



THE MINSTER NURSERY AND INFANT SCHOOL

SCHOOL OF INSPIRATION

DETERMINATION HONOUR BELIEVE

PREPARING FOR A BRIGHT FUTURE WITH INNOVATIVE AND EXCITING LEARNING

Finance Policy and Procedures Manual

Approved Resources Committee

Signed.....Chair of Finance

Reviewed on: 28th November 2018

Reviewed on: 5th December 2018

Signed.....Chair

To be reviewed December 2019



WE ARE A VOLUNTARY AIDED (VA) SCHOOL WITHIN THE DIOCESE OF SOUTHWARK

HEAD TEACHER: MRS STEPHANIE EDMONDS *B Ed HONS*



THE MINSTER NURSERY & INFANT SCHOOL
Governors' Discipline and Behaviour Principles



A: Impact Assessment summary for policy coversheets

Impact Assessment: Equality, Safeguarding, Health and Safety, Sustainability	
Overview: to be completed with a full impact assessment if required.	
Title of Activity/Policy:	New or Revision or Expected Implementation
Author and Date:	Date: Review Date:
Equality and Diversity: Which of the characteristics may be impacted upon? If there is an impact, how has this been considered and mitigated against? What are the risks of proceeding? What are the benefits?	
Safeguarding: Are there any aspects of this proposal which could cause a student/member of staff/visitor to feel unsafe? If yes, how has this been considered and mitigated against? What are the risks of proceeding? What are the benefits?	Yes <input type="checkbox"/> or No <input type="checkbox"/>
Health and Safety Have any risks been identified? If yes, how has this been considered and mitigated against? What are the risks of proceeding? What are the benefits?	Yes <input type="checkbox"/> or No <input type="checkbox"/>
Sustainability: Are there expected benefits or impacts on sustainability issues? If yes, how have these been considered and mitigated against?	Yes <input type="checkbox"/> or No <input type="checkbox"/>
Evidence: What evidence do you have for your conclusions? What consultation has taken place? How will you monitor the issues raised?	
Risk: Should this activity/policy result in an entry on the risk register (high/medium) or does it represent a low risk?	High <input type="checkbox"/> Medium <input type="checkbox"/> Low <input type="checkbox"/>

Fruits of the Spirit

The Fruits of the Spirit underpin all that we do and we weave these Christian values into the fabric of our school ensuring that they underpin every thought, decision and action made.

This policy has been compiled mindful of these spiritual fruits to make sure they develop and sustain all aspects of school life at The Minster Nursery and Infant School.

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GOVERNANCE

Governing Body

The Governing Body is collectively responsible for the overall direction and strategic management of The Minster Nursery and Infant School. It is responsible for ensuring that The Minster Nursery and Infant School meet all their statutory obligations and comply with any regulations arising from decisions of local and national government.

The financial responsibilities of the Governing Body, its Resources Committee, the Headteacher and other staff are defined in this finance manual ([Appendix 1](#)).

The full Governing Body meets each term as do the Resources Committee. All meetings of the Governing Body and its committees are minuted and signed copies of the minutes are retained by the school.

A1: Financial Roles And Responsibilities

This summary description forms part of the delegated framework.

The **Governing Body** has overall responsibility and is made up of committees. The Governing Body delegates to the Resources Committee the following responsibilities:

- setting spending priorities which reflect the school aims outlined in the School Development Plan
- considering and approving the budget
- regularly monitoring the budget against actual income and expenditure
- determining the levels of delegation of financial responsibility within the school including virement and expenditure thresholds
- evaluating the effectiveness of spending decisions
- awarding contracts by tender to a specific limit
- consideration of strategic financial issues on behalf of the full Governing Body.

The **Headteacher** will:

- ensure that financial regulations are implemented
- ensure that effective systems of internal control are implemented
- manage operational and strategic financial issues including compiling draft budgets and supplying governors with budget monitoring information

The **Finance Officer** will:

- implement the procedures defined by the Governing Body and outlined in this document
- ensure that financial systems and information are effectively maintained in line with the requirements set out in this document and in the relevant job description ([Appendix 2](#)).

The **Chair of Finance or Delegated Member Of The Resources Committee** will:

- take a specific interest in the day-to-day systems in place in the schools

- do sample checks of some of the financial data
- report to the Governing Body.

The **Budget Manager** will:

- comply with The Schools financial regulations ([Appendix 3](#))
- be responsible for any budget delegated to them in line with the requirements set out in this document and in the School Staff Code of Conduct (Revised version October 2014).

A2: Resources Committee

The Resources Committee meets termly: it compiles reports for the main Governing Body on all areas within its remit. Membership and terms of reference are defined by the full Governing Body and reviewed annually.

A3: Financial Limits Of Delegated Authority

The Governing Body has considered the extent to which it wishes to delegate its powers to the Headteacher and other staff, including the power of virement between budget headings and has formally recorded its decision in the minutes of the Governing Body meeting at which the decision was taken.

The table below sets out the latest position

	Authorisation Limit
Governing Body	Virements – Purchases – Over £25,000.00 Pay reviews – see Pay policy
Resources Committee	Virement - Between differing areas of the budget. Purchases –Above £10,000 and below £25,000.00 Contracts by Tender – Up to £25,000
Headteacher	Virement - £10,000 Purchases – £10,000
Finance Officer	Purchases – In an advisory capacity Virements – In an advisory capacity

A4: Financial Information To Governors

The table below sets out details of the financial information to be provided to the Governing Body:

Document	Frequency	Level of Detail	Format	Responsible person
Initial budget information	Annually in October	Consistent Financial Reporting Categories	Consistent Financial Reporting Template	Headteacher/ Finance Officer
Draft Budget	Annually by the end of February	Consistent Financial Reporting Categories	Consistent Financial Reporting Template	Headteacher/ Finance Officer
Budget Monitoring	Monthly Quarterly	Accounting system print out – cost centre summary CFR format showing % spent and forecast for year end position	Cost centre summary/ detailed transaction listings as required	Headteacher /Finance Officer/L.A. Budget Advisor
Year End Accounts	Annually in May	Consistent Financial Reporting Categories Balance Sheet LEA required schedules	LA format	Headteacher /Finance Officer/L.A. Budget Advisor

A5: Minutes

Minutes are taken of all Governing Body and Resources committee meetings, recording details of decisions, by whom taken and action required. The minutes are circulated and ratified at the next meeting of the relevant body/committee. The school retains copies of all minutes on the school premises.

