



## Finance Policy

*As a Rights Respecting School we recognise Article 26 ' Every child has the right to Social Security' from the UN Convention of the Rights of the Child.*

### 1. Introduction

The Governors of St Peter's Primary School 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 for 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

St Peter's Primary School Finance Policy will adhere to the following principles:

- The responsibilities of the Governing Body, its committees and monitoring groups, 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 performance data and financial benchmarking to **compare**
  - 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/Development 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 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 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 Full Governing Body of St Peter's Primary School 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 other funds (e.g. the School Voluntary Fund).

The Full Governing Body of St Peter's Primary School 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 Local Authority.

The Finance Monitoring Group is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate and recommend the three year budget plan, which shows clear links to the School Development/Improvement Plan, for approval by the Full Governing Body
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review the Charging for School Activities Policy for approval by the Full Governing Body
- To review a Pay Policy for approval by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Full 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 Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements and report to the Full Governing Body
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full 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 may be delegated to other members of staff at the discretion of the Headteacher and this delegation is documented in this Finance Policy.

#### **3.2 Internal Financial Controls**

The internal financial controls operated by St Peter's Primary School follow the controls set out in the LA's Scheme for Financing Schools.

#### **3.3 Financial Links to the School Improvement Plan**

The School Development/Improvement 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

St Peter's Primary 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 discusses with the Headteacher. A monitoring report is presented at all Finance Monitoring Group meetings which reports to the Full Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA 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 Full Governing Body
- Virements over £8,000 – The Full Governing Body

### 3.5 Insurance

St Peter's Primary School is insured through the Kent County Council (KCC) 'Safe Hands' Scheme with relevant cover, as identified by the schedule received from the LA's Insurance section. Additionally "The Lodge" building is insured through the Rochester Diocese. St Peter's Primary School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured through the LA's Insurance Policy.

### 3.6 Purchasing

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. All orders and invoices are authorised prior to payment. The Business Manager may authorise those up to £1,000. All others are authorised by the Headteacher.

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 ([www.kent.gov.uk/publications/business/spending-councils-money.htm](http://www.kent.gov.uk/publications/business/spending-councils-money.htm)) in summary;

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

All of the above will be reported and minuted at the Full Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times. With this in mind, the School also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

**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 St Peter's Primary School, at the start of every financial year the Business Manager uses budget planning software to calculate the salary costs of all members of staff, including

increments, where applicable. These details are incorporated into the school budget planning process.

The Performance Management Review Panel undertakes an annual review of the Headteacher's salary and recommends enhancements, if applicable, to the Full Governing Body for approval.

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

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

### **3.8 Payroll Matters**

The payroll provider at St Peter's Primary School is Medway Council, who provide payroll services to the specification laid down by the LA. The Business Manager signs off the monthly payroll reports once they have been checked for accuracy; the Headteacher confirms the validity of employees on the monthly report.

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

All staff at St Peter's Primary School are responsible for the security of school assets. Assets are safeguarded and recorded on a general asset register, maintained and updated by the School Administrator. The asset register is checked at least on an annual basis and certified by the Headteacher.

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

Where assets are written off and disposed of, the Full Governing Body agrees this and the agreement is minuted.

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

### **3.10 Income**

At St Peter's Primary School, the Lettings Policy is reviewed and approved on an annual basis 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 Full 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.

Since the LA does not insure for cash held on the school premises, we have agreed a level of cash to be held in school at any one time as £500. Cash will be receipted, recorded and banked promptly at all times.

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

St Peter's Primary School operates its school bank account(s) 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 a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

St Peter's Primary School may pay suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at St Peter's Primary School are received on a weekly basis and reconciled to the school's local system immediately. The Business Manager and Headteacher sign and date the bank statement when the reconciliation has been checked.

### **3.12 Corporate Cards**

St Peter's Primary School operates approved Corporate Cards in accordance with the LA guidance.

The approved users are:

Anne Cooper whose monthly card limit is £2,000, and

Sarah Atkinson whose monthly card limit is £2,000.

Personal credit / debit cards will not be used unless absolutely necessary for the purchase of items for the school.

### **3.13 The Voluntary Fund**

In addition to the LA's official funds, St Peter's Primary School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that our 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.

### **3.14 Irregularities**

All staff at St Peter's Primary School are aware of the LA's Whistleblowing procedure and to whom they should report concerns. These details are available to staff in the Whistleblowing Policy.

### **3.15 Data Protection**

Under the terms of the Data Protection Act 1998, the Headteacher and Governing Body are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure, laid down in the ICT Acceptable Use Policy. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

### **3.16 Financial Administration**

At St Peter's Primary School, 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.

Approved by the Governing Body: 26<sup>th</sup> September 2016

## St Peter's Primary School Finance Policy