



# Finance Policy 2020

## 1. Introduction

**The Governors of St Katharine's Knockholt Church of England VA 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 with reference to the Local Authority's (LA) Scheme for Financing Schools.

## 2. Principles

Our 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 school will apply the four best value principles in its management and allocation of resources, being;
  - **Challenge** - challenging if our performance is high enough and why and how a service is being provided
  - **Consult** - seeking the views of staff and parents about the services we provide
  - **Compare** - comparing our performance with that of other schools
  - **Compete** - demonstrating how we secure economic, efficient and effective services
- The school will establish sound internal financial controls, based on the LA's Financial Control 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 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 received, 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 and the 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 Authority's Chief Internal Auditor
  - 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** of St Katharine's Knockholt Church of England VA Primary 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 **Finance Committee** shall be made up of a minimum of three Governors, selected by the full Governing Body, in addition to the Headteacher, and this selection should provide links with other Committees, especially Staffing and Premises



The **Finance Committee** is delegated responsibility by the Governing Body for the following aspects of financial management;

- Strategic planning
- Providing policy options for the Governing Body
- Assisting/preparing the annual budget for approval
- Monitoring of the financial position of the school on a regular basis (at least termly)
- Authorisation of virements over £5000
- To agree to any spending greater than £5001 and less than £15000. Orders over £15,000 are submitted to the full governing body for consideration
- Tenders for Contract Services
- Keeping in-School financial procedures under review
- Active involvement in the LM Scheme consultations
- Maintenance and review of this policy
- Ensuring links to the School Development Plan

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 The Best Value Principles

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

### 3.3 Internal Financial Controls

The internal financial controls operated by St Katharine's follow the controls set out in the Authority's Financial Regulations and the Budget Manual. Any additional internal financial controls included within the school's financial procedures are reviewed by the finance committee and ratified by the Governing Body.