A6: Pecuniary Interest

The school holds

a register of business interests. Any employee or governor or a related party of either who could be considered to be a supplier of works, services or goods must register such an interest and ensure that the record is confirmed or updated on an individual basis at least annually. The register is maintained by the clerk to the Governing Body and is available for inspection at each Governing Body meeting. If a governor is present at a meeting that involves awarding a contract for works, goods or services, then if the governor has a pecuniary interest, he/she will disclose the fact at the meeting and will not take part in the consideration or vote on the matter.

No governor or member of staff will:

- accept gifts or hospitality from current or potential suppliers.
- obtain an interest in the disposal of school equipment or property or school materials surplus to requirements at the end of any contract between the L.A. (including persons acting on its behalf) and any third party.
- take or hold any interest in any equipment or property held or used for the school.

Governors' Expenses: Under Schedule 11 of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. The payment of any other allowances is prohibited.

FINANCIAL PLANNING

Financial planning is an essential part of good financial management. It provides schools with a clear view of how it intends to use its resources. There are four elements: the school development plan, the budget, the building maintenance plan and the analysis of balances.

The School Development Plan is a major building block for constructing the budget. The plan identifies the educational priorities and has a strong focus on raising standards. For this reason the school development plan must indicate the resource implications to guide decisions in the budget setting.

Budgeting is essential for good financial management. The budget sets out how resources are allocated and provides the means for monitoring expenditure throughout the year. It should be the concrete expression of the development plan. Clearly identified links are needed between the annual budget and the development plan.

Good budgeting means not running into deficit, but equally, it means not carrying forward a large surplus without good reason.

Supporting documents: Financial Planning

- School Development Plan
- Building Maintenance Plan
- Analysis of Balances
- ICT Development Plan
- Budget for current year and plans for next three years
- Costings for new initiatives
- Financial planning timetable
- Budget working papers
- Resources committee minutes
- Cash flow forecast

B1: School Development Plan - Educational Goals

The School Development Plan outlines the schools educational goals to guide the planning processes ([Appendix 4](#)).

B2: School Development Plan - Educational Goals Linked To Resources

The School Development Plan includes the following elements showing how the use of resources are linked to the achievement of the schools goals

- A statement of school policy and objectives
- Spending priorities for the current financial year linked to the Premises and ICT plans
- Budget for the current financial year
- Allocation of any delegated budgets to named budget holders.
- A two year plan showing spending priorities and income and expenditure estimates based on the school development plan.

B3: School Development Plan – One Year Detailed Objectives

The objectives must have sufficient detail to form the basis for constructing budget plans for the next financial year.

B4: Appraisal Of New Initiatives

The Governing Body will appraise all new initiatives taking into account the following

- Identifying the need
- Evaluating the options
- Choosing the most cost effective option
- Financial sustainability

B5: School Development Plan -Continuing Commitments

The School Development Plans should state intended expenditure on continuing commitments commenting on significant changes from the previous year.

B6: Financial Planning Timetable

The Headteacher is responsible to the Resources Committee for the preparation of the annual budget.

The budgeting process starts in October each year. The Senior Leadership Team of The Minster Nursery and Infant School decide upon major expenditure.

The Senior Leadership Team discusses the budget and a draft budget is drawn up by the Finance Officer by the end of December.

The draft budget is presented to the Resources Committee by February for review, discussion and amendment if appropriate. When passed by the Resources Committee, the budget is submitted to the full Governing Body for formal review and approval. A copy of the budget plan is signed by the Headteacher and Chair of Governors then submitted to the L.A. by 1 May.

B7: School Development Plan -Budget Link

In the budget plan it should be possible to locate the proposed expenditure for new initiatives and ongoing commitments.

B8: Balanced Budget

Total planned expenditure for the financial year may not exceed the budget share, adjusted by amounts carried forward from the previous year, any additional income receivable and any in-year adjustments which may be made in accordance with the L.A. scheme.

The Governing Body may not plan for a deficit budget. If an unplanned deficit arises at The Minster Nursery and Infant School, the Governing Body will notify the L.A. immediately and submit a plan to the L.A. showing how the school proposes to eliminate the deficit. Any deficit incurred will be the first charge on the schools budget share in the following financial year.

B9: Review Of Main Budget Headings

The Finance Officer will evaluate the main elements of the schools budget to ensure that historic spending patterns are still relevant and report to the Resources Committee.

B10: Cash Flow

The Headteacher is responsible for the profiling of the budget and the forecasting of cash flow taking into account likely spending patterns.

B11: Earmarking Surpluses

Surpluses should be earmarked for specific future needs of the pupils but should not deprive them of resources in any given year.

B12: Approval Of Budget Plan

A Budget Plan approved by the Governing Body must be sent by the Finance Officer to the L.A. by 1 May each year showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The Governing Body also submits a statement setting out what steps they will be taking in the course of the year to ensure that their expenditure will follow the principles of best value.

B13: Changes To Approved Budget Plan

The Finance Officer will forward to the L.A. a revised budget plan if there are significant changes in income and/or expenditure. These changes will need to be agreed by the Headteacher, Resources Committee or the Governing Body depending on the size of the changes.

