



Preston & Wingham Primary Schools Federation



Learning together, we grow kind hearts  
and healthy minds.

# FINANCE POLICY

## APPROVAL & ADOPTION

This policy was formally agreed and adopted by the Governing Body on:

20th January 2025

**Chair of Governors**

Signed.....

**Review Date: January 2025**

## 1. Introduction

The Governors of the Preston and Wingham Primary Schools Federation 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 Executive 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

Our Finance Policy adheres to the following principles;

- The responsibilities of the Governing Body, its committees, the Executive 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 federation 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 federation's prioritised educational objectives through its links to the Federation Development Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Executive 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 federation will be adequately insured against exposure to risk.

The federation 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 petty cash is strictly controlled (N/A -we do not hold petty cash on site)
- The use of a NatWest **onecard** is strictly controlled
- 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** 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.

The **Full Governing Body** 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** also has responsibility for the following aspects of financial management;

- Evaluate and approve the three-year budget plan, which shows clear links to the Federation Development/Improvement Plan.
- To approve the Finance Policy and agree levels of delegation.
- To review the Charges and Remissions Policy
- To review a Pay and Reward Policy
- To respond to any consultations to change the LA Scheme for Financing Schools
- To monitor the outturn position highlighting any significant variances
- Evaluate any proposed virements (If applicable)
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance

The Executive **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 is delegated to the business.

#### 3.2 Internal Financial Controls

The internal financial controls follow the financial controls set out in the LA's Scheme for Financing Schools.

### 3.3 Financial Links to the Federation Development Plan

The Federation Development 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

The Preston and Wingham Primary Schools Federation recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the School Business Manager carries out a monthly internal monitoring procedure, which is shared and discussed with the Executive Headteacher. A monitoring report is taken to all Full Governing meetings. 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 Executive Headteacher

Virements over £8000 – The Full Governing Body

### 3.5 Insurance

Insurance is held 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 federation also purchases money cover through the safe hands scheme.

Provides cover for loss of money in the following situations:

- (a) in transit by registered post or in a Bank Night Safe £10,000
- (b) in the custody of or under the actual supervision of any governor or employee £10,000

- (c) in locked safes or strongrooms £3,000
- (d) in locked receptacles other than safes or strongrooms £250
- (e) in the private residence of any governor or employee £250

### 3.6 Purchasing

Curriculum budgets are delegated to the Heads of School. Building and maintenance budgets are authorised by the Executive Headteacher unless over £15000.

A list of authorised signatories, containing name, position, budget held and value of budget, should be held in school as an appendix to the Finance policy (**See Appendix B**)

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 authorised delegated member of staff 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 orders in excess of £15,000, but less than £50,000, three written quotations are obtained and submitted *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 Governing Body meeting to ensure that the federation 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 the start of every financial year the **Business Manager** 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 **Full Governing Body** for incorporation into the school budget planning process.

The **Governor Panel** undertakes an annual review of the Executive Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Senior Leadership Team undertakes an annual review of all other staff, in accordance with the Governors' Pay and Reward Policy. This is discussed at a Full Governing Body meeting.

### **3.8 Payroll Matters**

Our payroll provider is HR Connect, who provides payroll services to the specification laid down by the LA. The Executive Headteacher signs off the monthly payroll reports once they have been checked for accuracy.

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

All staff are responsible for the security of school assets. School assets are recorded on a general asset register, maintained and updated by the school office. These are checked annually and certified by the Executive Headteacher.

All items are visibly security marked to deter theft.

Where assets are to be 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**

Where debts are required to be written off, after every effort has been made by the Executive 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](mailto:schoolfunding@kent.gov.uk))

The total cash (income & petty cash) held in the school must not exceed the schools' cash insured levels. Cash is insured up to £250,000 (as per schools' insurance policy schedule) However the schools will never hold this amount, as cash is kept to a minimum and it is only when specific events (e.g. school fair or sponsorship) when cash may be held on site for a number of days.

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**

The federation 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 Schools Financial Services, as a matter of course.

Suppliers and Invoices are paid via BACS\* / Cheque\* ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements are received/printed out twice a month and reconciled in accordance with LA guidelines. The Executive Headteacher signs and dates the bank statement as soon as possible after the reconciliation has been checked.



### 3.12 Petty Cash

Petty Cash is not held at either school in the federation.

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

Personal Reward cards must not be used in conjunction with any school purchase.

### 3.13 NatWest onecard

Approved **one**card/s are held as an additional method of payment in accordance with the LA guidance.

*Please list:*

Cardholder and/or Position	Single transaction limit	Monthly card limit
Helen Clements EHT	£1000	£5000
Lorraine Brazier SBM	£1000	£5000

### 3.14 The Voluntary Fund

There is no voluntary fund held at either school in the federation.

### 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.

### 3.16 Data Protection

The federation (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 £60 as determined by the ICO. Any data breaches are reported to our data protection officer Rob Neil from Accordio.

### **3.17 Information Systems**

A password protection procedure is adhered to as 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 the federation two members of staff are trained in the use of the finance software and financial administration procedures, to cover any 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.

<b>Updated</b>	
March 2023	Removed petty cash paragraph, updated links with Federation Development Plan.
<b>January 2024</b>	Changes made to ensure compliant policy- used KCC model Policy. Sections 3.12,3.13,3.14
<b>January 2025</b>	Changes made to 3.5 to match KCC insurance package. Section 3.6 purchasing increased amount from £8000 to £15000