



Pontypridd High School

Finance Policy

'Learning and achieving together'
'Dysgu a chyflawni gyda'n gilydd'

Finance Policy

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Adopted:	Finance Committee Meeting, 25 th September 2018 Reviewed: Finance Committee Meeting, 24 th November 2022 Reviewed: HR and Finance Committee Meeting, 23 rd November 2023
To be reviewed:	Autumn 2024
Member of staff responsible:	Executive Headteacher
Committee Responsible:	HR and Finance

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1 INTRODUCTION

The Governing Body recognises the need for good financial control over the school's resources and has formulated this policy in order to achieve this.

The key standards to be achieved are:

- The financial responsibilities of the Governing Body, its committees, the Executive Headteacher and staff should be clearly defined and limits of delegated authority established.
- The budget should reflect the school's prioritised educational objectives as set out in the school improvement plan, seek to achieve value for money and be subject to regular, effective monitoring.
- The school should establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.
- The school should ensure that purchasing arrangements achieve the principles of best value.
- All income due to the school should be identified and collected. All collections should be receipted, recorded and banked promptly.
- The school should properly control the operation of bank accounts and reconcile bank balances with the accounting records.
- There should be efficient procedures in place for the administration of personnel matters, including payroll where applicable.
- The school should control the use of petty cash.
- The school should ensure that it complies with VAT and other applicable tax regulations.
- Stocks, stores and other assets should be recorded and adequately safeguarded against loss or theft.
- The school should be adequately insured against exposure to risks.
- The Governing Body and Executive Headteacher should be satisfied that they are meeting the requirements of the 2018 general data protection regulations (GDPR)
- The school private fund should be administered as rigorously as the public funds.

2 ORGANISATION OF RESPONSIBILITY & ACCOUNTABILITY

2.1 Full Governing Body

Membership is as the current membership list held with the Data & Communications Manager.

Membership as at 01/09/2023:

Chair: Bill Davies

Members: 17

Quoracy: 50%

Role: The Governing Body has a strategic role in determining the educational and financial priorities of the school, ensuring that the financial resources delegated to it are used effectively and that adequate internal controls are maintained over these.

Responsibilities:

- To fulfil the statutory responsibility for the administration of financial management within the school.
- To formulate the written description of financial systems and procedures and ensure that these comply with the LA's guidelines
- To undertake an annual review of the finance policy
- To set out the roles and responsibilities of the Governing Body, its committees, the Executive Headteacher and Finance and Support Services Manager in relation to the financial decision making in a finance policy.
- To set up a HR & Finance Committee to consider strategic financial issues on behalf of the Governing Body, and to review the committee's membership on an annual basis.
- To establish the financial limits of delegated authority.
- To approve the financial procedures within the school and ensure that they comply with the LA's guidelines.
- To establish a register of business interests of governors, the Executive Headteacher and any other staff who have the ability to influence financial decisions, to ensure that it is open to inspection and to oversee its maintenance through an annual review and/or update.
- To ensure that the priorities, aims and objectives are outlined in the school improvement plan and are costed and clearly linked to the annual budget plan.
- To approve the annual budget plan and ensure that it is submitted to the LA by the required deadline.
- To respond promptly to any recommendations made in audit reports and monitor the progress of any remedial action identified.
- To approve the writing off of irrecoverable debts and the disposal of surplus and damaged equipment.

2.2 HR & Finance Committee

Membership as at 01/09/2023:

Chair: TBC

Members: 11

Quoracy: 50%

Role: The Governing Body of Pontypridd High School has delegated the responsibilities as outlined below to its HR & Finance Committee.

Responsibilities:

- To oversee the preparation of the school's annual budget plan in accordance with the priorities within the school improvement plan, for determination by the full Governing Body.
- To monitor expenditure and income by receiving regular reports from the Finance and Support Services Manager, comparing expenditure to the original budget set, and report back to the full Governing Body.
- To operate the Governing Body's arrangements for obtaining quotations and inviting tenders.
- To approve leasing arrangements after consultation with the LA.
- To ensure the maintenance of the inventories and security of assets and to approve in writing the method of disposal and the deletion of items from the inventory.
- To approve the writing off of irrecoverable debts
- To formulate and recommend to the Governing Body a charging and lettings policy in line with the LA policy.
- To formulate and recommend to the Governing Body a charging and remissions policy for activities.
- To determine arrangements regarding petty cash
- To determine the arrangements for the school fund accounts, for the annual audit of these and approval of the annual audit certificate.
- To determine insurance arrangements.
- To determine matters relating to building maintenance, health and safety and lettings outside school hours.
- To report appropriate financial information to parents in a format approved by the Governing Body.

