

FINANCIAL CODE OF PRACTICE

THE GOVERNING BODY OF

JUBILEE PRIMARY SCHOOL AND FERNBANK CHILDREN'S CENTRE

CODE OF PRACTICE FOR FINANCIAL MANAGEMENT

I. STATEMENT

This Code of Practice details procedures and practice agreed by the Governing Body of Jubilee Primary School and Fernbank Children's Centre.

2. AIMS AND STANDARDS

- a) The Governing Body aims to help the School and Children's Centre provide the best possible education for its pupils by ensuring that all available resources are used effectively and efficiently.
- b) The Governing Body accepts that it is accountable to Hackney Education and also to the parents and the wider community for the way it carries out its duties and responsibilities for financial planning, management and control.
- c) The Governing Body will carry out its responsibilities at all times in accordance with the current legislation and regulations.
- d) The Governing Body will also act fairly, without prejudice, and in accordance with the principles laid down by the Second Report of the Committee on Standards in Public Life.
- e) The Governing Body, in consultation with the Head Teacher, will fulfil its responsibility for overseeing good financial practice within the School and Children's Centre and for compliance with the Procedures as set out in the *Financial Procedures Manual – Hackney Education and the DfE's Schools Financial Management advice*.

3. BUDGET PREPARATION & BUDGET MONITORING

- a) The Head Teacher and Business Manager are responsible for drawing up proposed budget estimates, in consultation with the Resources Committee, for consideration and approval of the Governing Body.
- b) A proposed budget should be presented to the Governing Body for consideration in the April proceeding the next financial year together with draft budget estimates for the following two years.
- c) The budget for each financial year should be approved in May together with proposed budget estimates for the following two years.
- d) The Head Teacher and School Business Manager will provide quarterly budget monitoring reports to members of the Governors' Resources Committee. The Chair of the Resources Committee will present an annual finance report to the whole governing body.
- e) The Head Teacher and School Business Manager will provide the Governing Body with the financial information, advice and recommendations it needs to carry out its functions effectively and to understand how the School and Children's Centre is performing.
- f) The school's disbursement account shall be operated in accordance with section 10 of Hackney Education's Financial Procedures Manual for schools (March 2022) – "School Bank Accounts".

4. DELEGATION OF FUNCTIONS

- a) The Governing Body has established a Resources Committee to which its financial functions, apart from the final approval of the annual budget, are delegated.
- b) The Resources Committee shall comprise of at least three governors, the Head Teacher and the School Business Manager.
- c) The Governing Body must agree the Terms of Reference for the Resources Committee and review the terms annually.
- d) The following members of staff are authorised by the Governing Body to be signatories to the School Disbursement Bank account: Norma Hewins, Joshua Cardale and Nesson Quiery.
- e) The following members of staff are authorised by the Governing Body to be signatories to the School Fund Bank account: Norma Hewins, Joshua Cardale and Nesson Quiery.
- f) All cheques must be signed by two of the signatories. The Chair or a member of the Resources Committee must approve payments in excess of £10,000 for whatever purpose, including payments paying for multiple invoices from one supplier, excepting payments drawn in favour of employment agencies, catering and cleaning companies may be to the sum of £20,000 before requiring recourse to the Resources Committee. Payments in excess of £10,000 may be approved by completion of a Large Transaction Form. Payments approved by the Chair or other member of the Resources Committee must be reported to the next meeting of that Committee. BACS payments and online payments are to be approved by Norma Hewins, Joshua Cardale or Nesson Quiery.
- g) The following members of staff are authorised by the Governing Body to be signatories to official orders: Norma Hewins, Joshua Cardale and Hannah Adu. Pay sheets, time sheets and agency staff claim and record forms: Norma Hewins, Joshua Cardale, Nesson Quiery, Laura Collins and Hannah Adu.
- h) The Head Teacher may vire amounts of up to £5,000 between approved budget account allocations. All virements are to be entered in the *SIMS FMS* accounting program and a virement report must be printed and signed and presented at the next meeting of the Resources Committee. Virements between £2,000 and £5,000 must be reported to the next Resources Committee meeting and those over £5,000 to the next meeting of the Governing Body.
- i) Any leasing or rental agreement must be authorised by the Resources Committee. Hire Purchase agreements may not be entered into. The Head Teacher and the Governing Body must seek formal, written approval from Hackney Education before entering into any leasing or rental agreement over £5,000 per annum. Copies of all leasing and rental agreements should be sent to the Schools Finance Department at Hackney Education.
- j) At all times the Governing Body, the Head Teacher and members of staff will comply with the *Financial Procedures Manual – Hackney Education* and the Audit Commission and OFSTED guidance and advice as set out in *Department for Education's Schools Financial Management advice*.
- k) The Head Teacher and School Business Manager will be responsible, in the first instance, for responding in detail to any audit reports and ensuring that recommendations are carried out within a reasonable time-scale. Copies of all audit reports must be presented to the Governing Body for its consideration.

