

Halstead CP School

Finance Policy



Reviewed and approved on behalf of the FGB

Signed:
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Halstead Community Primary School

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1. Introduction

The Governors of Halstead Community 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 **Two Teams Model of Governance**.

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

2. Principles

Halstead Community Primary School Finance Policy will adhere to the following principles:

The responsibilities of the Governing Body, its teams, 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;

The School Financial Value Standard (SFVS) is used to ensure the money is spent wisely and properly, and allows schools to optimise their resources to provide high-quality teaching and learning and so raise standards and attainment for all their pupils. The SFVS has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place.

Pupil Premium policy : The Governors will ensure that there is an annual statement to parents on how the Pupil Premium funding has been used to address the issue of 'narrowing the gap', for socially disadvantaged pupils. This task will be carried out within the requirements published by the Department for Education.

The targeted and strategic use of pupil premium will support us in achieving our vision (Harmony, Creating and Preparing for Success).

All our work through the pupil premium will be aimed at accelerating progress moving children to at least age related expectations

- 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

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- 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

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 a Purchase Card is strictly controlled (*if applicable*)
- 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 Data Protection legislation

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- 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 Halstead Community 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 Halstead Community Primary School will annually review and approve the Finance Policy and all Terms of Reference for the Two Teams.

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

- Strategic planning e.g. ensuring links to the School Development Plan and report to the Full Governing Body
- To review the Charging 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
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools

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

- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate and recommend the three year budget plan, which shows clear links to the School Improvement Plan, for approval by the Full Governing Body
- Consider any proposed virements
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools

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- Benchmark the school's financial performance and report to the Full Governing Body
- Evaluate and recommend the annual Statement of Internal Control and present to the Full Governing Body for approval
- Evaluate and recommend the annual Best Value Statement and present to the Full Governing Body
- Active involvement in any consultations to change the LA Scheme for Financing Schools

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 Halstead Community Primary School follow the controls set out in the LA's Scheme for Financing Schools and the Budget Book.

3.3 Financial Links to the School Improvement Plan

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

3.4 Monitoring and Virements

Halstead Community 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 Resources Team. A monitoring report is taken to all Resource team meetings 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 or 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 £5,000 - The Headteacher, reported to the Resources Team

Virements up to £10,000 – The Resources Team

Virements over £10,000 – The Full Governing Body

3.5 Insurance

Halstead Community Primary School is insured through **the Kent County Council 'Safe Hands' Scheme**. Halstead Community Primary School recognises that cash is not insured through the LA's Insurance policy.

3.6 Purchasing

At Halstead Community 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 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 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:

For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the **Resources Team** for evaluation 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 reported and minuted at the appropriate Team/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 and discussed with Chair of Governors or Chair of Resources. . Therefore for all orders between £1,000 and £8,000 wherever possible three quotes should be obtained.

The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases.

3.7 Personnel Matters

At Halstead Community 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 **Strategy and Resources Teams** 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 Full

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Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy 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 Halstead Community Primary School is Capita Business Services Ltd ,who provides payroll services to the specification laid down by the LA. 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 Halstead Community 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 Full Governing Body agrees this and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

3.10 Income

At Halstead Community Primary School, the Lettings Policy and Charges and Remissions Policy is reviewed and approved on an annual basis by the Strategy Team.

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 CFE Finance 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 £250, except under exceptional circumstances. Cash will be receipted over £15, recorded and banked promptly at all times.

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3.11 The School Bank Account

Halstead Community 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 signatories are updated immediately there is a change in staffing and details are copied to the Statutory Unit, as a matter of course.

Bank statements at Halstead Community Primary School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher or designated deputy signs and dates the bank statement when the reconciliation has been checked.

3.12 Purchase Cards

Halstead Community Primary School operates an approved Purchase Card in accordance with the guidance in the LA's Budget Book. The approved user/s is/are Headteacher and Secretary. The Purchase Card will be kept in the safe at all times when not in use. Personal credit cards will not be used for the purchase of items for the school.

3.13 The Voluntary Fund

In addition to the LA's official funds, Halstead Community 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.

3.14 Irregularities

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

3.15 Data Protection

Under the terms of the Data Protection Act 1998, the Headteacher 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

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in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.16 Financial Administration

At Halstead Community Primary School, two members of staff are 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 LA's Trading and Contract Management team, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.