



# Finance Policy

## 1. Introduction

The Governors of Garlinge Primary School and Nursery are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles which all Governors and staff will operate within.

This policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

## 2. Principles

The Finance Policy will adhere to the following principles:

The responsibilities of the Governing Body, its committees, the Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using both performance data and financial benchmarking to **compare** to similar schools locally and nationally
- Using the information gained to **challenge** performance and set new targets
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the LA's Financial Controls to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the School Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled
- The use of a Corporate Card is strictly controlled
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds

- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current GDPR and Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

### 3. Putting Policy into Practice

#### 3.1 Delegated Authority

The **Governing Body** has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and the School Voluntary Fund.

The **Governing Body** will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the Chair of Governors will sign the completed form prior to sending a copy to the LA.

The **Finance Committee** is delegated responsibility by the Governing Body for the following aspects of financial management:

- Evaluate and recommend the three year budget plan, which shows clear links to the School Plan, for approval by the Governing Body
- To review the Finance Policy and agree levels of delegation for approval by the Governing Body
- To review the Charging and Remissions Policy for approval by the Governing Body
- To review a Pay and Reward Policy for approval by the Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Governing Body of any consultations to change the LA Scheme for Financing Schools to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Governing Body, highlighting any significant variances
- Evaluate any proposed virements
- Evaluate and report on tenders for contract services to the Governing Body
- To keep in-school financial procedures under review
- Benchmark the school's financial performance and report to the Governing Body

The **Headteacher** is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures has been delegated to the **Business Manager** and the **Deputy Headteacher** is delegated the responsibility of monitoring the curriculum budget.

#### 3.2 Internal Financial Controls

The internal financial controls operated by the school follow the financial controls set out in the LA's Scheme for Financing Schools.

#### 3.3 Financial Links to the School Plan

The School Plan has sufficient scope and depth of financial implications and it is reflected in the school's three year budget plan.

#### 3.4 Monitoring and Virements

The school recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Business Manager carries out a monthly internal monitoring procedure and reports to the Headteacher. This monitoring report is copied to the Chair of the Finance Committee. A monitoring report is taken to all Finance Committee meetings which then reports, as required, to the Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure that their meetings are timed so that all

monitoring submitted to the LA is seen either prior to submission, or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £8,000 – The Headteacher, reported to the Finance Committee

Virements from £8,001 up to £15,000 – The Finance Committee

Virements over £15,000 – The Governing Body

### 3.5 Insurance

The school is insured through **the Kent County Council 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the LA's Insurance section. Staff lockers are provided to secure personal possessions.

The school purchases Money Cover as an optional extra through Safe Hands scheme and therefore cash is insured up to £250.

The School does not purchase Supply Teacher Insurance. This is reviewed annually.

### 3.6 Purchasing

Part of the curriculum budget provides day to day resources for the whole school. Subject Leaders submit an annual subject audit for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Plan.

All staff adhere to the school procedures for purchasing items, paying regard to value for money at all times. The Headteacher or the designated deputy authorises all order requisitions and invoices prior to payment. The Chair of Governors authorises order requisitions over £5,000.

Where the school purchases large items, we adhere to the procedure for Spending the Council's Money as laid down in the Scheme for Financing Schools, in summary;

- For orders in excess of £8,000 but less than £50,000, three written quotations are obtained and submitted to the Finance Committee for approval and report to the Governing Body
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Governing Body for approval.

All of the above will be reported and minuted at the appropriate Governing Body meeting to ensure that the school is seen to be obtaining value for money at all times.

**The school does not enter into any Hire Purchase Agreements, Finance Agreements or Finance Leases as this constitutes borrowing which is not permitted.**

### 3.7 Personnel Matters

At the start of every financial year the Headteacher uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Committee for incorporation into the school budget planning process.

The **Headteacher's Appraisal Group** undertakes an annual review of the Headteacher's salary and recommends enhancements, if applicable, to the Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay and Reward Policy and reports to the Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

### **3.8 Payroll Matters**

The school's payroll provider, Capita Business Services Ltd, provides payroll services to the specification laid down by the LA. The Headteacher, or in their absence, the Chair of Governors, signs off the monthly payroll reports once they have been checked for accuracy.

### **3.9 Safeguard of Stocks, Stores and Assets**

All staff are responsible for the security of school assets. The Finance Department is responsible for recording assets and maintaining the asset register. The Facilities Manager is responsible for monitoring stock, stores and assets. A physical check of all assets is undertaken annually and certified by the Headteacher.

Items of value are held in a locked cupboard/cabinet, wherever possible, and all items are visibly security marked to deter theft.

Where assets are written off and disposed of, the Finance Committee agrees this on behalf of the Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

### **3.10 Income**

The school's Lettings Policy is reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Governing Body will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the Schools Financial Services Manager.

Cash will be receipted, recorded and banked promptly at all times.

We have agreed a level of cash to be held in school at any one time as £1,000.

### **3.11 The School Bank Account**

The school operates its bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools. The school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately there is any change to signatories/staffing and details are copied to the Schools Financial Services, as a matter of course.

Bank statements are received on a monthly basis and reconciled in accordance with LA guidelines. The Headteacher dates the bank statement as soon as possible after the reconciliation has been checked.

### **3.12 Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £200. Petty cash transactions are kept to a minimum and the maximum value of any one transaction is £25. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

### **3.13 Corporate Cards**

The school operates an approved Corporate Card in accordance with the guidance in the LA guidance. Any changes are updated immediately and details are copied to the Schools Financial Services, as a matter of course. Personal credit cards will not be used for the purchase of items for the school.

The approved users and card limits are as follows:

Headteacher -	Transaction limit of £1,000 and monthly limit of £2,000
Business Manager -	Transaction limit of £2,000 and monthly limit of £4,000
Breakfast Club Supervisor -	Transaction limit of £250 and a monthly limit of £1,500
Facilities Manager -	Transaction limit of £500 and a monthly limit of £1,500
PA to the Headteacher -	Transaction limit of £100 and a monthly limit of £500

### **3.14 The Voluntary Fund**

In addition to the LA's official funds, the school operates a Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that the Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of the school to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

### **3.15 Irregularities**

All staff are aware of the LA's Whistleblowing arrangements and the policy is available from the school office or the school's network.

### **3.16 Data Protection**

The school (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioner's Office (ICO). The school pays £35 as determined by the ICO.

### **3.17 Information Systems**

The school has a password protection procedure and systems are backed up regularly and the backups are held securely. Virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

### **3.18 Financial Administration**

At least two members of staff are trained in the use of the finance software and financial administration procedures, in event of staff absence. We also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

The Finance Policy will be reviewed annually.

The Finance Policy was adopted by Governing Body on 5<sup>th</sup> March 2019