodianship of departmental resources

<u>General Inventory</u>

An inventory register is held on an Excel spreadsheet for individual items of equipment to the value of £200 or more and all portable electrical items. The register can provide a printout of all assets held by location/department/asset type and this is certified by the relevant responsible person.

An asset check/statement will be produced annually. The general inventory is stored on an Excel spreadsheet and also a hard copy of the most recent stock check is held in school and a hard copy is also kept off-site.

<u>ICT Inventory</u>

An inventory of all ICT equipment is held on an Excel Spreadsheet.

There is a requirement for an annual stock check by an independent person for both the General and ICT inventory. The completed inventory is signed off by the Headteacher after each stock check. Any discrepancies will be investigated by the Headteacher. A discrepancy over £500 will be referred to the Resources Committee. A copy of the inventory is held offsite by the Finance Assistant.

<u>Equipment taken offsite</u>

Staff are required to sign for any equipment taken offsite. For items frequently used offsite, such as laptops, the member of staff complete a form at the beginning of each school year giving details of the relevant equipment including model and serial number. For items borrowed on short term loan, staff will complete a loan form giving details of the item, at the time of borrowing and upon return of the item.

<u>Disposal and write offs</u>

Staff wishing to dispose or write off equipment should complete the appropriate disposal form and seek authorisation from their line manager. A copy of the form should be sent to the Finance Office.
The Resources Committee will consider any disposals at Resources Committee meetings and give authority to the Headteacher to dispose. Consideration will be given to selling the items, donating items to charity or recycling.

A procedure on the Inventory is held in the policy and procedures file.

Stocks and Stores

<u>Deliveries</u>

All deliveries arrive at the main school reception. Goods are signed for by office staff. The Finance Assistant or School Administrator will check the delivery against the order and distribute to the recipient.

Stocks – teaching
Each class maintains its own record of stationery and resource materials.
Allocation of books to pupils is monitored by the class teacher for class books and the literacy co-ordinator for library books using the computerised library system, Libresoft. Learning resources are not listed on the general school inventory.

Stocks – administration
Stationery stocks are held in the admin office for administration staff. Reprographics stationery and consumables are managed by the School Administrators and stored in the reprographics storage cupboards.

Stocks – cleaning
Stock ordered by the Relief Caretaker are stored in locked cleaners' cupboards located around the school site.

Security
The Headteacher holds responsibility for the security of the building and its contents. The responsibility is shared with a number of personnel who act as keyholders. The detailed list of keyholders is held by the Local Authority Commissioning and Improvement Department, People's Services, and the organisation responsible for monitoring the alarm systems (Sentinel Security).

Buildings
The nominated keyholders are the Headteacher, School Business Manager and Relief Caretakers. All have a code to activate or deactivate the alarm system maintained by Sentinel Security. Out of school hours, the alarm system is monitored by a custodian service who will contact a keyholder and also the police in the event of an alarm activation. In the event of a false alarm an abort procedure is known to the keyholders. Police attendance cannot be guaranteed; therefore staff should not enter the building in an alarm situation until assistance has arrived. The buildings are normally opened and secured by the Relief Caretakers.

Security codes are changed regularly and in any event when there is a change of nominated keyholder staff.

Cash
Cash receipts awaiting banking for school trips, lunches and other miscellaneous income are held in the school safe. The maximum amount of cash kept in the safe at any time is £1000.
All cash receipts are banked at least twice weekly.

Up to £500 cash is held in Imprest. This is held in a locked cash box inside the school safe.

Financial Information
Current financial information is stored securely in a locked office. Retained information is securely held.

Data
All pupil data is currently held in cloud based software. Finance data is held in the cloud on Microsoft 365.

Retention of Financial Records
All current year and preceding year financial records are retained and filed in the Finance Office. Previous years' records are stored securely and accessible to finance staff only. The following records are retained for 6 years (in addition to current year) before they are destroyed:

- Budget files
- Orders and requisition
- Delivery documentation
- Invoices
- Bank account records
- Cashbooks
- Debtors' records
- Budget monitoring tabulations
- Lettings' records
- Music account records (historical only)

Risk Management
The Governors have approved a Risk Management Policy.

Appendix 1

LEDBURY PRIMARY SCHOOL

TERMS OF REFERENCE 2024-2025 – RESOURCES COMMITTEE (including Personnel, Premises, Finance and Health and Safety

Reviewed	**September 2021**	**Version 1.3**
	September 2022	**Version 1.3**
	September 2023	**Version 1.3**
	September 2024	**Version 1.4**
	September 2025	**Version 1.5**

Membership

The committee will be elected annually at the first meeting of the Governing Board of each academic year.

The committee will consist of at least three Governors, none of whom should be employed by the school, in addition to the Headteacher (or her representative) and the School Business Manager. The chairman of the committee will be elected annually at the first meeting of the committee. The chair should not be employed by the school. The minutes will be taken by the Finance Assistant.

2024/2025 Committee

Mr. Simon Burchett (Chair) Mr. Kevin Adams
Mrs. Lyn-Marie Norton Mrs. Diane Paxton
Mrs. Rachel Ussher

Meetings

The committee meets four times a year. A quorum is at least two governors and the Headteacher or chair of governors.

Powers

The committee has the power to review and approve the policy documents stated in the objectives. The committee will consider other issues relevant to its stated objectives and make recommendations to the full Governing board.

Aims

Identifying priorities for improvement and deciding allocation of resources.

- Identify key priorities for improvement using the school's self-evaluation and external evaluation reports, including OFSTED.
- Plan a staffing structure that will deliver the key improvements identified and ensure best value for money.
- Allocate financial resources, to enable key priorities in the School Development Plan to be achieved.