The Resources Committee monitors all financial aspects of the implementation of the school budget plan although the Governing Body carries ultimate responsibility for monitoring the budget.

BUDGET MONITORING

Regular monitoring of income and expenditure against the agreed budget is central to effective financial management. It allows Governors, the Headteacher and the Finance Officer to maintain financial control by reviewing the current position and taking any remedial action necessary. The original budget will need regular updating, following consultation with Governors, to take account of in-year developments.

Budget monitoring involves producing monthly monitoring reports and drafting action plans to tackle any significant variances. Expenditure on individual initiatives is also tracked to enable the school development plan. Budget monitoring is an important guide when setting the budgets for the following year.

All monitoring reports should be produced using the accruals principles.

Supporting documents: Budget monitoring

- Monthly budget monitoring report plus explanation of variances
- Plans to address significant budget variances
- Papers showing monitoring of expenditure on particular initiatives
- Any monitoring reports for delegated budget elements
- Monthly cashflow report

C1: Monthly Budget Monitoring

The Finance Officer prepares monthly Cost Centre Summary reports via the schools computerised accounting system of the actual performance against budget with explanations of the main variances. The computerized reports should be annotated where necessary, signed by the Headteacher and filed for audit purposes.

C2: Regular Monitoring Reports To Governing Body / L.A.

The Headteacher should provide budget monitoring reports to the Resources Committee quarterly which when approved are presented to the whole Governing Body. These reports should highlight any significant variances against budget with explanatory notes and if necessary remedial action plans including virements.

Quarter ends are the ends of the months of June, September, December and March.

A final statement is submitted to the L.A. by a date determined by the L.A. and normally by around mid May. An electronic final statement (CFR) from the schools computerized system is required by the DfE by July and is initially submitted via the L.A. in May. These reports are to be signed by the Headteacher and Chair of Governors.

C3: Monitoring Of Initiatives

The Headteacher should monitor expenditure on the initiatives set out in the School Development Plan.

C4: Monitoring Of Devolved Budget Elements

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lie with the Finance Officer, who must obtain prior approval of the Headteacher, if the budget allocation is to be exceeded. The Finance Officer provides the Budget holders where relevant with quarterly expenditure reports.

C5: Monitoring Of Cash Flow

The Headteacher should provide a monthly cash flow forecast to ensure that the bank account of the school does not become overdrawn.

PURCHASING

As public funds are being used it is essential that The Minster Nursery and Infant School achieve best value for money from all purchases, whether they are goods or services. In this context, value for money is about getting the right quality at the best available price. It is important that contract specifications contain detailed service and quality provisions.

Many of the standards in this section are there to protect individuals and to ensure that public money is spent without any personal gain. Purchasing procedures are needed to prevent waste and fraud.

Supporting documents: Purchasing

- Delegation framework (financial delegation limits)
- Policy on quotations and tendering – Minutes of Resources Committee
- Recent contract specifications – School order forms- Invoice / order file
- List of staff authorised to certify invoices

D1: Seek Best Value For Money When Purchasing

The Minster Nursery and Infant School have adopted the Best Value Performance Management Framework as good practice, considering Economy, Efficiency and Effectiveness.

The Minster Nursery and Infant School Best Value Statement ([Appendix 5](#))

Compare: Analysis of performance data, developing appropriate improvement actions based on analysis and benchmarking.

Compare our operation with similar schools to make sure that we are providing similar standards at similar costs. Use standardised codes in accounting systems to allow comparison to be carried out not just across Croydon schools but also across the country.

Challenge: Review and question our performance, routines and processes, challenge school's management and leadership, probe key areas of performance and the processes that affect performance.

What do we need to achieve? Why are we doing this? Are there better ways of achieving the desired results? What is in the best interests of our stakeholders? Are current methods the most economical, efficient and effective? Are our procedures competitive compared with possible alternatives?

What are we achieving? What standards are similar schools achieving? How do our standards compare with theirs? Are we a relatively high/low performer and why?

Consult: Better understanding of the needs of our pupils, defines clearer priorities, forge effective partnerships with stakeholders.

Ask staff, parents and pupils for their views at various stages throughout proposed changes, major investment projects. Analyse and respond to the feedback.

Compete: Provide or buy the appropriate service at the best possible price.

Analyse the required provision at the right price, are we securing economical, efficient and effective services?

D2: Expenditure Limits – Governor’s Authorisation

Prior approval from the Governing Body should be obtained for all expenditure above £10,000 and £25,000 for contracts by tender.

D3: Expenditure Limits

Three written quotations should be obtained for all expenditure above £10,000 unless it is impractical to do so. In such circumstances, the reasons for not doing so should be reported to the Governing Body.

D4: Reporting When Quotation Accepted Is Not The Lowest.

Where a quotation other than the lowest is accepted, the reasons for this decision must be reported to the Governing Body and included in the minutes of the relevant meeting.

D5: Expenditure Limits – Tendering

All purchases estimated to exceed £10,000 should be put out to tender. Invitations to tender are sent to at least three suppliers, selection is made by the Headteacher in liaison with the Chair of Finance and Chair of Governors.

In respect of building work, the Site Manager prepares a written Statement of Requirement for work over £2000, three quotes must be obtained. For building work over £10,000 the Governing Body are consulted regarding the appointment of a professional consultant.

D6: Contract Specification Defines Service

Contract specifications should define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.

A contract specification should contain the following elements:

- Contract duration
- Definitions
- Contract objectives
- Services to be provided
- Service quantity
- Service quality standards (including customer satisfaction surveys, number of user complaints, inspection checks)
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for dealing with disputes
- Review and evaluation requirements.

D7: Entering Into Financial Agreements

The Schools will not enter into any financial agreement with capital implications without ensuring that it complies with current L.A. Guidelines.

