



Finance Policy

1. Introduction

The Governors of The Discovery 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 by which all Governors and staff will operate.

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

2. Principles

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

- The responsibilities of the Governing Body, its committees and monitoring teams, 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 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

The Discovery 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 Discovery 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 Discovery School will be adequately insured against exposure to risk.

The Discovery 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 & 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 Natwest One Cards 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** of The Discovery School has overall responsibility for the management of all the school's finances covering the revenue budget, other budgets delegated or devolved by the LA.

The **Full Governing Body** of The Discovery 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 **Finance, Premises and Personnel Monitoring Trio** is delegated responsibility by the Full Governing Body for the following aspects of financial management.

- Evaluate and recommend the three-year budget plan, which shows clear links to the School Improvement Plan, for approval by the Full Governing Body
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- 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 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 Headteacher has delegated the School Business Manager (Angela Alexander) and the Finance Officer with the responsibility for the general administration of financial resources.

3.2 Internal Financial Controls

The internal financial controls operated by The Discovery 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

The Discovery 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, Premises and Personnel Monitoring Trio. A monitoring report is taken to all meetings of the Finance, Premises and Personnel Monitoring Trio which reports, as required, to the Full Governing Body. 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 £5,000 (excl VAT) - The Headteacher, reported to the Budget and Personnel Monitoring Trio

Virements up to £10,000(excl VAT) – Finance, Premises and Personnel Monitoring Trio

Virements over £10,000 (excl VAT) – The Full Governing Body

3.5 Insurance

The Discovery 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.

The Discovery School recognises that cash is not insured through the LA's Insurance Policy.

3.6 Purchasing

At The Discovery School, budgets are delegated to all senior leaders and subject leaders, according to the priorities within the School 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, Deputy Headteacher or Business Manager 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 Schools (www.kent.gov.uk/publications/business/spending-councils-money.htm), in summary:

- For orders in excess of £8,000 (excl VAT), but less than £50,000, three written quotations are obtained and submitted to the Finance, Premises and Personnel Monitoring Trio for approval and report to the Full Governing Body. This approval may be carried out via email if required.
- For orders in excess of £50,000 (excl VAT), 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 Monitoring Trio /Governing Body meeting to ensure that The Discovery School is seen to be obtaining value for money at all times.

The Discovery School does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases.

3.7 Personnel Matters

At The Discovery School, at the start of every financial year the **Headteacher** uses the three-year salary calculator provided on KELSI to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Pay Monitoring Trio to ensure compliance with school's Pay Policy and by Finance, Premises and Personnel Monitoring Trio for incorporation into the school budget planning process.

The **Headteacher Performance Management Group** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, in accordance with the Pay Policy via the Pay Monitoring Trio to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all other staff pay, and reviews this with the Pay Monitoring Trio in accordance with the Pay Policy.

Any details related to an individual pay and conditions are to be recorded as a confidential item in the minutes of monitoring meeting.

The Headteacher, Pay Committee or Headteacher Performance Management Group are to ensure the Finance, Premises and Personnel Monitoring Trio are kept informed of changes in pay that impact upon the school's budget.

3.8 Payroll Matters

The payroll provider at The Discovery School is SPS Intepay, 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 by the School Business Manager.

3.9 Safeguard of Stocks, Stores and Assets

All staff at The Discovery School are responsible for the security of school assets. School assets are recorded on a general asset register, maintained and updated by the Network Manager (Educare IT Ltd) and School Business Manager.

Items of high value are stored overnight in locked cupboards/cabinets, wherever possible and all items are visibly security marked to deter theft.

Where assets recorded on the register are to be written off and/or disposed of, Finance, Premises and Personnel Monitoring Trio shall review and minute such decision on behalf of the Full Governing Body.

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 The Discovery School, the Lettings Policy is reviewed and approved by the Full Governing Body and a listing of all current lettings shall be reviewed annually by the Finance, Premises and Personnel Monitoring Trio to ensure compliance with the Lettings Policy and that individual lettings provide appropriate extended services for the local community and value for money for the use of the school's facilities.

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.

Since the LA does not insure for cash held on the school premises, we have agreed a maximum level of cash to be held in school at any one time as £2,500. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

The Discovery School operates its school bank account 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.

Bank statements at The Discovery School are received on at least a monthly basis and reconciled immediately. The Headteacher or Deputy Headteacher in the absence of 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. At The Discovery School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £50. 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.

3.13 Purchase Cards

The Discovery School operates an approved Purchase Card (Natwest One Card) in accordance with the LA guidance. The approved users are Angela Alexander, Jennifer Baker and Claire Caplan. The monthly card limit for each holder is £3,000 (£2,000 for Jennifer Baker). De minimis purchases agreed in advance by the appropriate authoriser (Subject Lead, Year Group Lead, Assistant Head Teacher) will be reimbursed to the purchaser by way of Bacs payment.

3.14 Irregularities

All staff at The Discovery School are aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

3.15 Data Protection

The Discovery 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).

3.16 Information Systems

The Discovery 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 as The Discovery School is 'hosted' by EIS. Virus protection is in place and is updated regularly. The Discovery School has a disaster recovery plan for the administration network.

3.17 Financial Administration

At The Discovery School, the Finance Officer is trained in the use of the finance software and financial administration procedures. In the event of prolonged absence, The Discovery School would purchase support through Schools Financial Services on either an adhoc or contract basis to provide the necessary cover.