

Whitstable Junior School

FINANCE POLICY

Agreed by Gobs: on May 2018

Review Date (annually): May 2019

1. Introduction

The Governors of Whitstable Junior 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.

Whitstable Junior School became a founder member of the Coastal Alliance Cooperative Trust (CACOT) on 1st July 2016 and this bears a small financial commitment for the school each year and will be invoiced to us by Lesley Gallagher (Educational Consultant)

2. Principles

Whitstable Junior School 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 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 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 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
- 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 to cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The Full Governing Body of Whitstable Junior 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 Whitstable Junior School will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and chair of governors will sign the completed form prior to sending a copy to the Local Authority.

The Resource Committee 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 Development/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 review the Charges 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, to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements (If and when applicable)
- 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.

The Headteacher has delegated authority to the School Business Manager.

3.2 Internal Financial Controls

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

3.3 Financial Links to the School Improvement Plan

The School Development/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

Whitstable Junior 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, where she meets with the School Business Manager (SBM) and goes through the monthly reports. A monitoring report is taken to all meetings of the Resource Committee which reports, if 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 submission or soon after. This will ensure they have an up-to-date position of the school's finances.

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 £8,000.00 - The Headteacher, reported to the Resource Committee

Virements from £8,000.00 to £15,000.00 – The Resource Committee

Virements over £15,000.00 – The Full Governing Body

3.5 Insurance

Whitstable Junior School 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.

Whitstable Junior School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

3.6 Purchasing

At Whitstable Junior School, budgets are approved by the Headteacher in line with the priority needs of the school and the School Development/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. Order forms are completed by staff and then signed by the relevant budget holder, they are then passed to the SBM for authorisation and action. Orders will be checked via the Headteacher if a large amount is to be spent. The Headteacher or Deputy Headteacher authorises all 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 Full Governing Body for approval
- For orders of £50,000 or over, 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 relevant 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 under KCC rules.

Contract Hire agreements are allowed by KCC and the school will ensure all documents are checked by KCC's legal department prior to signature.

3.7 Personnel Matters

At Whitstable Junior School, at the start of every financial year the Headteacher uses 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 Resource Committee for incorporation into the school budget planning process.

The Core Group Committee 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 Whitstable Junior 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 by the SBM.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Whitstable Junior School are responsible for the security of school assets. Phase leaders, 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 School Business Manager. 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 Resource Committee agrees this on behalf of the Full Governing Body 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 Whitstable Junior School, the Lettings Policy is reviewed and approved 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 Schools Financial Services Manager.

We have agreed a level of cash to be held in school at any one time as £200.00. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

Whitstable Junior School 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 and one savings 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 Schools Financial Services, as a matter of course.

Signatories are Mrs Margaret Steward (Headteacher), Mrs Annie Knoupe (Deputy Headteacher) and Mrs Sarah Amos (School Business Manager)

Bank statements at Whitstable Junior School are received/printed out on at least a monthly basis and reconciled to the accounting system each month using a statement no older than seven days, any discrepancies resolved. The reconciled statements should be signed as checked by the School Business Manager and then countersigned by the Headteacher when the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is not operated at Whitstable Junior School.

3.13 Corporate Cards

Whitstable Junior School operates an approved Corporate Card in accordance with the LA guidance.

The approved card holder's are Mrs Margaret Steward - Headteacher and Mrs Sarah Amos - School Business Manager.

The monthly card limit is £1,500.00

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, Whitstable Junior 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

All staff at Whitstable Junior School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in their staff handbook.

3.16 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.

3.17 Financial Administration

At Whitstable Junior 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 Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.