



Budget Management Policy

Rowlands Gill Primary School

Date: December 2015

Ratified by Governors: December 2015

Review Date: December 2017





It is the aim of the Governing Body to ensure that all resources made available to the school are used in an efficient and effective manner. This will be achieved by applying the principles of Best Value and operating in such a way that ensures the school meets the requirements of the DCSF (Department for Children, School and Families) Financial Management Standard for Schools. Financial decisions will be made after consideration of:

- i) priorities as identified in the costed school development plan.
- ii) the needs of the pupils and staff of the school.
- iii) the need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the Governing Body.
- iv) the resources made available to the school.
- v) conditions and requirements laid down in the Authority's approved LMS (Local Management of Schools) Scheme and associated LMS procedure rules

ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

1. Roles and Responsibilities

- (i) The Governing Body has a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Authority's Standing Orders and Financial Regulations.
- (ii) A Finance Committee made up of at least three members of the governing body (with the Head teacher in attendance, whether or not they are a governor) will be established and will meet at least once a term. It will work to Terms of Reference as agreed by the full governing body annually in the autumn term (see autumn term governing body minutes for terms of reference). The committee will consider termly monitoring statements as a minimum (in some cases monthly reports may be considered to be more appropriate) and will consider the school's budget and long term financial forecast at the appropriate times. The Committee will submit a brief summary report/minutes to the full governing body at least once per term.
- (iii) The Headteacher will assume day to day responsibility for the budget and will under a scheme of delegation approved by the Governing Body annually in the spring term (see spring term governing body minutes. The Headteacher will be assisted by the School Admin Officer in the proper



processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must observe satisfactory probity and regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets.

(iv)

All documentation of accounts and finances will be kept in accordance with Local Authority's Manual of Financial Procedures for School. Procedures for keeping accounts will be in accordance with the Local Authority's LMS Financial Procedure Rules. A copy of the schools most recent auditor's report will be available for inspection by Governors and OFSTED.

2. Pecuniary interests

Governors and staff of the school will be required to complete on an annual basis a Register of their Business Interests and declare any links they have with any firm from which the school may wish to buy goods or services.

BUDGETS

1. Aims and Objective

The Finance Committee together with the Headteacher will consider the agreed School Development Plan, which shall cover a period of 3 years, and will provide costings both for maintaining the required level of existing educational provision and also for proposals to develop the school's short, medium and long term aims and objectives as identified in the Plan. Such consideration will include the determination of an appropriate level of general contingency (either an amount (£?) or a % of the annual budget) and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies linked to the development proposals in the School Development Plan. It is recognised that finite resources will lead to a need to place proposals into some kind of priority order and to accelerate/delay some spending plans as circumstances change.

2. Budget Timetable

The Headteacher will prepare for consideration by the Finance Committee:

- i) A proposed starting budget and long term financial forecast in February/March when the schools Section 52 statement of resources has been received.
- ii) An updated budget and forecast during the Autumn Term to reflect any staffing changes or updated spending plans.



- iii) Monthly monitoring reports to be considered by the Finance Committee at least once a term with a brief report/minutes to the Full Governing Body. Reports will reflect both sums paid, sums committed and estimated expenditure for the remainder of the financial year, against approved budget headings and will be reconciled to the Local Authority's financial tabulations statements
- iv) An out-turn statement for the Governing Body to consider performance in the previous financial year.

3. Best Value

The Governing Body will have regard to the principles of Best Value when making decisions about how the available resources to the school are to be utilised. In order to do this the Governing Body will have regard to relevant documentation and guidance (e.g OFSTED, Audit Commission and DCSF publications). Please refer to SFVS (Schools Financial Values Standard) to define best value principles.

4. Financial Management Standard and Toolkit

The Governing Body will have regard to The Financial Management Standard and Toolkit in order to evaluate the quality of their financial management and to aid in training staff to become better financial managers.

Every three years the Governing Body, (Finance Committee), Senior Management Team and School financial staff will self-assess themselves against the Standard to satisfy themselves and external stakeholders that they are managing their finances well and to learn how they could improve their policies and practices.

5. Financial Self Evaluation

The Governing Body will ensure that the school annually undertakes financial self evaluation procedures. This work will include:-

- The benchmarking of per capita income and expenditure and associated data e.g. staffing structures, with schools of a similar type and size using the available national and local databases

6. Review of Contracts for Services

The Finance Committee will review the quality, cost and impacts of services purchased from outside providers (including the LA) on an ongoing basis and before contracts are renewed. To assist in this process the Headteacher will prepare a schedule detailing the service contracts together with values and renewal dates in order that priorities for review can be determined. The Finance Committee has delegated authority to approve contracts for services.



