

# Cranbrook Church of England Primary School



## Finance Policy

Amended by: Tracey Surmon	April 2018
Agreed by Governors:	May 2018
To be reviewed:	April 2019

Signed by Chair of Governors:	
Signed by Headteacher:	

## Finance Policy

### 1. Introduction

The Governors of Cranbrook CE 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 in accordance with the Local Authority's (LA) Scheme for Financing Schools.

### 2. Principles

Cranbrook CE 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;

- 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

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, 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 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 is strictly controlled (if applicable)
- The use of a Purchase 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 LA's Head of Internal Audit
- The school will adhere to current 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 Cranbrook CE 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 Cranbrook CE 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.

The **Resources Committee** is delegated responsibility by the 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 the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- 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
- Evaluate any proposed virements (if applicable)
- 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, to allow the school to respond to any consultation
- Benchmark the school's financial performance and report to the Full Governing Body

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 Cranbrook CE Primary School follow the

controls set out in the LA's Scheme for Financing.

### **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**

Cranbrook CE 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, updated to Governors at the Resources meeting. A monitoring report is taken 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.

It is not school policy to make virements, but additional income received throughout the financial year will be allocated to the appropriate CFR code by the Headteacher and approved by the Resources Team and presented to the FGB.

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 £5000 – The Headteacher, reported to the Resources Committee
- Virements from £5000 to £15,000 – The Resources Committee
- Virements over £15,000 – The Full Governing Body

### **3.4 Insurance**

Cranbrook CE Primary School is insured for Public Liability & Employers' Liability insurance through *Kent County Council* OR with relevant cover, as identified by the schedule received from the LA's Insurance section.

Cranbrook CE Primary School recognises that cash is not insured through the LA's Insurance policy.

Supply Insurance cover is provided by Class Insurance

### **3.5 Purchasing**

At Cranbrook CE Primary School, budgets are delegated to key stage co-ordinators and

subject 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 Improvement Plan. These amounts are built into the school budget, which is approved by the FGB.

All staff adhere to the school procedures for purchasing items, as displayed on the purchasing flowchart in the staffroom, paying regard to value for money at all times.

- The Headteacher or Business Manager authorises all orders and invoices prior to payment.
- The Finance Officer is, on receipt of an approved requisition, responsible for raising orders, and on receipt of the invoice for checking such prior to payment.
- All staff are responsible for ensuring that orders are authorised before committing to buy goods and /or services.

Where the school purchases large items, the school 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](http://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, three or more 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 Committee/Full 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, Finance agreements or Finance Leases as this constitutes borrowing which is not permitted.**

### **3.6 Personnel Matters**

At Cranbrook CE Primary School, at the start of every financial year the School Business Manager 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 Resources Team for incorporation into the school budget planning process.

The Chair of Governors, Vice Chair and external advisor undertake an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all teaching and teaching support staff. The Business Manager undertakes annual reviews of the Caretaker, all administrative and Midday Supervisory 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.

### **3.7 Payroll Matters**

The payroll provider at Cranbrook CE Primary School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the LA. The Headteacher or Business Manager signs off the monthly payroll reports once they have been checked for accuracy.

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

All staff at Cranbrook CE Primary School are responsible for the security of school assets. Co-ordinators, subject leaders and class teachers safeguard their assets and the Finance Officer with the assistance of the Caretaker maintain the asset register. This is checked at least on an annual basis and certified by the Business Manager.

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 by the Finance Officer and signed when borrowing the item and again when the item is returned.

### **3.10 Income**

At Cranbrook CE Primary School, the Lettings Policy is reviewed and approved on an annual basis by the Resources 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 Schools Financial Services Manager.

Since the LA does not insure for cash held on the school premises, there is an agreed maximum amount of £500 cash to be held in school at any one time. Cash will be

receipted, recorded, co-checked by the Business Manager and banked promptly at all times by the Finance Officer.

### **3.11 The School Bank Account**

Cranbrook CE 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 if there is a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

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

### **3.12 Petty Cash**

A Petty Cash system is not currently operated at Cranbrook CE Primary School.

### **3.13 Purchase Cards**

Cranbrook CE Primary School operates an approved Purchase Card in accordance with the guidance in the LA's Corporate Card Guidance notes for Schools. The approved user is the Finance Officer, Mrs A L Tansley. The Purchase Card is kept in the possession of Mrs Tansley at all times. There is a single transaction limit of £1000 and a £5000 monthly credit limit required overall.

Personal credit/debit cards will not be used for the purchase of items for the school.

### **3.14 The Voluntary Fund**

In addition to the LA's official funds, Cranbrook CE 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.

### **3.15 Irregularities, Anti-Fraud and corruption**

All staff at Cranbrook CE Primary School are made aware of the school's Confidential Disclosure Policy (Whistleblowing Policy) and to whom they should report concerns.

### **3.16 Data Protection**

Under the terms of the Data Protection Act 1998, the Headteacher and The 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 Acceptable Use Agreement. 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.

### **3.17 Financial Administration**

At Cranbrook CE Primary School, two members of staff (Finance Officer and School Business Manager) are trained in the use of the finance software and financial administration procedures, in event of staff absence. We also purchase a core financial support package through the Schools Financial Services, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.