ASHWICKEN CHURCH of ENGLAND PRIMARY SCHOOL

Finance Policy Autumn 2025

And Checklist for Planning, Implementation and Monitoring

Version 5.0
Updated August 2020

A. GOVERNANCE	Implemented

General

1 A list of all governors, their membership of committees and terms of reference thereof, is attached at Appendix 1a. *(See appendix 1a of the Finance Procedure Manual (FPM) for draft terms of reference).*

2 The governing board meets at least once a term.

3 Committees of the governing board meet at least once a term ***except the finance committee, which meets at least twice a term.***

4 The governing board agrees, no later than by the end of term, the dates of meetings for at least the next term.

The Governors

5 The governing board approves the annual budget and the associated policies, e.g. charging policy (App 5), bad debt (App 7) and redundant equipment policy (App 8). *(See appendices 10, 11 and 7 of the FPM for draft policies).*

6 The governing board is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Headteacher

7 The governors delegate responsibility for the day-to-day management of the school to the headteacher.

8 The headteacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.

9 The headteacher ensures that sound systems of internal control are in place.

10 The headteacher compiles draft budgets.

GOVERNANCE (continued)	**Implemented**
11 The headteacher monitors the budget monthly and supplies the finance committee with monitoring information. The information for the finance committee takes the form of Norfolk's budget proforma, includes committed expenditure and is accompanied by the headteacher's written commentary. The Staff 12 Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements. 13 Staff are responsible for any budget whose management is delegated to them. The Finance Committee 14 Membership is determined by the governing board and reviewed annually in the ***Summer*** term. 15 As set out in its' terms of reference, the finance committee is responsible for: • agreeing draft budgets for the governing board's approval in time for submission to the LA by 1 May each year • all financial appraisals • forecasting numbers on roll and future budget shares • monitoring and adjusting in-year expenditure • ensuring accounts are properly closed and reviewing the outturn position • evaluating the effectiveness of financial decisions • administering voluntary funds 16 The finance committee is responsible for any review of staffing, assesses the budgetary implications of any recommendations and advises the governing board accordingly. Expenditure Limits 17 The inclusion of an item in the approved budget plan gives authority to spend, save that the headteacher seeks approval from the finance committee for any individual transaction in excess of *£5,000.*	

GOVERNANCE (continued)	Implemented

18 The headteacher authorises virements up to *£5,000,* above this amount finance committee approval is sought. All virements are minuted.

Orders

19 Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.

Minutes

20 Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves. Draft minutes are circulated to members of the committee within one week of its meeting and are agreed and signed at its next meeting. The minutes of all committees are reported to the governing board.

Register of Business Interests

21 The headteacher maintains a register of business interest for governors and for staff who influence financial decisions. The register is attached at Appendix 2. *(See appendix 2 of the FPM).*

Key Financial Tasks

22 The finance committee undertake the key financial tasks each term as outlined in the document at Appendix 3, following the 'Annual Schedule of financial deadlines and information' *(See appendix 4 of the FPM).*

B. FINANCIAL PLANNING	Implemented
1 The school development plan includes a statement of its educational priorities to guide the planning process. The school development plan states the priorities in sufficient detail to provide the basis for constructing budget plans. 2 There is a clear, identifiable link between the school's annual budget and the school development plan. 3 For each of the key issues in the school development plan, costs and other inputs are identified and budgets prepared. 4 The school development plan is reviewed in the ***Autumn*** term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals. 5 The school budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities 6 The school budget is maintained for the current financial year and two further years. 7 The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget. 8 The budget and cash flow forecast are profiled in accordance with likely spending patterns. 9 In the event of a budget surplus this is earmarked for a future specified use. 10 A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes. 11 All new initiatives are appraised by the finance committee in relation to their costs, benefits and sustainability. 12 The main elements of the budget are fundamentally reviewed within a five-year cycle. Benchmarking information helps to identify priorities.	