2.3 The Finance and Support Services Manager

Role: To ensure that sound systems of internal control are in place and are implemented. To ensure that the financial administration of the school operates within the LA's guidelines. In the absence of the Finance & Support Services Manager, responsibilities outlined below will be delegated to the Finance Officer.

Responsibilities:

- To prepare the annual budget plan for the Governing Body's approval
- To work with the Executive Headteacher to ensure the school improvement plan priorities are properly costed and clearly linked to the school's budget plan.
- To undertake budget monitoring exercises on a monthly basis.
- To monitor the cash flow.
- To produce and distribute the School's Accounts Receivable invoices, monitor levels of debt and follow the School's Bad Debt procedures for debt recovery (Appendix 2)
- To provide reports to the Governing Body on the financial position of the school. These should be in a format approved by the Governing Body and report any variations in expenditure against the approved budget plan.
- To oversee the day to day management of the school's financial administration, ensure that sound systems of internal control exist over these and ensure they comply with the LA's guidelines.
- To consider and respond promptly to recommendations made in audit reports and advise the Governing Body of any remedial action to be implemented.
- To authorise orders, invoices and payments up to the limits agreed by the Governing Body as outlined in section 4 of this policy.
- Organisation of personnel in respect of financial administration, also ensuring that there are satisfactory contingency arrangements, particularly in the absence of key staff.
- To submit required returns to the LA in line with published deadlines.
- To ensure that where budgets are delegated to a cost centre or departmental level that they operate within a similar control regime in respect of budget monitoring and reporting.
- Order and receive goods
- Distribute monthly printing and photocopying statistics to budget holders
- Update cost centres with actual printing and photocopying expenditure
- Provide budget holders with monthly cost centre transaction analysis reports

2.4 Finance Officer

Role: To implement the finance policy and procedures agreed by the Governing Body and Executive Headteacher and to process financial transactions and activities in line with these.

Responsibilities:

- To undertake responsibility for the day to day administration of the school's financial administration including:

1. Processing invoices
 2. Processing cheques and BACS payments to suppliers
 3. Banking of income, both school budget and private fund
 4. Provide budget holders and trip organisers with details of any relevant income collected by Pupil Services
 5. Staffing returns and payroll claims
 6. Processing of petty cash payments
 7. Monthly reconciliation of purchasing card statements
 8. Monthly reconciliation of Pupil Deprivation Grant and Education Improvement Grant income and expenditure
 9. Maintenance of the school private fund account
- To assist the Finance and Support Services Manager in the preparation of the annual budget plan
 - To maintain the school fund accounts in accordance with internal audit guidelines and to prepare the annual school fund audit certificate

2.5 Head of Faculty/Budget Holder

Role: To undertake the effective and efficient management of and to remain accountable for, the resources delegated to them by the Governing Body.

Responsibilities

- To undertake the day to day monitoring and control of budgets delegated to them.
- To ensure that any goods/services purchased from the delegated budget are done so in accordance with the school's financial management procedures.

School Visit Organisers

The full procedure is written in the School Visits Policy (Appendix 1)

The main financial implications are:

- A costing sheet must be completed
- There possible payments should be made online
- All monies other than online payments are to be collected by Pupil Services
- All invoices related to the trip/visit to be forwarded to the Finance Officer
- A final balance sheet will be completed by the trip/visit organiser within 30 days of the completion of the trip/visit

3 FINANCIAL PLANNING & BUDGET MONITORING

The financial planning of the school involves two interrelated elements, the school improvement plan (SIP) and the school's budget