D8: Use Of Written Pre-Numbered Order Forms

Official, pre-numbered purchase orders from FMS6 must be used for all goods and services except rates and petty cash payments. Where urgency requires an oral order these must be confirmed with an internal requisition and official pre-numbered purchase order as soon as practically possible.

D9: Orders Only Used For School Purposes

Orders must only be used for goods and services provided to The Minster Nursery and Infant School. Individuals must not use official orders to obtain goods and services for their personal use.

D10: All Orders Signed By Authorised Signatory

All red internal requisitions must be signed by the staff member who wishes to place an order, the internal requisition must then be authorised and signed by the Headteacher.

D11: Responsibilities Of Signatories

The authorising signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

D12: Orders Entered As Commitments On Budget

When an order is placed, the estimated cost must be committed against the appropriate budget allocation so that it features in subsequent budget monitoring. Official pre-numbered purchase orders from FMS6 must be signed by the Finance Officer after the commitment has been entered onto FMS6.

D13: Check Goods And Services On Receipt

The Finance Officer or person ordering the goods must check the goods and services on receipt, sign the delivery notes and pass them to the Finance Officer.

D14: Payment Made Promptly And Only Against Actual Invoices

These checks should confirm

- Receipt of goods or services, cross referenced to the order number
- Expenditure has been properly incurred and that payment has not already been made
- Prices agree with quotations, tenders, contracts or catalogue prices and the arithmetic is correct
- The invoice is correctly coded
- Discounts are taken where available

Payment should not be made only on the basis of a photocopied invoice or a statement from a supplier.

D15: Approved Staff Should Certify Invoices For Payment

The Headteacher or Deputy Headteacher certifies all invoices for payment.

D16: Certification Of Invoices For Payment

The Minster Nursery and Infant School maintain a list of staff authorised to certify invoices for payment ([Appendix 6](#)).

D17: Cheque Number And Invoices

All invoices should be annotated with the words 'certified for payment', a record of the cheque must be signed by the Headteacher and attached to the invoice. The documents must be securely stored for easy access.

D18: Procurement Cards

Three appointed members of staff of The Minster Nursery and Infant School, are able to use the Natwest procurement card for payment of ad hoc, low value purchases.

Card Holders-

Mrs Stephanie Edmonds- Headteacher
Mrs Cheryl Hudson- Deputy Headteacher
Mrs Khadija Shears- Finance Officer

Each procurement card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this regulation. Procurement cards must not be used for private use.

The Headteacher is responsible for ensuring that all staff assigned a PC 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

INTERNAL FINANCIAL CONTROLS

The accounting and financial records maintained by The Minster Nursery and Infant School are subject to audit by the LA's external and internal auditors. The Minster Nursery and Infant School build in systems of financial control in order to protect their resources from loss or fraud and to ensure that accurate information is available to guide the Governing Body in decision making.

The system of internal controls extends to petty cash, purchasing, payroll, income collection and contracting services.

E1: Written Descriptions Of Financial Systems

The Minster Nursery and Infant School uses SIMS Financial Management System – FMS6 for the day to day running of finance. The “HELP” option of FMS6 provides an operating manual.

Descriptions of financial procedures are set out in this document or its various appendices which are regularly reviewed to reflect changes in working practice. The changes are ratified annually by the Governing Body through the Resources Committee.

It is the policy of The Minster Nursery and Infant School that all staff involved with financial administration receives appropriate training and continued professional development.

The Headteacher should be able to access financial information and the Finance Officer is able to ensure finance information is accurate reflecting latest requirements.

E2: Financial Control When Staff Absent

The Headteacher must ensure that financial control is maintained in the absence of the Finance Officer, by arranging for temporary cover through the L.A.. Knowledge of the financial processes is shared between the Chair of Finance or delegated member of the Resources Committee, Headteacher, Finance Officer and L.A.

The arrangements for computer back up are detailed in section 15

E3: Segregation Of Duties

The Finance Officer ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one should act as a check on the work of the other and all checks such as bank and petty cash reconciliation are documented.

Duties are divided as follows:

Individual	Responsibility
All Staff	Request for an order on an internal requisition. Checking deliveries and signing the delivery notes.
Finance Officer	Imputing of orders and invoices onto FMS6 Checking of invoices as correct and valid for payment Paying income into the local bank account Bank account reconciliation Budget evaluation and preparation VAT returns Quarterly preparation and reports to the Resources Committee
Head Teacher	Authorisation of the internal requisition for an order Certifies invoices for payment Cheque signatory Validation of new suppliers and establishing tax status Preparation of budgets Monthly review Reports to the Governing Body

E4: Maintaining Proper Accounting Records

The Minster Nursery and Infant School aim to maintain proper accounting records. Only authorised staff are permitted access to the accounting records which are securely retained when not in use. Current documents are appropriately stored and archives are kept in a secured cupboard.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink.

E5: Traceability Of Transactions

All financial transactions are traceable from original documentation to accounting records and vice versa.

E6: Rules Of Document Alteration

Any alterations to original documents such as cheques, invoices and orders will be clearly made in ink or other permanent form and initialled. The use of correcting fluid or the erasure of information is not acceptable. 'Copy Invoices' will be marked 'Copy Invoice, not Previously Passed For Payment'.

E7: Security Of Accounting Records

All accounting records including invoices, delivery notes, bank statements etc. are retained in hard copy for six years, plus the current year, in a secure store on the school site. Other records are held in accordance with council guidelines and legislative requirements.

INCOME CONTROL

Income is a valuable asset and is therefore vulnerable to fraud. It is vital that appropriate controls are in place to ensure security. It is also important that we do not exceed the insurance limits on cash on the premises. The amount currently is £3,000.

This section covers general income controls to ensure that income is banked regularly and reconciled to the receipts. Frequent and regular checking against bank records is important to ensure that all income is secure.