FINANCIAL PLANNING (continued)	**Implemented**
13 The budget cycle is as follows: <u>Spring Term</u> • If necessary, the headteacher prepares a third revision of the budget for the current year for the finance committee to consider at its meeting in the first half of the term. • The budget revision, once approved by the finance committee, is taken to the next meeting of the governing board for governor approval. • The approved budget revision is sent to the LA by 28 February. • A draft budget plan for the coming financial year, and two further years, is prepared by the headteacher and taken to the finance committee meeting in the second half of the spring term. This will form the basis of the committee's recommendation to the governing board. • The full governing board meeting is arranged to take place after the meeting of the finance committee. The governing board will carefully consider the budget plan and a report from the finance committee before approving the school's budget plan. • The headteacher submits the approved budget plan to the LA by 1 May each year. <u>Summer Term</u> • The headteacher prepares a first revision of the budget for the finance committee to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year. • The budget revision, once approved by the finance committee, is taken to the next meeting of the governing board for governor approval. • The approved budget revision is sent to the LA by the end of the summer term, as per Norfolk's Scheme for Financing Schools.	

FINANCIAL PLANNING (continued)	Implemented

Autumn Term • The headteacher prepares a second revision of the budget for the finance committee to consider. The revision takes account of any changes to the school development plan, staffing adjustments and changes to the number of pupils on roll. • The budget revision, once approved by the finance committee, is taken to the next meeting of the governing board for governor approval. • The approved budget revision is sent to the LA by the end of the autumn term, as per Norfolk's Scheme for Financing Schools.	
C. BUDGET MONITORING	**Implemented**

1 The headteacher produces monthly monitoring reports, which include committed expenditure. 2 The finance committee receives the monitoring report at each meeting together with the headteacher's written report thereon. The report takes the form of Norfolk's budget monitoring proforma. 3 The headteacher identifies and recommends to the finance committee appropriate remedial action for budget variances. 4 The headteacher recommends to the finance committee how to vire any in-year underspends in excess of £2,50 (The headteacher is authorised to vire amounts up to £5,000). 5 The headteacher monitors expenditure on initiatives in the school development plan. 6 Holders of devolved departmental budgets are supplied with monthly monitoring reports. The headteacher monitors devolved budgets and agrees remedial action plans where necessary. 7 Where appropriate, the headteacher produces monthly cash flow forecasts to ensure the school does not go overdrawn.	

	D. PURCHASING	Implemented
1	All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.	
2	The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.	
3	Prior approval of the governors is obtained for any expenditure in excess of £5,000. Orders are not artificially split to evade this limit.	
4	The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease". Leases will be submitted to the Finance and Business Services Team to be checked as to their type before any agreement is entered into.	
5	Three written quotations are obtained for any order whose value is estimated between £5,000 and £30,000.	
6	If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.	
7	Contract specifications will contain the following: • contract duration • definitions • contract objectives • services to be provided • service quantity • service quality standards • contract value and payment arrangements • information and monitoring requirements • procedure for disputes • review and evaluation requirements	
8	The official pre-numbered orders are used for all services except utilities, rent, rates, petty cash and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.	

PURCHASING (continued)	Implemented
9 Individuals will not use official orders to obtain goods or services for themselves. 10 All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories. This is attached at Appendix 4. 11 The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision. 12 Each order placed is entered in the school's financial system as a commitment. 13 The school checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. Evidence of this is provided by the use of rubber stamps approved by Norfolk Audit Services. The other checks indicated on the stamps are also carried out. These checks are not done by the person who signed the order. 14 Payment is made within the agreed time limits after certification by an approved signatory. 15 Wherever possible, an invoice is not authorised for payment by the person who signed the order nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.	

	E. FINANCIAL CONTROLS	Implemented
1	A written description of all the school's financial systems and procedures is maintained. These are kept up to date and all appropriate staff trained in their use.	
2	The headteacher has secured contingency arrangements to ensure that financial control can be maintained in the absence of key staff. These arrangements are to contact the chair of the finance committee or a finance governor or the County Finance Officer.	
3	The headteacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.	
4	The school maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.	
5	Documents relating to financial transactions are retained in line with the LA's recommendations. (*see appendix 5 of the finance procedure manual*).	
6	All records are securely stored and access allowed only to authorised staff, ie the Head and School Secretary.	
7	Where there is a requirement to account separately for earmarked funding the headteacher ensures this is done and that money is spent on its intended purpose.	