- The school has a SIP, which includes a statement of its educational priorities that then guide the planning process
- The SIP states the school's educational priorities in sufficient detail to provide the basis for constructing budget plans for the following financial years.
- The initiatives are carefully appraised in relation to all likely costs, benefits and their financial sustainability before being approved by the governing body.
- The SIP is constructed by the end of each summer term to ensure that governors have time to consider all relevant factors.
- There is a clear identifiable link between the school's annual budget and its improvement plan.
- The school's budget is based on realistic estimates of all expected expenditure and income, so that planned expenditure does not exceed the available budget.
- The Governing Body ensure that the main elements of the school's budget are periodically reviewed to ensure that historic spending patterns are not unhelpfully perpetuated
- Any budget surpluses are earmarked for specific future needs to ensure that pupils benefit from a planned approach; eg. resources.
- The Finance and Support Services Manager will promptly forward details of an approved budget and any subsequent budget changes to the LA.
- Monthly cost centre transaction analysis reports are produced by the Finance and Support Services Manager and distributed to budget holders to be reconciled against their budget control record.
- The Finance and Support Services Manager will provide financial reports to the Finance Committee at least once each term. These show any significant variances against the budget with explanatory notes and where necessary remedial plans.

4 PURCHASING

- The school will always consider price, quality and fitness for purpose when purchasing goods or services.
- Prior approval from the Governing Body will be obtained for all expenditure above £10,000.
- Three written quotations will be obtained for all expenditure above £2,000 unless it is impractical to do so. In such circumstances the reason for not doing so will be reported to the Governing Body.
- All purchases estimated to exceed £10,000 will be put out to tender.
- The Executive Headteacher has a delegated expenditure limit of £5,000.
- The school will not enter into any financial arrangements with capital implications without the approval of the LA.
- No arrangement should extend beyond 31st August 2024, when the school closes.

- Prior to entering into any contract, the Governing Body receives a report outlining the procurement process that the school has adopted, and reasons why the winning bidder has been successful
- Official purchase orders will be used for goods and services except utilities, rates, supply agency costs and petty cash payments. When urgency requires an oral order, these must be confirmed in writing and processed with the knowledge of the Executive Headteacher and Finance and Support Services Manager. Orders not placed in this manner may result in goods being returned to the supplier.
- Orders will only be used for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for private use.
- Orders must be signed by the cost centre budget holder, and countersigned by the Executive Headteacher and Finance and Support Services Manager and then confirmed by the Data and Communications Manager
- The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and the quotations or tenders have been obtained if necessary.
- When an order is placed the estimated cost should be committed against the appropriate budget allocation so that it features in future budget monitoring.
- Reception staff sign for the receipt of goods and mark all parcels with the date, their initials and the word “unexamined”. Budget holders then check orders against their delivery note and return the delivery note to the finance office.

5 INCOME

- The school records all income collected in line with audit recommendation.
- Cash and cheques are locked away to safeguard against loss or theft.
- Collections are paid into the appropriate bank account promptly and in full by the Finance Officer. Bank paying in books show the split between cash and cheques and list each cheque individually.
- Both budgetary money and private fund money is banked once a month by Loomis.
- Where possible the school encourages online payments for both the school budget and private fund accounts. Daily reports are received from LA detailing all online payments.
- Income collections should not be used for the encashment of personal cheques.

Staff collecting money for school trips will ensure that they adhere to the school’s financial guidelines on School Trips. (See Appendix 1)

6 SCHOOL FUND

- The private fund is administrated by the Finance Officer and approved by the governors.
- A financial statement of all school fund transactions is kept, documenting all income and expenditure. All receipts and paying-in slips are retained.

- Cheques are signed by two authorised signatories. The Executive Headteacher and either the Acting Head of School, Acting Deputy Headteacher or the Finance and Support Services Manager.
- Cash collections are banked once a month by Loomis, no purchases are made from the cash collected. Monies are securely held in a safe whilst awaiting banking.
- Wherever possible payments are made directly by cheque.
- Private funds are kept separate from official funds.
- When items are purchased through SIMS from the School Fund a cheque should be drawn from the fund made payable to Pontypridd High School

7 BANKING

- The school will obtain statements weekly and these are reconciled against the accounting records. Any discrepancies are investigated.
- Individuals will not use their private bank accounts for any payment related to the school's budget.
- The School should not be overdrawn or negotiate overdraft facilities.
- The School will not enter into any loan agreement except with the agreement of the LA.
- There are four signatories for cheques authorised by the Governing Body namely the Executive Headteacher, the Acting Head of School, Acting Deputy Headteacher and the Finance and Support Services Manager. Two of these signatories are required for each cheque; the Executive Headteacher and either the Acting Head of School, Acting Deputy Headteacher or the Finance and Support Services Manager.
- All cheques are crossed "account payee only".
- Cheque books are held securely when not in use.

