



Financial Procedure 2024-25

The Governing Body is responsible for providing the policy structure for the financial management of the school, including the operation of the delegated budget.

The Governing Body will discharge its responsibilities for financial management within the framework provided by the LB of Hackney Funding Conditions.

The following procedures have been agreed by the Governing Body and must be followed by all staff in the school.

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School Bank Accounts

The following is a list of the authorised signatories for the School’s Bank Accounts.

Name	Bank	Sort Code	Account Number
Disbursement	Nat West plc	60-09-23	02712571

Signatories

Job Title	Name
Executive Headteacher	Rachel Davie
Headteacher	Stephen O’Brien
Federation Business Leader	Giuseppa Colella-Mare

Cheques on any account must be signed by two of the authorised signatories (stamps must not be used) and must be crossed “account payee only”. Cheques must never be pre-signed.

Other Bank Accounts

The school accounts are to be maintained by the Federation Business Leader. Bank reconciliations will be completed each month by the Business Leader who will initial the reconciliation. The Executive Headteacher will also sign all Bank reconciliations.

Timely and accurate financial returns to the Authority will be the responsibility of the Business Leader and will be countersigned by the Executive Headteacher.

Expenditure Limits

The delegated limits for approving expenditure, virements and writing off debts are as follows:-

Body/Individual	Authority to Spend/Approve to spend	Virements	Debt Write Off
Governing Body	£100,000 +	£100,000 +	Up to £10,000
Resources Committee	Up to £100,000	Up to £100,000	Up to £5,000
Executive Headteacher	Up to £50,000	Up to £50,000	Up to £1,000
Business Leader	Up to £20,000	Up to £20,000	Up to £100

Any contracts/purchases above certain amounts require either quotes or tenders as follows:-

Up to £10,000 a quote or price must be obtained

From £10,000 to £20,000 at least 2 quotes – this can be electronic or in writing

From £20,000 to £50,000	at least 3 quotes – this can be electronic or in writing
Over £50,000	must be subject to formal tender procedure
Over £213,477	official tenders must be advertised under the Public Contracts Regulations (PCR) for Goods and Services that applies to Local Authorities.

The thresholds that applies to Local Authorities are changing as of the 1st of September 2023.

Separation of Duties

Note: Executive Headteacher Limit £50,000

It is important that there is a separation of duties around the school expenditure. This means in practice that different staff are involved in the whole process as follows:-

- All orders must be approved by the budget holder and countersigned by the Business Leader and the relevant Headteacher or Executive Headteacher.
- When an order is received it must be checked by a member of staff (either Office/Finance Staff, Clerical Staff or the Premises Manager).
- Invoices must be authorised and checked against purchase orders – back-up documents must be attached.
- BACS payments must be authorised by two signatories.
- Bank reconciliations must be carried out and checked by the Business Leader.

Orders

- An internal order form must be completed before an order can be placed. The form must be signed by the budget holder and must state which budget is to be charged.
- All orders must be approved by the Business Leader and the relevant Headteacher or Executive Headteacher before they are placed.
- There must be sufficient budget to meet the order.
- Once approved orders are placed.
- Any verbal or internet orders must be followed up with an official numbered order
- No personal orders can be placed through the school.
- When received all goods, should be checked against the order and the order signed to show this has happened.
- Any discrepancies must be noted on the delivery note and followed up with the company involved.

Invoices

- Invoices should be stamped on receipt, cross referenced with the order form and matched to the delivery note.
- No invoice can be paid until authorised by the Business Leader.
- Ensure the amounts and VAT are correct before payment – never alter an invoice.
- When paid mark the invoice to show this, along with the cost centre and ledger code.
- All invoices must be kept for the required time (6 years).

Government Procurement Cards

- Schools are able to use the government procurement card (GPC) for payment of ad hoc, low value purchases.
- Each procurement card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this regulation and the school's procurement card policy. Procurement cards must not be used for private use.
- The Executive Headteacher is responsible for ensuring that all staff assigned a GPC are operating procedures such that:
 - (a) Cards are safeguarded from theft and misuse
 - (b) Expenditure incurred through the use of procurement cards is bona-fide, lawful and in accordance with the requirements of the service
 - (c) Expenditure is within budget limits
 - (d) There is a clear audit trail of approval and reconciliation for all expenditure

Petty Cash

- Petty cash must only be used for school/classroom small purchases.
- It must only be used for minor items.
- All purchases to be agreed in advance.
- All claims to be backed up by a valid receipt/VAT receipt and signed.
- All claims to be authorised by the relevant manager, i.e. Business Leader | Headteacher before payment.
- Staff should refrain to use their personal credit card for school purchases in any circumstances. This is only permitted in special circumstances; approval needs to be sought prior to using this method of payment.
- VAT must be accounted for accurately when records are entered.