5. ACCOUNTABILITY AND CONTROL

- a) The Head Teacher and School Business Manager will monitor all expenditure every month, paying particular attention to payroll charges, to ensure the accuracy of all financial records.
- b) The School Business Manager will reconcile the School's financial records with the bank accounts, the payroll reports and the various Hackney Education reports each month. Any variations from

the approved budget estimates or from expected expenditure are to be investigated and reported to the Resources Committee.

- c) The School Business Manager will provide quarterly budget monitoring reports to the Resources Committee and monthly reports to Hackney Education. The School Business Manager will also provide quarterly Children's Centre finance reports including occupancy and parental income levels.
- d) The procedures detailed in the *Financial Procedures Manual – Hackney Education* and the guidance and advice set out by the Department for Education will be followed at all times with regard to the placing of orders and the purchase of goods and services and the for the paying of invoices and accounts.
- e) All orders, and other financial transactions, must be signed by authorised members of staff, budget account holders, one of whom must be an authorised signatory to the School's Bank account. Orders for the Children's Centre may be signed by the Head of Centre.
- f) Only computer-based accounting systems approved by Hackney Education may be used for official accounting purposes. Currently the *SIMS FMS* accounts program, which is officially approved, is in use by the School.
- g) All valuable ICT and technical items and those easily stolen will (following Hackney Education's guidance) be entered into the asset register as soon as possible after they have been received. Entries in the asset register must include: serial numbers of individual items, where appropriate, model numbers and/or descriptions, date of purchase, value and the location where the item is stored or kept. Where appropriate valuable items must be security marked and kept locked up when not in use. Disposed of assets must be recorded and authorised by the Head Teacher and Governing Body.
- h) Asset registers must be securely kept and copies should be forwarded to the London Borough of Hackney's Insurance officer from time to time for safe-keeping and to ensure that central records are up-to-date.
- i) The Resources Committee will review the asset register annually to ensure that they are a true record of the assets within the School.

6. PURCHASING

- a) Budget account holders, authorised by the Head Teacher or Deputy Head Teacher (Jubilee) or and the Head of centre (Fernbank Children's Centre) may place orders for the supply of goods and services.
- b) All orders must be made using a Jubilee Primary School or Fernbank Children's Centre official, printed, sequentially numbered order so as to record an expenditure commitment.
- c) Verbal orders and telephone orders are forbidden, unless with the express authority of the Head Teacher or Head of Centre.
- d) Official orders, once signed by two signatories as specified above, may be sent electronically by PDF, if so requested by the supplier.
- e) All members of staff responsible for making purchases will 'test the market' to ensure value for money and the best use of the school's budget.
- f) No specific numbers of verbal quotations are required for purchases totalling less than £5,000, although value for money should be demonstrated and verbal quotations documented as evidence that the procedures have been followed. An official order must be completed.
- g) For purchases between £5,000 and £10,000 two or more quotations should be obtained unless it is impracticable to do so or where we have a well known supplier based on prior experience and knowledge of the company. In this instance a procurement form should be completed stating the reasons for using the chosen company. An official order must be completed.

