

## Finance Policy 2023

### 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. Using information to set new targets.
  - ❑ **Consult** - seeking the views of staff and parents about the services we provide, policy development and major changes in the use of resources.
  - ❑ **Compare** - comparing our performance with that of other schools locally and nationally using both performance data and benchmarking.
  - ❑ **Compete** – 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 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:
  - ❑ 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 and the Corporate Card 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 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 full **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 Full Governing Body will ensure the annual detailed report of the Schools Financial Value Standard is provided to them and the chair of governors will sign the completed form prior to sending a copy to the LA.

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.
- ❑ Evaluating and recommending the three year the annual budget for approval by the full governing body. This should show clear links to the School Improvement Plan.

- ❑ 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 overrun position to the Full Governing Body highlighting any significant variances.
- ❑ Evaluate any proposed virements,
- ❑ Evaluate and report of Tenders for Contract Services to the full governing body.
- ❑ To review finance policy and practices, notifying the governing body of any changes for approval.
- ❑ Keeping in school financial procedures under review
- ❑ Benchmark the school's financial performance and report to the Full Governing Body.
- ❑ To agree to any spending greater than £8001 and less than £15000. Orders over £15,000 are submitted to the full governing body for consideration.

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 St Katharine's follow the financial controls set out in the LA's Scheme for Financing Schools

### **3.3. Financial Links to the School Development Plan**

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

### **3.4. Monitoring and Virements**

We recognise 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 Governing Body. Governors should ensure that 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 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 from £8, 000 to £15,000 – The Finance Committee

Virements above £15,000 – The full Governing Body

### **3.5. Insurance**

We are insured through:

***Kent County Council 'Safe Hands' Scheme***

***Ecclesiastical Insurance PLC***

***Schools Advisory service for Supply Insurance***

St Katharine's Knockholt Church of England Voluntary Aided Primary School recognises that cash is not insured through the Authority's Insurance policy.

### **3.6. Purchasing**

St Katharine's Knockholt Church of England Voluntary Aided 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 Development 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 deputy authorises all orders and invoices prior to payment.

Where the school purchases larger items, we adhere to the procedure for tenders and contracts as laid down in the Budget Manual ([www.kent.gov.uk/publications/business/cop-tenders-and-contracts.htm](http://www.kent.gov.uk/publications/business/cop-tenders-and-contracts.htm)), in summary:

- ❑ For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Finance Committee 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 consideration.

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

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.

The school does not enter into any Hire Purchase agreements, Financial Agreements or Finance Leases as this constitutes borrowing which is not permitted.

### **3.7. Personnel Matters**

At St Katharine's Knockholt Church of England Voluntary Aided Primary School, at the start of every financial year the **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 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, for in accordance with the Governors' Pay Policy. The HT undertakes an annual review of all other staff 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 St Katharine's Knockholt Church of England Voluntary Aided Primary School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the Authority. The Headteacher signs off the monthly payroll reports once they have been checked for accuracy.

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

All staff at St Katharine's Knockholt Church of England Voluntary Aided 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 deputy. 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.

Write offs over £1000 need to be approved by the LA Finance Business Officer.

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.

### **3.10. 3.10 Income**

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, these will be referred to the Area Principal Accountant for authorisation. Approval to write off debts over £1,000 is required in writing from the CFE Head of Finance.

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**

St Katharine's Knockholt Church of England Voluntary Aided Primary School operates its school 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 a change in staffing and details are copied to Schools Financial Services, as a matter of course.

Bank statements at St Katharine's Knockholt Church of England Voluntary Aided Primary School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher signs and dates the bank statement when the reconciliation has been checked.

### **3.12. Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £100. At St Katharine's Knockholt Church of England Voluntary Aided Primary 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 must not use their own cash, personal debit cards or credit cards for the purchase of any item for the school.

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

### **3.13. NatWest OneCard**

St Katharine's operates an approved Corporate Card in accordance with the LA guidance. The approved users are Claire Cloke and Louise Dancy  
The monthly card limit is £4000 (increased 19/5/2020)

### **3.14. The Voluntary Fund**

In addition to the Authority's official funds, St Katharine's Knockholt Church of England Voluntary Aided Primary School also operates a school voluntary fund, adopting the procedures in the Authority's School Voluntary Fund guidelines. 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. Fraud and Irregularities**

All schools must have a robust system to controls to safeguard themselves against fraudulent or improper use of public money and assets. staff at St Katharine's Knockholt Church of England Voluntary Aided Primary School are aware of the LA's Whistle Blowing Procedure, which allows members of staff to raise concerns in confidence, providing for a thorough investigation of any suspected irregularity. These details are available to staff in their staff handbook and are displayed in the staffroom. It is also included in the induction for new Governors.

### **3.16. Data Protection**

Under the terms of the Data Protection Act 1998, the Headteacher and Governing Body are required to notify the Data Protection Commissioner of our processing, storage and disclosure

of data procedures, which are covered by this legislation. To this end, we are hosted by EIS, 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 St Katharine’s Knockholt Church of England Voluntary Aided Primary School, one member of staff is trained in the use of the finance software and financial administration procedures, in event of staff absence. However, we also purchase a support contract through the Authority’s Finance Trading and Contract Management team, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.

**3.18. Data Protection**

St Katharine’s Primary 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). Invicta Primary School pays £60 as determined by the ICO.

**3.19. Information Systems**

St Katharine’s Primary 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.

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

Signed..... Date:  
(Headteacher)