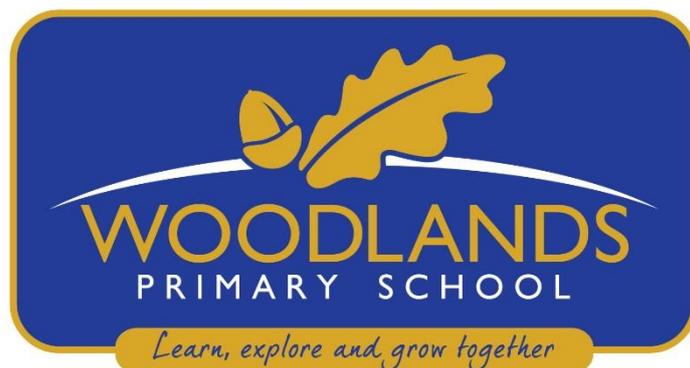


Woodlands Primary School

Finance Policy



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| Written by | Mary Priestley |
| Ratified by Governors | |
| Date for Review | Spring 2020 |
| Signed – Chair of Governors | |
| Signed – Headteacher | |

This policy has been impact assessed, in order to ensure that it does not have an adverse effect on race, gender, or disability equality, by
Mary Priestley

1. Introduction

The Governors of Woodlands 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 has 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

Woodlands Primary School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its Monitoring Pairs, 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 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 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 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 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:

- 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.
- ❑ Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit.
- ❑ The school will adhere to current GDPR 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 Woodlands 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 **Full Governing Body** of Woodlands Primary School 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 Local Authority.
- annually review and approve the Finance Policy and all Terms of Reference for the Monitoring Pairs.
- review the Charges and Remission Policy.
- review the Pay Policy.

The **Monitoring Budget 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.
- Make decisions in respect of service agreements and insurance.
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances.
- Evaluate any proposed virements and report to the Full Governing Body
- Evaluate and report on Tenders for Contract Services to the Full Governing Body.

- Keep in-school financial procedures under review.
- Benchmark the school's financial performance and report to the Full Governing Body.
- Ensuring the school is compliant with SFVS standards and that progress reports are made.
- 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.

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 is delegated to the school's bursar.

3.3 Internal Financial Controls

The internal financial controls operated by Woodlands Primary School follow the controls set out in the LA's Scheme for Financing Schools.

3.4 Financial Links to the School Development Plan

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

3.5 Monitoring and Virements

Woodlands 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, Business Manager and the monitoring governor (s) carry out a monthly internal monitoring procedure. A monitoring report containing a detailed analysis of actual, committed and projected expenditure is taken to the termly meetings of the Full Governing Body. Reports are submitted to the Authority in accordance with its timetable.

On occasions, virements may need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £5,000 - The Headteacher, reported to the Governing Body.

Virements above £5,000 – Full Governing Body

3.6 Insurance

Woodlands Primary 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.

Other insurances operated by the school are listed below:

Supply teacher insurance

As part of the Kent-wide scheme with **Schools UK** (Wynchgate House, Woodlands, Woodlands Lane, Bradley Stoke, Bristol. BS32 4JJ), with daily benefit of £100 after 3 days absence.

School Residential Trip insurance

PGL insurance through travel insurance specialists **Fogg Travel Insurance Services Ltd**, underwritten by Norwich Union Insurance.

Woodlands Primary School does not have insurance to cover loss of cash.

3.7 Purchasing

At Woodlands Primary School, budgets are delegated to the subject leaders and year group leaders. 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, paying regard to value for money at all times. The Headteacher designated deputy or Business Manager authorises orders 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 (www.kent.gov.uk/publications/business/spending-councils-money.htm),

In summary;

- ❑ The Headteacher may make purchases up to £8,000 for individual items or contracts without reference to the Governing Body.
- ❑ For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Full Governing Body for approval.
- ❑ 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 Full 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 Lease/Purchase agreements (apart from LA vetted leases, for example photocopier leases). **Other Hire Purchase agreements, finance agreements or finance leases are not entered into as this constitutes borrowing which is not allowed.**

3.8 Personnel Matters

At Woodlands Primary School, at the start of every financial year the Headteacher and Bursar use Budget Planning Software provided on Kelsi website to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Monitoring Governors for incorporation into the school budget planning process.

The **Performance Management Committee** undertakes an annual review of the Headteacher's salary and recommends enhancements to the Pay Committee on behalf of the Full Governing Body.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Pay Committee on behalf of the Full Governing Body.

3.9 Payroll Matters

The payroll provider at Woodlands Primary School is SPS Intepay who provides payroll services to the specification laid down by the LA. The Headteacher, or designated deputy, signs off the monthly payroll reports once they have been checked for accuracy by the bursar.

3.10 Safeguard of Stocks, Stores and Assets

All staff at Woodlands Primary School are responsible for the security of school assets. Co-ordinators and subject managers safeguard their assets. An asset register is held and is checked at least on an annual basis and certified by the Headteacher.

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 Full Governing Body agrees to this 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.

3.11 Income

At Woodlands Primary School, the charging and lettings policy is reviewed and updated on an annual basis by the Full 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 Schools' Financial Services Manager.

Since the school is not insured for cash held on the school premises, all monies received are recorded and held securely before being banked weekly.

3.12 The School Bank Account

Woodlands Primary School operates its school bank account 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.

Woodlands Primary pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Woodlands 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.

3.13 Petty Cash

At Woodlands Primary School, no petty cash is used. Where staff make authorised purchases on behalf of the school, proper VAT receipts are obtained, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

3.14 Corporate Cards

Woodlands Primary School operates an approved Corporate Card in accordance with the Local Authority Guidance. The approved users are Mary Priestley (Headteacher), Matthew Wilson (Site Manager), Anita Tansley (Finance Assistant and Corinna Taylor (Administrative Assistant). The monthly card limit is £5000 and the individual transaction limit is £1000. **Personal credit cards will not be used for the purchase of items for the school.**

3.15 The Voluntary Fund

This is not operated separately at Woodlands Primary School but forms part of the revenue budget, under its own cost centre for effective monitoring.

3.16 Irregularities

All staff at Woodlands Primary School are aware of the LA's Whistleblowing procedure. These details are available to staff in the policies folder.

3.17 Data Protection Woodlands Primary School (as Data Controller) adheres to the GDPR and Data Protection Act 2018 including paying a data protection fee to the Information Commissioner's Office (ICO)..

3.18 Information Systems

Woodlands Primary School has a password protection procedure. 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.

3.18 Financial Administration

At Woodlands Primary School, we endeavour to keep two members of staff trained in the use of the finance software and financial administration procedures, in the event of the Business Manager's absence. The school also purchases a support contract through Schools Financial Services, which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.