F. INCOME	Implemented
1 The full governing board approves the school's charging policy and reviews it annually. The Charging Policy is attached at Appendix 5. *(See appendix 10 of the FPM).* 2 Proper records of all income due are kept. Lettings are approved by the headteacher in accordance with the governors' policy and recorded in the lettings register. The lettings policy is attached at Appendix 6. *(See appendix 12 of the FPM).* 3 The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income. 4 Official pre-numbered receipts are given for all cash collected except where a collection record card is issued to a pupil for instalment payment for a school trip. Other formal documentation is kept for other income. Receipts are kept securely and in order. 5 Pending banking, cash and cheques are locked away in a secure place or safe, as per insurance limits. 6 Income is banked promptly and in full. Paying-in slips show the analysis between cash and cheques and cheques are individually listed. Income is not used for making any payment or for cashing personal cheques. 7 Income recorded in the accounts is reconciled monthly with the bank statement. 8 Where invoices are required, they are issued within 30 days. 9 The school sends a first reminder for any unpaid invoice after 3 weeks, a second reminder after 6 weeks and a final reminder after 9 weeks. Legal action is considered if a further 14 days lapse. Debts are written off only in accordance with the school's Bad Debt Policy, attached at see Appendix 7. *(See appendix 11 of the FPM).* 10 Money is collected regularly from vending machines and payphones. Two people collect and count the money 11 Any cash transfers between staff are recorded and signed for.	

G. BANKING	Implemented
For official funds, the school banks with Barclays Bank PLC. The bank account name is NCC Ashwicken C of E Primary School and the bank account number is 90619450. 1 Bank reconciliations are completed monthly and any discrepancies resolved. 2 The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process. 3 The person completing the reconciliation is not responsible for processing receipts and payments. 4 Staff never use their private bank accounts for any receipt or payment due to or from the school budget. 5 The school's banker has been advised that the school is not allowed to go overdrawn or negotiate overdraft facilities. 6 The school is not allowed to enter any loan agreement except with the LA. (This does not apply to loans pre- existing at 1 April, 1999). 7 Where the value of any cheque payment is over £500, it must be signed by two authorised signatures. Where the value of any cheque payment is less than £500, one authorised signature is acceptable, unless this relates to a staff reimbursement, in which case two authorised signatures are always required. Supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre- signed. Only manuscript signatures are allowed, i.e. not electronic or from rubber stamps. 8 All cheques are crossed "account payee". Cheque books are stored securely when not in use.	

Where schools use online payments through their bank:

9 Headteachers must ensure that the correct staff are assigned the access rights within the banking online system that is appropriate (considering separation of duties) and ensure that these are kept up to date i.e. staff leavers.

10 Online user ids/cards/Pin numbers are specific to named staff and must not be shared with others.

11 Schools must adhere to the policies laid down by their banker in respect of online payments and ensure that the Data Protection Act is not breached in regards to holding suppliers bank information.

12 Each BACS (Bank Automated Credit System) payment batch is signed by an authorised signatory and supporting vouchers are made available to the signatory to safeguard against inappropriate expenditure. The BACS Creator and BACS Authoriser must not be the same person.

Each BACS payment will generate a remittance document, which will be sent to the supplier, either by post or by email, to notify them of their payment having been sent.

13 Any BACS batches over £1000 will be authorised by two authorisers.

14 A copy of the invoice for any individual BACS payment over £10,000 should be emailed to finance.support@educatorsolutions.org.uk to be checked prior to payment.

	H. PAYROLL	Implemented
1	Personnel procedures, including appointments, promotions and terminations are supervised by the finance committee.	
2	The headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.	
3	The headteacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.	
4	Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.	
5	Only authorised staff are allowed access to personnel records, ie the Headteacher, the Deputy Headteacher, Clerical Assistant and staff from the Central Finance function, Educator Solutions.	
6	Arrangements have been made for staff to access their own records.	
7	Payroll transactions are processed only through the payroll system; this includes the payment of all expenses and benefits.	
8	The headteacher maintains an up-to-date list of teachers and other staff employed at the school and is amended, as necessary, on a monthly basis.	
9	The monthly reports on payroll transactions are checked against the school's budget working papers to ensure they match.	

