



Skinner's School

The Skinner's School Finance Policy

1. INTRODUCTION

The Governors of The Skinner's 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 with reference to the Authority's Financial Regulations and the Audit Commission documents, *Keeping your Balance and Getting the Best from your Budget*.

2. PRINCIPLES

The Skinner's School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its committees, the Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.
- The school will apply the four best value principles in its management and allocation of resources, being;
 - ❑ **Compare** – comparing our performance with that of other schools
 - ❑ **Challenge** – challenging if our performance is high enough and why and how a service is being provided
 - ❑ **Compete** – demonstrating how we secure economic, efficient and effective services
 - ❑ **Consult** – seeking the view of staff and parents about the services we provide
- 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 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 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 Authority's Chief Internal Auditor
 - ❑ 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 **Governing Body** of The Skinners' School has overall responsibility for the management of all of the school's finances covering the delegated formula budget, other budgets delegated or devolved by the Authority and other funds (e.g. the School Voluntary Fund).

The **Finance Committee** is delegated responsibility by the Governing Body for the following aspects of financial management;

- ❑ Strategic planning
- ❑ Providing policy options for the Governing Body
- ❑ Assisting/preparing the annual budget for approval
- ❑ Monitoring of the financial position of the school on a regular basis (at least termly)
- ❑ Authorisation of virements over £x,xxx (Note: Insert a value)
- ❑ Tenders for Contract Services
- ❑ Keeping in-School financial procedures under review
- ❑ Active involvement in the LM Scheme consultations
- ❑ Maintenance and review of this policy
- ❑ Ensuring links to the School Development Plan

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 Headteacher and this delegation should be documented in the finance policy.

3.2 THE BEST VALUE PRINCIPLES

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

3.3 INTERNAL FINANCIAL CONTROLS

The internal financial controls operated by The Skinners' School follow the controls set out in the Authority's Financial Regulations and the Budget Manual. Any additional internal financial controls included within the school's financial procedures are reviewed by the finance committee and ratified by the Governing Body.

3.4 FINANCIAL LINKS TO THE SCHOOL DEVELOPMENT PLAN

The **School Development Plan** for The Skinners' School links to our three strategic plans for resource management. (Note: Some schools may have more than three strategic plans).

The **Curriculum Development Plan** is the responsibility of the **Curriculum Committee** and is drawn up following a review of the school's curriculum strengths and areas where improvements are needed. Any improvements are costed to give short-term and long-term estimates of the resources needed to bring about the required development.

The **Staffing Plan** feeds from the Curriculum Development Plan. Drawn up by the **Staffing Committee**, it estimates the resource needs of the school in providing the planned staffing levels.

The **Premises Plan** is produced by the **Premises Committee** and records maintenance and development costs. It feeds into the curriculum development plan, being influenced by pupil numbers and class organisation.

3.5 MONITORING AND VIREMENTS

The Skinners' 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 Chair of the Finance Committee. A monitoring report is taken to the termly meeting of the Finance Committee which reports, as required, to the

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 £x,xxx – The Headteacher, reported to the Finance Committee

Virements up to £x,xxx – The Finance Committee

Virements up to £x,xxx – The full Governing Body

(Note: Levels should be determined at school level – usually up to £5,000 Headteacher, up to £10,000 finance committee, over £10,000 full Governing Body).

3.6 INSURANCE

The Skinners' School is insured through ***the Kent County Council 'Safe Hands' Scheme OR (Name of Insurer)*** (Note: *Insert Insurer's name and delete whichever is not applicable*) with relevant cover, as identified by the schedule received from the Authority's Insurance section.

(Schools will also need to include details of other insurers here, if applicable)

The Skinners' School recognises that cash is not insured through the Authority's Insurance policy.

3.7 PURCHASING

At The Skinners' School, budgets are delegated to key stage 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 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 tenders and contracts as laid down in the Budget Manual, namely:

- ❑ For orders in excess of £5,000, but less than £10,000, three written quotations are sought and submitted to the Finance Committee for consideration
- ❑ For orders in excess of £10,000, three written tenders are sought and submitted to the full Governing Body for consideration

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. With this in mind, the School also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

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.

3.8 PERSONNEL MATTERS

At The Skinners' School, at the start of every financial year the *Headteacher* calculates the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Committee for incorporation into the school budget planning process.

The *Staffing Committee* undertakes an annual review of all salaries and recommends enhancements, if applicable, for the Headteacher and Deputy Headteacher, in accordance with the Governors' Pay Policy. Any recommendations are submitted to the main Governing Body for approval and ratification and the details are recorded as a confidential item in the minutes.

3.9 PAYROLL MATTERS

The payroll provider at The Skinners' School is Capita Business Services Ltd (*Note: Schools should insert their provider here, if different*), who provides payroll services to the specification laid down by the Authority. The Headteacher, or designated deputy, (*Note: Schools should insert the job title of the individual who carries out the check, if not the Headteacher*) signs off the monthly payroll reports once they have been checked for accuracy.

3.10 SAFEGUARD OF STOCKS, STORES AND ASSETS

All staff at The Skinners' School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Headteacher or designated deputy. (*Note: Schools should insert the job title of the individual who carries out the certification, if not the Headteacher*). Other school assets are recorded on a general asset register, maintained and updated by the school office.

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 Finance Committee agrees this on behalf of the Governing Body 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.

3.11 INCOME

At The Skinners' 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, these will be referred to the area Principal Accountant for authorisation. Approval to write off debts over £1,000 is required in writing from the Head of Education and Libraries Finance.

Since the Authority 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 £XXX. *(Note: It is suggested that the level of cash held in schools is kept to a minimum, £200 is a suggested figure).* Cash will be receipted, recorded and banked promptly at all times.

3.12 THE SCHOOL BANK ACCOUNT

The Skinners' School operates its school bank account(s) in accordance with the regulations in the Authority's Finance Scheme and the guidance in the Budget Manual. 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 Authority's Area Finance Office, as a matter of course.

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

3.13 PETTY CASH

Petty Cash is held securely at all times and the limit for petty cash is £XXX. *(Note: A limit should be inserted here).* At the Skinners' School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £XX *(Note: The transaction value should be kept to a minimum, £25 is the suggested amount).* 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.

3.14 VOLUNTARY FUND

In addition to the Authority's official funds, The Skinners' School also operates a school voluntary fund, adopting the procedures in the Authority's School Voluntary Fund guidelines. 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 The Skinners' School are aware of the Authority's disclosure policy entitled 'Speaking out', which allows members of staff to raise concerns in

confidence, providing for a thorough investigation of any suspected irregularity. 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 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. 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.

3.17 FINANCIAL ADMINISTRATION

At The Skinners' 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 Authority's Area Finance team, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required. *(Note: Schools should amend as necessary).*

Signed Date
(Chair of Governors)

Signed Date
(Chair of Finance Committee)

Signed Date
(Headteacher)