

Hodge Hill Girls' School

Policy for Managing School Finance

The whole Governing Body will be responsible for the School Budget and any funds brought forward from a previous year

1 Minutes

- 1.1 The Clerk to the Governing Body will minute meetings. In the absence of the Clerk the Governing Body can appoint a member (but not the Head Teacher) to act as Clerk to the meeting. Draft minutes of the previous meeting will be distributed at least 7 days prior to the next meeting together with any supporting papers

2 Areas of responsibility

- 2.1 The Governing Body will be responsible for the preparation and approval of the Annual Budget. It will establish formal procedures and timetables for planning the budget and will require the Head Teacher to produce estimates of expenditure and income sufficiently in advance of each financial year, even if the details of the school's funding have not been finalised, so it can determine priorities in accordance with the School Improvement Plan.

It is the responsibility of the Governing Body, in preparing the Draft Annual Budget, to work within the indicative budget, for the forthcoming year and for it to indicate clearly any use that it is proposing to make of contingency reserves and any surplus balances carried forward from previous financial years so that where appropriate, the governing body is fully informed of the final decision.

- 2.2 The Governing Body will receive budget reports, from CMIS or other accounting package, from the Head Teacher or Bursar, for consideration, prior to the meeting taking place where possible. These reports will include a cost centre group report or equivalent, a copy of the suspense file and for cheque book schools a full bank reconciliation and cashflow statement.

Governing Body: Policy for Managing School Finance

The Governing Body will monitor income and expenditure throughout the financial year.

- 2.3 The Governing Body will review virements and budget revisions made by the Head Teacher to a maximum value of £20,000
- 2.4 The Governing Body will approve requests for virements and budget revisions above £20,000 per item. In the event of there being an emergency request the Chair of Governors will have the authority to approve such requests and then report back at the next Governing Body meeting under 'Chair's Actions'
- 2.5 The Governing Body will give the Head Teacher responsibility for administration of the budget and its day-to-day control and monitoring and delegates responsibility according to the Delegation Statement
- 2.6 The Governing Body, with the Head Teacher, will assess at least once a year, financial progress towards achieving the objectives in the School Improvement Plan and, consistent with this aim, will review projected expenditure for future years in accordance with the School Improvement Plan, working wherever possible on a three year rolling programme.
- 2.7 The Governing Body, on an annual basis, will adopt and agree to adhere to the Local Authority Financial Regulations and Procedures.
- 2.8 The Governing Body, on an annual basis, will prepare and submit for discussion to the Governing Body, a Statement of Internal Control identifying any key areas of weakness within the financial control systems of the school and propose actions that need to be taken to address issues around financial control and probity.

3 Expenditure

- 3.1 The Headteacher can authorise orders up to a value of £10,000 within the budget provision without reference to the Governing Body in accordance with the Local Authority Financial Regulations and Standing Orders as outlined in the Schools Financial Procedures Manual
- 3.2 The Governing Body will review orders placed with a value between £10,000 and £20,000 per order

Governing Body: Policy for Managing School Finance

- 3.2 The Governing Body will approve orders between £20,000 and £150,000 if within budget provision and subject to the receipt of three quotations, in accordance with the Local Authority Financial Regulations and Standing Orders
- 3.3 The Governing Body will ensure that where expenditure exceeds £150,000, the tendering procedure will be implemented in accordance with the Local Authority Financial Regulations and Standing Orders
- 3.4 The Governing Body will review all cumulative expenditure with suppliers in excess of £10,000.
- 3.5 The Governing Body will review the financial implications on the budget of the Teachers Pay and Conditions document.

4 Payments

- 4.1 The Governing Body will monitor compliance with the schools financial procedures, particularly with reference to segregation of duties between purchases and payment
- 4.2 The Governing Body will assess the school's insurance cover to ensure that it provides adequate protection against risks.
- 4.3 The Governing Body will review and approve the amount of petty cash to be held by the school.
- 4.4 The Governing Body will review annually all current school contracts.
- 4.5 The Governing Body must ensure that the LA Financial Regulations and Standing Orders relevant to financial management are complied with and will undertake periodic audits of the school's financial procedures and recommend appropriate corrective action.

5 Assets

- 5.1 The Headteacher will maintain an inventory record in accordance with the current financial regulations.
- 5.2 The Headteacher has authority to write off and dispose of assets. All events to be reported to the Governing Body at the next meeting

6 General

- 6.1 The Governing Body will ensure the withdrawal of the individual if she/he has a business, pecuniary or personal interest in the business of the Governing Body.
- 6.2 The Governing Body will agree to undertake training to keep up to date with national and local trends and policies.
- 6.3 The Governing Body is responsible for ensuring that the school achieves the Schools Financial Value Standard with particular reference to the governance arrangements and financial management roles and responsibilities.

NB: This policy will be reviewed and updated on an annual basis for approval by the Governing Body.