

Herne Bay Infant School & Seashells Nursery

Finance Policy

This policy is reviewed by the Headteacher & the Finance Budget & Monitoring Team

Date:

March 2016

Next review date:

October 2017



1. Introduction

The Governors of Herne Bay Infant School & Seashells Nursery 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 as specified in the circle model of Governance.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

2. Principles

Herne Bay Infant School & Seashells Nursery Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, 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:

- 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 Corporate Card is strictly controlled
- 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
- 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 Herne Bay Infant 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.

The **Finance Budget and Monitoring Team** 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
- To review and annually recommend the Finance Policy to the Full Governing Body, for approval
- To review and annually recommend the Charges and Remissions Policy to the Full Governing Body for approval
- To review and annually recommend the Pay Policy to the Full Governing Body for approval

- 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 report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- 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 Herne Bay Infant School & Seashells Nursery follow the controls set out in the LA's Scheme for Financing Schools.

3.3 Financial Links to the School Improvement Plan

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

3.4 Monitoring and Virements

Herne Bay Infant School & Seashells Nursery 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 **Finance Budget and Monitoring Team**. A monitoring report is taken to all meetings of the Finance Budget and Monitoring Team 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 reviews 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's 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 Budget & Monitoring Team.

Virements up to £10,000. – The Finance Budget & Monitoring Team

Virements over £10,000. – The Full Governing Body

3.5 Insurance

Herne Bay Infant School & Seashells Nursery is insured **through the Kent County Council (KCC) 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the LA's Insurance section.

Other Insurances operated by the school are:-

Supply Insurance: - **Schools Advisory Service**, Trigg House, 11 Maisies Way, South Normanton, Derbyshire, DE55 2DS.

Herne Bay Infant School purchases Money Cover as an optional extra through the Safe Hands scheme and therefore cash is insured up to £1,000.

3.6 Purchasing

At Herne Bay Infant 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.

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 authorises all orders and invoices prior to payment. The Headteacher delegates responsibility to the School Business Manager to sign official orders where a signed requisition is in place. This will aid separation of duties.

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 £10,000, 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 approval

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 £5,000, as a matter of course.

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

3.7 Personnel Matters

At Herne Bay Infant School & Seashells Nursery, at the start of every financial year the **Headteacher and School Business Manager** use the BPS financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Budget & Monitoring Team for incorporation into the school budget planning process.

The **Performance Management Group** undertakes 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 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 Herne Bay Infant School & Seashells Nursery 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 Herne Bay Infant School & Seashells Nursery are responsible for the security of school assets. Co-ordinators, Subject Leaders 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 IT Technician.

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 Budget & Monitoring Team agrees this on behalf of the Full Governing Body and the agreement is recorded at the next Full Governing Body Meeting.

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 Herne Bay Infant School & Seashells Nursery, there is no Lettings Policy as the premises are not let, however this position is reviewed on an annual basis by the 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 CFE Finance Manager.

Herne Bay Infant School & Seashells Nursery purchases Money Cover as an optional extra through the Safe Hands Insurance Scheme and therefore cash held on the School premises is insured up to £1,000.

Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

Herne Bay Infant School & Seashells Nursery operates its school bank account(s) 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.

Herne Bay Infant School & Seashells Nursery pays suppliers/invoices via cheques, online banking/BACS and KCC Corporate Card, ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Herne Bay Infant School & Seashells Nursery should be received/printed at least monthly and reconciled to the accounting system each month using a statement no older than seven days and any discrepancies resolved. The reconciliation statements should be signed as checked and countersigned by the Headteacher or authorised signatory.

3.12 Petty Cash

Petty Cash is not available at Herne Bay Infant School.

3.13 Corporate Cards

Herne Bay Infant School & Seashells Nursery operates an approved Corporate Card in accordance with the LA guidance.

The approved users are:- Ms Bernadette Lax, Mrs Georgie Edwards, Mrs Helen Day, Mrs Christine Ansell and Mr Stuart Adams.

The monthly corporate card limit is £5,000.

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

3.14 Irregularities

All staff at Herne Bay Infant School & Seashells Nursery are aware of the LA's Whistleblowing procedure. These details are available to staff on KLZ, the school website and copy in the Staff Room.

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

3.16 Financial Administration

At Herne Bay Infant School & Seashells Nursery, three members of staff are trained, with one member fully 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 Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.