Supporting documents: Income

- Charging policy
- Record of regular income
- Cash/cheque Log Book
- Sample of bank paying-in slips
- Income reconciliations
- Debt Recovery Procedures and Policy
- Records of transfers between staff

F1: Governor's Charging Policy

The Governing Body must have a charging policy ([Appendix 7](#)) for the supply of goods or services. This policy should be reviewed annually. The Governing Body has overall responsibility for ensuring that all income due to the schools is properly accounted for.

F2: Records Kept Of All Income Due

All income should be recorded on FMS6 as non invoiced income by the Finance Officer and invoices raised where appropriate.

F3: Lettings Authorisation

All lettings must be authorised by the Headteacher within a framework determined by the Governing Body and should be recorded in a diary or register.

The responsibility for identifying sums due to The Minster Nursery and Infant School should be separate from the responsibility for collecting and banking such sums.

F4: Segregation Of Responsibilities

The responsibility for identifying monies due to The Minster Nursery and Infant School s is the responsibility of the Headteachers.

F5: Invoices

Where invoices are required these should be issued within 30 days.

F6: Pre-Numbered Receipts Issued

The Financial Administrators or School Administrative Staff issue receipts from a pre-numbered receipt book for uniform or other income taken at the school office from parents. These are signed each time any payment is made.

F7: Security Of Cash And Cheques

All cash and cheque books are kept in the safe except when being processed. Keys for the safe cupboard are locked in the school office. The limit for cash in the safe is £3,000.

Safe logbooks are maintained by the Finance Officer of all items not recorded on FMS6 and is updated every evening.

F8: Paying Into Bank

Collections must be paid into the bank account promptly and in full. Bank Paying-in slips show clearly the split between cash and cheques and list each cheque individually. The total shown on the paying-in slip must agree to the amount on FMS6.

Money for banking is deposited to a named Nat West Bank endorsed on the FMS6 paying in document. The paying in stubb must be stamped at the bank of deposit.

F9: Income Collection Not Used For Payments

Income is not used for the encashment of personal cheques or for other payments.

F10: Reconciliation Of Income And Deposits

Reconciliation of the bank statement compared to the income and expenditure on FMS6 is completed monthly by the Finance Officer.

The reconciliations are reviewed by the Headteacher monthly.

F11: Chasing Invoices And Writing Off Debts

The Finance Officer on behalf of The Minster Nursery and Infant School chases outstanding invoices which have not been paid within 30 days. Information about unpaid invoices is initially taken to the Headteacher and or the Resources Committee and they then recommend action to the Governing Body for the final decision.

The Schools operate a debt policy ([Appendix 9](#)).

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery. Any debt under £100 can be written off by the Headteacher. All debts above £100 should be reported to the Resources Committee before action is decided.

F12: Cash Handling By Two People

All cash or cheque payments paid in to school are counted and recorded by two members of staff. The Finance Officer banks and records all income through FMS6. The income recorded is checked by the Headteacher monthly.

F13: Recording Transfers Of Money Between Staff

The Headteacher ensures that transfers of school money between staff are recorded and signed for correctly.

BANKING

Regular reconciliations are essential as they prove the balanced shown in the accounting records are correct and provide assurance the underlying accounts are accurate.

Supporting documents: Banking

- Monthly bank reconciliations
- Correspondence with bank on overdraft prohibition
- List of banks and building society accounts held by school

G1: Bank Reconciliations

The Minster Nursery and Infant School receive monthly bank statements which are reconciled through FMS6 by the Finance Officer. Any discrepancies must be investigated and reported to the Headteacher immediately.

G2: Reconciliations Reviewed And Certified

All bank reconciliations will be signed by the Finance Officer who undertakes the reconciliation. They are reviewed and countersigned by the Headteacher monthly.

G3: Segregation Of Duties

Staff responsible for the bank reconciliations should not also be responsible for the processing of payments and receipts. However, the Finance Officer at The Minster Nursery and Infant School is responsible for both processes therefore, the reconciliation is checked and countersigned by the Headteacher.

G4: Optimal Investments Of Surpluses

All funds surplus to immediate requirements are in an interest bearing bank account approved by the L.A.

G5: No Use Of Private Bank Accounts

The Minster Nursery and Infant School and members of The Minster Nursery and Infant School will not make use of any private bank accounts for school business.

G6: No Overdrafts

The Minster Nursery and Infant School do not overdraw the bank account. The bank has been informed that The Minster Nursery and Infant School is not allowed to borrow funds and that no account should be allowed to become overdrawn.

G7: Approval Of Non-Council Loans

The Minster Nursery and Infant School should not enter into any loan agreements, other than with the Council, without the prior approval of the Secretary of State for Education and Skills.

G8: Two Signatories Needed On All Cheques

The Minster Nursery and Infant School procedure requires that all cheques are signed by two signatories approved by the Governing Body ([Appendix 6](#)).

G9: Supporting Documentation For Cheque Signatories

The Minster Nursery and Infant School ensures that supporting documents e.g. invoices are made available to cheque signatories to safeguard against inappropriate expenditure.

G10: All Cheques Crossed

The cheques supplied by the bank for The Minster Nursery and Infant School are all crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.

G11: Cheque Signatory Requirements

The Minster Nursery and Infant School requires that only manuscript signatures are used and cheques should not be pre-signed.

G12: Security Of Cheque Books

Pre-printed cheque stationery is locked in a secure place prior when not in use.

G13: List Of Bank Accounts And Signatories

The following indicates signatories for the Nat West schools bank account and The School Fund Account:

Mrs Stephanie Edmonds, Mrs Cheryl Hudson and Mrs Elaine Simpkin.

PAYROLL

The Minster Nursery and Infant School is aware of a number of areas where Inland Revenue regulations affect or determine the way payments are made. For example, there are strict rules about payments to individuals who claim to be self-employed. The Minster Nursery and Infant School follow the L.A. guidelines in these circumstances.

