

# CARDINAL POLE CATHOLIC SCHOOL



## Finance Policy

(Incorporating Scheme of Delegation, Governors Allowances & Including COVID-19 Arrangement & Governors Charging)

### 2022-23

Approved by  
Governors

Signed:

A rectangular box containing a handwritten signature in black ink, which appears to be 'J. Madubwa'.

Date:

02/09/2022

Review due date (1 year):

## **1. Financial Management and Controls**

- 1.1. The Governing Body is responsible for the financial management and control of the school's budget, and compliance with the Hackney Learning Trust's ('HLT') Scheme for Financing Schools, and London Borough of Hackney's Financial Regulations.
- 1.2. The Governing Body must ensure that there are adequate internal controls in place. There are a number of controls that should be applied by the Governing Body (in practice through the Headteacher) to ensure that the risks of error or fraudulent activity are minimised:
  - Staff expertise
  - Segregation of duties
  - Documentation
  - Register of business interests
  - Financial Accounting records
  - 10% reserves policy.
- 1.3. The Governing Body must ensure that the school has documented Financial Procedures in place, which are based on those in the current version of the HLT Financial Procedures Manual for Schools.
- 1.4. All Governors and staff are required to be aware of the Financial Procedures, and to follow them when they apply to any aspect of their work for the school.
- 1.5. In the absence of a written procedure for any aspect of the school's financial activity, the equivalent section of the HE Financial Procedures Manual for Schools will be deemed to apply.

## **2. Delegation of Authority**

- 2.1. In order for the Governing Body and school to operate effectively, the Governing Body has formally adopted:
  - Terms of Reference for the Finance and Premises Committee; and
  - Schedule of Delegation to the Governors, the Finance and Premises Committee; the Headteacher, and the Business Manager
  - Scheme of Delegation as per LBH financial procedures August 2019 for secondary schools with the following exceptions – Executive Headteacher to approved virements of up to £20,000 and contracts up to £40,000 and points 6, 8 & 9 below.

## **3. Register of Business Interests**

- 3.1. Business interests include employment by or ownership of (including by means of partnership or shares) a potential supplier to the school or a major supplier or sub-contractor to a potential supplier to the school.
- 3.2. In accordance with the Hackney Education (HE) Scheme for Financing Schools, the Governing Body is required to establish and maintain a register which lists, for each member of the Governing Body and the Headteacher, any business interests which they or any connected persons have.
- 3.3. In addition to the Headteacher, Governors, key staff (Deputy Headteachers, Business Manager) and other staff who make or influence procurement decisions are also required to have their own and connected person's business interests added to the register. Where there are none, this should be recorded.
- 3.4. The register must be kept up-to-date by the Headteacher notifying the Governing Body of changes. The Headteacher must ensure that the register is reviewed at least annually. Pecuniary interests for agenda items at Full Governing Body and HR, Finance & Premises meetings are requested and recorded and acted upon if received
- 3.5. The register must be available for inspection by Governors, staff, parents, and Hackney Education The register is also available on the school website.

#### **4. Procurement Card**

There are three school GPC charge cards, with a combined limit of £20,000 and an individual transaction limit. The Headteacher is limited to a £1,000 limit. They are in the names of the Headteacher, the School Business Manager and the Finance Manager and kept in their possession.

#### **5. Petty Cash**

Use of petty cash by the school is under the rules stated in Section 5 of the HLT Financial Procedures Manual for Schools. The petty cash float is £500. The limit for petty cash expenditure on a single transaction is £100, unless in case of emergency with Headteacher approval.

#### **6. Ordering & Purchasing**

Efficiency and value for money are key to procurement decisions. Orders are signed by budget holder, signed off by School Business Manager and input into commitment system by Finance & Payroll Officer. Orders are accepted on forms or written instruction/emails (with relevant web links as necessary).

#### **7. Receipt of Goods**

Proof of receipt for payment includes delivery notes and email confirmation/physical signature on document.

#### **8. Payment**

In all but exceptional circumstances and payments over £20k, payment is made to suppliers and students (e.g. 16-19 bursary grants) by BACS. Finance & Payroll Officer inputs invoices to accounting system and produces BACS Run report. SBM checks invoices to report, which is authorised by 2 signatures.

