



The Westminster  
Specialist College

2022/2023

# Financial Procedures Policy

Approved by Board of Governors on:	15/12/2022
Signed by Chair of Governors:	P Coldicott
Head of College:	O Flowers
Lead Personnel:	O Flowers
Date of Review:	15/12/2024

## **Roles and Responsibilities**

### **Governing Body**

The Governing Body holds statutory responsibility for the setting and overseeing of the annual College budget, that the College complies with principles of SFVS (Schools Financial Value Standard) procedures and due regard to Health and Safety.

### **Resources Committee**

The Finance Committee receives from the Governing Body the responsibility to determine and monitor expenditure within the budget, specifically authorising virements and expenditure over the amount delegated to the Head of College, currently for amounts in excess of £10,000. The amount is reviewed annually by governors.

### **Head of College**

The Head of College receives from the Governing Body responsibility for the practical day to day administration of the budget and expenditure and is assisted in this by members of the Leadership Team, the external Finance Auditor and the Finance Officer.

### **Budget Holders**

Budget Holders operate under the delegation of the Head of College, and are accountable to the Head of College and Governors. They must ensure that they follow financial procedures when making transactions within their allocated budget.

### **External Financial Advisor (Budget Officer)**

To ensure the completion and submittal of Local Authority (LA) returns as and when required, and at the end of financial year closedown, prepare budget monitoring reports and the monthly bank reconciliation.

### **Finance Officer**

Day to day administration and processing of financial transactions.

### **Register of Business Interest**

All Governors and staff must complete a "Pecuniary Interest Form" on an annual basis, this will be kept on file by the Finance Officer.

### **Budget Preparation and Setting**

The college receives its budget allocation from the Local Authority based on purchased places and banding of student's special needs.

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During the spring term the external financial advisor will create a draft budget with the assistance of the Head of College, College Business Managers and Finance Officer, taking into consideration funds available and staffing commitments, etc.

The Budget is prepared in line with the College Strategic Development Plan and budget holders are expected to be aware of the bigger picture needs of the college as well as current issues for their particular responsibility.

The draft budget must be presented to the Full Governing Body Meeting for approval before the Budget can be set.

Curriculum budget holders are to prepare a Programme, Plan and Budget for each financial year. The curriculum budget will be allocated by the Head of College at the beginning of the financial year.

### **Budget Monitoring and Reports**

The external Financial Officer will prepare budget monitoring reports every month in college to be discussed on the day of the visit with SLT and Finance. Budget Monitoring Reports, showing the college's current position are uploaded to the SharePoint at various dates, minimum of three times per year. The most current version is printed and presented to Governors at each of the termly Resources Committee. Should any virements be required in excess of the amount delegated to the Head of College, currently £10,000, then this must be presented to the Finance Committee for approval.

The Finance Officer will provide Budget Holders with regular updates of financial balance and expenditure as the year progresses which the budget holder must check. Any queries are to be referred to the Finance Officer or College Business Manager.

### **Income Procedures**

The monthly advances received directly into the bank account from the Local Authority are entered onto FMS by the College Finance Manager.

All income is banked, as no payments are to be made from cash income. All cash is presented to the Finance Officer to be kept secure in the safe, the amount in the safe is not to exceed the insurance cover of £1,000.00.

The Attendance Secretary administers meals and collects the money from students and staff, via the online portal ParentPay, or via cash/cheque which is passed to the Finance Officer daily to be kept in the safe. The amount collected is reconciled at the end of the week against the Parentpay banking report and paying in book.

Parentpay and Paypoint income reports are printed weekly and entered onto FMS by the Finance Officer.

Receipts of physical cash/cheques are entered onto FMS by the Assistant Secretary, and then processed for banking by the Finance Officer to ensure segregation of duties.

## **Purchasing Procedures**

Budget Holders should submit a completed and signed "Internal Requisition Form" to the Finance Officer.

Budget holders are expected to follow the principles of Best Value when making purchases for their delegated areas of spend (Challenge, Compare, Consult and Compete as part of the process is important).

Any individual item requested over £200.00 must show evidence of 3 equivalent competitor prices. Any individual item over £10,000 must have 4 quotes.

Budget Holders are not to place orders with suppliers directly, but must follow the College's purchasing procedures, this includes items supplied on an evaluation basis. If the supplier chosen is not the cheapest, then a note should be made by the Budget Holder, signed and dated as to why this is considered Best Value.

The Finance Officer will create an Official Purchase Order provided the Budget Holder has sufficient funds, this must then be authorised by the Head of College.

Should the Purchase Order exceed £10,000.00 this must first be presented to the Resources Committee for approval.

Deliveries are checked by Admin Staff, against delivery notes and orders. Any discrepancies/damages must be reported to the supplier as soon as possible. Admin staff will sign and date the delivery note and enter onto FMS. Budget Holders are then notified their item has been received in college, and to collect, or arrange to have Interserve move it for them, via logging a job. The delivery note is to be passed to the Finance Officer to attach to the purchase order.

