



Lings Primary School

Finance Policy

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1. Statement of Intent

We the Governors of Lings Primary School, part of the Northamptonshire Primary Academy Trust (NPAT), fully understand and accept our obligations under the terms of our Funding Agreement (FA) with the Education Funding Agency (EFA) and the Academy Financial Handbook - September 2012 (AFH). We agree to manage the funds in our control, in a transparent and robust way and for the purpose for which they were intended. This policy should be read in tandem with the Scheme of Financial Delegation (SoFD).

1.1 The Governors will ensure regularity, propriety and value for money in our management of public funds. This will be demonstrated and monitored by the preparation of:

1.1.1 A set of annual accounts by the required deadlines and that conform to the

Statement of Recommended Practice (SORP) for Charities.

1.1.2 Regular meetings of the Governors Finance and Personnel Committee

1.1.3 The appointment of an External Auditor

1.1.4 A Scheme of Financial Delegation

1.1.5 A Charging Policy

1.1.6 A Statement of Internal Control

1.2 In all the above, the Governors will have due regard for the requirements of Academies as Charities and Companies, as laid out in the key documents:

1.2.1 Academy Funding Agreement

1.2.2 Articles of Association

1.2.3 Academies Financial Handbook (Sept 2012)

2 Organisational Responsibilities

This section records the way the Academy has organised its staff and Governors with Financial responsibility in relation to the requirements of the AFH; however the delegation of duties is contained in the Scheme of Financial Delegation (SoFD) document.

2.1 Posts of Financial Responsibility

2.1.1 NPAT Board of Trustees

2.1.2 Lings Primary School Full Governing Body (FGB)

2.1.3 Finance and Personnel Committee

2.1.4 Academy Trusts' Principal - known as the Accounting Officer - Head Teacher

2.1.5 Principal Finance Officer - School Business Manager (SBM)

3 Financial Management and Monitoring

3.1 Planning, Monitoring and Management

3.1.1 A schedule of meetings for the Finance and Personnel Committee will be drawn up and be in place for the beginning of each Academic Year.

3.1.2 A balanced budget will be set annually and approved by the FGB.

3.1.3 The Finance and Personnel Committee will monitor the budget on a regular basis with monthly reports submitted to committee members

3.1.4 The School Development Plan will provide the focus for the allocation of the unfixed elements of the budget in order to maximise the impact on student learning.

3.1.5 The Curriculum Plan will drive the staffing budget.

3.1.6 The school will have in place a Business Continuity Plan that will detail what the school would do to ensure that the education of the

students and the business functions of the school could continue in the event of a serious unplanned interruption.

3.1.7 The School will ensure it has a comprehensive Risk Register that is regularly reviewed and states how the risks are either managed or mitigated.

3.2 Internal Control

3.2.1 An internal auditor from NPAT will be appointed annually to carry out detailed checks on the school's financial systems, procedures and transactions. Their findings will be communicated through the SBM to the Finance and Personnel Committee on each occasion.

3.2.2 All Financial operations and procedures should have due regard to segregation of duties, an element of financial control or monitoring and an awareness of any potential risks of theft or fraud opportunities and remedial measures put in place as required.

4 Financial Operating Policies

All operations listed in this section refer to school procedures to be followed by the SBM or other staff members if appropriate.

4.1 Income

4.1.1 All budget remittances issued to the school from the EFA should be logged on to the financial management system (FMS) and reconciled on a monthly basis.

4.1.2 All non-electronic invoice and non-invoice income should be recorded in the relevant class/office receipt books including from whom it is received and to what it refers.

4.1.3 All debts or overpayments should be pursued, regardless of how they came to be made, unless to do so would be financially unviable. This limits and values relating to this decision are reviewed annually and detailed in the SoFD.

4.1.4 Write Offs - Please see section 4.3.8.

4.1.5 The Governors will annually approve the Charging Policy which declares the types of charges that might be levied by the School together with any relevant exemptions or remissions. This will be published on the school website.

4.1.6 School Lettings will be managed by the SBM in liaison with the Site Supervisor and in accordance with the School procedures. The charges will be reviewed and agreed annually by the Finance and Personnel Committee

4.2 Expenditure

4.2.1 All expenditure, however incurred or recorded should be authorised by the relevant budget holder and be for the purposes for which the funds were intended. The School procedures relating to each type of payment should be followed at all times and the appropriate instructions issued to budget holders as required.

