

# **Finance Policy**

**Reviewed on: November 2020  
To be reviewed: November 2021**

**St George's CEP School  
Wrotham  
Kent**



Ratified by the Full Governing Body on  
26<sup>th</sup> November 2020

## **St. George's CE Primary School Finance Policy**

### **Introduction**

The Governors of St. Georges C of E 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 traditional model of Governance – i.e. a Finance Committee.

This policy has been drawn up with reference to the Local Authority's (LA) Scheme for Financing Schools and the Audit Commission documents, Keeping your balance and Getting the Best from your Budget.

### **Principles**

St. Georges C of E 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 via the Newsletter and the school website.

The school will establish sound internal financial controls, based on the LA's Budget Book and the Audit Commission documents mentioned above, 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:

- 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 Purchase 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 Audit and Risk
- 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.

## **Putting Policy into Practice**

### **Delegated Authority**

The Full Governing Body of St. Georges C of E 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 **Finance 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 Finance Committee, and report to the Full Governing Body
- To review annually the Finance Policy and agree levels of delegation to the Finance Committee for approval by the Full Governing Body
- To review annually the Charges and Remissions Policy for approval by the Finance Committee, and report to Full Governing Body
- To make decisions in respect to the Pay Policy
- To make decisions in respect of services 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
- Evaluate and recommend the annual Statement of Internal Control for approval by the Finance Committee, and report to the Full Governing Body
- Evaluate and recommend the annual Best Value Statement for approval by the Finance Committee, 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. At St. Georges C of E Primary School the bursar **Mrs D Emirali** is responsible for this.

## **Internal Financial Controls**

The internal financial controls operated by St. Georges C of E Primary School follow the controls set out in the LA's Scheme for Financing Schools and the Budget Book.

## **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.

## **Monitoring and Virements**

St. Georges C of E 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 Finance Committee. A monitoring report is taken to all meetings of the Finance 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 £8,000 – The Headteacher, reported to the Finance Committee
- ❖ Virements up to £10,000 – The Finance Committee
- ❖ Virements over £10,000 – The Full Governing Body

## **Insurance**

St George's C of E Primary 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.

St. Georges C of E Primary School recognises that cash is not insured through the Authority's Insurance Policy.

Other insurances operated by the school are: Supply Teacher Insurance (Towergate Risk Solutions)

## **Purchasing**

At St. Georges C of E Primary School, budgets are delegated to key stage co-ordinators and class teachers. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Improvement Plan.

All staff adhere to the agreed school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. The Head Teacher or Deputy Head Teacher authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for tenders and contracts as laid down in the Budget Manual, namely:

- For orders in excess of £8,000, but less than £50,000, three written quotations are sought and submitted to the Finance Committee for approval and report to the Full Governing Body.
- For orders in excess of £50,000, three written 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.

### **Personnel Matters**

At St. Georges C of E 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 Finance 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 **Finance Committee** for approval and incorporated into the school budget planning process.

The headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Finance Committee.

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

### **Payroll Matters**

The payroll provider at St. Georges C of E Primary School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the LA. The Headteacher or bursar signs off the monthly payroll reports once they have been checked for accuracy.

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

All staff at St. Georges C of E 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 bursar. 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 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 upon borrowing the item and again upon the item's return.

### **Income**

At St. Georges C of E 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 SFS 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.

### **The School Bank Account**

St. Georges C of E Primary School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Schools and the guidance in the Budget Book. The School operates only one current account for the administration of KCC official funds.

Bank Account:

**KCC Re St George's CE (Voluntary Controlled) Primary School  
National Westminster Bank  
3 High Street, Maidstone, Kent ME14 1XU**

**Account Number 83297189**

The School's Bank Account is operated within the guidelines for the Cheque Book Scheme & KCC Financial Regulations

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Authority's Area Finance Office, as a matter of course.

Bank statements at St. Georges C of E Primary School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher, deputy or bursar signs and dates the bank statement when the reconciliation has been checked.

### **Petty Cash (if applicable – Not applicable at present time)**

Petty cash transactions and holdings to be kept to a minimum and kept in the safe at all times. All petty cash transactions must be authorised by the Headteacher.

### **Purchase Cards**

St George's C of E Primary School operated an approved Purchase Card in accordance with the guidance in the LA's Budget Book. The approved user is the Headteacher. The Purchase Card will be kept in the safe at all times when not in use. **The Limit is £3000.00 per month**

### **The Voluntary Fund**

In addition to the Authority's official funds, St. Georges C of E 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.

The following non-official funds are operated by the school:

**St. Georges C of E Primary School**

**National Westminster Bank  
130 High Street, Tonbridge, Kent TN9 1DE**

**Account Number 71361545  
Treasurer Mrs Donna Emirali, Bursar**

**AND**

## **St. Georges C of E Primary School Journey Account**

**National Westminster Bank**  
**130 High Street, Tonbridge, Kent TN9 1DE**

**Account Number 71364757**  
***Treasurer Mrs Donna Emirali, Bursar***

### **Irregularities**

All staff at St. Georges C of E Primary School are aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

### **3.2 Data Protection**

St Georges CEP School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioners Office (ICO). St Georges CEP Primary School pays £40.00 as determined by the ICO.

### **3.3 Information Systems**

St Georges CEP School has a password protection procedure laid down in the staff handbook. 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.

### **3.4 Financial Administration**

At St Georges CEP School , one member of staff is 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.