I. PETTY CASH – N/A	Implemented

J. TAX	Implemented

1	The headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the school any penalties imposed on it arising from an error by the school.	
2	Proper VAT invoices are obtained for all transactions involving VAT.	
3	The LA's VAT manual gives details of accounting for VAT and is adhered to by the school.	
4	All payments falling within CIS are made in accordance with the LA's agreed procedure.	

K. VOLUNTARY FUNDS	Implemented
For voluntary funds, the school banks with Co-operative Bank. The bank account name is Ashwicken C of E primary School Fund and the bank account number is 65193800. 1 The School Fund Account is accounted for separately from the school's delegated budget and is held in a separate bank account. 2 ***The fund has been registered with the Charity Commission.*** 3 The governors have appointed a treasurer. The treasurer is discharged to Central Finance, Educator Solutions. 4 The governors have appointed an independent auditor who is not a member of the governing board. The Auditor is determined by the LA from Finance and Business Services, Educator Solutions. It will be insured that the same person carrying out the Central Finance function will not audit the voluntary fund. 5 The same standards that apply to the school's delegated budget apply to the school fund except that it is kept on a receipts and payments basis rather than an income and expenditure basis. 6 Only income unconnected with the delegated budget is credited to the fund. Any income properly belonging to the school's delegated budget is credited to the delegated budget. 7 The headteacher presents the audited accounts together with the auditor's certificate and written report on the accounts to the governors as soon as possible after the end of the accounting year. They are presented to the governing board at their ***Autumn*** term meeting. 1 The headteacher sends a copy of the audited accounts and auditor's certificate to the LA as soon as the governors accept them, and within 3 months of the end of the accounting year.	

VOLUNTARY FUNDS (continued)	Implemented

9 Each school fund cheque is signed by two authorised officers. The authorised officers are the Headteacher and the School Secretary. 10 Where no material income has been collected, it should be banked at least weekly. (See section 9.3.3) 11 All income will be receipted, unless it is below the agreed minimum. (See section 9.3.2) 12 Bank reconciliations are carried out at least termly, but larger schools should do this monthly.	

L. ASSETS	Implemented
1 The headteacher ensures that stocks are maintained at reasonable levels and are checked physically at least once a year. 2 An up-to-date inventory is to be maintained of all items of equipment. Those that are portable, valuable and desirable are identified as school property with security marking. 3 The inventory is checked at least once a year, in the Spring Term. The inventory is signed as evidence of the check having been undertaken. All discrepancies are investigated and any resulting in a loss of £100 or more will be reported to the governors. Any loss exceeding £500 will be referred to the Head of Finance and Business Services Team. 4 Whenever school property is taken off site either by pupils or staff, e.g. musical instruments/computers, they are signed for and the register noted accordingly. The register is held in the School Office. 4 The governors have approved a policy in relation to redundant equipment (see App 8). *(See appendix 7 of the FPM).* 6 The safe is kept locked and the keys removed and held elsewhere. 7 The school's asset management plan is supervised by the ***governors' general purposes committee.*** 8 The school maintains a Gift Register of all donations to the school, either in cash or kind.	

M. INSURANCE	Implemented

1 The school reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager. 2 The governors consider whether to insure against any uncovered risks. 3 The school will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance. 4 The school will not give any indemnity to a third party. 5 The school will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim. 6 Insurance will cover the use of school property when off the premises, e.g. musical instruments/computers.	

N. DATA SECURITY	Implemented
1 Computer systems used for school management are protected by password security. Passwords are changed annually and more frequently in the event of staff changes. 2 All data is backed up daily and the back-ups stored in a secure fireproof location, preferably off site. 3 The Headteacher has established a contingency plan for recovery from an emergency, i.e. backups and key document copies are stored off-site. 4 Only authorised external hardware and software is installed on any school computer to safeguard against computer viruses. 5 The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 2018, and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.	

This Policy and Appendices was adopted by the governors

On

Signed

Chair of Governors

This policy will be reviewed in the Autumn Term 2026