8 PAYROLL

- The School maintains a list of staff employed which is regularly updated.
- Monthly payroll reports are sent electronically from the council followed by a salary file updating SIMS. Financial reports are reconciled to the council's reports and any discrepancies queried with the LA.
- Four people are involved in the process of completing, checking and authorising staff returns. (Executive Headteacher, Acting Head of School, Finance and Support Services Manager and Finance Officer)
- Travelling expenses are checked by the Finance and Support Services Manager and countersigned by the Executive Headteacher.
- The Executive Headteacher and the Finance and Support Services Manager will ensure that only authorised staff have access to personnel files (Executive Headteacher, Acting Head of School, Finance and Support Services Manager, Finance Officer).
- The Finance and Support Services Manager will obtain regular payroll reports and check them against the school's documentation.

9 INSURANCE

- The school relies on the LA insurance for structural problems, fire and third party cover.
- The school will notify the LA of all new risks, property, equipment and vehicles that require insurance and any other alteration affecting existing insurance.
- In addition, the school has a Special Perils and Equipment renewal policy arranged by the LA.
- The School will immediately inform its insurers of all accidents, losses and other incidents that may give rise to an insurance claim.
- The policy does not cover the personal possessions of staff or pupils on or off the school premises. As a consequence, staff that confiscate items from pupils eg jewellery, mobile phones should ensure that these are locked away securely for the period of their confiscation.
- The school has a staff absence insurance policy arranged by LA which covers the supply costs for all staff on long term sick, claims can be made from day 37 of an individual's sickness absence.
- The School has an additional staff absence insurance policy with Schools UK which covers supply costs for all teaching staff but excludes SLT. The daily benefit is £200 and is paid from day two of the staff absence.

10 PETTY CASH

- Withdrawal of cash from the school account is limited to £100 per cheque. Under special circumstances; e.g. work experience travel expenses, a cheque for £200 can be drawn. This must be agreed by the Executive Headteacher.
- Payments from the petty cash fund are limited to the purchase of minor items which should be authorised, by the budget holder, the Executive Headteacher and the Finance and Support Services Manager. A formal limit has been set of £25 per transaction.
- All expenditure from the fund must be supported by receipts (showing VAT details – checked by the Finance Officer), signed by the recipient and countersigned by an authorised member of staff.
- Full records of the fund are kept.
- Petty cash is held securely in the school safe.
- All petty cash expenditure is recorded on SIMS (FMS) against the petty cash account as soon as possible after the expenditure has been incurred.
- Personal cheques will not be cashed from the petty cash fund. The amount in the petty cash account is reconciled on a monthly basis and a report is produced.

11 PURCHASING CARDS

- The School has four purchasing cards:
 1. *Finance Officer, Single Limit £3,000, Monthly Limit £12,500*
 2. *Finance & Support Services Manager, Single Limit £3,000, Monthly Limit £12,500*
 3. *Site Manager, Single Limit £1,000, Monthly Limit £5,000*
 4. *Executive Headteacher, Single Limit £3,000, Monthly Limit £10,000*

- The overall monthly school limit is £40,000.
- A log of all transactions is maintained by the Finance Officer as recommended by the LA's Cardholder Manual for Schools.
- All online purchases are made by the Finance and Support Services Manager.
- When a purchasing card is taken off site all staff sign it out and back in again using the individual transaction log.
- Monthly Barclaycard statements are retrospectively reconciled by the Finance Officer so that monthly bank reconciliation can be undertaken.

