



Finance Policy

Version: 4.08

Date Approved: 11 July 2018

Contents

Section		Page
1	Introduction	3
2	Principles	3-4
3	Putting Policy into Practice	4
3.1	Delegated Authority	4-5
3.2	Internal Financial controls	5
3.3	Financial Links to the School Improvement Plan	5
3.4	Monitoring and Virements	5-6
3.5	Insurance	6
3.6	Purchasing	6
3.7	Personnel Matters	7
3.8	Payroll Matters	7
3.9	Safeguard of Stocks Stores and Assets	7
3.10	Income	7
3.11	The School Bank Account	8
3.12	Petty Cash	8
3.13	The School Company Card Credit Card Scheme	8
3.14	Irregularities	9
3.15	GDPR	9
3.16	Financial Administration	9

The Elms School Finance Policy

1. Introduction

The Governors of Elms 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 Head Teacher 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

The Elms School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, the Head Teacher 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

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, Head Teacher and staff to maintain financial control by reviewing the current position and taking any remedial action necessary. The Governors recognise that Special Schools are not currently subject to Balance Control Mechanism.

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 does not operate a voluntary fund but administers fundraising receipts with the same amount of rigour.

- ❑ Any suspected irregularity will be reported immediately to the LA's Head of Audit and Risk
- ❑ The school will adhere to current GDPR 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** of Elms School has overall responsibility for the management of all of the school's finances covering the delegated formula budget, other budgets delegated or devolved by the Authority and other funds (e.g. the School Voluntary Fund).

The Full Governing Body of Elms School will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the Schools chair of governors will sign the completed form prior to sending a copy to the Local Authority.

The **Finance Monitoring Pair** 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
- ❑ Monitoring of the financial position of the school on a regular basis
- ❑ 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 within designated limits
- ❑ To advise the 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 ***Head Teacher*** 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 Head Teacher and this delegation should be documented in the finance policy. The Headteacher has delegated day to day responsibility to the Head of Business & Premises, who is the Senior Leadership Team lead for Finance

3.2 Internal Financial Controls

The internal financial controls operated by Elms School follow the controls set out in the LA's Scheme for Financing Schools and include segregation of financial duties.

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

Elms School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. The Finance Monitoring Pair meet regularly with the Headteacher and Head of Business and Premises to monitor the financial position. Reports are submitted to the Authority 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 ratified budget are minuted appropriately and require the following authorisation:

Virements up to £8,000 - The Head Teacher - reported to the Finance Monitoring Pair

Virements up to £15,000 - The Finance Monitoring Pair

Virements over £15,000 - The Full Governing Body

3.5 Insurance

Elms School is insured through ***the Kent County Council 'Safe Hands' Scheme*** with relevant cover, as identified by the schedule received from the Authority's Insurance section.

Elms School recognises that cash is not insured through the Authority's Insurance policy.

3.6 Purchasing

At Elms School, budgets are delegated to the Head Teacher, Deputy Head Teacher, Head of Business and Premises, Senior ICT Officer, Cook and Faculties. Budget holders as listed on the budget authorisation listing may authorise purchase orders for items from their budget allocation up to the level of their budget. However, all faculty budget orders require two signatures from the faculty. Faculties prepare a 'needs budget' for their area of responsibility, which is approved by the Head Teacher in line with the priority needs of the school and the School Development Plan.

All members of 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 Head Teacher or Head of Business and Premises authorises all invoices prior to payment. All new staff are inducted into finance procedures as part of their generic induction.

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

- ❑ For orders in excess of £8,000 but less than £50,000, three written quotations are obtained and submitted to the Finance Monitoring Pair for approval and report to the Full Governing Body
- ❑ 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 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 £3, 000, as a matter of good practice except in an emergency.

The school will not enter into any Hire Purchase Agreements, Finance Agreements or Finance Leases as this constitutes borrowing and is not permitted however, the school recognises that some leases may be necessary and these will be organised through the KCS framework

3.7 Personnel Matters

At Elms School, at the start of every financial year, the Head of Business and Premises uses the BPS system to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Monitoring Pair for incorporation into the school budget planning process.

