



Finance Policy and Procedures			V4.1
	Date	Name	Notes
Drafted	Jun 2009	B.Mullany	Conversion to standard format Inclusion of Finance Governor role Inclusion of Assets and Inventory Policy Review of Virements authority Inclusion of Best Value Statement Inclusion of purpose of School Fund
Adopted	July 2009		Approved at Full Governing Body
Reviewed	July 2010		Annual review by FGB
Reviewed	July 2011		Inclusion of guidelines for School Fund and annual review by FGB
Reviewed	May 2014		Annual review by FGB
Reviewed	June 2016	A. Bush	Full review, particularly purchasing guidelines.
Reviewed	July 2017	FGB	Annual review by FGB
	This policy will be reviewed annually.		

1. Aims and Objectives

This document has been adopted by the Full Governing Body (FGB), as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties can exercise financial management, probity and stewardship in an efficient and effective way.

The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures. By complying with current financial regulations and adopting good working practices such as:

- establishing proper financial management arrangement and accounting procedures, in line with the Local Authority (LA), Office for Standards in Education (OFSTED) and Department for Children, Families and Schools (DCFS) recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of best value is adopted;
- outlining the areas of responsibility within the school;
- ensuring that the requirements of accountability are fulfilled;
- ensuring appropriate training is undertaken by budget holders.

The school aims to operate in a transparent, ethical and accountable way which will promote effective management.

The school formally adopts the Financial & Administration Regulations and Standing Order on Contracts & Sub-contracts as issued by Dorset County Council. A list of reference documents is provided at Appendix 1.

This policy and these procedures are to be reviewed annually by the school to assess the effectiveness of the controls in place. Based on this review, the school will propose alterations to the FGB as part of the annual review and ratification process.

2. Responsibilities

Governors are responsible for ensuring that the school's finances are managed effectively and for approving and monitoring the budget. A schedule of FGB activities is provided at Appendix 4.

The Headteacher has overall responsibility for the school's activities and is therefore the person with overall responsibility to the Governing Body for the financial management of the school. The Headteacher should ensure that:

- the FGB is provided with appropriate finance information, analysis and advice
- proper and adequate financial systems and controls are in place
- appropriate documentation, records and accounts are prepared and maintained as required by the FGB and the LA.
- the roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions and administrative processes will, as far as is practicable, be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist, including procedures in the absence of key staff.
- Dorset Council's Financial Management Scheme, Financial Regulations and Contract Standing Orders are adhered to.

The **Finance Officer** provides support to the Headteacher in the day-to-day operation of the financial systems.

The **Finance Governor** acts as a 'link governor' between the School's finance planning and operations, the FGB and the Premises, Finance and Marketing Committee (PFM). A role description for the Finance Governor is provided at Appendix 5.

3. Scheme of Delegated Authority

The FGB recognises the importance of clearly defining the roles and responsibilities of its committees, the Headteacher and other staff. The terms of reference for the Governors' PFM Committee are laid out in a separate document.

The FGB will decide how to spend the budget allocated within the LA's scheme of delegation subject to:

- Any conditions in the LA's scheme to protect its legal duties.
- The budget only being spent for the purposes of the School.

The following officers to authorise spending on any one order up to the sums specified. Beyond this limit the approval of the FGB will be required (see section 6)

- Headteacher £5,000
- Deputy Headteacher £2,500
- Finance Officer £500

The Headteacher is authorised to make virements from one budget heading to another up to the value of £2,000. Any such virements will be recorded and reported to the next meeting of the FGB. Virements above this value require the approval of the FGB.

The Deputy Headteacher appointed by Governors will take on the Headteacher responsibilities for the financial control and management of the School in the event of absence of the Headteacher for a period of more than five consecutive school days.

Staff to sign documentation in accordance with the staff signing/approval list and authorised signatory list attached as Annex A.

4. Financial Planning

The budget is the financial dimension of the school development plan. By identifying and allocating financial resources, the school prioritises its targets and objectives and facilitates the achievement of its educational aims. Despite the uncertainties over future years' budget allocations the Governors recognise the importance of long term planning and require an outline school development plan covering 3 years to be submitted annually for approval. This will be prepared by the Headteacher.

The School recognises the principles of Best Value. The School's Best Value statement is provided as Appendix 3.

