



Garlinge and Parkside Schools and Nurseries Federation

Finance Policy

Contents

1. Introduction	1
2. Principles.....	1
3. Putting Policy into Practice	2
3.1 Delegated Authority	2
3.2 Internal Financial Controls.....	2
3.3 Financial Links to the School Plan.....	2
3.4 Monitoring and Virements	3
3.5 Insurance	3
3.6 Purchasing.....	3
3.7 Personnel Matters	4
3.8 Payroll Matters	4
3.9 Safeguard of Stocks, Stores and Assets	4
3.10 Income	4
3.11 The School Bank Account	5
3.12 Petty Cash	5
3.13 NatWest onecard.....	5
3.14 Voluntary Fund	6
3.15 Fraud and Irregularities	6
3.16 Data Protection.....	6
3.17 Information Systems.....	6
3.18 Financial Administration.....	6

1. Introduction

The Governors of Garlinge Primary School and Nursery (GPSN) and Parkside Community Foundation Primary School (PCFPS) 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 Executive 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 Executive 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 schools 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 schools' 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, Executive 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 schools will be adequately insured against exposure to risk.

The schools 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 NatWest **onecard** 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 schools' 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 and Pay 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 Full Governing Body.
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body.
- To review the Charging 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 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.
- Evaluate and report on tenders for contract services to the Full Governing Body.
- To keep in-school financial procedures under review.
- Benchmark the school's financial performance and report to the Full Governing Body.

The **Executive 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** at GPSN and to a **Schools' Financial Services (SFS) representative** at PCFPS.

The **Head of Schools** are delegated the responsibility of monitoring the curriculum budget.

3.2 Internal Financial Controls

The internal financial controls operated by the schools 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 three-year budget plan.

3.4 Monitoring and Virements

The schools 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/SFS representative carries out a monthly internal monitoring procedure and reports to the Executive Headteacher. This monitoring report is copied to the Chair of the Finance and Pay Committee. A monitoring report is taken to all Finance and Pay Committee meetings which then reports, as required, to the Full 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 schools' 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 Executive Headteacher, reported to the Finance and Pay Committee

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

Virements over £15,000 – The Full Governing Body

3.5 Insurance

The schools are 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.

PCFPS does not purchase Money Cover as an optional extra through Safe Hands.

GPSN does not purchase Staff Absence Insurance although this is reviewed annually.

PCFPS purchases Staff Absence Insurance through Harrington Bates for teaching and administration staff. 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 Executive Headteacher in line with the priority needs of the school and the School Plan. A list of authorised signatories, containing name, position, budget held and value of budget, is held in school.

All staff adhere to the KCC procedures for purchasing items, detailed in Financial Control No. 7, ensuring value for money at all times. The Executive Headteacher or the Head of Schools authorise all order requisitions and invoices prior to payment.

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 purchases up to £24,999, a minimum of one written quotation is required.
- For purchases of between £25,000 and up to the applicable public procurement threshold for **goods and services** (currently £177,896) or up to £1m for **works**, schools must obtain at least three written quotations.
- For purchases above that threshold for goods and services or above £1m for works, a tendering procedure compliant with public procurement regulations is required.

As a matter of good practice, KCC recommend all orders under £8000 have one written quotation.

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 Executive 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 and Pay Committee for incorporation into the school budget planning process.

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

The Executive 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 schools' payroll provider, HR Connect (GPSN) and Capita Business Services Ltd (PCFPS), provides payroll services to the specification laid down by the LA. The Executive Headteacher, or in their absence, the Head of School, 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 site staff are responsible for monitoring stock, stores and assets. A physical check of all assets is undertaken annually and certified by the Executive Headteacher/Head of School.

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 and Pay Committee agrees this on behalf of the Full 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 schools' Lettings policies are reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Executive 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 LA Finance Business Partner CYPE. (schoolfunding@kent.gov.uk)

The total cash (income & petty cash) held in the school must not exceed the schools cash insured levels. Cash is insured up to £3,000 (as per the schools' insurance policy schedule).

Cash will be receipted, recorded to the system and banked regularly, at least once a term (or sooner if insured limit is reached) without exception.

Governors have agreed a level of cash to be held in school at any one time as £500 for GPSN and £200 for PCFPS.

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.

Suppliers and Invoices are paid via BACS / Cheque ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines (*refer to Finance Control No.1*). The Executive Headteacher or Head of School signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Petty Cash

At GPSN 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 £30. 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.

No petty cash is held at PCFPS.

Staff must not use their own cash, personal debit or credit cards for the purchase of any items for the school.

Personal Reward cards must not be used in conjunction with any school purchase.

3.13 NatWest onecard

The school operates an approved **onecard** in accordance LA guidance (*refer to Financial Control No.7*). Any changes are updated immediately and details are copied to the Schools Financial Services, as a matter of course.

The approved users and card limits for GPSN are as follows:

Position	Single transaction limit	Monthly card limit
Executive Headteacher	£1,000	£2,000
Heads of School	£1,000	£2,500
Business Manager	£4,000	£5,000
Business Support Officer	£1,000	£2,000
Facilities Manager	£1,500	£4,000
PA to the Headteacher	£200	£500
Extended Services Officer	£1,000	£2,000
Extended Services Supervisor	£500	£3,000

The approved users and card limits for PCFPS are as follows:

Position	Single transaction limit	Monthly card limit
Executive Headteacher	£500	£3,000
Head of School	£2,500	£5,000
Caretaker	£200	£500

3.14 Voluntary Fund

In addition to the LA's official funds, GPSN 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, and within three months of the fund year ending. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

PCFPS does not operate a Voluntary Fund.

3.15 Fraud and Irregularities

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Schools must ensure they have a current Anti-Fraud, Bribery and Corruption Policy in place and that staff are made aware of this and the LA's Whistleblowing arrangements and to whom they should report concerns. This information must be communicated to all staff and also be included in induction for new school staff and governors.

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 schools each pay £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 three 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.