

Palace Wood Primary School

Finance Policy



Palace Wood
PRIMARY SCHOOL

Written by	Lynne Emmerson
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This policy has been impact assessed by Clare Cairns in order to ensure that it does not have an adverse effect on race, gender or disability equality

Introduction

The Governors of Palace Wood 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 Scheme for Financing Schools.

1. Principles

Palace Wood 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 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
 - **Consulting** parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the Authority's Budget Manual and the Audit Commission documents mentioned above, 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 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
- ❑ 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

2. Putting Policy into Practice

2.1 Delegated Authority

The Full Governing Body of Palace Wood Primary School has overall responsibility for the management of all of the school's finances covering the capital, revenue and other budgets delegated or devolved by KCC and other funds

The **Full Governing Body** of Palace Wood Primary School will annually review and approve the Finance Policy and all Terms of Reference for the Monitoring Pairs.

The **Finance 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 Improvement Plan, for approval by the Full Governing Body
- 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
- 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
- Evaluate and recommend the annual Statement of Internal Control and present to the Full Governing Body for approval
- Ensuring the school is compliant with SFVS standards and that regular progress reports are made.

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 is delegated to the school's bursar.

2.3 Internal Financial Controls

The internal financial controls operated by Palace Wood Primary School follow the controls set out in the LA's Scheme for Financing Schools and the Budget Book.

2.4 Financial Links to the School Development Plan

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

The Governors with the advice of the Headteacher maintain a School Development Plan for Palace Wood Primary School which takes into account likely available funding, the cost of the curriculum (staffing and educational resources) and the running costs of the school.

The School Development Plan also incorporates costings for projects and priority areas where budget consideration is needed.

2.5 Monitoring and Virements

Palace Wood 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, Bursar and a nominated Governor carry out regular internal monitoring procedures. A monitoring report containing a detailed analysis of actual, committed and projected expenditure is taken to the termly meetings of the Full Governing Body. Reports are submitted to the Authority in accordance with its timetable.

On occasions, virements need to be carried out. Virements to the ratified budget are minuted appropriately and require the following authorisation:

Virements up to £5,000 - The Headteacher, reported to the Governing Body.

Virements above £5,000 – Full Governing Body

2.6 Insurance

Palace Wood Primary School is insured through *the Kent County Council 'Safe Hands' Scheme* with relevant cover, as identified by the schedule received from the Authority's Insurance section.

Other insurances operated by the school are listed below: none at present

Palace Wood Primary School has additional insurance of a cash value of up to £500 to be held on site in the safe, until it can be banked. This is arranged through the Authority's Insurance policy.

2.7 Purchasing

At Palace Wood Primary School, budgets are delegated to the subject leaders and year group teams. 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 Plan.

All staff adhere to the school procedures for purchasing items, 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),

In summary;

- ❑ The Headteacher may make purchases up to £8000 for individual items or contracts without reference to the Governing Body.
- ❑ 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 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 minuted at the appropriate 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 Lease/Purchase agreements and any lease agreements are submitted to the Authority's Corporate Accounts and Treasury Management Section for approval, prior to signing.

2.8 Personnel Matters

At Palace Wood Primary school, at the start of every financial year the Headteacher and Bursar discuss the staffing structure, salary costs of all members of staff including any increments, where applicable. These details are used by the Monitoring Governors for incorporation into the school budget planning process.

The **Performance Management Committee** undertakes an annual review of the Headteacher's salary and recommends enhancements to the Pay Committee on behalf of the Full Governing Body.

The undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Pay Committee on behalf of the Full Governing Body.

2.9 Payroll Matters

The payroll provider at Palace Wood Primary School is SPS Intepay who provides payroll services to the specification laid down by the LA. The Headteacher, or designated deputy, signs off the monthly payroll reports once they have been checked for accuracy.

2.10 Safeguard of Stocks, Stores and Assets

All staff at Palace Wood Primary School are responsible for the security of school assets. Co-ordinators and subject managers safeguard their assets. An asset register is held and 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 written off and disposed of, the Governing Body agrees to this and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed upon borrowing the item and again upon the item's return.

2.11 Income

At Palace Wood Primary School, the charging and lettings policy is reviewed and updated 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.

Since the LA does not insure for cash held on the school premises, all monies received are recorded and held securely before being banked.

2.12 The School Bank Account

Palace Wood Primary School operates its school bank account 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 Palace Wood Primary School are received on a monthly basis and reconciled to the school's local system immediately. Headteacher signs and dates the bank statement when the reconciliation has been checked.

2.13 Purchase Cards

Palace Wood Primary School operates an approved Purchase Card in accordance with the Local Authority Guidance. The approved users are Ros Hart (Admin Assistant), James Gibson (Site Manager), Nya Hettiarachchi (Finance Assistant), Paul Thomson (Project Manager) and Lynne Emmerson (SBM). The monthly card limit is £3000 and the individual transaction limit is £500. Personal credit/debit cards will not be used for the purchase of items for the school.

2.14 Irregularities

All staff at Palace Wood Primary School are aware of the LA's Whistleblowing procedure. These details are available to staff in the policies folder.

2.15 Data Protection

Under the terms of the Data Protection Act 1998, Headteacher and Governing Body are required to notify the Data Protection Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. 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.

2.16 Financial Administration

At Palace Wood Primary School, two members of staff are trained in the use of the finance software and financial administration procedures. We also purchase a support contract through the Authority's Finance Trading and Contract Management team, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.