The School will maintain its financial statements in a form that is compatible with the requirements of the Consistent Financial Reporting (CFR) scheme.

The Headteacher is responsible for preparing the annual revenue budget in sufficient detail to enable the effective management of the available funds by the FGB, which is responsible for ensuring that the total forecast expenditure does not exceed the available funds. To ensure this can be done, the Headteacher, with the support of the Finance Governor, will provide regular reports (at least three times per year) to the FGB. As a minimum standard the Governors expect to see:

- The statement should show a comparison of expenditure and income to the approved budget. Expenditure and income should be broken down into those sums actually spent, sums already committed and the amounts of expenditure and income which are planned, but to which the school is not yet committed. The statement should show, as accurately as possible, the forecast year end position.
- A written report should accompany financial statements providing details of major variations and highlighting areas of uncertainty. The report will also show virements, in the form of budget adjustment sheets, made between budget headings and show the latest forecast pupil numbers and the financial implications of any revised forecasts.

It is essential that reports produced are accurate as far as reasonably possible. The Headteacher is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial reports must ensure that they take appropriate steps to guarantee the reliability of the information.

The Headteacher may delegate responsibility for elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the school as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored. Who are the budget holders?

Governors and the Headteacher will periodically review the provision of financial information to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative information.

Activity	Detailed task	Responsibility
Planning the budget	To estimate allowance, income, grants, etc.	Finance Officer
	To identify and propose priorities in relation to the SDP, including proposed changes in staffing needs.	Headteacher
	To draft and evaluate budget options and to prepare the final draft budget	Headteacher/Finance Officer/Finance Governor
Approving the budget	To propose final budget draft to PFM Committee for recommendation to FGB	Headteacher/Finance Governor
	To agree and approve final budget for submission	FGB
Monitoring and reviewing the budget	To review monthly LA summary and detailed FIS sheet and investigate discrepancies.	Finance Officer

	To monitor monthly LA summary FIS sheet and review variances	Headteacher/Finance Officer
	To prepare periodic financial review and report to the PFM Committee and to the FGB (3 times p.a.)	Finance Officer/Finance Governor
Virements	To recommend virements	Finance Officer
	To approve virements	Headteacher (up to £2,000, FGB (over £2,000))

5. Payroll

Payroll is contracted to Dorset County Council.

The Headteacher will, where possible, allocate duties to ensure that an appropriate division of duties exists in the area of completing, checking and authorising of all documents and claims relating to appointment and termination of employment and expenses.

The school is responsible for:

Activity	Detailed Task	Responsibility
Staff Contracts	Ensuring all forms are completed during recruitment together with any variations of contract are sent to DCC for processing.	Headteacher
	Once DCC have set up the contract, check on Premier Finance that the details are correct.	Finance Officer
Weekly/monthly returns	To complete overtime claims and supply teacher claims and send to DCC to meet payroll deadlines.	Headteacher
	To complete monthly staffing return indicating starters, leavers and sickness or other absence. If applicable to complete absence insurance claims.	Admin Officer
Monthly payroll printout	To check monthly printout for irregularities, including staff that have left or are not employed by the school. If actual payroll expenditure is different from budget, investigate any discrepancies.	Finance Officer
Nominal Roll	To check staff contract details are correct	Headteacher

6. Purchasing

The FGB aims to achieve best value for money from all its purchases. The Headteacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with Contract Standing Orders and Financial Regulations. Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of probity, accountability and value for money.

Value for Money

The school is careful to apply the principles of best value for money by using known suppliers, where possible, with proven capacity to provide quality, quantity and timely delivery at a competitive price.

- Competitive quotations are not required for contracts or orders with an estimated value at or below £5,000, although this remains best practice. However, at least one written quotation must be obtained from the supplier before a PF purchase order can be issued.
- For procurements valued at £5,000 but at or below £20,000 at least three written quotations must be sought
- For procurements valued at above £20,000, a formal contract tender and award procedure must be conducted in accordance with the Council's Contract Standing Orders.
- The school will establish a Preferred Supplier list, whose services may be used for contracts over £5,000 but at or below £20,000 without recourse to the FGB. This list will be those suppliers who services have a proven record of supplying quality, quantity and timely delivery at a competitive price.
- The Headteacher will review the list annually and make any recommendations to the PFM Committee. In any event, each supplier on the list will be re-evaluated every 3 years by the PFM Committee and approved by the FGB.
- Repeated use of suppliers not on the Preferred Supplier List whereby contracts then reach the £5,000 limit in any one financial year need to be then referred to the FGB for any further approval.
- The Headteacher has delegated authority to accept the lowest quotation for all expenditure below £5,000. In instances where the lowest quotation is not accepted this should be reported to the FGB and the reasons for the decision recorded in the minutes of the meeting.
- For quotations above £5,000 the approval of the FGB must be sought, excepting those suppliers on the Preferred Supplier List

