

# Gloucester Nursery School



## Financial Management Policy and Scheme of Delegation

### 1 Aims

The Governors of Gloucester Nursery School believe that sound financial management policies are essential to the fulfilling of their statutory duties under government legislation. Sound financial management is achieved by:

- Defining the financial roles and responsibilities of staff and governors under the Schools Financial Value Standard.
- Providing a framework to ensure that a consistently high standard of education is maintained for their pupils within the available resources.
- Preparing the budget in accordance with the identified priorities of the school as identified in the Self Evaluation Form and School Development Plan.

### 2 Organisation for Responsibility and Accountability

#### 2.1 Internal Financial Control

##### 2.1.1 Delegated Budget

All Governors of the school have a collective responsibility for actions agreed in accordance with their own standing orders and regulations. Joint liability exists for such actions within the terms of the Education Act 1988.

The Governors and Headteacher are responsible for the proper financial management and probity of the school.

If it is suspected that money or property of the school has been stolen or misappropriated, or that a financial irregularity has occurred, the Governors and/or Headteacher must immediately report the matter to the Director of Customers, Communities and learning and the Executive Director (Finance). Reference should also be made to the school's Whistleblowing Policy.

The Governors have delegated day to day spending authority within the approved annual budget for the school to the Headteacher. The Headteacher delegates an annual budget to support the learning and teaching within the Nursery. The Teacher/Bursar placing orders should ensure that there is sufficient money within the budget and order requisitions follow school procedures.

A register of Governor pecuniary interests must be maintained and available for inspection by Governors, staff and parents.

#### 2.1.2 Orders

All orders must be raised through SIMS onto official order stationery and must only be made where there is sufficient budgetary provision. Orders may be placed by any authorised person (e.g. Headteacher, Bursar or Administrative Assistant) and signed by the Headteacher or Teacher.

On receipt of goods, the delivery is checked against the consignment note and original order and signed. The invoice is passed to the Bursar for payment, where a check is made on goods delivered, quantity and price. The invoice is then signed as correct and passed to the Headteacher before payment is processed.

The Bursar then prepares cheque payments, BACS payments of Direct Debits through SIMS. The cheques and Direct Debits are then checked and signed by the authorised signatories (see below). The Direct Debits are checked by the signatories and the administration assistant before payments being authorised online by the Bursar and the Headteacher.

Authorised signatories are the Headteacher and the Senior Family Worker. The Bursar is also authorised in the absence of the Headteacher or the Senior Family Worker. Any cheques over £20,000 must also be signed by the Chair of Governors.

#### 2.2 Quotes and Tenders

Where work is obviously less than £1,000 quotations are sought at the discretion of the Headteacher. For items £1,000 to £10,000 two quotations are required from independent suppliers.

Between £10,000 and £20,000 at least three tenders should be sought. Three tenders are required for items over £20,000 unless the Governors decide otherwise, in which case the consent of the Director of Schools must be received.

Unforeseen items over £5,000 should be brought to the attention of the Chair of Governors and be placed on the agenda for the next committee meeting or full Governors meeting.

Work of a capital nature i.e. building work is covered under a separate policy 'Capital Expenditure'.

#### 2.3 General Data Protection Regulations

The school is registered under the Data Protection Act 2018.

#### 2.4 Virements

The Headteacher may make provisional virements (movements between budget codes) of up to £1,000 at any one time, subject to reporting these back to the next Finance Committee meeting for formal confirmation.

All other virements are to be approved and minuted by the Finance Committee for the information of the full Governing Body.

## 2.5 Back-up Procedures

A server was installed in the summer 2018, this now automatically backs up all data on a regular basis.

## 2.6 Inventories

An up to date inventory should be maintained and updated at least once a year. Serial numbers and identification marks should be recorded where appropriate as well as adequate descriptions for insurable items. The Bursar has been delegated responsibilities for this task under direction of the Headteacher.

## 2.7 Lettings

The Governors have adopted the Northamptonshire County Council's letting Schedule of Rates of Payment as a general guide, but have delegated authority to the Headteacher to negotiate actual letting charges, subject to keeping the Governors fully informed of the actual position at regular meetings.

