



## Castle Hill Community Primary School Finance Policy

### 1. Introduction

The Governors of Castle Hill 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 using the Circle Model of Governance.

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

### 2. Principles

Castle Hill Primary 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 **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 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, 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:

- 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 Corporate Cards 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 LA's Head of Internal Audit
- The school will adhere to current GDPR and 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 Castle Hill 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 Castle Hill 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 **Full Governing Body** is responsible for the following aspects of financial management;

- Evaluate and approve the three year budget plan, which shows clear links to the School Development/Improvement Plan
- To review and approve the Finance Policy and agree levels of delegation
- To review and approve the Charges and Remissions Policy

- To review and approve the Pay Policy
- To make decisions in respect of service agreements and insurance
- To consider any consultations to change the LA Scheme for Financing Schools, to allow the school to respond
- Receive monitoring and the outturn position, highlighting any significant variances
- Evaluate and approve Tenders for Contract Services
- Evaluate any proposed virements
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance

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 Internal Financial Controls**

The internal financial controls operated by Castle Hill Primary 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**

Castle Hill 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 monthly internal monitoring procedure, present to the Full Governing Body. Monitoring reports are taken to the appropriate Full Governing Body Meeting for consideration. 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 £8000 - The Headteacher, reported to the Full Governing Body

Virements from £8001 to £9999 – Governors with responsibility for Finance monitoring

Virements over £10000 – The Full Governing Body

### 3.5 Insurance

Castle Hill 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.

Castle Hill School purchases Money Cover as an optional extra through the Safe Hands scheme and therefore cash is insured up to £3000

### 3.6 Purchasing

At Castle Hill Primary School, budgets are NOT delegated to key stage co-ordinators and class teachers. Staff 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, 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 larger items, we adhere to the procedure for spending the Council's Money as laid down in the Scheme for Financing Schools (<http://www.kelsi.org.uk/policies-and-guidance/finance-guidance-and-policies/scheme-for-financing-schools>), in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted for approval 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 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 any Hire Purchase agreements, Finance agreements or Finance Leases as this constitutes borrowing which is not permitted.**

### 3.7 Personnel Matters

At Castle Hill Primary School, at the start of every financial year the **Headteacher** uses BPS software to calculate the salary costs of all members of staff, including increments, where applicable. The financial tool also produces a three year budget plan using information input by the Business Manager and Finance Officer. These details are used by the Full Governing Body to consider and approve the three year budget plan.

A group of appointed governors undertake an annual review of the Headteacher's salary, and recommends 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.

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

### **3.8 Payroll Matters**

The payroll provider at Castle Hill Primary School is CAPITA, 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 Castle Hill Primary 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. 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 Full Governing Body agrees this 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**

At Castle Hill 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 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 Schools Financial Services Manager.

We have agreed a level of cash to be held in school at any one time as £3000. Cash will be receipted, recorded and banked, promptly, at all times.

### **3.11 The School Bank Account**

Castle Hill Primary 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.

Castle Hill 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 Castle Hill Primary School are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines. The Headteacher or designated deputy signs and dates the bank statement as soon as possible after the reconciliation has been checked.

### **3.12 Petty Cash**

Castle Hill Primary School does not have a petty cash system in operation.

### **3.13 Corporate Cards (If Applicable)**

Castle Hill Primary School operates an approved Corporate Card in accordance with the LA guidance.

The approved users are:

Sue Parsons, the monthly card limit is £2500  
Jenny Harding, the monthly card limit is £4000  
Dave Nuttall, the monthly card limit is £1000  
Sarah Merritt, the monthly card limit is £1000  
Sue Lambourne, the monthly card limit is £800

Administration of purchases on corporate cards:-

Orders over £100 are committed to FMS, receipts and invoices are obtained and processed using this system. At Castle Hill these transactions are identified using CC, followed by the unique number issued on receipt/invoice. Weekly dummy cheque processing, prefix 5 within FMS for corporate card transactions, are actioned in conjunction with RBS online transaction list. On receipt of each monthly statement, from RBS, further checks are undertaken to confirm the weekly processing has been actioned correctly for all stated items. The dummy cheques are then reconciled with the bank statement. Cardholders must sign the corporate card statement to confirm expenditure. Evidence is filed within supplier transactions paperwork.

**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, Castle Hill Primary 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. The voluntary fund operates a debit card and there is one approved user – Sue Parsons. We have appointed an independent financial auditor 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 Castle Hill Primary School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in their staff handbook and a copy of the policy is in the staffroom.

### **3.16 Data Protection**

Castle Hill 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). Castle Hill Primary School pays an annual charge as determined by the ICO.

### **3.17 Information Systems**

Castle Hill Primary School has a password protection procedure. 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.

### **3.18 Financial Administration**

At Castle Hill 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.

Signed..... Date.....  
(Chair of Governors)

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

**If you have any queries please contact Schools Financial Services on  
03000 415 415**