Supporting documents: **Pay Policy** ([Appendix 9](#)).

- Personnel procedures
- Up to date list of staff employed
- Payroll transaction report

H1: Procedures For Personnel/Payroll Matters

The Minster Nursery and Infant School follows established Council procedures for the administration of personnel activities. All appointments, terminations and salary levels are formally approved by the Governing Body.

The Schools use L.A. payroll and H.R. services.

H2: Segregation Of Duties - Decisions

The Headteacher ensures that, where practicable, the duties of appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.

H3: Segregation Of Duties - Process

The Headteacher ensures that at least two people are involved in the process of completing, checking and authorizing all documents and claims relating to appointments, termination of employment and expenses.

H4: Authorised Access To Personal Files

The Headteacher ensures that only authorised staff have access to personal files and that arrangements for staff to gain access to their own records are in place.

H5: Proper Payroll Transactions

All payroll transactions are processed through the payroll system.

H6: Regular Updating Of Staff Employed

The Office Manager maintains a list of staff employed by the school which is updated promptly to reflect starters and leavers on SIMS.net.

H7: Payroll Checks

The Headteacher and Finance Officer undertake monthly checks between payroll reports and the payment demand to ensure:

- There are no ghost employees
- Staff are being paid the correct rates and allowances
- Old employees have been removed from the payroll

PETTY CASH

The Minster Nursery and Infant School do not operate current Petty Cash processes however, Petty Cash is useful for small purchases as cash is portable and desirable it is important that proper controls are in place to prevent its abuse or loss in the event the facility is instigated.

Supporting documents: **Petty Cash Policy** ([Appendix 10](#))

- Petty Cash Policy approved by governors
- Petty cash records - reconciliations

J1: Agreed Level Of Petty Cash

The agreed level of petty cash to be held is £200.

J2: Security Of Petty Cash

The Headteacher ensures that the petty cash fund is held in a locked cash box and that only the Finance Officer has access to it. It is locked in the safe at night.

J3: Proper Use Of Petty Cash

Payments from petty cash are limited to £50 which have been approved and authorised in advance by the Headteacher. Personal cheques are not cashed from the petty cash.

J4: All Expenditure Supported By Receipts

All expenditure from petty cash must be supported by receipts, identifying any VAT paid. It must be signed for by the recipient and countersigned by an authorised member of staff.

J5: Proper Accounting Records Kept

Proper records are kept by the Finance Officer of amounts paid in and out of petty cash. All cash drawn and payments made are recorded on FMS6 which allocates a unique transaction number.

J6: Regular Independent Check On Petty Cash

The amount of petty cash is checked monthly against the accounting records on FMS6 by the Finance Manager and reviewed by the Headteacher. A running total is automatically maintained on FMS6

J7: No Personal Cheques Cashed

No personal cheques will be cashed.

J8: Reconciliation Of The Petty Cash Account

Petty cash reimbursement is made from the main account to the imprest level agreed by Resources Committee. The petty cash is reconciled monthly against the FMS6 as detailed in J6 and checked by the Headteacher.

TAX

K1: Relevant Staff Aware Of Tax Regulations

The Headteacher ensures that all relevant finance and administrative staff are aware of Value Added Tax (VAT), Income Tax and the Construction Industry Scheme (CIS) regulations.

K2: Payments Only On VAT Invoices

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:

- The suppliers name and address
- The date goods / services were supplied
- The name and address of the school
- The goods or service supplied
- Amount payable excluding VAT
- Amount of VAT
- VAT rate

If the total cost, inclusive of VAT, is less than £100, less detail is required.

K3: Procedures For VAT On Business Activities

This following section sets out the main areas of activities, which generate income and the applicable VAT rate associated with each one.

It is vitally important to get the VAT rate right otherwise the L.A. will be liable to severe penalties from HMRC

	Standard	Zero	Exempt	Non-business
Sports Development courses			✓	
Private telephone calls	✓			
Payphones	✓			
Book sales		✓		
Children's clothing (Note 1)		✓		
Adults clothing	✓			
School uniform (Note 1)		✓		
Exam/enrolment fees				✓
Sale of work from classes to pupils				✓
School trips - curriculum based				✓
Training/retraining courses			✓	
Equipment (Note 2)				✓
Meals supplied to pupils at Council schools by the Council				✓

	Standard	Zero	Exempt	Non-business
Vending machine supplies at schools within canteen				✓
Vending machine supplies at Schools outside canteen	✓			
Printed Matter	✓	✓		
Games	✓			
Meals supplied to adults at Council schools	✓			
Lettings				
- room only			✓	
- use of equipment only	✓			
-sporting (Note3)		✓		
- sporting < 10 lets		✓		
- non sporting	✓			
- mixed	✓			
- catering	✓			
School Inspection Service - to Council schools				✓
OfSTED /GM Schools - inspections			✓	

Provided that equipment is mobile, is brought to school at least once a week, and the item is sold at cost or below, the sale to pupils is non-business and VAT can be recovered on the purchase.

The letting of sporting facilities is exempt where 10 lets are booked at one time for the same facility with a gap of not more than 2 weeks between each let. Payment can be made in stages provided the series of lets are for more than 10 weeks. If the rules do not apply, the lets will be standard-rated.

Full details of the Council VAT Guidance Manual should be obtained from the L.A.

K4: Payments According To CIS

The Construction Industry Scheme (CIS) does not apply to schools.

VOLUNTARY FUNDS

Voluntary funds provide The Minster Nursery and Infant School with a substantial additional source of income, although such funds are not public money. The standard of accounting must be of the same standard as the main public account.

This section only applies to voluntary funds which belong to The Minster Nursery and Infant School and not, for example, to funds held by other organisations, which have a connection with The Schools such as The Parents at The Minster Infants (PAMI).

