

Queensmill School

Financial Handbook for Governors and Staff



Reviewed: Autumn Term 2018

Next Review: Autumn Term 2019

Chair of Governors signature

Date

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Leadership and Governance

School Governing Bodies - Roles, Responsibilities and Membership

Introduction

The last twenty years have seen the progressive delegation of funding and responsibilities from local education authorities to individual schools. Schools are now largely self-managing, responsible for their own budget and accountable for all aspects of their performance.

Governing bodies are corporate bodies. As such, a governing body acts as a single legal person with an identity separate from its members. Responsibility for the actions and decisions of a governing body rests with the whole body rather than with individuals. Governing bodies can delegate most of their functions to committees or individuals, but the governing body remains accountable for any decisions taken.

Key Points:

School governors are people who wish to make a positive contribution to children's education. No special qualifications are required, but enthusiasm, commitment and an interest in education are important qualities to bring to a governor post. Governors must be aged 18 or over at the date of their election or appointment.

Governors are the largest volunteer force in the country; there are approximately 350,000 school governor posts in England. The governing body has a legal responsibility to conduct the school with a view to promoting high standards of educational achievement at the school.

Governors work in partnership with the Headteacher and other school staff to promote high standards of educational achievement at the school.

From 1 September 2012 new arrangements allowed governing bodies to determine their own size and composition within a framework of guiding principles. Parents, school staff, the Local Authority (LA), the community and, for some schools, the foundation or relevant religious body, are represented on the governing body.

From 1 September 2012 Governing Bodies adopted streamlined procedures which allow them to:

- Have greater scope to choose ways of working that suit their school's particular circumstances.
- Free governors from activities that are incidental to their primarily strategic role.
- Put in place a new legislative framework that can be adapted more readily to reflect changing circumstances.

Policy Commitment:

School governors have a legal responsibility to conduct the school with a view to promoting high standards of educational achievement. Governing bodies have three key roles: setting strategic direction, ensuring accountability and monitoring and evaluation.

The Education Act 2002 gave rise to four main areas of change for governors: constitution, procedures, new powers and collaboration/federation. The Act sets out key principles, but most of the detail is covered in regulations and guidance.

Main Responsibilities:

Governing body responsibilities include:

- Setting strategic direction, objectives, targets and policies
- Reviewing progress against the budget, plans and targets
- Approving the school budget
- Acting as a critical friend to the head teacher by providing support and challenge
- Appointing the head teacher

Meetings of the governing body:

- Receive all the information and explanations that they require in a timely manner. The School Management Support Officer presents staff and curriculum costing; budget planning papers and monitoring reports on a regular basis for governor approval.
- Are conducted in an open way so that all members are encouraged to contribute to discussion and debate
- Are scheduled to coincide with key aspects of financial management such as approval of the budget as laid down in the School's annual review and self-evaluation cycle
- Are supported by effective clerking arrangements through the 'buy back' Local Authority Clerking package
- Are properly minuted and points for action pursued. Accurate agendas and minutes of all Governing Body meetings are produced by the Local Authority Clerk to the Governing Body and are distributed promptly

Who are represented on the governing body?

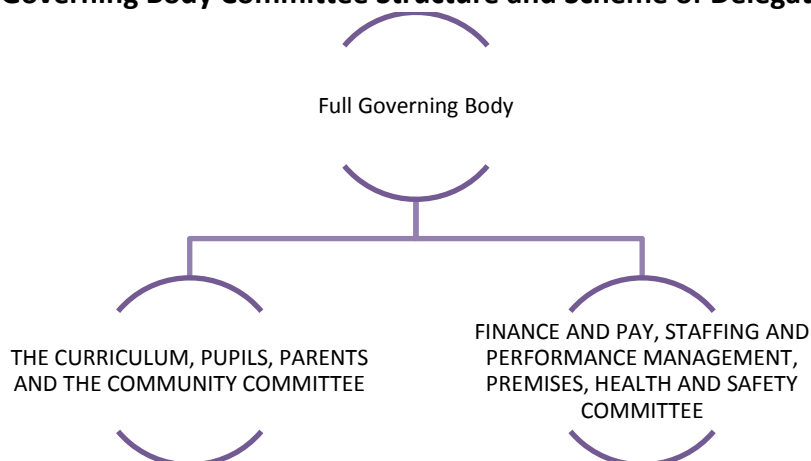
Governing bodies are made up of key stakeholders:

- Parents - parent governors are elected by other parents at the school
- Staff – staff governors are elected by the school staff. The Headteacher is a governor by virtue of office and may choose not to take up post. If the post is not taken up it cannot be filled by another staff member.
- The community - the governing body appoints community governors i.e. members of the community
- The LA - the LA appoints one or more local authority (LA) governors
- For some schools - the foundation or relevant religious body appoints foundation governors

What is the role of the governing body?

Governing bodies are responsible and accountable for all major decisions about the school and its future. Governors have a legal responsibility to conduct the school with a view to promoting high standards of educational achievement. They set the school's vision and strategic aims, monitor and evaluate performance acting as a critical friend to the Headteacher and ensure the school is accountable to those it serves.

Our School Governing Body Committee Structure and Scheme of Delegation



The Local Authority

Currently the school buys into the School Management Support Service provided by 3BM which works with the Headteacher, School Business Manager and the Governing Body Finance Committee in all aspects of the finances of the school including Budget Planning and Budget Monitoring and ensures compliance with the financial regulations set down. The School also buys into the School Governance Service from the Local Authority, which provides governor training as well as providing a clerking service for all meetings.

School Business Manager

The School Business Manager is responsible for operating the accounts in accordance with the Local Authority's financial procedures and the school's procedures. This includes:

- Providing the Headteacher with regular reports on income and expenditure
- Ensuring the school has an audit trail of orders and invoices
- Ensuring that value for money is achieved during procurement
- Ensuring that the school adheres to financial policies and procedures at all times

Budget Holders

Budget holders are responsible for ensuring that budgets are not overspent and that they comply with financial regulations. The School Business Manager will liaise with them on a regular basis to ensure monitoring of their budget.

School Finances

The Headteacher, Leadership Team, School Business Manager and the Local Authority finance team operate with financial integrity, setting an example to governors and staff alike. The Headteacher, Leadership Team and School Business Manager set an example for others in terms of financial management by:

- Managing the school's finances in a prudent way so as to minimise the risk of deficit, loss or ineffective use of resources
- Adhering to the financial rules of the school and the Local authority (LA), and encouraging others to do the same
- Conducting financial management, so far as possible, in a transparent manner

Conflicts of Interest and whistle blowing

School has effective governance arrangements covering issues which include conflicts of interest and whistle blowing. The whistle blowing policy is available to all staff.

Register of pecuniary interests

The school maintains a **register of pecuniary** interests for governors that covers significant interests by the individual or close family members and this is updated regularly. An opportunity is provided at each meeting for interests to be declared.

Clerking

The school has effective clerking arrangements and buys into the Local Authority Governors support package which includes:

- Clerking of all meetings with dissemination of agendas and minutes;
- Advising the Governing Body on procedures and good practice in line with the Guide to the Law for School Governors

School Objectives and Priorities:

School staff and governors have a shared understanding of, and commitment to, the aims, objectives and priorities of the school. The aims, objectives and priorities of the school have been:

- Developed by the staff and governors in a collaborative way;
- Formally agreed as part of the School Development Plan;
- Made available to all concerned;
- Stated as specifically and measurably as possible with a clear time frame for achievement;

Reviewed on a regular basis. People Management

Both school based staff and Governors are supported in their financial role through the buy back with 3BM School Management Support Service (SMS).

Governors:

- SMS attend all Governing Body Finance Committee meetings to support the Governors in the decisions that need to be made ensuring that there is a full understanding of the decisions being taken and the probable out comes of any decision taken.
- The Governing Body review the skills and knowledge of its members in regard to financial issues on a regular basis, and a more formal training programme is available for governor development from the LA of new and more established members of the Governing Body.
- All new Governors are sent a full induction pack from the LA, and are invited to visit the school and meet the Headteacher prior to their first meeting.

