



## Finance Policy

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## 1. Introduction

The Management Committee of Two Bridges 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 Management Committee have drawn up this Finance Policy to provide the guiding principles for which all committee members and staff will operate within the traditional model of Governance.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Services and the Audit Commission documents, *Keeping your Balance* and *Getting the Best from your Budget*.

## 2. Principles

Two Bridges School Finance Policy will adhere to the following principles;

- The responsibilities of the Management Committee, its committees, the Head Teacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The **Management Committee** 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 services nationally, and with similar services
- Using the information gained to **challenge** performance and set new targets
- Where financial benchmarking is available, using it to **compare** expenditure with similar services
- 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 Budget Book 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 Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Management Committee, 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:

- 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 Purchase Card is strictly controlled
- The Service Voluntary Fund (if applicable) 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 Audit and Risk
- The service 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 **Management Committee** of Two Bridges 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 Service Voluntary Fund).

The **Headteacher** is responsible for implementing the decisions of the Management Committee 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 Two Bridges School follow the controls set out in the LA's Scheme for Financing Services and the Budget Book.

### **3.3 Financial Links to the Service Improvement Plan**

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

### **3.4 Monitoring and Virements**

Two Bridges 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 provides six budget monitoring reports annually at Committee meetings with commentary to the Management Committee. In addition the Chair receives monthly budget reports. Monitoring reports are submitted to the LA in accordance with its timetable. The Management Committee 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 service'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 £25,000 - The Headteacher, reported to the Management Committee

Virements over £25,000 – The Management Committee

### **3.5 Insurance**

Two Bridges 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.

Two Bridges School recognises that cash is not insured through the LA's Insurance Policy.

### **3.6 Purchasing**

At Two Bridges School, we are working towards a system whereby budgets are discussed with all key leaders across the school. Leaders will 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. (not yet implemented but in development planning)

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 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 Services ([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 £25,000, but less than £50,000, three written quotations are obtained and submitted ideally to the Management Committee for approval however where time does not allow for an MC meeting to be held this responsibility is delegated to the member responsible for finance (Chair of MC) who will then report back to full Management Committee.
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Management Committee for approval

All of the above will be minuted at the appropriate Management Committee meeting to ensure that the School is seen to be obtaining value for money at all times.

### **3.7 Personnel Matters**

At Two Bridges School, at the start of every financial year the **Headteacher** uses the three year salary calculator provided by HR Connect SFS to calculate the salary costs of all members of staff, including increments, where applicable.

The **Headteacher's Appraisal Committee** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Management Committee for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Management Committee's Pay Policy and reports to the Management Committee.

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

### **3.8 Payroll Matters**

The payroll provider at Two Bridges School is HR Connect Intepay, who provide 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.

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

All staff at Two Bridges School are responsible for the security of School assets. Staff safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the designated member of staff. Other school assets are recorded on a general asset register, maintained and updated by the Senior Admin Officer.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are asset marked to deter theft.

Where service assets are loaned to staff or students, a loans register is completed and signed when borrowing the item and again when the item is returned.

### **3.10 Income**

Where debts are required to be written off, after every effort has been made by the Headteacher and Management Committee to recoup the monies, the Management Committee 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 service premises, we have agreed a level of cash to be held in the school at any one time in total as £200.

### **3.11 The Service Bank Account**

Two Bridges School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Services 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 LA Financial Services team, as a matter of course.

Bank statements at Two Bridges School are received on a two weekly basis and reconciled to the service's local system immediately. The Headteacher signs 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 £200. 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. Petty Cash purchase limit is £25 on any one item.

### **3.13 Purchase Cards**

Two Bridges School operates three approved Purchase Cards in accordance with the guidance in the LA's Budget Book. The approved users and monthly limits are:

Sue Beauchamp - £5000

Jo Gale - £3000

Emily Swaffer. - £3000

Spending is authorised in advance by the Headteacher through Requisition forms.

Personal credit cards will not be used for the purchase of items for the school.

### **3.14 The Voluntary Fund**

Two Bridges School does not operate a voluntary fund.

### **3.15 Irregularities**

All staff at TWO BRIDGES SCHOOL are aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

### **3.16 Data Protection**

Under the terms of the Data Protection Act 1998, the Headteacher and Management Committee are required to notify the Information Commissioner of processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, there is 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 service has a disaster recovery plan for the administration network.

### **3.17 Financial Administration**

At Two Bridges School, two members of staff are to be trained in the use of the finance software and financial administration procedures, in event of staff absence. We also purchase a support contract through Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

Signed..... Date.....  
(Chair of Management committee)

Signed..... Date:.....  
(Headteacher)