Quotations or tenders need not be sought because of an unforeseeable emergency involving immediate risks to persons, property or serious disruption to the School or significant financial loss. The Headteacher may approve an exemption in these circumstances but must prepare a report for the next Governors' meeting to support the action taken.

The Register of Business Interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts. It will be minuted in the Governors' minutes that this procedure has been followed.

Orders for Goods and Services

Orders will be raised by the Finance Officer on receipt of a Requisition form authorised by the appropriate budget holder and when the order is authorised by the Headteacher. Any e-purchasing, telephone or verbal orders, supported by a Requisition form, must be authorised beforehand and confirmed by an official order not later than the next working day.

Segregation of duties is used wherever possible: requisition orders are placed by the Finance Officer and authorised by the Headteacher. Invoices are processed by the Finance Officer and cheques are signed by the Headteacher (and one secondary signatory in the case of the School Fund). It is not possible, however, to have complete segregation of duties due to the limitation of staffing arrangements.

Non-order invoices are discouraged as much as possible.

Invoices will only be paid when the budget holder has shown approval that goods and services have been received and are of the quality expected. Payment should be made within reasonable time limits and discounts taken for quick payment where appropriate, ensuring that the invoice has been paid within 30 days of receipt.

Activity	Detailed task	Responsibility
Placing orders	Approve requisitions	Budget holders
	Validate order value within account budget	Finance Officer
	Agree requisitions above limit of account budget	Headteacher
	Agree purchase above delegated limit	FGB
	Obtain quotes	Budget holder
	Seek tender, if required Approve orders	Headteacher
	Place orders	Finance Officer
Deliveries	Check delivery against order. Return and/or exchange goods	Budget holder
Invoices and Payments	Validate delivery	Budget holder
	Process and pay invoices	Finance Officer
	Authorised signatures on LMS account (1 signature only)	Headteacher, Deputy
	Authorised signatures on School Fund accounts (2 signatures minimum)	Headteacher, Finance Officer

7. Cash Handling for LMS and School Fund Accounts

The Headteacher is responsible for the correct accounting of all income due to, and cash collected by, the school. Where possible, the Headteacher will ensure that the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums.

Cash handling should be kept to a minimum and whenever possible and practical, transactions should be done by cheques. Monies should be kept in a safe and secure place and promptly paid into the bank accounts.

Cash is usually collected for the following purposes:

- field trips; (monies received validated by the person responsible for organizing the trip)
- lettings
- fund raising
- donations

Cash received should be promptly counted by the Finance Officer or appointed assistant and put away in the fire proof safe.

Audit recommendations on safe limits and transit of money should be adhered to. (See Annex A)

Petty cash money should be kept to a minimum (?). All expenditure should be supported by receipts identifying any VAT paid. Payment from the petty cash fund should be limited to minor items which have been approved in advance by the budget holder. Petty cash expenditure on individual items should not exceed £20.

The following guidelines should be followed when handling cash:

- avoid counting cash in public
- avoid leaving cash unsecured in an unattended area or room
- use the fire proof safe to store large amounts of cash
- receipts are given for cash received from lettings or on request

Activity	Detailed task	Responsibility
Collection of money	Collect curriculum related money Collect money from lettings Collect money for fundraising, donations, private calls and other sources	Finance Officer
Cash received	Counting and recording of money Preparing banking Transporting cash to bank	Finance Officer
	Validation of cash received	Headteacher or person responsible for arranging event or trip
Petty cash management	Access to petty cash fund Payment from petty cash fund Recording of petty cash fund expenditure and receipts	Finance Officer
	Validation of petty fund expenditure	Headteacher

8. Reconciliation of Accounts, Financial Information and Collation of Information

The school needs to continually monitor its financial progress and report on it to various bodies, such as the FGB, LA, OFSTED and DCFS.

