



Finance Policy

Policy Control	
Responsible Person:	John McCaig
Responsible Governor Team:	Resources Team
Approved by Governors:	October 2016
Date due for review:	October 2017

Our school policies are written with the objective of continuously improving the school in our aim of realising the school's vision:

Goudhurst & Kilndown Church of England Primary School will provide a happy, caring and stimulating environment rooted in Christian values in which every child will flourish. We will realise the potential of every child and instil a lifelong love of learning. Our approach to teaching and learning will be inclusive, supportive and innovative and will embrace new education initiatives and leading technology. We will ensure that our children are aware of the world in which they live, understand the need to play an active role within the local and wider community and appreciate the importance of living a sustainable way of life. In partnership with parents and carers, we will help our children to build high self-esteem, independence and resilience and to develop the life skills they need for their future in an ever-changing world.

Our School Values

Goudhurst and Kilndown Church of England Primary School values

Community • Friendship • Joy • Love • Peace • Trust

and all our stakeholders are encouraged to *reflect* upon their learning and their actions

1. Introduction

The Governors of Goudhurst and Kilndown CE 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 **the Two Teams model of Governance – i.e. a Resources Committee**.

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

Principles

Goudhurst and Kilndown CE Primary School 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 performance data to **compare** attainment and other outcomes from all schools nationally, and with similar schools
- Using the information gained to **challenge** performance and set new targets
- Where financial benchmarking is available, using it to **compare** expenditure with similar schools
- 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 Improvement 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 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 Goudhurst and Kilndown CoE 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 Goudhurst and Kilndown CoE 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 **Resources Committee** 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 Improvement Plan, for approval by the Full Governing Body
- To review annually the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review annually the Charges and Remissions 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 report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements
- 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 should be documented in the Finance Policy.

3.2 Internal Financial Controls

The internal financial controls operated by Goudhurst and Kilndown CoE Primary School follow the financial controls set out in the LA's Scheme for Financing Schools.

3.3 Financial Links to the School Improvement Plan

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

3.4 Monitoring and Virements

Goudhurst and Kilndown CoE 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 Headteacher carries out a monthly internal monitoring procedure, copied to the Chair of the Resources Committee. A monitoring report is taken to all meetings of the Resources Committee which reports, as required, 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 £5,000 - The Headteacher, reported to the Resources Committee

Virements up to £10,000 – The Resources Committee

Virements over £10,000 – The Full Governing Body

(Note: Levels should be determined at school level - usually up to £8,000 Headteacher, up to £10,000 Resources Committee, over £10,000 Full Governing Body))

3.5 Insurance

Goudhurst and Kilndown CoE Primary School is insured through **the Kent County Council (KCC) 'Safe Hands' Scheme**

Goudhurst and Kilndown CoE Primary School recognises that cash is not insured through the LA's Insurance Policy.

3.6 Purchasing

At Goudhurst and Kilndown CoE Primary School, budgets are allocated to individual subjects and any purchasing is approved by the Headteacher in line with the priority needs of the school and the School Improvement Plan.

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. The Headteacher or designated assistant headteacher authorise all orders and invoices prior to payment.

Orders for Goods and Services

The Headteacher (or Assistant Headteachers in their absence) is authorised to issue (sign) orders for goods, works and services up to a value of £ 5,000.

In respect of any orders for goods or services, no one person shall be the signatory for all of the following stages:

- a) authorising the order
- b) receiving the goods
- c) authorising payment

The following members of staff are authorised to receive goods:

- a) Business Manager
- b) Secretary/Bursar
- c) Admissions and Attendance Officer

The following members of staff are authorised to certify payments (sign the invoice or in the case of BACS payments, are BACS Authorisers):

- a) Cheque Headteacher, Assistant Headteachers
- b) Cash Headteacher, Assistant Headteachers
- c) BACS Business Manager, Headteacher

The Secretary/Bursar shall ensure that invoices, vouchers and other records are retained and stored securely.

The Secretary

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), in summary:

- For orders in excess of £5,000, but less than £30,000, three written quotations are obtained and submitted to the Resources Committee for approval and report to the Full Governing Body
- For orders in excess of £30,000, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval

All of the above will be minuted at the appropriate committee/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.

3.7 Personnel Matters

At Goudhurst and Kilndown CoE Primary School, at the start of every financial year the **Headteacher** uses the three year salary calculator provided on Kent Trust Web to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Resources Committee for incorporation into the school budget planning process.

The **Performance Management Committee** 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 Governors' 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 Goudhurst and Kilndown CoE Primary School is SPS Intepay, who provides payroll services to the specification laid down by the LA. The Headteacher, or designated assistant headteacher, signs off the monthly payroll reports once they have been checked for accuracy and reconciled to Personnel Records using the BPS system.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Goudhurst and Kilndown CoE Primary School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Headteacher or designated assistant headteacher. Other school assets are recorded on a general asset register, maintained and updated by the school office.

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 Resources Committee agrees this on behalf of the Full Governing Body and the agreement is minuted.

Loans of equipment must be for school use only and a 'loans' register is maintained to record such loans.

3.10 Income

At Goudhurst and Kilndown CoE 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 CFE Finance 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 £200. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

Goudhurst and Kilndown CoE 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 Statutory Unit, as a matter of course.

Bank statements at Goudhurst and Kilndown CoE Primary School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher or designated assistant headteacher signs and dates the bank statement when the reconciliation has been checked.

3.12 Petty Cash

At Goudhurst and Kilndown CoE Primary School, petty cash transactions are kept to a minimum and no petty cash is held at the school. 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

Goudhurst and Kilndown CoE Primary School operates an approved Purchase Card in accordance with the LA guidance. The approved user is Lindsay Roberts. The monthly card limit is £2000. **Personal credit/Debit cards will not be used for the purchase of items for the school.**

3.14 The Voluntary Fund

In addition to the LA's official funds, Goudhurst and Kilndown CoE 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.

3.15 Irregularities

All staff at Goudhurst and Kilndown CoE Primary School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in their staff handbook.

3.16 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. 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.

3.17 Financial Administration

At Goudhurst and Kilndown CoE 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 LA's Trading and Contract Management Unit which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

Signed Jo Hinde
(Chair of Governors)

Date 07/10/16

Signed John McCaig
(Chair of Resources Committee)

Date: 07/10/16

Signed Lindsay Roberts
(Headteacher)

Date: 07/10/16

If you have any queries please contact the Schools Financial Services on 03000 415 415