- Propose an annual budget, to the Governing Board, built on achieving key priorities and accurate forecasts of spending, that ensures our key aims of excellent learning and high achievement are achieved for current pupils, whilst ensuring adequate but not excessive resources are available for future years.
- Prepare and review financial policy statements, including consideration of long term planning and resourcing.
- To provide support and guidance for the Headteacher on all matters relating to the financial running of the school.

Monitoring income and expenditure and ensuring financial control through this committee.

- Monitor the execution of the budget by considering at each meeting a financial monitoring report detailing actual expenditure and income against the school budget, and forecasts for the end of year position.
- Where necessary decide amendments to the budget to address changes in priorities and spending patterns, during the school year.
- Consider monitoring reports on the school fund and ensure that the school fund is spent in accordance with its aims. To ensure the audit of non-public funds for presentation to the Governing Board.
- Consider any action plan produced by the SBM to ensure recommendations in the Audit Report are carried out. Monitor implementation of the action plan to ensure good financial control and best value for money are achieved.

Monitoring and evaluating key School Development Plan priorities

To ensure that school expenditure supports and develops the key school targets.

Other

- Discuss other items as recommended by the Governing Board.
- Provide guidance and assistance to the Headteacher on other matters relating to budgeting and finance.
- Agree the level of delegation to the Headteacher for the day-to-day financial management of the school.
- Oversee the preparation, tendering, adoption and implementation of contracts up to a maximum of £20,000.
- Be responsible for making recommendations to the Governing Board on 'Charges and Remissions.'

Objectives

To ensure that the school has the following policies and that they are updated as per the review dates below.

Policy	Review Date
Health and Safety Policy	Autumn Term 1
Finance policy	Autumn Term 1
Charging and Remissions Policy	Autumn Term 1
Best Value Statement	Autumn Term 1

Governor Allowances	Autumn Term 1
Fire Safety Policy	Autumn Term 1
Cyber Response Plan	Autumn Term 2
Data Protection Policies/Privacy Notices	Autumn Term 2
Teachers Pay Policy – adopted from the L.A policy	Autumn Term 2
Critical incidents Policy	Autumn Term 2
Volunteer Policy	Autumn Term 2
Business Continuity Plan	Autumn Term 2
First Aid Policy	Spring Term 1
Administering Medicines	Spring Term 1
Pupils with allergies	Spring Term 1
Intimate Care Policy	Spring Term 1
Lettings Policy	Spring Term 1
SVFS and Statement of Internal Control	Spring Term 1
Food Policy	Spring Term 2
Food Safety	Spring Term 2
Lone Working	Spring Term 2
Premises Management Policy	Spring Term 2
Managing Violent or Aggressive Behaviour	Summer Term 1
Menopause Policy	Summer Term 1
Nursery Admissions	Summer Term 1

A. With specific reference to pay

1. To achieve the aims of the whole school Pay policy in a fair and equal manner
2. To observe all statutory and contractual obligations.
3. To minute clearly the reasons for all decisions and report these decisions to the next meeting of the full governing board.
4. To carry out the annual review of the salary levels of the teaching staff, following reviews carried out by the Head, as part of the School's Performance Management Policy.
5. To ensure there is representation made to the Finance Committee, so that the annual budget or staffing budget for pay is agreed.
6. To nominate to the governing board the Panel of Appointed Governors to carry out the Head's Performance Review.
7. To appoint and work with the External Adviser.
8. To carry out the annual salary review of the Headteacher taking into account the findings of the Appointed Panel carrying out the Head's Performance Review.
9. To keep abreast of relevant developments and to advise the governing board with the school's pay policy needs to be revised.
10. To work with the head in ensuring that the governing board complies with the Appraisal Regulations.
11. To work within the requirements of the Equality Policy.

B. With specific reference to the personnel matters

1. The Headteacher has responsibility for the recruitment of non- teaching staff. Members of the Resources Committee will be involved in the selection of teaching staff (other Governors may be co-opted)

   All governors will be involved in the recruitment of a Head or Deputy Head.

2. To be kept informed by the Head of any changes in the staff complement or changes in responsibilities of the current staff. Committee members should be aware of the current staff complement, both teaching and non-teaching, and of their current responsibilities.

C. With specific reference to Health and Safety matters

1. To ensure that the School complies with prevailing Health and Safety Regulations and relevant Codes of Practice, and responsibilities of the Governing Board and the Local Authority in relation to premises, including adherence to Disability Discrimination Act.

2. To ensure that the School has a risk management programme and appropriate insurance arrangements in place.

3. To ensure that the committee completes an annual Health and Safety Audit, receive regular updates from the SBM on health and safety issues and liaise with the Headteacher about appropriate action.

4. To review and approve annually the school's procedures for financial monitoring and control and health and safety and building management, and liaise with the Headteacher on specific aspects of those procedures

5. To ensure that Local Authority guidance on educational visits is followed and, if necessary, seek specialist advice, to inform the school's policy, practices and procedures relating to the health and safety of pupils on educational visits.

6. To ensure that the Headteacher and Educational Visits Co-ordinator are supported in matters relating to educational visits and that they have the time and expertise to fulfil their responsibilities.

7. To ensure that the school is following any relevant procedures, including incident and emergency management systems as recommended by the DfES/LA or Governing Board.

A governor who is not a member of a committee can attend a committee meeting by prior arrangement with the chair of that committee on matters of mutual interest. This must be agreed in advance and be planned for on the Agenda. The governor will have no voting rights.