The school also provides the opportunity to allow Governors to attend training, or to buy in whole Governing Body training, covering any relevant subjects that will improve the effectiveness and efficiency of the Governing Body.

School Staff:

SMS visit the school on a regular basis to work with and support the Headteacher and School Business Manager on finance issues relating to the school, as well as management information regarding pupils.

The school builds finance competencies into the person specification and job description of all posts in the school relating to finance, and these are tested at interviews for new appointments and any promotions in the school.

The School Business Manager attends workshops and training run by School Management Support , to learn about any new financial issues and requirements being placed on the school as well as attending other relevant finance training as needed. The staff with financial management responsibilities are deployed, where at all possible, in a way that financial controls are maintained effectively across the school.

The roles of the Headteacher, Governing Body and SMS are set out in such a way that budget planning and monitoring are separated from day to day financial administration duties. This enables independent checks to take place independently of involvement in these activities and ensures that at least two people are involved in financial control activities.

The work of the School Business Manager is regularly audited and independently reviewed by SMS team.

Policy and Strategy

The school has an annual budget that is:

- realistic and affordable in relation to available resources and cash flows
- approved by governors
- reflects the school development plan (SDP)
- is consistent with longer term financial plans (including recovery of deficits or saving up for future developments)

The school development plan sets out the educational priorities in sufficient detail to provide the basis for developing the annual budget. It is reviewed on a regular basis by the Headteacher, Leadership Team and the Governing Body.

The budget planning process ensures that the main elements of the budget are periodically reviewed to ensure that historic spending patterns are not perpetuated or are no longer relevant to current needs and priorities. The budget is monitored regularly using monitoring reports produced by the LA's School Management Support team. This report also explains any deviations from the initial budget plan or where spending needs have changed throughout the financial year. The budget is based on realistic estimates of all expected expenditure and income, including grant income so that planned expenditure does not exceed the available budget and takes account of relevant conditions laid down by the LA in the local scheme of delegation.

The Headteacher and School Business manager work closely with the School Management Support team, who provide expertise and external validation of the budget planning and monitoring position. The school uses the School Management Support budget planning software in order to plan and modify the annual budget. This planning tool brings together all aspects of income and expenditure into one coherent document and is set out in the Consistent Financial Reporting (CFR) categories.

The Headteacher and Governing Body adopt a 'zero-based' budget planning approach and ensure that detailed planning and prudent management result in an annual budget that is balanced. However, it is recognised that there may be extenuating circumstances in which it is necessary for the Governing Body to consider significant surpluses, unspent balances or make arrangements to recover previous deficits. Any budgeted unspent balances are earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending. The governing body approve the annual budget (and the school development plan) only after careful consideration and before the financial year starts. Changes to the budget during the financial year are fully discussed and agreed between the Headteacher, Local Authority and Governing Body prior to gaining full approval and ratification by the whole Governing Body.

The School Business Manager compares the School's financial performance with that of similar schools. Benchmarking informs the financial planning of the school. On an annual basis the School Business Manager utilises the DfE's benchmarking data to compare the schools financial performance with those of similar schools.

Resources allocated to devolved budget holders are determined on a transparent basis. Budget holders are involved in estimating expenditure to meet agreed targets and decisions that are taken in respect to budget planning. The annual budget is communicated promptly to governors and the Local Authority. The governors and the staff regularly identify the risks currently faced by the school and the measures necessary to manage serious risks. These are reported and discussed at Governing Body meetings and with the Local Authority.

Partnerships and Resources

Through the Local Scheme of Delegation the LA and the school have agreed their respective financial management roles and responsibilities and these are clearly set out in the document and understood.

Value for Money:

The school has procurement arrangements in place to secure value for money from all suppliers

including the LA and outside contractors

- The school consistently applies Best Value principles to procurement activity
- All contracts for goods and services have been approved by the governing body or under delegated authority
- The school regularly reviews the value for money of services it purchases from the LA
- The school consistently follows the procurement requirements of its own financial regulations and where appropriate the LAs contract standing orders
- When in doubt about any contractual issue or about tendering protocol the school contacts its SMS Officer for advice
- The school has maximised the potential to attract external funding opportunities from grants, sponsorship and income generation

ICT:

The school has appropriate ICT to support delivery of school priorities

The school has appropriate ICT for its administrative and support activities

The school has adequate procedures in place to safeguard hardware, software and data

Resources:

The school continuously seeks to improve the way it deploys staff to meet its objectives and priorities.