L1: Separate Accounting From The School Budget

The Headteacher ensures that voluntary funds are recorded for separately from The Minster Nursery and Infant School delegated budget and are held in separate bank accounts.

L2: Registered With Charity Commission

The Governing Body ensures that the voluntary funds have been registered with the Charity Commission.

L3: Appointment Of Treasurer

The Governing Body has appointed the Office Manager to be the treasurer.

L4: External Auditor Appointed

The Governing Body has appointed an auditor who is independent of the school and not a member of the Governing Body.

L5: Standard of Accounting

The Headteacher ensures that the same standards of financial accounting for the delegated budget are applied to the voluntary funds.

L6: Use For Voluntary Funds Only

Any income that relates to the delegated budget should not be credited to a voluntary fund.

L7: Audited Accounts To Governing Body

The Office Manager will present the audited accounts, the auditor's certificate together with a written report on the accounts to the Governing Body as soon as possible after the year end.

L8: Audited Accounts To The Council

The Office Manager will provide the required information at Year End to the Finance Officer to complete the L.A. year end schedule.

L9: Procedures For Signing Cheques

The Headteacher ensures that two signatories authorised by the Governing Body sign every cheque drawn on the voluntary fund account.

L10: Banking

All income is banked at least monthly by a member of staff following the L.A. guidelines ([Appendix 11](#)).

L11: Issuing Of Receipts

Receipts should always be issued for any donations or income entering the voluntary funds.

L12: Bank Reconciliations

The Headteacher ensures that monthly bank reconciliations between the accounting records and bank statements are undertaken and independently reviewed.

L13: Insurance Cover

The Governing Body ensures that the voluntary funds are covered by insurance including fidelity guarantee insurance.

ASSETS

The Minster Nursery and Infant School has assets which must be kept securely and recorded on the asset registers on FMS6. The asset register is continuously reviewed and updated. The Governing Body sets a monetary value below which inclusion on the inventory is not required. The Headteacher ensures such items of school property are identified as to their location and need for on-site and/or off-site insurance.

The delegation of funding for structural maintenance means that The Minster Nursery and Infant School is now responsible for their buildings and other parts of their premises. The Minster Nursery and Infant School needs to plan the use, maintenance and development of the buildings and take into account the L.A asset management plan.

M1: Maintenance Of Stock

The Finance Officer ensures stocks are maintained at reasonable levels and subjected to a physical check annually.

M2: Security Marking

Up to date inventories must be maintained of all equipment. These items must be identified as school property by security marking.

M3: Asset Register Check

The Finance Officer arranges annual checks on the inventories; all discrepancies are investigated and reported to the Headteacher and Resources Committee.

M4: Property Taken Off Site

All assets removed from The Minster Nursery and Infant School site is recorded in a register held by the Finance Officer and signed back on their return.

M5: Authorisation Of Write-Offs And Disposals

The Governing Body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the L.A. regulations.

M6: Security Of Safes And Keys

The Minster Nursery and Infant School safe is kept locked in a locked cupboard and the keys removed and held in a different location.

M7: Plan For Use, Maintenance And Development Of Buildings

The Governing Body has a plan for the use, maintenance and development of The Minster Nursery and Infant School buildings as outlined in the schools Premises Development Plans.

INSURANCE

The Minster Nursery and Infant School has risks for which protection by insurance is needed. Risks may include third party liability, property, money, personal accident, motor vehicles and fidelity guarantee insurance. It is essential that The Schools review their exposure to these risks to ensure adequate cover is provided. If the insurance is not provided by the L.A. the cover must be at least as good as the relevant minimum cover arranged by the L.A.

N1: Annual Review Of Risks

The Governing Body review all risks annually, in conjunction with the L.A. where appropriate, to ensure that the sums insured are commensurate with the risks.

N2: Additional Insurance Cover

The Governing Body should consider whether to insure risks not covered by the L.A., voluntary body or foundation. The cost of these premiums should be met from the delegated budget.

N3: Notification Of New Risks / Changes

The Minster Nursery and Infant School will notify its insurers, L.A. or other agent of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.

N4: Indemnity To Third Parties

The Governing Body / The Minster Nursery and Infant School will not give any indemnity to a third party without the written consent of its insurers.

N5: Notification Of Insurance Losses Or Claims

The Minster Nursery and Infant School immediately informs its insurers of all accidents, losses and other incidents that may give rise to an insurance claim.

N6: Insurance Of Property Taken Off Site

Insurance arrangements should cover the use of The Minster Nursery and Infant School property off site.

DATA SECURITY

The Minster Nursery and Infant School use a computer system to record personal, financial and other management data. Most of the controls in this section cover access to data held on computers. It is important that management information is properly protected from unauthorised access and it is backed up regularly. A recovery plan must be in place to ensure continuity of financial information in an emergency.

The Data Protection Act 1998 is designed to protect the rights of individuals in relation to personal data that is held about them. It sets out requirements about the processing, storage and disclosure of that data and extends coverage of the previous legislation from data handled electronically to certain manual record systems.

The Act requires the Governing Body and Headteacher to notify the Data Protection Commissioner where the activities they are engaged in are covered by this legislation. Pupils paper records will probably fall under the requirements of the Data Protection Act 1988 and be subject to notification.

Supporting documents: Data Protection

- Emergency recovery plan
- Notification to the Data Protection Commissioner (Data Protection Act 1998)

P1: Security Of Access

Computer systems used for FMS6 are protected by password to ensure security, access is restricted ([Appendix 11](#)). The passwords are changed regularly and updated for staff changes.

P2: Back-Up Procedures

The ICT technician must ensure that Admin data is backed up on a continuous cycle to Atomwide 'cloud' and Curriculum data is backed up weekly by tape to and that all back-ups are securely held in a fireproof location and a second copy is held offsite at St Andrews High School, Warrington Road, Croydon.