7. Level of Revenue Balances

The Finance Committee will annually review the level of balances held by the school and make recommendations to the Governing Body. In making its recommendations the Finance Committee will indicate an optimum level of balances which has regard to the specific issues facing the school and acknowledges that resources are allocated to schools on an annual basis based on the number of pupils in school at that time.

In determining this regard will be had to the Local Authority (LA) policy which states that subject to exceptional circumstances approved by the LA the following maximum limits will be applied:

Nursery, Primary & Special Schools: 8% of budget, Secondary Schools: 5% of budget.

8. Submissions to the LA

Budget and Forecast

The Governing Body after approving the current budget and forward plan, will send a copy to the LA by the end of the first half of the summer term each year. The Governing Body will not submit a deficit budget unless there are exceptional circumstances and advice and written agreement have been received from representatives of the LA bearing in mind that deficits require the prior approval of the Corporate Director of Financial Services and the Corporate Director Children and Young People's Services.

The Governing Body will submit an updated budget forecast (current year plus two years) by the end of the autumn term.

Consistent Financial Reporting (CFR) Return

The Local Authority will prepare and submit the school's CFR Return.

Statement of Internal Control

The school will submit a Statement of Internal Control to the Internal Audit Section of the LA within three months of the year end.

9. Virement Procedures

Requests by the Headteacher for the virement of funds outside the scope of the Scheme of Delegation to the Headteacher (see spring term minutes) will be considered by the Finance Committee and be subject to their "minuted" approval.

10. Quality of Information

It is expected that the financial information received by Governors will be relevant, timely, reliable and easily understood.



11. Extended Activities

The Governing Body will discuss, decide and minute their intention to use school budget funding or Standards Grant to aid in the funding of extended school activities.

12. Capital Expenditure

The Finance Committee will give consideration to the use of the schools devolved capital allocations in the light of the priorities identified in the School Development Plan and then make recommendations to the Governing Body. Once considered by the Governing Body any plans for capital expenditure will be submitted to the authority for approval in accordance with the Authority's Procedure for Devolved Formula Capital.

13. Documentation

All financial systems and procedures carried out in the school will be in accordance with the LA Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher, the Bank Accounts for Schools Scheme and LMS procedure Rules. A copy of these documents will be readily available and kept up to date.

14. Purchasing

Where a single purchase of more than £2,500 is involved, quotations will be sought from at least 3 suppliers and Governors consulted before a purchase is made. For purchases in excess of £20,000 tenders will be obtained as laid down in the LMS Contract Procedure Rules.

The Governing Body requires school staff to follow official ordering procedures at all times. Verbal orders will be followed up by a written confirmatory order. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the schools computerised financial system.

15. Procedures and Security

The school will make use of a computerised financial monitoring package approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable. Security passwords will be maintained on the computer and documentation will be kept in a secure location. Regular backups will be made of the information held on the computer with the back up media stored securely and separately from the computer.



16. Security of Stocks and Equipment

An inventory will be kept in school and updated and checked on an annual basis in accordance with the LMS Financial Procedure Rules and the Manual of Financial Procedures for Schools.

The Governing Body will consider requesting and acting upon the advice of a Crime Prevention Officer. All equipment will be security marked.

A register will be maintained of equipment removed from school for use off-site and when it was returned.

17. Petty Cash and General Purpose Accounts

The amount of cash in school will be kept to a minimum and all monies and financial records kept in secure storage. There will be a limited use of petty cash. Schools must ensure that they keep timely, accurate records of all petty cash and General Purpose Account transactions.

18. Income

The Governing Body will implement a lettings policy with fees and charges to be reviewed annually. Steps will be taken to ensure the early collection of income due and receipts issued and records kept in line with the Manual of Financial Procedures.

19. VAT Returns

VAT returns will be made promptly and accurately using the schools computerised system in accordance with deadlines.

20. Staffing

The Staffing Committee will administer the schools Pay Policy annually and will consider appointments, terminations and promotions as necessary.

21. Insurance

The Finance Committee will annually make recommendations to the Governing Body about the insurance requirements of the school. The recommendations will have regard to the minimum cover requirements of the LA and to the costs of insurance services offered by the LA and other providers.

22. Computer Systems

The school will maintain approved software for the administration of financial records. The school has been registered in accordance with the Data Protection Act 1998.



23. Audit

The systems for finance and administration will be subject to review from time to time by the Local Authority's Internal Audit Service. The Governors, Headteacher and staff will co-operate with auditors in accordance with the requirements of LMS Procedure Rules and will consider and implement their requirements in a timely manner.