- h) Three or more written quotations are required for all expenditure above £10,000, except where it is impracticable to do so. An official order must be placed.
- i) When purchasing regularly from the same supplier a check should be made from time to time to ensure that value for money, or appropriate discount, is being obtained over the year.
- j) Official orders may not be used for individuals to obtain goods or services for their private use.
- k) The Budget Account Holder will ensure that all goods and services received are carefully checked and that delivery notes and invoices are marked to show that the following processes have been carried out before payment is made. Invoices should be stamped with a checklist for completion, as follows: Date of Payment, Amount Paid, Cheque or BACs Number, Budget Account, Expenditure Code, Certified for Payment, Authorised for Payment.
- l) The School Business Manager will check that the prices, and VAT if due, as shown on the invoices have been calculated correctly.
- m) On some occasions (mostly when paying for school trips to London Zoo, Kench Hill, London Museums) there will be a need to make a payment based on information given in a letter or email and not an official invoice. In these circumstances the payment may be made with the approval of the Head Teacher and a receipt/VAT statement sought after the visit.
- n) Budget Account holders may make small cash purchases without official orders and be reimbursed via the Staff Expenditure Form.
- o) A VAT receipt should be obtained, where applicable, for all cash purchases so that the School can claim back the tax and make full use of the budget available. (However, there is no requirement for a retail outlet to issue a VAT receipt for purchases below £100.)
- p) Cash receipts must be firmly attached to an official Staff Expenditure Reimbursement form, which must be completed and signed using the same procedure as for an invoice.
- q) Staff reimbursements will only be made via BACS payments with the approval of the Head Teacher or Deputy Head Teacher.
- r) A governor approved budget will be set annually for the purpose of staff appreciation week and special occasions. All other staff hospitality payments should be from the School Fund account with the authorisation of the Head Teacher.
- s) Jubilee Primary School has one government procurement card (GPC) and Fernbank Children's Centre has one for payment of ad hoc, on-line and Tesco/Asda weekly food deliveries (for extended school use) and nursery/reception resources.

The procurement cards are assigned to Nessan Quiery (Assistant Head Teacher and School Business Manager) and Laura Collins (Office Manager – Fernbank Children's Centre). Each transaction limit is £500 to a maximum of £1,500 per month. The Head Teacher is responsible for approving expenditure associated with the cards and ensuring that there is a clear audit trail of approval and reconciliation for all expenditure. Procurement cards must not be used for private use and should be safeguarded from theft and misuse.

7. COLLECTING CASH AND PAYMENTS

All payments for school dinners, trips, events, music lessons, extended school activities, uniform and ad hoc items should be paid on line via ParentMail and not cash. Cash may occasionally be taken for school fundraising and charity events. Where necessary, Reception and Administration staff will support parents in setting up an account on ParentMail.

Payments may only be collected in accordance with the Charging Policy of the Governing Body, Hackney Education's arrangements for dinner money collections, trips, events, music lessons, extended school activities and the sale of small items as authorised by the Head Teacher.

- a) The following procedure applies to all members of staff, and volunteers helping members of staff, collecting cash from pupils and parents for fundraising and charitable events.
- b) Members of staff may not collect cash from pupils or parents without prior approval of the Head Teacher.
- c) All cash collected must be given immediately to the reception staff who will enter it on an income log and place in the school safe.
- d) The Business Manager will inspect the Income and Collection log.
- e) In addition to the above, members of staff who take responsibility for organising a School Journey must adhere to the procedures for School Journeys as set out in the *Financial Procedures Manual – Hackney Education*.
- f) Please also refer to the Jubilee Office Procedures for Income and Collection Policy and Fernbank Children's Centre Fee Policy.

Signed Head Teacher _____ Dated _____

Signed _____ Dated _____
Chair of Governing Body