West Winch Primary School
Finance Policy 2025

Section A: Governance

General

1. A list of all governors, their membership of committees and terms of reference thereof, is held by the Clerk to Governors.
2. The governing body meets at least once a term.
3. Committees of the governing body meet as required during the academic year, except the finance committee, which meets at least once a term, or as required.
4. The governing body agrees, no later than by the end of term, the dates of meetings for at least the next term.

The Governors

5. The governing body approves the annual budget and the associated policies, e.g. the charging policy, bad debt policy and the redundant equipment policy.
6. The governing body 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.
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 Report to Governors.

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 body and reviewed annually in the autumn term.
15. As set out in its terms of reference, the finance committee is responsible for:

- agreeing draft budgets for the governing body's approval in time for submission to the Local Authority by 1st 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. Any review of staffing agreed by the staffing committee is first referred to the finance committee who assesses the budgetary implications of the recommendations and advises the governing body accordingly.

Expenditure Limits

17. The inclusion of an item in the approved budget plan gives authority to spend, however the Headteacher must seek approval from the finance committee for any individual transaction in excess of £1,000.
18. Virements will be agreed by governors during budget reviews.

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 body.

Register of Business Interests

21. The Headteacher maintains a register of business and pecuniary interest for governors and for staff who influence financial decisions. This register is held by the Clerk to Governors.

Section B: Financial Planning

1. The School Improvement & Development Plan includes a statement of its educational priorities to guide the planning process. The School Improvement & 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 Improvement & Development Plan.
3. For each of the key issues in the School Improvement & Development Plan, costs and other inputs are identified and budgets prepared.
4. The School Improvement & Development Plan is reviewed each 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 School Improvement & 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 three year cycle. Benchmarking information helps to identify priorities.
13. The budget cycle is as follows:

    Spring Term

    - If necessary, the Headteacher prepares a revised 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 body for governor approval.
    - The approved budget revision is sent to the Local Authority by 28th 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 body.
    - The full governing body meeting is arranged to take place after the meeting of the finance committee. The governing body 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 Local Authority by 1st May each year.

    Summer Term

    - The Headteacher prepares a revised 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 body for governor approval.
    - The approved budget revision is sent to the Local Authority by the end of the summer term, as per Norfolk's Scheme for Financing Schools.

    Autumn Term

    - The Headteacher prepares a revised budget for the finance committee to consider. The revision takes account of any changes to the School Improvement & 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 body for governor approval.
    - The approved budget revision is sent to the Local Authority by the end of the autumn term, as per Norfolk's Scheme for Financing Schools.

Section C: Budget Monitoring

1. The Headteacher produces monthly monitoring reports, which include committed expenditure.
2. The finance committee receives the monitoring report at each meeting. The report takes the form of Norfolk's budget 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 and these are approved by the finance committee during budget review meetings.
5. The Headteacher monitors expenditure on initiatives in the School Improvement & Development Plan.
6. The Headteacher monitors devolved budgets and agrees remedial action plans where necessary.
7. The School Bursar produces monthly cash flow forecasts to ensure the school does not go overdrawn.

Section D: Purchasing

1. All orders comply with the Local Authority'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 £1,000. 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, and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.
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.
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. 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.

Section E: Financial Controls

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 part of the LA Finance Support Package.
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 Local Authority's recommendations.
6. All records are securely stored and access allowed only to authorised staff, i.e. members of the management team.
7. Where there is a requirement to account separately for earmarked funding the Headteacher ensures that this is done and that money is spent on its intended purpose.

Section F: Income

1. The full governing body approves the school's Charging Policy and reviews it annually.
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.
3. The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.
4. An official record of receipt is kept for all cash collected. Where a collection record card is issued to a pupil for instalment payment for a school trip, this will act as the record of receipt. 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.
10. Any cash transfers between staff are recorded and signed for.

Section G: Banking

For official funds, the school banks with Barclay's Bank, 5 – 7 Red Lion Street, Norwich. The bank account name is NCC, West Winch Primary School and the bank account number is 70198129.

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 will 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 Local Authority. (This does not apply to loans pre-existing at 1st April, 1999).
7. Each cheque is signed by two authorised signatories and supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed. Only manuscript signatures are allowed.
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. The Headteacher 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.
13. 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.
14. Any BACS batches over £500 will be authorised by two authorisers.
15. 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.

Section H: Payroll

1. Personnel procedures, including appointments, promotions and terminations are supervised by the staffing 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 will be allowed access to personnel records, i.e. The Leadership Team, School Bursar and staff from the Central Finance function, Educator Solutions.
6. Arrangements have been made for staff to access their own records. These are upon request to the Headteacher (24 hours notice required).
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. This is held on the Single Central Record and is amended, as necessary, on a monthly basis.
9. The monthly reports on payroll transactions are checked against the schools' budget working papers to ensure they match.

Section I: Petty Cash

West Winch Primary School does not operate a petty cash system.

Section J: Tax

1. The Headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the Local Authority 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 Local Authority's VAT manual for schools gives details of accounting for VAT and is adhered to by the school.
4. All payments falling within Construction Industry Scheme are made in accordance with the LA's agreed procedure.

Section K: Voluntary Funds

The School Fund bank account has been closed as of 1/1/19.

Section L: Assets

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 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 summer 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. When school property is taken off site, the equipment is signed for and the register noted accordingly.
5. The governors have approved a policy in relation to redundant equipment.
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' premises committee.
8. The school maintains a Gift Register of all donations to the school, either in cash or kind.

Section M: Insurance

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 Local Authority/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 Local Authority/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.

Section N: Data Security

1. Computer systems used for school management are protected by password security. Passwords are changed regularly 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 off site.
3. The Headteacher has established a contingency plan for recovery from an emergency, i.e. backup data and standby ICT systems.
4. Only authorised 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.

Adopted: Spring 2025
Review: Spring 2027

Heather Habbin - Chair of Governing Body