

# Ryarsh Primary School

## Finance Policy

### 1. Introduction

The Governors of Ryarsh 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 **Circle Model of Governance**.

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

### 2. Principles

Ryarsh Primary School Finance Policy will adhere to the following principles:

- The responsibilities of the Governing Body, its Monitoring Pairs, 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 Action 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 petty cash is strictly controlled (if applicable)
- The use of a Purchase Card is strictly controlled (if applicable)
- The School Voluntary Fund and any other non-public funds are administered and monitored 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 Ryarsh 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 Ryarsh 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 **Full Governing Body** of Ryarsh Primary School will annually review and approve the Finance Policy and all Terms of Reference for the Monitoring Pairs.

The **Monitoring Budget 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 Action 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 give prior approval to any long term commitments to expenditure beyond the current financial year, for example 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 and report to the Full Governing Body (if 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 will be delegated to the Office Manager.

### **3.2 Internal Financial Controls**

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

#### **Ensuring the Accuracy of the Budget**

The school's budget planning spreadsheet template applies the funding formula to the pupil numbers and details entered, in order to establish an income figure. The following steps are required in order to ensure the accuracy of the budget setting process.

1. Ensure that all changes to the structure of the budget setting template are fully understood prior to commencement of the budget setting process.
2. Check that manually populated data entered into the spreadsheet are correct, and to ensure that these details are entered into the correct fields.
3. Collate and provide written evidence for each item of the manually populated data in the form of a signed checklist.
4. Second check of the accuracy of this information performed by a second person, using the evidence provided.
5. Confirmation of these steps having been completed is provided to the Headteacher in the form of the signed checklist, in order for the Headteacher to begin the process of establishing the new three year budget plan.

#### **Rules on document alteration**

Any alterations to original documents, such as cheques, invoices and orders, are clearly made in ink or other permanent form and initialled.

### **Monitoring and Virements**

Ryarsh 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 Monitoring Governor/s. The finance monitoring pair carry out monitoring of budget 3 times in each financial year (In April at the setting of the new budget, in October for the 6 monthly return to the Local Authority, and in January for the 9 monthly return to the Local Authority). A full monitoring report is produced for each of these monitoring visits and taken to the next Full Governing Body meeting. This will ensure governors 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 Monitoring Governor/s

Virements over £8,000 – The Full Governing Body

### **3.3 Financial Links to the School Action Plan**

The **Headteacher** and the **Monitoring Pair** will ensure that the three year budget set has sufficient depth to ensure that the objectives of the School Action Plan can be achieved.

### **3.4 Insurance**

Ryarsh Primary 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.

Ryarsh Primary School recognises that cash is not insured through the LA's Insurance Policy.

### **3.5 Purchasing**

At Ryarsh Primary School, budgets are delegated to key stage leaders 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 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](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 Finance Monitoring Pair 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 the majority of purchases over £1,000, as a matter of course.

**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 Ryarsh Primary 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 Monitoring Pair for incorporation into the school budget planning process.

The **Leadership Pay 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 Pay and Reward Policy, and reports to the Pay Committee.

### **3.7 Payroll Matters**

The payroll provider at Ryarsh Primary School is SPS Intepay, 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.

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

All staff at Ryarsh Primary School are responsible for the security of school assets. School leaders and class teachers safeguard their assets and the school maintains an asset register, which is checked at least on an annual basis and certified by the Headteacher.

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 to be written off and disposed of, the Monitoring Pair 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.

### **3.9 Income**

At Ryarsh Primary School any application to let the school facilities is reviewed on a case by case basis.

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, we have agreed a maximum level of cash to be held in school at any one time as £1000. Cash will be receipted, recorded and banked promptly at all times.

### **3.10 The School Bank Account**

Ryarsh Primary 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 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.

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

### **3.11 Corporate Cards**

Ryarsh Primary School operates an approved Corporate Card in accordance with the LA's guidance. The approved users are The Headteacher, The Office Manager, The Extended Schools Supervisor and The Caretaker (See Appendix A for further information). Personal credit cards must not be used for the purchase of items for the school.

### **3.12 The Voluntary Fund**

In addition to the LA's official funds, Ryarsh 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. This voluntary fund is monitored monthly alongside the main school accounts.

### **3.13 Irregularities**

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

### **3.14 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.

### **3.15 Financial Administration**

At Ryarsh Primary School, two members of staff are trained in the use of the finance software and financial administration procedures, in event of staff absence. Any changes to the budget setting

process should trigger a requirement for training for all staff involved. We also purchase a support contract through Schools Financial Services, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.

### **3.16 Supply Insurance**

Ryarsh Primary School does not purchase supply insurance to cover the cost of staff absences. Instead, £3000 is transferred yearly to the school Voluntary Fund to build up a supply cover contingency fund. The yearly transfer and total amount set aside for this purpose in the Voluntary Fund are reviewed by the Monitoring Pair.

<b>Policy adopted by Governing Body</b>	Summer 2017
<b>To be reviewed</b>	Summer 2018
<b>Signed by the Monitoring Budget Pair</b>	
<b>Signed by Head Teacher</b>	
<b>Signed by Chair of Governors</b>	

## Appendix A

The table below details the names of school personnel authorised to hold a purchase card and their personal limits.

<b>Cardholder</b>	<b>Job Title</b>	<b>Single Transaction Limit</b>	<b>Monthly Card Limit</b>
Ruth Austin	Headteacher	£1,000	£1,000
Elizabeth Burbidge	Office Manager	£1,500	£2,000
Louise Parfitt	Extended Schools Supervisor	£500	£1500
Colin Barnes	Caretaker	£500	£500