The school also needs to complete various claims in relation to income and expenditure.

Information gathering is an important factor in the effective management of the school's finances.

The list of reports, claims and returns, and their submission deadlines, is usually defined by the LA or the DCFS.

Activity	Detailed task	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements for LMS and School Fund accounts. Investigation of discrepancies.	Finance Officer
LMS return	Monthly preparation of LMS and VAT return	Finance Officer
	Validation of returns	Headteacher

Automatic reconciliation of allowance account	Monthly reconciliation of school’s data with information sent by LEA	Finance Officer
Absence insurance claims	Monthly preparation of absence claims for personnel on sick leave	Admin Officer
	Validation of claims	Headteacher
Travel claims	Checking travel claims prepared by claimant	Finance Officer
	Validation of claims	Headteacher
PLASC	Annual pupil census preparation	SIMS Officer
	Validation of returns	Headteacher
CFR Return	Preparation of annual return	Finance Officer
	Validation of returns	Headteacher

9. Lettings

Income generated by lettings represents an element of the total budget and contribute to the financial health of the school.

The letting of School Premises and Grounds should always be subject to a formal contract. A detailed lettings policy which establishes the general conditions for letting of school premises, together with charges is published by the school. This policy is reviewed annually by the PFM Committee for ratification by the FGB.

Activity	Detailed task	Responsibility
Lettings fees	Establish charging policy	FGB
Contracts	Authorise lettings	Headteacher
	Prepare individual letting contracts	Finance Officer
Booking and Invoicing	Monthly preparation of booking forms and invoicing	Finance Officer
Collection of fees	Collect fees and follow up if necessary	Finance Officer

10. The School Fund

The school holds a small private fund ('the School Fund') which is used for:

- collections for, and payments to, charities and voluntary bodies
- collection of parental contributions to trips and visits, and disbursements for the same
- other voluntary contributions to the school
- purchase of small benefits, such as flowers and consumables, for staff or others who help the school.

The School Fund is not to be used for any form of wages, honoraria, loans or ex-gratia payments or expenses categories that are normally provided for within the school budget.

The FGB is responsible for all the school's voluntary unofficial funds. Although the School Fund is not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the FGB.

The objective of the School Fund is to enable the School to function financially with funds not normally allocated by the LA. This includes the purchase of educational goods, for staff and pupil welfare and the provision of services outside the scope of the delegated budget share.

A third party or the Finance Governor will be appointed annually by the FGB to conduct an independent inspection of the fund accounts in accordance with the Fund Objectives. The preparation and delivery of the inspected accounts and report to the FGB will be within three months of the fund's financial year (ends August 31st)

Operational policy and procedure:

- The fund is managed by the Finance Officer
- A minimum of two signatures is required on Fund Cheques.
- A formalised monthly reconciliation statement to all cleared bank balances is required with a copy presented to the PFM Committee at least termly. The Headteacher should sign the statement as correct.
- All income is to be properly receipted.
- Expenditure must be supported by proper invoices or vouchers, which must be retained for a minimum of 6 years.
- Items of expenditure in excess of £500 will require the Headteacher's signature.
- Items of expenditure in excess of £5,000 will require approval by the PFM Committee.

Operational Guidelines to assist in the management of the School Fund are included at Appendix 7

11. Asset Register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non-capital items.

The Headteacher is responsible for ensuring that assets under his/her control are correctly recorded in the Inventory Books.

The school's policy for Assets and Inventory is set out at Appendix 2.

Activity	Detailed task	Responsibility
Updating inventory books	Physical check of equipment against relevant records Recording of new asset	Budget holder Finance Officer
Monitoring	Annual monitoring of inventory books	Headteacher
Disposal of assets	Disposal of assets with nil or nominal value Disposal of assets with market value	Headteacher Full Governing Body

12. Insurance

The Headteacher will review the insurance needs of the school annually and liaise with the Dorset County Council where appropriate to ensure that specific arrangements remain appropriate and best value.

13. Computer Systems and Data

The Governors recognise the importance of protecting computerised financial management systems and the data held therein. The Headteacher will ensure that the School is registered in accordance with the Data Protection Act 1998.

The Headteacher will ensure that effective backup procedures are in place and that all back-up disks or tapes are stored securely.