Governors have set a pay policy for the school.

The school regularly reviews the deployment of staff to ensure they are used to best effect including consideration of:

- Degree of delegation
- Roles and responsibilities (management structure)
- Posts of responsibility
- Use of Teaching support assistants and support staff
- Expected staff changes, e.g. as a result of a maternity leave
- Principles for recruitment and retention

The school continuously seeks to improve the way it uses the land and premises it occupies to meet its objectives and priorities.

Processes

The financial management information provided to governors and staff meets their needs by being relevant; accurate; timely and user friendly. Regular and succinct budget monitoring reports are provided to relevant governors and the finance committee at least every term and to the Headteacher on a regular and timely basis.

Accurate management information is provided directly from the financial system and thus providing an audit trail. Earmarked funding is planned for separately to demonstrate that it is being used only for the intended purposes but it is accounted for within the financial management system.

The Headteacher and School Business Manager monitor expenditure on initiatives set out in the school development plan. The Financial Management Procedures detailed below ensure that the information to governors and staff is relevant, accurate, timely and understandable. The school provides the LA with accurate and up to date information in accordance with the LA's needs and the school is aware of the LA's information requirements. The school is able to meet those requirements on a timely basis.

The school provides accurate monthly reports of income and expenditure to the Local Authority. The LA uses these reports to update its LA wide financial management system. Regular monitoring reports are produced by the SMS Officer and held by both the school and 3BM. The school complies with Consistent Financial Reporting requirements on a timely basis and the accounting summary is in Consistent Financial Reporting format. The school operates its financial management, planning and monitoring using the DfE's CFR format.

At the end of each financial year a report of income and expenditure for that year using the CFR format is sent to the Local Authority and DfE to satisfy statutory requirements. The school has up to date, documented and approved financial regulations that are implemented consistently. The school has formally adopted and adheres to the model set of financial regulations provided for its schools by the LA. The financial regulations are reviewed on an annual basis to ensure that they still reflect the structure and systems at the school. The school has agreed an internal Finance Policy setting out how the finances of the school will operate, these have been drawn up in line with the LA's Financial Procedures Policy. This policy and other related policies are attached in the appendices.

Bank Accounts

The School Business Manager ensures that mandates for all school accounts are up to date and available in the school for inspection as required. The school holds a list of authorised signatories on the school's accounts. If a cheque is payable to an authorised signatory, it shall not be signed by that signatory. Access to the online bank accounts is restricted to the School Business Manager and Headteacher.

The School Business Manager is responsible for ensuring that the school holds an adequate stock of printed cheques and that they are held securely in the school's safe. The school maintains proper accounting records throughout the year. Records are maintained and are kept securely for at least the period recommended by the LA. The school maintains proper accounting records by using the SIMS Financial Management System (FMS) for the LA disbursement expenditure.

Monthly close down procedures are completed promptly and include bank reconciliation and clearance of control accounts. Annual close down procedures are completed promptly and include the requirements of the LA. All transactions and amendments are traceable through the documentation. Accounting records are all securely retained and access is controlled.

Policies and documents relevant to financial control in the school are:-

- LBHF Financial Procedures (available on request)
- Procurement Procedures (appendix one)
- Petty Cash Policy (appendix two)
- School Expense Policy

Appendix 1



Queensmill School

Procurement Procedures

Reviewed: Autumn Term 2018
Next Review: Autumn Term 2019

SIGNED:

On behalf of the Governing Body

Context

The school budget is set by the Head Teacher, School Business Manager and SMS Officer, it is then formally approved by The Governing Body. The budget is public money and it is imperative that the school can demonstrate that it has used such monies in a manner that is transparent and for a purpose.