Invoices are to be processed and checked against the purchase order and delivery note by the Finance Officer, and authorised on FMS by the Head of College for payment.

Cheques and BACs payments will be prepared by the Finance Officer and signed/approved by 2 of the authorised signatories.

Invoices, Delivery notes and other supporting documentation must be attached to the Purchase Order and filed in Purchase Order Number sequence.

### **Purchase Card**

The Head of College accepts responsibility for the purchase card.

The purchase card is intended for use only when the primary method of payment (BACs/Cheque) is not available.

The card remains locked in the safe at all times and should not be used by any other employee.

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The purchase card must only be used after the authorisation to purchase has been obtained from the Head of College. The order is placed by the Finance Officer and the monthly statement is reconciled by the Business Manager to ensure segregation of duties.

The purchase card has the following spending limits (inclusive of VAT and delivery charges):

- Credit Limit – Maximum £10,000 per annum
- Card Limit – Maximum £2,000 per month
- Single Transaction Limit - £500
- Cash withdrawals are blocked

In some cases, the single transaction limit may need to be exceeded. If this is the case, permission will be sought by chairs action and passed to the bank.

The detailed procurement card procedure can be found in the front of the Procurement Card Transactions Log folder held in the finance office.

### **Petty Cash Procedures**

An amount of £550.00 is kept for the purchase of small items, which is kept secure in the safe located in the finance office.

Payments in cash up to £25.00 may be made from petty cash when a cash payment is advantageous, unavoidable or where it is not practical to go through the purchasing procedures. Authorisation should be gained before staff purchase items via this means and ensure funds are available in the relevant cost centre.

Any claim must be supported by a receipt clearly stating items purchased. All items on the receipt must be for college use, and no claim can be accepted without supporting documentation.

All claims will be processed by the Finance Officer and authorised by the Head of College.

### **Payroll - Overtime and Expense Procedures**

Overtime must be agreed in advance by the Head. Any claim for overtime must be submitted on the appropriate form, completed in black ink, signed and dated, handed to the finance officer who will then pass to the Head for authorisation.

Should a member of staff require the use of their vehicle for college business, they must first complete the "Car Registration Form" and bring her/his Car Insurance Certificate as evidence of Business Use cover to the Finance Officer, who will verify this and pass to the Head for authorisation. The Staff member should ensure that authorisation from the Head is received before using their car.

Any claim for mileage must be completed in black ink on the appropriate form, signed and dated. This will be checked by the Finance Officer who will then pass to the Head for authorisation.

## **Asset Register**

Under the direction of the Fair Funding Scheme, and responsibility of the Business Manager, a record of all assets with an individual value of £500.00 or more, (or below this if its felt the item is desirable), will kept on the Equipment Register on FMS. Staff are to keep the Business Manager informed of any equipment moved or disposed of, which can then be entered on the system.

Once a year in March, the Business Manager and administrators, will carry out a stock check, and complete the "Certificate of Inventory" which must first be signed by the Head before submitting to the Resources Committee

A "Certificate of Disposal" must be completed for any items recorded on the Equipment Register, should an item exceed £1000.00 the permission of the Resources Committee of Chair of the Board is required before the item can be disposed of.

Equipment supplied by either Agilisys or Mitie will be tagged with a barcode and will be recorded on their inventories, thus the College will only keep an Equipment Register of items transferred from the old site and any items directly purchased by the College. The annual stock check will then be performed by the Business Manager and Administrator.

## **College Fund**

The Finance Officer administers the College Fund. Cheques and BACs payments are to be signed/approved by 2 authorised signatories.

The end of year final accounts are audited by an external auditor, this is to be reported back to the Resources Committee, and the "Audit Certificate" submitted to the Resources Committee.

## **Absence Cover**

This ensures business continuity and contingency planning in the event of staff absence.

Purchase Orders, Delivery notes and Petty cash – in the absence of the Finance Officer, the administrator will process.

Invoices, credit notes, Cheque/BACs Processing, VAT report and Equipment Register - in the absence of the Finance Officer, the Business Manager will process.

Income Receipts, Dinner money receipt – in the absence of the secretary, the assistant secretary/receptionist will process.

Dinner Money collection and administration – in the absence of the attendance secretary the assistant secretary/receptionist will cover.

Monitoring Reports and Bank Reconciliations –Business Manager will process.

Use of the College safe – in the absence of the Finance Officer, the safe can be accessed by the Head and Business Manager.

**Retention of Financial Documents etc.**

All supporting financial documents should be kept for a minimum of 6 years following the end of the financial year.

**Governor and Staff Training**

Budget Holders will take part in college training as appropriate to develop skills that will enable them to effectively manage their allocation. The college needs to show in the evidence for SFVS that governors and staff with financial responsibility have received training in financial procedures.

**Access Rights**

Access rights onto FMS are restricted to ensure that no one person can process a transaction from start to finish, thus protecting the member of staff and maintaining segregation of duties.