Access to school management computer systems will be limited to authorised staff. These staff will use passwords which should not be disclosed and should be changed regularly. Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

14. Register of Business Interests

The FGB should maintain a register for each member of the FGB and the Headteacher any business interests that they or any member of their immediate family have. The register should be kept up to date with notification of changes and through annual review of entries, and should be made available for inspection by the Governors, staff, parents and the LA.

The FGB will ensure that all members of staff are aware of the responsibilities for declaring any links or personal interests which they have with regard to contractors and suppliers. The Headteacher will maintain, in a suitable form, a record of the details of those members of staff who declare any links or personal interests which they have with contractors and suppliers.

15. Gifts and Hospitality

As a general rule staff must not accept from suppliers or contractors or potential suppliers and contractors or from any firm or organisation with whom the School has had, is having or may have any dealings of any kind: (less than £x)

- any gift (other than an inexpensive seasonal gift such as a calendar or diary for use in the office) and where refusal would cause needless offence and the giver is not seeking a business decision but merely wishes to express thanks for service, advice, help or co-operation.
- any hospitality without the written authorisation of the Headteacher or Chair of Governors.

A register will be maintained by the Headteacher to record all particulars of gifts and hospitality.

16. Timetable and Governor Meetings

An indicative timetable for key activities is included at Appendix 5.

Annex A

People with access to safe

The following people are authorised to access the fire proof safe:

Headteacher

Finance Officer

People authorised to sign cheques

Headteacher

Deputy Headteacher

Finance Officer

Budget Holders

Headteacher

Deputy Headteacher

Phase Leaders:???

Administration:??

Cash Limits

Safe Limit: £600.00

Cash in transit limit: £2,500 with one able-bodied courier

Appendix 1

Appendix 2: Assets and Inventory Policy

Policy Objectives

Dorset County Council's financial regulations for schools require that the FGB shall maintain an inventory of moveable assets and places expectations on the school for the periodic audit of its asset inventory. This policy document sets out how the FGB seeks to meet this obligation.

Principles

- The School recognises the substantial investment in moveable assets and takes all appropriate steps to safeguard these items.
- An up-to-date asset inventory shall be maintained.
- A loans register shall be kept of the whereabouts of assets loaned to other establishments, staff and pupils, including items such as computers and musical instruments.
- Moveable assets surplus to the School's requirements shall not be disposed of except by sale on the authority of the FGB.

Asset Management Guidelines

- All moveable assets of the school shall as far as practical be marked as school property. It is advisable to use both security markers (which show up under infra-red light) and a visible marker. Both should show the school name and post code.
- The asset inventory must be agreed. Wherever there is a change of Headteacher or of member of staff responsible for an asset(s), there should be a formal signed transfer of responsibility for the asset.
- The asset inventory must be checked at least annually and certified as correct by the Headteacher.
- The Headteacher should make arrangements for the asset inventory records to be independently checked periodically by another member of staff not responsible for the upkeep of the asset inventory.
- Manufacturers' serial numbers must be quoted where appropriate. An item comprising of a number of separate components, e.g. a computer system, should be recorded in its various component parts and the serial number of each part recorded separately on the inventory.
- Equipment that is leased, such as photocopiers and cookers, should not be marked without the approval of the lessor. The inventory should identify those assets which are leased to prevent their unauthorised disposal. Under no circumstances should leased assets be disposed of without the prior written approval of the owner.
- Adequate security of assets should be maintained at all times.
- All loans of assets must be pre-authorized by the Headteacher and recorded on a loans register.
- Mobile assets, such as laptops, should be assigned to an individual if they are to be removed from the school site.

Recognition of an Asset

The test of whether an item is to be recorded on the inventory should be based on accountability, desirability, portability, frequently of use and cost.

A moveable asset will normally be recorded on the inventory if its estimated replacement cost is £50 or more. This is expected to include, but is not limited to:

- Audio visual equipment;
- Computers and associated equipment;
- Catering equipment and kitchen appliances;
- Maintenance equipment and heating appliances;
- Musical instruments and equipment;
- Science and craft equipment;
- Physical education equipment.

Moveable assets with an estimated replacement cost of less than £50 should only be recorded on the inventory if there exists a group of similar items that, as a group, have a replacement value of greater than £50 and the items are assessed to be at a high risk of loss.