The Procedures

At the beginning of the financial year the School Business Manager will inform all Budget Holders of their Budget Allocation for that year, ending in March. The SBM will inform the BH every half term of their remaining budget. BH's maintain responsibility for all purchases made in their budget area. All items that we pay for need a completed order form, whether it is for a product, production, course or external teacher / coach. When placing an order all sections in the top of the order form must be completed. This will ensure that the item is costed to the correct budget. Before sending an order, please ensure it is initialled by the BH; this will help them to keep a complete record of all items purchased in their budget regardless of who places the order. This will help them avoid overspending the budget allocated. It must be signed as authorised by the HT, Deputy, Assistant Heads or SBM. Once placed the order should be passed to the Finance Administrator who will process the order on our Finance System. All delivery notes should be passed once the delivery has been checked against the order. This ensures we only pay for full orders delivered. If there is a problem with an order or an item not delivered please let the administrator know. If any invoices are received by you please pass immediately to the administrator for payment.

Purchasing through personal funds

Queensmill School does not have a school credit or debit card and is therefore unable to purchase items from many of the online retailers. If a member of staff wishes to order books from Amazon or a similar supplier the staff member should first consult the school office to determine if there is an alternative supplier that will allow us to order the item on an invoice basis.

Reimbursement for purchases made

Where a staff member has purchased an item online or through an alternative stockist and approval has been made the staff member can claim reimbursement. To do this the Petty Cash Policy must be followed.

Appendix 2



Queensmill School

Petty Cash Policy

Reviewed: Autumn Term 2018
Next Review: Autumn Term 2019

SIGNED:

On behalf of the Governing Body

Introduction

The Leadership Team of Queensmill School do not expect individual staff members to be out-of-pocket as a result of purchasing items relating to school life. However it is equally important that we ensure that purchases made are valid and appropriate.

We are held accountable for all financial transactions, including petty cash, and to ensure that the petty cash account is auditable members of staff are expected to adhere to procedures laid out within this policy.

Purpose

This Petty Cash Policy has been prepared to define the procedures relating to petty cash transactions so that all staff members are clear about the expectations in relation to use of public money. The policy will allow the school to be competent that the procedures it carries out are robust and auditable, it will be reviewed on a 2 yearly basis.

The maximum cash held in the petty cash tin should not exceed £1,000.

Reasons for Expenditure

Staff members should only make purchases that cannot be made through the standard school suppliers. If, for example, stationery items are required these must be ordered through the school and not purchased personally if reimbursement is to be sought. The school considers items to be reasonable if they are necessary for the education and well-being of the pupils at the school.

Reasonable Expenditure

The London Borough of Hammersmith & Fulham prohibits cash reimbursements exceeding £50.00. Queensmill School shall adhere to this limit in any one transaction. In the event that requested reimbursement exceeds £50.00 and permission has been granted for such expenditure a cheque shall be issued to the staff member.

Pre-payment

Members of staff are not expected to request payment prior to purchase unless this has been specifically requested. Such requests shall be considered by the Headteacher and will only be granted in exceptional circumstances including:-

- Personal circumstances prohibit the individual from being able to make the purchase without pre-payment

On receipt of cash the individual member of staff retains responsibility for the safety of that cash and, following purchase should return any unspent money to the School Business Manager immediately along with proofs of purchase as defined below.

Post-payment

To be reimbursed for expenditure incurred staff members must supply the School with proof of purchase in the form of VAT receipts. The amount being claimed is determined solely by the total sum of receipts received.

In the event that the member of staff has no proof of purchase, for whatever reason, reimbursement shall not be made. Staff members have the right to challenge such decision directly through the Head teacher. Members of staff are required to submit receipts without delay and reimbursements shall be made weekly.

Failure to follow procedure

Staff members are expected to comply wholly with the procedures outlined in this policy. Where staff members fail to comply the school has the right to refuse reimbursement of expenses incurred.

Appendix 3



Queensmill School

Reimbursement of Expenses Policy

Reviewed: Autumn Term 2018

Next review: Autumn Term 2019

SIGNED:

On behalf of the Governing Body

Reimbursement of Expenses Policy

RATIONALE

As a general rule, staff will be reimbursed for all reasonable expenses which they incur wholly, necessarily and exclusively in the course of the school's business.