4.2.2 All cheques or outgoing authorities i.e. direct debits or standing orders should be signed by at least one signatory who is either the Head Teacher or the Senior Deputy Head and by one or two further signatories listed on the bank mandate in line with the SoFD authorisations and limits.

4.2.3 Petty cash - All transactions classed as petty cash should be paid from a specific sum of money set aside for this purpose and held separately, and not from income received that is awaiting banking.

All claims should be accompanied by the appropriate paperwork with the correct authorisation as per the School procedures. The maximum limit for the fund is £25.00.

4.2.4 Credit Cards - any transactions authorised on the School credit card need to comply with the rules and procedures that relate to regular expenditure.

Cards should be held by designated finance staff and not given out to other staff members.

Balances should be paid in full every month.

4.2.5 Tenders - Competitive tenders should be sought on all items and contracts as recommended in the AFH and according to the limits stated in the SoFD.

4.2.6 Personal Cheques - under no circumstances should personal cheques be cashed through any of the school funds.

4.3 Other

4.3.1 Assets - All assets should either be recorded on the Department Inventories or on the Asset Register, depending on their value and portability. Assets should be depreciated according to the Depreciation limit stated in the annual accounts (and summarised in the SoFD).

Assets beyond their useful life can be disposed of in accordance with School procedures and within the limits detailed in the SoFD.

4.3.2 Leases - The Governors recommend that specialist advice is sought before a lease arrangement is entered into by the school. An Operating Lease will be classed as an expense item and not considered to be borrowing, so permission from the EFA is not required, but value for money will still need to be evidenced. Any leases extending for more than 3 years will require special consideration by the

Finance and Personnel Committee and the EFA.

Finance lease is considered borrowing and the Governors would need to seek permission from the EFA if a Finance Lease was considered the best course of action. All new leases should go before the Finance and Personnel Committee for approval.

4.3.4 Gifts and Rewards (received) - Any gifts, rewards or prizes given to the school or individual staff that could be construed in any way to be a bribe for services or preferential treatment should be documented in the gifts register that is reviewed by the Finance and Personnel Committee on a regular basis.

4.3.6 Staff Severance - Staff severance payments should not be made where they could be seen as a reward for poor performance. Any recommendations for a settlement must be made by the Finance and Personnel Committee and referred to the Full Governing Body for agreement.

Referral should be made to the School procedures for payments of this nature and to the SoFD for authorisation limits.

4.3.7 Novel & Contentious Payments - payments that are outside of the normal operational remit of the school must be referred to the EFA for explicit prior authorisation.

4.3.8 Write Offs - no debt should be written off until all possible opportunities have been taken to try to recover that debt. There will be a viability tipping point reached for each debt and some guidance on limits that apply are stated in the SoFD.

5 Audit Arrangements

5.1 External Audit - An external auditor will be appointed annually in November to prepare and audit the final accounts for that Academic Year. A letter of engagement must be exchanged that details the work to be completed and the fee to be charged in advance of the work commencing.

5.2 Retention of Records - The SBM will assume responsibility for retaining the appropriate financial records in line with the latest recommendations for Schools, Academies, Charities and Businesses and will select the longest period of retention when the advice is conflicting.

5.3 Irregularity / instances of fraud - All instances of fraud or theft committed against the Academy Trust, whether by employees or Governors or third parties, above £5000 must be reported by the AT to the EFA. Any unusual or systematic fraud, regardless of value must also be reported.

Other Guidance

Charity Commission's guidance for Academies in Academy Schools:
guidance on their regulation as Charities and two guidance notes:

CC3 - The Essential Trustee - What you need to know

CC8 - Internal Financial Control for Charities

HMRC - Managing public money

HMRC - PAYE & VAT legislation

Please note: At the time of approving this policy, the Business Continuity Plan (ref 3.1.9) and the Risk Register (ref 3.1.10) are work

in progress. They are being compiled with the assistance of external agencies but will be in place by the end of the Academic Year (31/08/14)

Compiled By: School Business Manager

Approved by: Full Governing Board

Confirmatory Signatures

Signed.....Head Teacher

Signed.....Governor

Approved on.....

To be reviewed on.....