Moveable assets with a replacement value of greater than £50 may be excluded from the asset inventory if they fall into the following categories:

- Desks, chairs, cupboards and filing cabinets
- Consumables, such as paper, pens, files
- Notice boards, curtains and carpets, fixtures and fittings
- Kitchen utensils, crockery and linen.

Administration of Assets and Inventory

- The school's computer system should be used for the maintenance of all asset records.
- The computer record should be printed annually and each page should be certified by the head teacher, as having been checked then filed in a secure location for future reference.
- Each page of the printed record should be marked with the name of the school and the date of the asset inventory record. Pages should be numbered, by hand if necessary, to ensure the print-outs remain intact.
- Two copies of the inventories should be maintained to ensure that the information is not lost should any fault arise on the main disk. These disks should be held in separate secure locations within the school.
- Full computer system back-ups should be taken as a matter of routine on a weekly basis. If possible, system backups should be stored in a place remote from the computer.
- Amendments to inventory records should be made promptly. Best practice suggests that inventory records should be maintained for 6 years.
- After each inventory check a 'movements report' should be drawn up, computer generated if the inventory is maintained in that form, showing all assets disposed of during the year. This list should show the reason for and/or method of disposal, e.g. the asset no longer works, has been stolen, etc. and should be cross-referenced to insurance documents, police reports, bank paying-in slips and any other relevant information.
- If it appears to the Headteacher that there are deficiencies of equipment or stores a report shall be made immediately to the FGB who may authorise the items to be written off.
- The Finance Officer must maintain a record of all items written off.
- This formal list of items disposed of, or otherwise written off, should be submitted to the FGB for approval on an annual basis or more frequently where appropriate.
- Unexpected, significant or unplanned disposals should take place only with the approval of the FGB. The date and method of disposal, together with details of the bank paying-in slip on which any proceeds were banked, should be recorded on the inventory.

Appendix 3: Best Value Statement 2009-10

Introduction

The FGB is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services

What Is Best Value?

Governors will apply the four principles of **best value**:

- **Challenge** - Is the school's financial performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality and economic?

The Governors' Approach

The Governors and school managers will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school managers, will:

- make comparisons with other/similar schools using data provided by the LA and the Government.
- challenge proposals, examining them for effectiveness, efficiency and cost.
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup.
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers.

Staffing

Governors and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources.

Use of Resources

Governors and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Health & Safety

Governors and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Head Teacher and curriculum managers, e.g. classroom practice, work sampling
2. Annual Budget Planning
3. Annual review of all contracts for services
4. Completion of a Best Value Check Forms for all procurement over £5,000 (see below) and approval of same at meeting of the Full Governing Body
5. Head Teacher's monthly financial review
6. Termly visits by the LA Assigned Inspector
7. Ofsted Inspection reports

Best Value Check Form

(To be completed and attached to all orders placed over £5,000)

Project	
Budget Heading	

Quotations received:

1		£
2		£
3		£

Agreed Supplier		Cost	£
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Best Value Review

(Please clarify the rationale used when placing this order if the lowest price has not been selected)

Approved:

(Headteacher)

Date

Appendix 4: Financial Management Annual Cycle

Appendix 5: Finance Governor – Role Description

Aim

The aim of the Finance Governor role is to act as a 'link governor' between the School's Finance planning and operations, the FGB and the PFM Committee by:

- acting as an objective sounding board for the Headteacher and Finance planning and operations;
- undertaking regular reviews of the financial planning, position and reporting;
- providing information to the FGB/PFM on financial matters as required, but as a minimum 3 times p.a.

Key Activities

- Review monthly reports from FIS and LMS.
- Hold regular meetings with the Headteacher and/or Finance Officer to discuss financial position, including income, expenditure, commitments and forecasts.
- Assist in the development of annual and 3 year budgets.
- Attend DCC Governor Finance Updates if required.
- Undertake an annual independent assessment of the all non-delegated income and expenditure.
- Discuss budget implications of major initiatives, current commitments, and changes to existing arrangements or external influences on budgets.
- Periodic review of the Voluntary Funds, review of variances and ensure the annual external audit process is complete and satisfactory.

