

The Craylands School Finance Policy

1. Introduction

The Governors of The Craylands 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

The Craylands 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:

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- 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
- The use of a **NatWest onecard** is strictly controlled
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public fund
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current GDPR and 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 The Craylands 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 The Craylands 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 **Finance Monitoring 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 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

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- 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
- 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 The Craylands 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

The Craylands 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 Chair of the Governing Body. A monitoring report is taken to all meetings of the Full Governing Body. Monitoring reports are submitted to the LA in accordance

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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 -The Headteacher, reported to the FGB

Virements from £8,000 to £15,000 –The Full Governing Body

Virements over £15,000 –The Full Governing Body

3.5 Insurance

The Craylands 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.

The Craylands School is additionally covered by appropriate insurances through the PFI contract Approved, leased equipment may be insured through the lessor.

The Craylands School recognises that cash is not insured through the LA's Insurance Policy.

3.6 Purchasing

At The Craylands School, budgets are delegated to phase leaders, subject leaders 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 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. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

For orders in excess of £10,000, 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 reported and minuted at the 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.

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

3.7 Personnel Matters

At The Craylands School, at the start of every financial year the Headteacher 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 Governing Body for incorporation into the school budget planning process.

The Governing Body undertakes an annual review of the Head teacher's salary, and recommends enhancements.

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 The Craylands School is SPS Intepay, who provides payroll services to the specification laid down by the LA. The Headteacher, or Assistant Headteacher (as designated deputy), sign off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at The Craylands 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 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

(Currently, the school receives no Income from letting)

3.11 The School Bank Account

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The Craylands 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 The Craylands 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 Bacs Payment

To ensure school cheques are not intercepted and fraudulently drawn on the school account, BACs payments will now be used. A BACs payment file has been created in the school's FMS6 finance software and imported into the school's bank account via the online banking facility and remittance advices sent to suppliers.

The BACs method is more cost effective for the school in that it reduces the cost of pre-printed cheques, postage, envelopes etc and reduces the risk of fraud. The cost of each BACs payment is 28p as opposed to 55p for a 2nd class stamp. The process requires 2 (bank mandate) authorised signatures and 2 separate online banking nominated users to authorise the payments.

This has now been effective since 16th September 2016.

3.13 Petty Cash (If Applicable – **State If no Petty cash is held)**

Petty Cash is held securely at all times and the limit for petty cash is £200. At The Craylands School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £40.

All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

NatWest onecard (state if not Applicable)

The Craylands School operates an approved **onecard** in accordance with the LA guidance.

The approved user/s is/are Mrs J Tremain and Mrs K Cox. The monthly card limit is **£400 for a single transaction and a maximum of £1000 per calendar month.**

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Personal **Credit and Debit** cards will not be used for the purchase of items for the school.

The Voluntary Fund (**state if not applicable**)

In addition to the LA's official funds, The Craylands 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.

Irregularities

Staff at The Craylands School are aware of the LA's Whistleblowing procedure

3.14 Data Protection

The Craylands School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018.

The Craylands School has 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.

3.15 Information Systems

The Craylands School has 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 the Craylands School, we have one member of staff trained in the use of the finance software and administration procedures. We purchase a support package through Schools Financial Services, which is reviewed on an annual basis, allowing us the option to purchase additional onsite support if required and in the event of staff absence. The governing body reviews this policy annually.

Reviewed: 5th October 2021