

LALEHAM GAP SCHOOL



FINANCE POLICY

Last Reviewed: January 2017
Due for Review: January 2018

Laleham Gap School Finance Policy

1. Introduction

The Governors of Laleham Gap 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

Laleham Gap's School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its teams, 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, whenever possible, on policy development and major changes in the use of resources

The school has established 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 by regularly 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. The limit for petty cash in total in the main school building and residential building is £300 (£50, £150 and £100 contingency). The maximum value of any transaction is £10; between £10 and £100 is by cheque and in excess of £100 is through salaries. 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.
- Cash will be receipted, recorded and banked promptly at all times.
- The use of a Corporate Card is strictly controlled. Each card has an appropriate limit attached to it and certain types of expenditure are blocked on advice from KCC Finance. (See Section 3.12 for specific holders and limits.)Purchase Cards are kept in the safe at all times when not in use.
- 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 cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The Full Governing Body of Laleham Gap 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) but it has delegated maximum financial monitoring review and approval functions to the Strategy and Resources Team, with reporting back to the Governing Body in relation to budget and all policies with the exceptions as detailed below.

Following review by the appropriate Team, the Governor Allowance Policy, Governor Visits Policy and for linkage with the Terms of Reference and Delegation, the Finance Policy will be subsequently approved by the full Governing Body at its first meeting of the Academic Year as part of the annual review and acceptance of the Delegation of Functions and Terms of Reference within the document known as Standing Orders of the Governing Body. The first formal budget plan of the new financial year will be approved by the Strategy and Resources Team and subsequently reported to the full Governing Body at the next meeting.

The Strategy and Resources Team is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Strategic planning, e.g. ensuring links to the School Development Plan and reporting to the full governing body as appropriate
- Evaluation, approval and recommendations of the three year budget plan, linking to the School Improvement Plan
- Review and approval of the Charging and Remissions Policy
- Review and approval of the Pay Policy
- Decisions in respect of service agreements and insurance
- Advice, reports and consultations to change the LA Scheme for Financing Schools, with subsequent report to the full governing body
- Consideration of virements
- Evaluation and approval of Tenders for Contracts (in line with the EU Threshold criteria) with a report back to the Full Governing Body
- Regular reviews of school financial procedures
- Benchmarking the schools financial performance with a report to the full governing body
- Evaluation, completion and approval of the annual statement of internal controls with a report to the full governing body
- Evaluation and approval of the annual Best Value Statement with a report to the full governing body

The Full Governing Body of Laleham Gap 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 Headteacher is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of day to day financial procedures is delegated to the Business Manager at the discretion of the Head Teacher

3.2 Internal Financial Controls

The internal financial controls operated by Laleham Gap 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

Laleham Gap School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the SBM (delegated by the Headteacher) carries out a monthly internal monitoring procedure, copied to the Chair of the Strategy & Resources Team. A monitoring report is taken to all meetings of the Strategy & Resources Team 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 £10,000 - The Headteacher, reported to the Strategy and Resources Team

Virements up to £20,000 – The Strategy and Resources Team

Virements over £20,000 – The Full Governing Body

3.5 Insurance

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

3.6 Purchasing

At Laleham Gap School, budgets are delegated to subject co-ordinators 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 with regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment. There are procedures for accepting 'Best Value' quotes which may not necessarily be the cheapest.

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, in summary:

- The school has adopted procedures which minimise office admin time by the purchase of goods or services under £1,000 direct from known and reputable suppliers, e.g. stationery. Orders below £1000 are authorised by the budget holder and School Business Manager.
- The school ensures at least two quotations are obtained for all purchases over £1,000 and up to £8,000 unless this is not possible due to the specialist nature of the goods being purchased. In addition to the Budget holder and School Business Manager, orders in excess of £1,000 are authorised by the Headteacher.
- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Strategy and Resources Team for approval and report to the Full Governing Body.
- 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 appropriate team/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.

3.7 Personnel Matters

At Laleham Gap School, at the start of every financial year the Headteacher or School Business Manager 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 Strategy & Resources Team for incorporation into the school budget planning process. The Strategy & Resources Team appoint a Performance Management Committee to undertake an annual review of the Headteacher's salary, and recommend enhancements, if applicable. They report to the Strategy & Resources Team for approval and inform the Full Governing Body of the outcome.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay and Reward 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 Laleham Gap School is Capita Business Services Ltd, who provide 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.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Laleham Gap School are responsible for the security of school assets. Subject Coordinators and class teachers safeguard their assets and the school asset register is checked at least on an annual basis and certified by the Headteacher or designated deputy.

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 Strategy and Resources Team 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/Debtors

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Strategies and Resource Team will approve up to £1,000 with a report back to the Governing Body. Approval to write off debts over £1,000 is required in writing from the Schools Financial Services Manager.

3.11 The School Bank Account

Laleham Gap 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.

Laleham Gap School pays suppliers/invoices by cheque ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Laleham Gap School are received/printed out on at least a monthly basis and reconciled immediately by the Bursar. The Headteacher or designated deputy signs (in full) and dates the bank statement when the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £350. At Laleham Gap 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.

3.13 Corporate Cards (If Applicable)

Laleham Gap School operates an approved Corporate Card in accordance with the LA guidance.

The approved users are as follows with the card and individual transaction limit:

Name	Card Limit £	Individual Transaction Limit £	Expiry Date
This list is confidential and detailed on the Finance Policy within the school			

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, Laleham Gap 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 Laleham Gap School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in the Curriculum Drive, Policy Folder.

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 which is explained to all new staff. 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 Laleham Gap 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.

This policy has been assessed with regards to its relevance to the single equality policy. As a result of this assessment, this policy has been graded as having a low potential impact.