Appendix 6: Glossary of Terms

CFR	Consistent Financial Reporting A standardized annual financial breakdown required by DCFS
DCC	Dorset County Council
DCFS	Departments for Children, Families and Schools
LA	Local Authority, in our case DCC
LMS	Local Management of Schools. The scheme of financial management and support systems which delegates budgetary responsibility to schools
OFSTED	Office for Standards in Education
PF	Premier Finance An additional finance system used by the school
PLASC	Pupil Level Annual School Census A standardized annual pupil census required by DCFS
SIMS	Schools Information Management System

Appendix 7: School Fund; Operational Guidelines**School Fund Account Operational Guidelines****Guideline Objectives**

The School Fund is used to manage in excess of £50,000 per annum. This is a substantial sum which requires proper and effective financial control. These guidelines have been developed to help the school deliver this level of control whilst ensuring that the funds can be effectively administered on a day to day basis.

Principles

- The School Fund should be used for the management of all income to the school resulting from pupil trips, events and workshops, arising from charitable collections and other non-specific monetary donations to the school.
- The School Fund should enable effective total income/expenditure management of such trips, events and workshops unless visibility of the total income and expenditure can be achieved through the school's main accounting systems.
- School Fund Accounts should be created at a level consistent with the need to analyse income and expenditure.
- The School does not anticipate making a profit from any individual pupil trip, event or workshop. It is, however, expected that there will be small under/over recovery of costs arising from estimating errors.
- Similarly, a profit is not expected from the overall provision of music lessons. At the individual type of lesson level, the School may decide to cross-subsidise between lesson types in order to promote take up of a wider range of instruments.

Guidelines

- Trips/Event/Workshops
 - Each pupil trip/event/workshop should relate to an individual School Fund account.
 - Parental contributions should be credited directly to the specific account.
 - Invoices arising from the trip/event/workshop may be settled either directly from the School Fund or from the school's main accounting systems.
 - Upon receipt of all monies and payment of all liabilities, the lead responsible teacher should prepare and seek authorisation of a summary of income and expenditure for an individual trip/event/workshop. This summary should be filed in the School Fund control file.
 - The School Fund should reimburse expenditure settled against the school's main accounting systems.
 - The School Fund should be credited from the School's main account with income for children who benefit from reduced charges.
 - Each account should be closed at the end of the School Fund year unless the trip has yet to take place.
- Music Lessons
 - Each music lesson grouping (e.g.: flute, drums, strings) should relate to an individual School Fund account.
 - Parental contributions should be credited directly to the specific account.
 - Invoices arising from the provision of lessons may be settled either directly from the School Fund or from the school's main accounting systems.
 - At the end of each term, upon receipt of all monies and payment of all liabilities, the lead responsible teacher should prepare and seek authorisation of a summary of income and expenditure for the provision of music lessons. This summary should be filed in the School Fund control file.
 - The School Fund should reimburse expenditure settled against the school's main accounting systems
 - The School Fund should be credited from the School's main account with income for children who benefit from reduced charges.

- Each account should be closed at the end of the School Fund year.
- Musical Instruments
 - A single School Fund Account shall exist for the collection of monies from the hire of musical instruments.
 - New instrument purchases, and maintenance and repair costs, may be charged against this account, either directly or indirectly through reimbursement of the school's main accounting systems.
 - The balance of this account must NOT be used for purposes other than the provision of musical instruments.
 - The account should NOT have a zero balance at the end of the School Fund year and should remain open.
- Charities
 - Each charity should relate to an individual School Fund account.
 - Charity collection monies should be credited directly to the specific charity account if the sole purpose of the collection was to benefit that charity.
 - Monies should be sent to the Charity as soon as possible after the collection of the monies by cheque raised against the School Fund current account.
 - Each account should have a zero balance at the end of the School Fund year and may remain open
- Miscellaneous Expenditure Accounts
 - Individual school fund accounts may be created to help manage specific expenditure areas which cannot be managed or are cumbersome to manage within the school's main accounting systems.
 - Accounts that are currently envisaged include Additional Staff Costs, Scholastic Book Sales, and DVD sales.
 - Only monies received specifically for the purpose of that expenditure should be credited to such accounts.
 - Such accounts may run in deficit or in surplus.
 - Each account should be closed at the end of the School Fund year.
- Donations
 - A single School Fund account should exist to cater for the receipt of non-specific donations.
 - Collection monies raised partially for charity and partially for other purposes should be credited to this account and the relevant proportion(s) transferred to specific charity accounts.
 - Non-specific transfer to the school's main accounting systems should only take place from this account.
 - This account should be closed at the end of the School Fund Year