Payments over £20k are paid by cheque. If necessary they can be paid by BACS with Hackney Education Finance providing the additional authorisation required

#### **9. Use of Taxis/Uber**

Governors delegate decision making to the Headteacher – to be used for safety/safeguarding and efficient use of staff time. This is reviewed annually.

Taxis may be used, for example:

- Where staff are escorting student or staff
- When transporting equipment that is too heavy or bulky to be taken via public transport as the most financially economical option
- When an employee is on school business and where there is no viable public transport, given time constraints
- Where staff are unwell and are unable to travel by public transport to work (with prior approval of Executive Headteacher)
- A record is kept by the Finance Manager for taxis and couriers with date and time of request, requested by, destination, reason, date and time required and single or return. Invoices are reconciled against this before payment.

#### **10. Governor Allowances**

The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 give Governing Bodies the discretion to pay allowances from the school's annual budget allocation to Governors for certain expenses that they incur in carrying out their duties.

In schools such as Cardinal Pole Catholic School with delegated budgets, the amount of Governors' allowances and the items for which claims may be made are a matter for the Governors to agree before expenses can be claimed.

Cardinal Pole Catholic School Governing Body believes that paying Governors' allowances for certain items is important in ensuring equality of opportunity to serve as Governor for all

members of the community and so is an appropriate use of school funds.

School governors provide a voluntary service, and cannot be paid for their role as a governor but they can receive out of pocket expenses. This may include reasonable expenses to cover travel costs or child care costs incurred as a result of fulfilling their role as governor.

Payments can only be paid for expenditure necessarily incurred to enable the person to perform any duty as a governor. This does not include payments to cover loss of earnings for attending meetings. Travel expenses must be at a rate not exceeding the HM Revenue and Customs (HMRC) approved mileage rates which are changed annually and are on HMRC website. Other expenses should be paid on provision of a receipt and be limited to the amount shown on the receipt

## **11. Covid 19 addendum**

Petty cash use is restricted as much as possible.

BACS controls remain the same. Supporting reports can be scanned and authorised via email and SBM can release BACS payment runs remotely, if necessary.

Some deliveries to home addresses e.g. tablets Maths department. Still to encourage use of school charge card rather than individuals.

Additional resources over budget identified to support remote learning, FSM and physical resources including books, laptops, PPE and as identified in the COVID-19 risk assessment.

## **12. Governors Charging**

In conformity with the requirements of the Education Reform Act 1988 it is the policy of the Governing Body of Cardinal Pole Catholic School:

1. To levy, except where pupils are entitled to statutory remission, a charge for all board and lodging costs on residential visits
2. To levy a charge for activities wholly or mainly outside school hours which are not part of the National curriculum or statutory religious education
3. To levy no charge for examination entries except where:
  - the school has not prepared pupils for the examination in the year for which the entry is made
  - a pupil has failed, for no good reason, to complete the requirements of the examination or to attend for it
4. To levy no charge in respect of books, materials, equipment, instruments or incidental transport provided in connection with the national curriculum, statutory religious education or in preparation for public examinations or courses taught at the school, except where parents have indicated in advance that they wish to purchase the product
5. To request voluntary contributions from parents for school activities in or out of school time for which compulsory charges cannot be levied but which can only be provided if there is sufficient voluntary funding, whilst ensuring that no pupil is excluded from such activity by reason of inability or unwillingness to make a voluntary contribution
6. To seek payment from parents for damage to or loss of school property caused wilfully or negligently by their children
7. To leave to the Head Teacher the decision over the proportion of costs of an activity which should be charged to public or non-public funds
8. To make reasonable charges to other educational institutions for the provision of teaching resources

9. To delegate to the chairperson of the Governing Body and the Head Teacher the determination of any individual case arising from the implementation of this policy.

## **Schedule of Delegation**

### **1. Financial Management and Controls**

The Governing Body is responsible for the financial management and control of the school's budget, and compliance with the Scheme for Financing Schools and the Council's Financial Regulations.