P3: Recovery Plan For Emergency

The Headteacher has established a recovery plan ([Appendix 12](#)) to ensure continuity of financial administration in the case of emergency.

P4: Protection Against Computer Viruses

To prevent viruses being imported, only authorised software agreed by Matrix/Strictly Ed (Service Support) is used.

AUDIT

The Minster Nursery and Infant School come within an internal audit regime determined by the L.A., and within the L.A. external audit regime as determined by the Audit Commission. The Minster Nursery and Infant School provide access as necessary for audit purposes to its records, for both internal and external auditors.

The DfE requires The Minster Nursery and Infant School to obtain and provide to the L.A. annual audit certificates in respect of voluntary and private funds held by them and of the accounts of any trading organisations controlled by them. However, the L.A. will not itself audit such funds. The auditor of non-public funds must not be connected with the administration of those funds. Any other requirement as to the audit of such funds is a matter for those making the funds available and for the Charity Commission where charitable trusts are concerned.

Appendix 1: The Minster Nursery and Infant School - RESPONSIBILITIES

Governors

- Approval of 'Financial Policy and Procedures'
- Budget approval
- Regular monitoring
- Accountability to L.A. and parents
- Delegation to Head Teacher
- Receiving reports of virements authorised by the Resources Committee
- Ensuring that financial statements required by the L.A. are produced

Resources Committee

- Production, evaluation, development and documentation of 'Financial Policy and Procedures'
- Establishment of annual budget
- Ensure amendments to the Budget plan during the year must be recorded in the Resources Committee Minutes
- Monitoring of income expenditure on at least a termly basis
- Reporting on a termly basis to the full Governing Body
- Receiving reports of virements authorised by the Head Teacher

Membership is as follows:

- Chair of Finance – Mr Matthew Bligh
- Mrs Sharon Odumosu
- Mrs Diane Edwards
- Mrs Trina Harris
- Mrs Stephanie Edmonds - Headteacher

Headteacher

- Reporting to Governors
- Budgetary control in order to ensure that expenditure is kept within the budget plan
- Virement within limits
- Monitoring of expenditure

Finance Officer

- Preparation of draft budget
- Draft the annual budget plan
- Processing of orders and invoices
- Receipt and banking of income
- Preparation of cheques
- Recording of income and virements
- Summary reports for Budget managers
- Drafting of reports for Head Teacher
- Detailed budget monitoring, evaluation and preparation
- Monitoring of day to day procedures
- Bank reconciliation
- Ensuring that 'Financial Policy and Procedures' document is reviewed annually

**Appendix 2: The Minster Nursery and Infant School –
FINANCE OFFICER – Job Role**

Appendix 3: The Minster Nursery and Infant School –
LONDON BOROUGH OF CROYDON FINANCIAL REGULATIONS AND SCHEME
FOR FINANCING SCHOOLS

**Appendix 4: The Minster Nursery and Infant School –
SCHOOL DEVELOPMENT PLAN**

**Appendix 5: The Minster Nursery and Infant School-
BEST VALUE STATEMENT**

Appendix 6: The Minster Nursery and Infant School-
LISTS OF SIGNATORIES

CHEQUE SIGNATORIES

Post	Post Holder	Budget Manager	Certify Invoice For Payment	Cheque Signatory	Sample of Signature
Headteacher	Mrs Stephanie Edmunds	Yes	Yes	Yes	
Deputy Headteacher	Mrs Cheryl Hudson	Yes	Yes	Yes	
SENCO	Mrs Elaine Simpkin	Yes	Yes	Yes	

**Appendix 7: The Minster Nursery and Infant School-
CHARGING POLICY**

**Appendix 8: The Minster Nursery and Infant School-
LETTINGS POLICY**

**Appendix 9: The Minster Nursery and Infant School-
DINNER DEBT POLICY**

**Appendix 10: The Minster Nursery and Infant School –
PAY POLICY**

**Appendix 11: The Minster Nursery and Infant School –
PETTY CASH POLICY**

**Appendix 12: The Minster Nursery and Infant School –
AUTHORISED USERS OF FMS6.**

AUTHORISED USERS OF FMS6.

Post	Post Holder
Headteacher	Mrs Stephanie Edmonds
Finance Officer	Mrs Khadija Shears
FSST Budget Adviser	Mr Patrick Leavy
FSST Administrator	Mrs Diane Keogh
Support Service	Octavo Partnership

**Appendix 13: The Minster Nursery and Infant School-
BUSINESS CONTINUITY PLAN**

**Appendix 14: The Minster Nursery and Infant School –
THE MINSTER SCHOOLS CATERING POLICY**

**Appendix 15: The Minster Nursery and Infant School –
GOVERNORS' ALLOWANCES POLICY**

**Appendix 16: The Minster Nursery and Infant School –
WHISTLEBLOWING POLICY**

**Appendix 17: The Minster Nursery and Infant School –
SCHOOL PROCUREMENT ONE CARD POLICY**

GENERAL INFORMATION

Relevant website addresses

Croydon home page	www.croydon.gov.uk
School Funding and Finance, Finance Matters page	http://www.croydon.gov.uk/EDDept/School_Finance/4financematters.htm
Scheme for Financing Schools	http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Scheme/Contents.asp
Croydon School Financial Regulations	http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/FINANCIALREGULATIONSFORSCHOOLS.doc
Croydon Financial Guidance Including retention of records	http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/Handbook_Contents.asp
Croydon Service Agreements	http://www.croydon.gov.uk/EDDept/School_Finance/3services/SLA2002/Service_Level_Agreements_summary.asp
NCSL	http://www.ncsl.org.uk
Audit Commission	http://www.schools.audit-commission.gov.uk
Financial Management in Schools	http://www.fmsis.info/