

SODBURY VALE FEDERATION

Financial Management and Purchasing Policy

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2 VERSION HISTORY

Version Number	Reason for Issue	Date of Issue
01	Initial Issue For Federation	May 2022
02	Annual Review	June 2023
03	Annual Review	June 2024
04	Annual Review	May 2025

3 Introduction

The Governors of Sodbury Vale Federation are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Executive Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within.

This Policy has been drawn up in accordance with the Local Authority's (LA) Financial Regulations for Schools.

4 Principles

The Sodbury Vale Federation Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, the Executive Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The Governing Body is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using both performance data and financial benchmarking to compare to similar schools locally and nationally.
- Using the information gained to challenge performance and set new targets
- Using fair competition through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- Consulting parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the LA's Financial Controls to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the School/Development Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Executive Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only

- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled (if applicable)
- The use of a purchasing card is strictly controlled (if applicable)
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current GDPR and Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

5 Putting Policy into Practice

5.1 DELEGATED AUTHORITY

The Full Governing Body of Sodbury Vale Federation has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the School Voluntary Fund).

The Full Governing Body of Sodbury Vale Federation will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the chair of governors will sign the completed form prior to sending a copy to the Local Authority.

The Governor Finance Leads, as part of the Full Governing Body, are delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate and approve the three year budget plan, which shows clear links to the School Development/Improvement Plan.
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review the Charges and Remissions Policy for approval by the Full Governing Body
- To review a Pay Policy for approval by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Financial Regulations, to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements (If applicable)
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Governing Body

The Executive Headteacher is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Executive Headteacher and this delegation should be documented in the Finance Policy.

The Executive Headteacher has delegated the general administration authority to the School Business Manager (SBM).

5.2 INTERNAL FINANCIAL CONTROLS

The internal financial controls operated by Sodbury Vale Federation follow the financial controls set out in the LA's Financial Regulations.

5.3 FINANCIAL LINKS TO THE SCHOOL IMPROVEMENT PLAN

The School Development/Improvement Plan has sufficient scope and depth of the financial implications and it is reflected in the school's three year budget plan.

5.4 MONITORING AND VIREMENTS

Sodbury Vale Federation recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the SBM carries out a termly internal monitoring procedure, copied to the Governor Finance leads. A monitoring report is taken to all Finance meetings, which reports, if required, to the Full Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements may need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £1,000 – Finance admin

Virements up to £10,000 - The Executive Headteacher /Head of Sch / Asst Head / SBM / Designated SL

Virements from £10,000 to £24,999 – The Governor Finance Leads

Virements over £25,000 – CThe Full Governing Body

5.5 INSURANCE

Sodbury Vale Federation schools are insured through South Gloucestershire Council with relevant cover, as identified by the schedule received from the LA's Insurance section.

5.6 PURCHASING

At Sodbury Vale Federation, budgets are delegated to key stage co-ordinators and class teachers. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Development/Improvement Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. The Executive Headteacher or designated deputy authorises all orders and invoices prior to payment.

As a matter of good practice, orders over £1,000 have three quotations sought.

Where the schools purchase larger items, we adhere to the procedure for Spending the Council's Money as laid down in the Financial Regulations and approval of quotations will be minuted at the appropriate Governing Body meeting to ensure that the schools are seen to be obtaining value for money at all times.

The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases without prior approval from corporate finance as this constitutes borrowing.

5.7 PERSONNEL MATTERS

At Sodbury Vale Federation, at the start of every financial year the SBM uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Governor Leads for incorporation into the school budget planning process.

The Executive Headteacher undertakes an annual salary review, and any recommended enhancements, if applicable are presented to the Full Governing Body for approval.

The Executive Headteacher undertakes an annual review of all other teaching staff, in accordance with the school Pay Policy and reports to the Full Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

5.8 PAYROLL MATTERS

The payroll provider for Sodbury Vale Federation is Integra Schools, who provides payroll services to the specification laid down by the LA. The SBM checks the monthly payroll reports for accuracy.

5.9 SAFEGUARD OF STOCKS, STORES AND ASSETS

All staff at Sodbury Vale Federation are responsible for the security of school assets. School assets are recorded on a general asset register, maintained and updated by the school office.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets over £500 are written off and disposed of, the Governor Finance Leads agree this on behalf of the Full Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

5.10 INCOME

At Sodbury Vale Federation, the Lettings Policy is reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Executive Headteacher and Governors to recoup the monies, the Full Governing Body will approve this.

We have agreed a level of cash income to be held in school at any one time as £250. Cash will be receipted, recorded and banked promptly at all times.

5.11 THE SCHOOL BANK ACCOUNT

Sodbury Vale Federation operates its school bank accounts in accordance with the LA Financial regulations. The school operates only one current account for the administration of LA official funds.

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

Sodbury Vale Federation pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Financial regulations.

5.12 PETTY CASH

Petty Cash is held securely at all times and the limit for petty cash is £200 per school. At Sodbury Vale Federation, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £40.00 per school. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

5.13 NATWEST PURCHASING CARDS

Sodbury Vale Federation operates 3 approved purchasing cards in accordance with the LA guidance.

The approved users are Nicola Berry, Catriona Ashley and Anthea Keenan. The monthly card limit is £5,000 (N.B), £3,000 (C.A) and £3,000 (A.K)

Personal Credit and Debit cards will not be used for the purchase of items for the school.

5.14 THE VOLUNTARY SCHOOL FUND

In addition to the LA's official funds, Sodbury Vale Federation also operates school Voluntary Funds, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that our Voluntary Funds are an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of the school to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

5.15 IRREGULARITIES

All staff at Sodbury Vale Federation are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in their staff handbook.

5.16 DATA PROTECTION

Sodbury Vale Federation (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioners Office (ICO). Sodbury Vale Federation pays the relevant fee per school as determined by the ICO.

5.17 INFORMATION SYSTEMS

Sodbury Vale Federation has a password protection procedure laid down in the staff handbook. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

5.18 FINANCIAL ADMINISTRATION

At Sodbury Vale Federation, three members of staff are trained in the use of the finance software and financial administration procedures, in event of staff absence. We also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

Linked policies:

Financial Regulations for schools

Scheme of Delegation Schedule of Delegated Authority

Charges and Remissions SVF037

Payment Arrear SVF045

Write-Off and Disposal SVF007