AIMS

This policy will ensure that the school complies with Inland Revenue regulations. It is therefore essential that the procedures detailed in this policy are followed when making an expenses claim. This will enable the school to make the reimbursement of expenses without deduction of tax.

PROCEDURES

Authorisation Procedures

Payments to members of staff for personal expenditure (i.e. mileage, subsistence etc.) must be made using a Mileage claim form for travel expenses and a petty cash claim form for subsistence.

The procedures for the reimbursement of expenses incurred by staff while engaged on school business are set out below. All staff wishing to claim reimbursement of expenses should pay particular attention to these procedures, which also include mileage and subsistence rates.

Supporting documentation (e.g. receipts, proof of stay, and other supporting information) must be attached to the travel and expenses claim form and handed to the School Business Manager within one term by the 28th of the month.

Before any expenses are paid they will require approval and authorisation. The Headteacher will approve and authorise all travel claims. Claims which are not authorised in compliance with these procedures will not be processed and will be returned unpaid.

If a member of staff attempts to submit a false claim this will be treated as a serious offence which may lead to disciplinary action and a referral to the police.

Travel expenses

In accordance with Inland Revenue regulations, the mileage rate is 0.45p per mile. Normally mileage claims will be paid only for journeys which start and end at school or from home to the destination, whichever is the shorter distance. If travelling directly from or to home the normal mileage which would have been travelled from home to school should be deducted from the total mileage claim for the journey.

The school does not normally pay travel from home to normal place of work. The school will not, under any circumstances, reimburse parking or speeding fines.

Mileage Allowance Claim

As the school does not provide car insurance cover for staff using their own vehicles, staff are required to confirm that they have taken out personal car insurance with an appropriate extension to cover use in connection with school business. The staff member should provide the school with a copy of their car insurance policy and their driving licence. The policy should remain in force and the current premium should be paid, the mileage claimed should be necessary for the fulfilment of the schools duties,. The Headteacher should authorise all mileage claim forms before they are submitted to the payroll provider, staff will receive the reimbursement in their monthly salary.

The mileage rates payable by the school include an element to defray the cost of insurance as well as vehicle depreciation, fuel etc.

Public Transport

Wherever possible employees should travel by train, bus or car share when making the same journey.

Where staff use public transport, reimbursement will be on a receipts basis, provided the expenses are reasonable.

Rail Travel

Wherever possible employees should travel by train at 2nd class passenger rate. Staff may choose to travel at 1st class public transport but they will only be reimbursed the cost of 2nd class travel.

The school is only liable for the costs relating to a member of staff's travel. Any accompanying persons will be responsible for their own costs. The exception to this is where their attendance is required as a representative of the school and in such circumstances, prior approval must be obtained from the Headteacher.

Subsistence Allowance: Daily and Overnight

The subsistence rates listed below represent the maximum permissible rates available.

Where staff travel on school business and an overnight stay is necessary, an overnight subsistence allowance may be claimed. The school will reimburse the reasonable costs of accommodation, food and drink when supported by receipts.

The school will only bear the cost of accommodation required for training purposes and will not meet the costs of any extensions to a stay for personal reasons or for accommodation provided to a spouse or other family members.

Members of staff should note that items of a personal nature, such as alcoholic drinks, mini-bars etc. will not be reimbursed by the school and these should be deducted from any bills

submitted for reimbursement. Subsistence: Only claimable if an overnight stay is involved, this must reflect the actual cost of meals/beverage up to a maximum of:

Breakfast £ 5.00

Lunch £ 5.00

Dinner £ 10.00

Overnight Stay (B&B) £ 70.00

Re-imbusement for Gifts and Rewards

In the event of gifts being purchased by the Headteacher for members of staff, the following guidelines must be followed.

Gifts for an individual member of staff can be given up to the value of £25. Such gifts would be given for 10 years of service, staff attendance draws at the end of term etc.

Whole Staff Rewards such as for recognition of excellent performance in examination results/data results, Ofsted inspections and celebrating successes can be provided up to the value of £600. This is at the Chair of Governors discretion.