



# Finance Policy

Phoenix Community Primary School

Author: Susan Burberry (Finance Officer)

Ratified by the Governing Body: May 2019

Due for Review: May 2020

## Introduction

The Governors of Phoenix Community 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 Head teacher 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 traditional model of Governance – i.e. a Finance / Resource Committee.

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

## Principles

Phoenix Community Primary School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its committees, the Head teacher 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 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, Head teacher 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 Purchase Card is strictly controlled
- The School does not currently hold a Voluntary Fund
- 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

## Putting Policy into Practice

### Delegated Authority

The Full Governing Body of Phoenix Community 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 Phoenix Community 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 Resources Team 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 report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements (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
- Evaluate and recommend the annual Statement of Internal Control and present to the Full Governing Body for approval

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 Head teacher and this delegation should be documented in the Finance Policy.

### Internal Financial Controls

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

### 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.

### Monitoring and Virements

Phoenix Community 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 regular internal monitoring procedure, copied to the Chair of the Resources Team. A monitoring report is taken to all meetings of the Resources Team which reports, as 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 £ 5000: The Headteacher, to be reported to the Resources Team to enable the frequency of occurrence to be monitored

Virements up to £10,000: The Resources Team

Virements over £10,000: The Full Governing Body

### Insurance

Phoenix Community 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.

The school arranges the best value staff absence insurance policy to build contingency for long term teacher absence.

When placed in the safe, cash is insured up to a limit of £3000. In transit this limit is £10,000.

### Purchasing

At Phoenix Community Primary School, subject leaders 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))

As a matter of good practice, orders over £1,000 have three quotations sought.

In summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Finance Committee for approval and report to the Full Governing Body
- 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 committee/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 outside of the KCC Framework.

## Personnel Matters

At Phoenix Community Primary School, at the start of every financial year the Headteacher uses the three-year salary calculator provided on the Budget Planning Software to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Team for incorporation into the school budget planning process.

The designated members of the Governing Body undertake an annual review of the Head teacher's salary, and recommend 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. All pay decisions and recommendations will be made in line with the school pay policy.

Details of all salaries are recorded as a confidential item in the minutes.

## Payroll Matters

The payroll provider at Phoenix Community Primary School is School's Personnel Service Intepay, who provides payroll services to the specification laid down by the LA. The Head teacher signs off the monthly payroll reports once they have been checked for accuracy.

## Safeguard of Stocks, Stores and Assets

All staff at Phoenix Community Primary School are responsible for the security of school assets. Subject leaders and class teachers safeguard the school's assets. Items of high value (above £500) are recorded on a general asset register, maintained and updated by the Finance Officer.

Items of value held are visibly security marked to deter theft.

Where assets are written off and disposed of, the Finance 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.

## Income

At Phoenix Community Primary 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 Head teacher 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 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.

## The School Bank Account

Phoenix Community Primary School operates its school bank account 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. Phoenix Community Primary School pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Phoenix Community Primary School are received on at least a monthly basis and reconciled immediately. The Headteacher or designated deputy signs and dates the bank statement when the reconciliation has been checked.

### Petty Cash (Not Applicable)

### Purchase Cards

Phoenix Community Primary School operates an approved Purchase Card in accordance with the LA guidance. The approved users are Christopher Johnson, Sarah Town and Susan Burberry. The monthly card limits are £2000 each. Personal credit/debit cards will not be used for the purchase of items for the school.

### Trade Accounts

The school has an account with TradeCard UK Ltd. The card is primarily used by the Site Manager, Shaun King, and is kept in the school safe when not in use.

### The Voluntary Fund

The school does not have a voluntary fund.

### Irregularities

All staff at Phoenix Community Primary School are aware of the LA's Whistleblowing procedure which is available to all staff on the school website.

### Data Protection

Phoenix Community Primary School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioners Office (ICO). Phoenix Community Primary School pays £35 as determined by the ICO.

### Information Systems

Phoenix Community Primary 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.

### Financial Administration

At Phoenix Community Primary 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.