The **Performance Management Committee** undertakes an annual review of the Head Teacher's salary and recommends enhancements, if applicable, to the Full Governing Body.

3.8 The Head teacher undertakes an annual review of all other staff, in accordance with the governors' Pay Policy and reports to the Finance Monitoring

3.9 Payroll Matters

The payroll provider at Elms School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the LA. The school have taken the decision to move their payroll to SPS Intepay with effect from August 2018. The Head of Business and Premises carries out the checks for accuracy and regularly reviews these with the Headteacher.

3.9 Safeguard of Stocks, Stores and Assets

All members of staff at Elms School are responsible for the security of school assets. The Leadership Team, Subject Co-ordinators and class teachers safeguard their assets and the school maintain asset registers, which are checked at least on an annual basis and certified by the Head Teacher or Head of Business & Premises. The school have adopted a procedure whereby keys and other assets are signed for when issued. Records are held within the Head of Business & Premises' 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 Head of Business & Premises authorises assets valued up to £600. The Finance Monitoring Pair agree items valued over £600 on behalf of the Governing Body and the agreement is minuted.

All keys including contractor keys/fobs are signed for.

3.10 Income

At Elms School, the charging and lettings policy is reviewed and updated on an annual basis by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Head Teacher and Governors to recoup the monies. The SLT will authorise write off to £2000 the Full Governing Body will approve debts between £2,000 and £5,000. Approval to write off debts over £5,000 is required in writing from the Schools Financial Services Manager.

Since the Authority 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

Elms School operates its school bank account(s) in accordance with the regulations in the Local Authority'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.

Bank statements at Elms School are received on a weekly basis and reconciled to the school's local system irregularly. The Head of Business and Premises signs and date the bank statement when the reconciliation has been checked.

All cash will be counted and reconciled by two members of staff.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £200 At Elms School, 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. Staff are encouraged to use cash for these purchases but refunds of purchases on a debit card may be permitted on an adhoc basis.

3.13 The School Corporate Card Scheme

Elms School operates an approved Corporate Card Scheme in accordance with LA guidance. All members of staff issued with a school company card sign a declaration when issued with the card to confirm that they have read and understood the conditions of use for the card.

Corporate cards have varied monthly limits and have been issued to the Headteacher (limit £1,000), Head of Business and Premises (limit £2,000), Head of STLS (limit £1,800), Welfare Officer (limit £2,000) and Food Tech teacher (limit £600).

An orange summary sheet must be completed by each card holder to confirm the expenditure on their card. The sheet, receipts and invoices will then be used when reconciling the credit card statements which will be countersigned by the Head of Business and Premises. The Head teacher countersigns any expenditure made on the Head of Business & Premises card

VAT receipts for transactions must be retained and attached to the summary of expenditure form for processing by the finance office

3.14 Irregularities

All members of staff at Elms School are aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

3.15 GDPR

Under the terms of GDPR, the Head Teacher 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 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.

3.16 Financial Administration

At Elms School, four members of staff are trained in the use of various aspects 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 area support, if required.

Signed..... Date.....
(Chair of Governors)

Signed..... Date.....
(Finance Monitoring Pair)

Signed..... Date.....
(Head teacher)

UPDATE SCHEDULE

Version	Date	Reason for Update
1.02	11/3/09	First Version
2.00	1/09/09	General Update
4.01	19/10/09	First Version – New Style Policy
4.02	13/10/11	Policy Review
4.03	16/1/13	Policy Review – with minor amendments
4.04	11/10/13	Policy Review – with minor amendments
4.05	14/05/14	Policy Review – with minor amendments
4.06	11/03/15	Policy Review with minor amendments/updates
4.07	13/07/16	Policy Review with minor amendments/updates
4.08	24/05/17	Policy Review with minor amendments/updates
4.09	23/5/18	Policy Review with minor amendments/updates including GDPR
4.10	18/06/18	Corporate Card limit added to policy