There is no maximum amount that should be held in the Petty Cash box as all Petty Cash purchases are reimbursed via BACS payments to the appropriate member of staff. The maximum amount that can be reimbursed in cash is £50, anything over that will have to be approved and signed by the Executive Headteacher.

Tax

- Only proper VAT invoices must be paid.
- Contractors and sub-contractors must be paid in accordance with the Construction Industry Scheme (CIS).
- VAT on income must be included on any invoice (where appropriate) and accounted for correctly.
- VAT must be claimed back from the LA as specified by them.
- VAT received must be entered on FMS6 against appropriate codes ensuring the control accounts are cleared.

If any staff have queries on any aspect of VAT they should speak to the Business Leader.

Earmarked Funds

It may be necessary to account for some funds separately. Where required to do so the school will ensure that accurate records are kept, either on SIMS FMS6 or on an excel worksheet, such as the Turing Spanish Project.

Any returns will be submitted in agreed formats and within an agreed timetable.

Income

It is important that accurate records of income collected are kept. This is to ensure that there can be no doubt what the school is owed and also to ensure that all income due to the school is received by the school. The school therefore needs to:-

- Keep proper records of income due.
- Have a separation of duties when collecting, recording and banking income.
 1. The Office Manager is responsible for ensuring all parents pay the correct amounts due via the online system, recording in the relevant system and inform the Finance Department of any discrepancy timely. They are also responsible to chase parents for debts following the appropriate procedures laid down in the Debt Policy.
 2. The Finance Officers/Business Leader are responsible for recording income received on SIMS FMS6.
 3. The Premises Manager, if asked to bank monies (this will only happen rarely), is responsible for banking all income prepared for banking.
 4. All income received via Online payments need to be accounted for and cross checked with Bank Statements at regular intervals & reconciled monthly.
- Issue invoices, where necessary, within 30 days of the activity.
- Issue receipts for any income collected, payments made online obtain a digital receipt.
- Bank all income as and when received – income must not be used in any circumstances, e.g. for Petty Cash expenditure.
- Any write off of debts must be approved by the appropriate body/person according to the limits of delegation set out on page 2. The appropriate evidence must be attached with reasons provided for the write-off.

Reconciliations

- All accounts should be reconciled regularly (at least monthly).
- The school disbursement account should be reconciled at least monthly and any discrepancies investigated immediately.
- All reconciliations should be signed by the person carrying it out and countersigned by the Executive Headteacher.
- All reconciliations to be filed and kept securely.

Personnel and Payroll

- All documents relating to new appointments, terminations or variations should be authorised by the Federation Business Leader | Executive Headteacher or by a nominated senior officer.
- Overtime should be authorised by the appropriate Manager | Headteacher.
- Payroll validation reports should be signed by the Executive Headteacher.
- All documents should be processed and signed by the Business Leader therefore ensuring that at least two members of staff are involved in the process.
- The approved signatories list should be sent to the payroll provider.
- Only authorised staff (Executive Headteacher/Headteacher, Finance/HR staff, Business Leader) should have access to personnel and payroll files.
- Staff should be able to view their own records provided they put the request in writing to the Executive Headteacher.
- Payroll procedures should only be processed through the payroll system.
- The Federation Business Leader should keep an up-to-date staff list that details grades, FTE and any allowances.
- The Executive Headteacher should ensure that payroll reports are checked every month and signed together with the Business Leader.
- The Federation Business Leader must ensure that the Single Central Register is current and kept updated at all times and signed termly by the EHT/HT.

Fraud

Payroll Fraud - Schools should be aware of fraudulent activities surrounding payroll scams that involves emails requesting changes to an employee's bank details.

- All Business Managers and Financial staff must ensure they speak/liaise directly with the employees before acting on any electronic requests to amend bank details, i.e. obtain verbal confirmation that the written request is legitimate. The Finance Team needs to check the validity of the "change of bank details" email by other internal method. The Federation uses hackney change of address form which should be given to the employee requesting the change after a verbal confirmation. This should be completed by the employee and submitted to the Finance team in person.
- If a phone call is received asking for a bank account change, Finance staff will not give out any information until the caller identity is confirmed through another method.