### **2. Delegation of Authority**

In order for the Governing Body and school to operate effectively, Governors will delegate authority to a Committee, an individual Governor, or the Headteacher. To delegate authority to a Committee the Governing Body must establish 'terms of reference' for that Committee. To delegate authority to an individual Governor or the Headteacher, the Governing Body must establish a 'schedule of delegation'.

Both the 'terms of reference' and the 'schedule of delegation' must be documented, minuted as approved by the Full Governing Body, and cover:

- What authority has been delegated
- To whom it is delegated (named committee, governor, Headteacher or other responsible officer)
- What the limits of authority are (values, timescales or specific areas)
- What reporting arrangements are required

Both the 'terms of reference' and 'schedule of delegation' should be reviewed and approved annually by Governors.

### **3. Outline of Responsibilities**

#### **The Governing Body will:**

- Give strategic direction to the annual budget
- Approve the annual budget
- Approve the School Profile statement (staffing structure)
- Approve budget transfers (transfers) of over £40,000
- Approve the school's charging policy for lettings and other income
- Authorise the disposal of assets valued at over £5,000
- Ensure that there is a regularly updated Register of Business Interests
- Authorise contracts in excess of £80,000+
- Ensure that the school's Asset Register is kept up-to-date and reviewed at least once a year

#### **The HR, Finance and Premises Committee will:**

- Consider the annual budget and make budget recommendations to the Governing Body
- Consider the School Profile statement (staffing structure) and make recommendations to the Governing Body
- Approve significant budget transfers of between £20,000 - £39,000
- Monitor and control the budget; receive audit reports and ensure action plans are implemented
- Consider the charging policy for lettings and other income
- Authorise the disposal of assets with value between £500 - £5,000
- Ensure that there are adequate internal financial controls
- Authorise contracts in excess of £50,000 up to £79,000

#### **The Headteacher will:**

- Prepare the annual budget
- Prepare reports to the Governing Body and HR, Finance & Premises Committee for consideration and or approval, including termly financial monitoring reports to the Committee
- Prepare the School's staffing structure
- Approve budget transfers of no more than £20,000

- Prepare budget transfer requests for HR, Finance & Premises Committee or Full Governing Body consideration
- Ensure spending remains within approved budget limits and budgeted income is received
- Receive audit reports and develop action plan to implement recommendations
- Develop/review charging policy for lettings and other income
- Authorise contracts up to £49,000
- Ensure that there are adequate internal financial controls are in operation and that they are documented
- Authorise the disposal of assets up to a value of £500

**The Business Manager will, under the direction of the Headteacher:**

- Prepare the annual budget
- Prepare reports to the Governing Body and HR, Finance & Premises Committee for consideration and or approval, including termly financial monitoring reports to the Committee
- Support the preparation of the School's staffing structure by the Headteacher
- Prepare budget transfer requests of no more than £20,000 for the Headteacher's consideration
- Prepare budget transfer requests for HR, Finance & Premises Committee or Full Governing Body consideration
- Ensure spending remains within approved budget limits and budgeted income is received
- Implement action plans arising from Audit reports and recommendations
- Develop/review charging policy for lettings and other income
- Prepare recommendations for entering into contracts
- Ensure that adequate internal financial controls are in operation and that they are documented
- Prepare recommendations for the disposal of assets to the Headteacher, HR, Finance & Premises Committee, or Governing Body as appropriate
- Update/maintain the school's financial system
- Monitor spending against budget and report variances
- Produce financial reports as requested for the Headteacher
- Ensure adequate cash flow
- Ensure Construction Industry Scheme (CIS), Value Added Taxation (VAT) and payroll legislation is adhered to.

**4. Summary of Delegated Authorities**

The following table summarises the levels of financial authorities delegated by the Governing Body:

<b>Delegated Authority</b>	<b>Transfer monies</b>	<b>Enter into a contract</b>	<b>Debt Write-off</b>
Governing Body	£40,000+	£80,000+	£5,000+
HR, Finance & Premises Committee	£20,000 - £39,000	£50,000 - £79,000	£500 - £5,000
Headteacher	Up to £20,000	Up to £49,000	Up to £500

For debts above £5,000, the School must first obtain approval to write off the debt from the Head of Finance at Hackney Education, before seeking the approval of the Governing Body.

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