## 2.8 Private Fund

Formal annual accounts will be prepared covering activities in the School Fund Account for presentation to the Governors and for audit purposes. Preparation of these accounts will conform to the relevant provisions in the School's Financial Management Handbook, Private Funds, Appendix 3. In particular, individual balance sheets for each school trip or specific school activity will be prepared in order to make the results of such activities clearer to all concerned.

## 2.9 Value Added Tax

The Governing Body will comply with current VAT regulations.

# 3 Budgeting and Monitoring

## 3.1 The Annual Budget

The annual notification of budget is received by the Headteacher and Bursar. The school budget plan must be prepared with a view to breaking even or creating a surplus at the end of the financial year. If a deficit budget is anticipated, the Director of Schools Finance must be notified immediately. The budget will be prepared in accordance with the identified priorities of the school as identified in the Self Evaluation form and School Development Plan.

## 3.2 Development Planning Cycle

### Autumn Term

Staff should formulate plans for the new financial year in discussion with the Headteacher. These plans are presented to the Finance Committee in order to formulate a costed School Development Plan.

### Spring Term

Based on the School Development Plan, the Finance Committee will recommend a draft budget for the coming year to the Governors, within the constraints of the Provisional Budget Allocation from the Local Authority. The final step will be the approval of a Budget by the full Governing Body to match the Final Authority Allocation when it is received in late March or early April.

### Summer Term

The monitoring procedures outlined below will commence based on the final approved budget.

### 3.3 Budget Monitoring

In the Autumn and Spring terms, contingencies and surplus balances will be examined and vired to the other headings following recommendations by the Headteacher and Finance Committee. At least once each term, the Finance Committee will report to the full Governing Body on the progress of the school against its agreed budget, highlighting any variances of significance. In the Autumn and Spring terms forecasts of the likely outcome for the year will also be circulated to aid in the forward planning process.

### 3.4 Reconciliation of Oracle and SIMS

The school accepts responsibility for ensuring that the statutory record of the school's accounts held on the County Council's accounting system accurately reflects income and expenditure incurred by the school. The school will notify NCC if budget changes and debits are not properly recorded on the NCC account. In practice, the principle procedure is reconciliation between the NCC account and the school's SIMS record.

Accounting procedures utilise the SIMS computer system and follow the Local Authority's Financial Management Handbook.

### 3.5 Balances and Contingencies

It is the fundamental aim of the school that the income for one financial year is used in that year. It is not the policy of the school to hold large balances or contingencies. The exceptions to this general rule will be:

- a) A reserve of capital money may be retained to cover major but irregular works as identified by the Asset Management Plan.
- b) A small general contingency fund to cover any unforeseen overspending or changes in external circumstances.

## 4 Overall Guidelines

The Headteacher and school staff are recommended to :

- Establish an appropriate framework of financial control in the public interest;
- Establish procedures which seek value for money; and
- Ensure clear segregation and accountability for actions taken and not taken.

The Headteacher should:

- Ensure clear records of financial transactions and decisions are maintained;
- Ensure the delegation of responsibility is accompanied by clear accountability and appropriate level of management supervision and monitoring;
- Ensure that financial procedures include adequate internal control; and
- Ensure these financial regulations and other financial instructions are available to their staff.

## 5. Controls Assurance

The Finance Committee should be responsible for ensuring the three thematic audits (Governance, Financial Management and SFVS, Purchasing and Payments and Personnel and Payroll) are

completed internally on an annual basis. The Schools Financial Value Standard will be completed and ratified by the Full Governing Body in time for its submission by 31<sup>st</sup> March each year.

Revised: March 2011, October 2014, October 2018 and October 2019

This policy was reviewed and revised in October 2018

Amendments made:

Replaced Pedagogical Lead with Teacher throughout the document.

2.3 – updated with GDPR and Data Protection Act 2018.

2.5 – removed manual back up procedures as now replaced by server with automatic back up

This policy was reviewed and revised in October 2019

Amendments made:

2.1.2 – Included BACS and Direct Debit payments.

Approved by the Governing Body

Signed.....

Date.....

Review date:.....