Supplier Accounts Set Up

Opening a new supplier account on the system should be confirmed by the Business Manager, all Finance staff are aware they need to confirm this with the FBL before accepting and setting up a new account on the system.

Supplier Details

The following supplier details must be obtained:

- Full trading name
- Address including post code
- Telephone number
- E-mail address (for remittance advice notes to be sent to)
- Other relevant details required by the Federation accounting software used
- Bank Account details (Name of bank, Bank Address, Sort Code & Account Number)

Bank Details should be received in writing on company headed paper and signed by an authorised person. All payment to suppliers should be made via BACS.

The Federation uses a form that is send to all new companies and ask for this to be completed and returned with two authorised signatures (if possible). Once the form has been received, the details need to be verified via a telephone call to ascertain the supplier details are genuine by talking to the accounts department of the company. The FBL will also check the details of the company on company house if this is a limited registered company and the VAT number.

Changes to Supplier Details

If anyone contacts the schools by telephone, e-mail or letter and asks to change any of the supplier details, always telephone the company accounts department back to confirm the change. Be wary if they ask to change the telephone number and particularly cautious if they ask to change the bank details.

Always ask to have confirmation of the changes in writing on letter headed paper, once received follow up with a telephone call to the accounts department to have confirmation of the new details. Do not make any payments to the new bank details until full verification has been made and these has been signed off by the FBL. Suppliers can change details some time but any urgent change requested is a red flag as this what a potential fraudster would do to achieve their goal.

Further Checks

Make enquiries to verify new suppliers bank details or change of details for existing suppliers. When contacting companies do not automatically use the information provided on suspicious letters or emails. Check these against original documentation and contracts or payment

methods on file. Contact the account department to verify details, carry out internet checks on supplier.

Assets

- All portable assets must be security marked and recorded in an inventory by the Technology & Systems Manager, supervised by the FBL.
- The Asset Register must be updated with new items on arrival into the school building. The Asset Register must be sent to the LB Hackney Insurance services regularly.
- Any purchases of new equipment or disposal of old equipment should be reflected in the inventory
- The assets should be checked against the inventory at least annually and any differences investigated
- Any assets (e.g. laptops) taken off the school premises must be recorded on the register and signed for. If teachers are assigned their own laptop/iPad they must sign for it when they initially receive it and return it to the school when they leave the school's employment
- Any write-offs must be approved by the appropriate body/person according to the limits of delegation set out on page 3
- Business Leader to oversee Asset Register

Budget and Budget Monitoring

The budget will be prepared by the Federation Business Leader and Executive Headteacher, it will be agreed by the Resources Committee and ratified by the Governing Body.

The Executive Headteacher is responsible for ensuring that the budget is monitored throughout the financial year. This should be done monthly and should be presented to governors termly.

The Resources Committee should consider the most up-to-date monitoring report at every meeting (and at least termly). The report should highlight any significant variances, with written explanations, together with any action needed to resolve issues. The report should also show a projected year end position. This should be reported to the Governing Body every term.

Any projected overspend must be reported to the LA immediately. Governors cannot authorise any expenditure that would produce a deficit without prior agreement with the LA. The school must benchmark their income & expenditure on an annual basis and present a report to the Resources committee highlighting major areas of difference from other schools and any areas of concern.

Insurance

- The school must review its insurance policy annually to ensure it is covered for all risks
- The appropriate body must be notified of all new risks which require insurance or of any other alteration affecting existing insurance
- No indemnity can be given to a third party without written consent of the insurers, the LA or their agents
- The insurers, the LA or their agent must be informed immediately of all incidents which give rise to an insurance claim

Financial Procedures

The following financial procedures/documents should be agreed annually by governors

- Budget
- Financial procedures (inc. Procurement Guide)
- Statement of internal control (SIC)
- SFVS annual audit
- Charging policy
- Lettings policy
- Whistleblowing policy

This Financial Procedure Policy was approved by the Governing Body at its meeting held on 10th October 2024.

Name: James Gowland

Signed: _____ Chair of Governors

Name: Rachel Davie

Signed: _____ Executive Headteacher

Name: Sara Walsingham

Signed: _____ Chair of Finance Committee