12 ASSETS

- The Finance and Support Services Manager will ensure that stocks are maintained at reasonable levels and are subject to a physical check annually.
- Up to date inventories are maintained of all items of equipment. Major items of school property are security marked with the name of the school by Extrascope, the school's IT support services company.
- The Finance and Support Services Manager will arrange for inventories to be checked annually against physical items. All discrepancies should be investigated.
- Wherever school property; e.g. musical instruments, computers or cameras are taken off school site they should be signed for. This record is kept by the Head of Faculty/Line Manager.
- Safes must be kept locked and keys removed and held in a different location

13 DATA SECURITY

- To increase data security, SIMS is hosted off site by the Local Authority's ICT team
- The Local Authority's ICT team is responsible for backing up the SIMS database
- RCTCBC provide a cloud back-up solution for offsite back-ups of important data
- The School password policy enforces complex passwords that expire twice annually in line with the Local Authority's guidance
- All computers have anti-virus software
- All internal internet access takes place through secure firewall provided by the Local Authority
- The Local Authority provide "Ransomecare" software for added ransomware protection.

14 CONSTRUCTION INDUSTRY SCHEME

- It is the responsibility of the Site Manager to ensure that only contractors approved by the LA are used.
- The school complies with the LA guidelines with regard to C.I.S.

15 VAT

- The school ensures that the rules governing VAT are applied to petty cash/ accounts payable/accounts receivable.

Approved by:

Mark Thomas, Executive Headteacher

Bill Davies, Chair of Governors

Date:

September 2023

APPENDIX 1

PONTYPRIDD HIGH SCHOOL

SCHOOL TRIPS

The Finance Office must be notified of any authorised school trip. Trip Leaders must complete a School Trips Costing Form showing a clear calculation of the cost to be charged to pupils. Letters to parents can only be sent out after this calculation has taken place.

Once authorised, the trip leader will update the LA's online tool for planning and managing educational visits – **EVOLVE**. When the authorised trip has been added to EVOLVE, the Finance Office will inform Pupil Services of the trip and authorise the collection of payments from pupils.

Any member of staff running a school trip is required to compile and provide the Finance Office with a statement of account, within 30 days of the conclusion of the trip. This should show details of all the receipts and payments relating to the trip.

Staff operating trips should adhere to the following points:

- a) A record should be maintained of all income received. This should include the name of the pupils and the amounts received, together with the date the income was collected. The money collected must be deposited with the Finance Office as soon as possible. This procedure is carried out and managed by Pupil Services. Where possible online payments are encouraged.
- b) All expenditure must be supported by a receipt/invoice, voucher etc....., but where in exceptional circumstances this is not possible, a PF2 (Record of expenditure made without a receipt) should be used.
- c) Any cash advances should be accounted for by receipts, with any unspent cash being returned to the Finance Office for banking.
- d) Trips should not be operated as profit making ventures. However, where a trip has been operated and makes a profit, eg over 10% of cost, the balance should be divided equally and paid back to each paying pupil.

Audit regulations suggest that the Trip Organiser(s) should be able to identify:

- 1) How the cost of the trip to the pupils has been calculated***
- 2) Evidence of any free or reduced priced places ie copies of any agreement/contract/correspondence with tour operators.***

PONTYPRIDD HIGH SCHOOL

September 2023

APPENDIX 2 PONTYPRIDD HIGH SCHOOL

Bad Debt/Irrecoverable Debt

The Governing body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. The following guidelines set out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

BAD DEBTS

Income due will be collected in accordance with the School's 21-day credit period as displayed on the Accounts Receivable invoices. However, to ensure sound internal control, staff who raise debtors accounts, should not also have the authority to write off debts.

All debts are recorded on the School's Accounts Receivable SIMS package. Non-payment will be followed up by issuing reminders at the following intervals:

- 22 days from date of account – 1st reminder
- 36 days from date of account – 2nd reminder
- 57 days from date of account – Final reminder

The final reminder is sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

After 57 days from the date of the account, where the debt is still outstanding, legal action will be considered, and the debtor will be informed of this in writing.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

- Debts up to the value of £100 can be approved and written off by the Executive Headteacher
- Debts in excess of £100 can be approved and written off by the School's Governing Body HR & Finance Committee.
- The school will retain a bad debt write-off Summary

**PONTYPRIDD HIGH SCHOOL
September 2023**