

LITTLEBOURNE CE PRIMARY SCHOOL



Finance Policy

Key Contact Personnel in School

Headteacher: Simon Hillier

Chair of Governors: Simon Rudland

Date Written: December 2024

Date Agreed and ratified by Governing body:
January 2025

Date of next review: January 2026

1. Introduction

The Governors of Littlebourne Church of England 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.

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

2. Principles

Littlebourne Church of England 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 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 NatWest **One**card 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 Littlebourne Church of England 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 Littlebourne Church of England 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 approve the Finance Policy and agree levels of delegation.

- 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 allow the school to respond to any consultation
- 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

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.

The School Business Manager is responsible to the Headteacher for the day-to-day operation of the school's financial procedures

For the general administration of financial procedures, the Headteacher has delegated authority to the LA Finance Officer.

3.2 Internal Financial Controls

The internal financial controls operated by Littlebourne Church of England 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 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

Littlebourne Church of England 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, copied to the Finance Governors and the Chair of Governors. A budget

monitoring report is presented at every FGB, six times a year. The Finance Governors analyse the Budget report prior to the meeting as a GMVR. 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 £2,000 - The Headteacher, reported to the Pay Panel

Virements from £2,000 to £7,500 – the Pay Panel

Virements over £7,500 – The Full Governing Body

3.5 Insurance

- Littlebourne Church of England 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.
- Littlebourne School purchases supply teacher insurance through The Education Broker

3.6 Purchasing

All budgets are held by the headteacher.

All staff adhere to the KCC procedures for purchasing items, detailed in financial control no7, ensuring regard to value for money at all times. The Budget Holder or the authorised delegated deputy is responsible for authorising all order requests 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 purchases up to £24,999* it is considered good practice to hold one written quotation.
- For purchases of £25,000* and up to the current public procurement threshold, three written quotations are obtained and submitted to the *Finance Committee or FGB* for approval according to the TOR responsibilities.
- For purchases above the public procurement threshold for goods and services, or above £1m for works, a tendering procedure compliant with public procurement regulations is required.

As a matter of good practice, KCC recommend all orders under £8000 have one written quotation

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 as this constitutes borrowing which is not permitted.

3.7 Personnel Matters

At Littlebourne Church of England Primary School, at the start of every financial year the **Headteacher** 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 Pay Panel and Finance Governors for incorporation into the school budget planning process.

The **Performance Management Panel** undertakes 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 Littlebourne Church of England School is Capita Business Services Limited who provides 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. They are also checked by the School Business Manager.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Littlebourne Church of England Primary School are responsible for the security of school assets. School assets are recorded on a general asset register, maintained and updated by the school office.

All staff 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 the **School Business Manager**. Other school assets are recorded on a general asset register, maintained and updated by the school office

An asset check is performed by the School Business Manager annually, which is reported

to the full governing body.

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 Governors and Chair of Governors agree this on behalf of the Full Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans slip is completed and signed when borrowing the item and again when the item is returned.

3.10 Income

At Littlebourne Church of England Primary School does not currently let premises to any outside agency or company.

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 LA Finance Business Partner CYPE. (schoolfunding@kent.gov.uk)

The total cash (income & petty cash) held in the school must not exceed the school's cash insured levels. Cash is insured up to £3000 (stored in a safe, as per school's insurance policy schedule)

We have agreed a level of cash to be held in school at any one time as £200. Cash will be receipted, recorded and banked, promptly, at all times.

Cash will be receipted, recorded to the system and banked regularly, at least once a term (or sooner if insured limit is reached) without exception.

3.11 The School Bank Account

Littlebourne Church of England 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.

Littlebourne Church of England Primary School pays suppliers/invoices via BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Littlebourne Church of England Primary School are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines. The Headteacher signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Petty Cash

No petty cash is held

3.13 NatWest Onecard

Littlebourne Church of England Primary School operates an approved NatWest **Onecard** in accordance with the LA guidance.

The approved users are:

Cardholder and/or Position	Single transaction limit	Monthly card limit
Mr Simon Hillier – Headteacher	£500	£1,000
Mrs Charlotte McLean – SENCO/Senior Leader	£500	£1,000
Mrs Gill Waite – School Secretary	£500	£1,000
Mr Craig Dawson - Caretaker	£500	£1,000

Spending on corporate cards is strictly controlled. Purchases are agreed by the Headteacher, and a purchase order created, invoices and receipts are collated and reconciled by the Finance Officer.

The Headteacher counter-signs all purchases made by the School Business Manager.

The School Business Manager and SENCO counter-sign the Headteacher's purchases.

Twice a year, the Chair of Governors reviews and counter-signs Headteacher purchases.

Staff must not use their own cash, personal debit or credit cards for the purchase of any items for the school'

3.14 The Voluntary Fund

No Voluntary Fund is held at Littlebourne Church of England Primary School.

3.15 Fraud and Irregularities

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Schools must ensure they have a current Anti-Fraud, Bribery and Corruption Policy in place and that staff are made aware of this and the LA's Whistleblowing arrangements and to whom they should report concerns. This information must be communicated to all staff and also be included in induction for new school staff and governors.

All staff at Littlebourne Church of England 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 on our website. [whistleblowing-policy.pdf \(primarysite-prod-sorted.s3.amazonaws.com\)](#)

3.16 Data Protection

The 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). The School pays £35.00 as determined by the ICO.

3.17 Information Systems

Littlebourne Church of England 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.

3.18 Financial Administration

At Littlebourne Church of England Primary School, the LA Finance Officer (Schools Financial Services) is trained in the use of the finance software and financial administration procedures.