

# TONBRIDGE FEDERATION POLICY

Policy name	Finance Policy
School in which policy applies	Hugh Christie & Long Mead C.P School
Date written	February 2020 (Updated May 2023)
Date agreed by Governing Body	June 2023
Date of renewal	February 2024
Senior member of staff with oversight	Federation Business Manager
Governor with oversight	Malcolm Cole



## Introduction

The Tonbridge Federation Governing Body is committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Head Teachers' of Hugh Christie School and Long Mead CP School, 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.

### 1. Principles

The Tonbridge Federation Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its committees, the Executive Principal 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 budgets will reflect each school's prioritised educational objectives through its links to the School Improvement Plan, which indicates the resource implications of each priority.

The budgets will be subject to effective monitoring, allowing the Governors, Executive Principal 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
- The use of a Corporate Card 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

## 2. Putting Policy into Practice

### 3.1 Delegated Authority

The **Tonbridge Federation Full Governing Body** of Hugh Christie School and Long Mead Community Primary School has overall responsibility for the management of all of the schools' finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds.

The **Tonbridge Federation Full Governing Body** of Hugh Christie School and Long Mead Community 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 Finance Committee Sub Team is delegated scrutiny of some areas (see Terms of Reference and Standing Orders document (Sept 2015)). However the Full Governing Body still retains responsibility for decisions following recommendations from the Finance Team

- Evaluate and recommend the three year budget plan, which shows clear links to the School Development/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 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

- 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 Head Teacher 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 Federation Business Manager, including providing the Senior Leadership teams of both schools with budgetary information.

### **3.2 Internal Financial Controls**

The internal financial controls operated by Hugh Christie School and Long Mead Community Primary School follow the financial controls set out in the LA's Scheme for Financing Schools.

### **3.3 Financial Links to the School Improvement Plans**

The Schools' Improvement Plans have sufficient scope and depth, including financial implications which are reflected in the schools' three year budget plan.

### **3.4 Monitoring and Virements**

Hugh Christie School and Long Mead Community Primary School recognise that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Federation Business Manager carries out a monthly internal monitoring procedure, copied to the governor with Finance Responsibility. A monitoring report is taken to all meetings of 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 schools' 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 £10,000 - The Executive Principal, reported to the Full Governing Body

Virements over £20,000 – The Full Governing Body

### **3.5 Insurance**

Hugh Christie School and Long Mead Community Primary School are 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.

Long Mead CP School also takes out supply teacher insurance, currently via Harrington Bates. Hugh Christie School and Long Mead Community Primary School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

### 3.6 Purchasing

At Hugh Christie School, budgets are delegated to Directors of Learning, Heads of Department, subject leaders and Academy Principals who are named as **cost centre managers**. At Long Mead Community Primary School, subject leaders prepare a 'needs budget' for their area of responsibility, which is approved by the Head Teacher in line with the priority needs of the school and 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 Head Teacher or designated budget holder 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](http://www.kent.gov.uk/publications/business/spending-councils-money.htm)), in summary:

- For orders in excess of £8,000, but less than £20,000, three written quotations are obtained and submitted to the Federation Business Manager for approval by the Head Teacher.
- For orders in excess of £20,000, but less than £50,000, three written quotations are obtained for approval and report 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 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

For both schools at the start of every financial year the **Federation 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 for incorporation into the school budget planning process.

The **Pay Committee** undertakes an annual review of the Head Teachers salaries, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Head Teachers of both schools undertake an annual review of all other staff, in accordance with the Governors' Pay Policy.

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

### 3.8 Payroll Matters

From January 2023 the two schools use the same payroll provider, Cintra HR & Payroll Services Ltd. The Federation Business Manager and the Head Teachers sign off the monthly payroll reports for each school once they have been checked for accuracy.

### 3.9 Safeguard of Stocks, Stores and Assets

All staff at both schools are responsible for the security of school assets. Academy Principals 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 Head Teacher.

For both Schools : other site college assets such as ICT and electrical equipment are recorded on a general asset register, maintained and updated by the Mitie PFI and for all ICT equipment maintained by the ICT Technicians. All Departments are encouraged to keep an account of items of lower value which may be of a desirable nature e.g. calculators, reference books, small items of equipment etc. and pursue any discrepancies which may arise to a satisfactory conclusion

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 Head Teacher agrees this on behalf of the Full Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, an entry is made in the loans book and the date of issue is recorded and signed: a date of receipt and signature are also entered upon return of the asset.

### **3.10 Income**

At Long Mead Primary School, the Lettings Policy is reviewed and approved by the Governing Body. At Hugh Christie lettings are outsourced and managed by GEN2/ Apleona Asset Management who operate the PFI services to the site. The lettings policy is reviewed and approved on an annual basis.

Where debts are required to be written off, after every effort has been made by the Head Teacher and Governors to recoup the monies, the Full Governing Body will approve up to £1,000. Approval must be sought from the LA Finance Business Partner CYPE. Requests should be made by email to [schoolfunding@kent.gov.uk](mailto:schoolfunding@kent.gov.uk) and marked for the attention of the 'CYPE Finance Business Partner'.

We have agreed a level of cash to be held in school at any one time as £500. Cash will be receipted, recorded and banked promptly at all times.

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

Hugh Christie and Long Mead operate their separate school bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools. Each 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 both schools are received/printed out on at least a monthly basis and reconciled immediately. The Head Teacher and Business Manager / Assistant Business Manager signs and dates the bank statement when it has been reconciled.

### **3.12 Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £200. Petty cash transactions are kept to a minimum and the maximum value of any one transaction is £25. 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 Corporate Cards**

Both schools operate an approved Nat West One Card in accordance with the LA guidance. The approved users with their single and monthly transaction limits are as below:

Hugh Christie:- Jon Barker (£1000/£2,000), Kelly Midwinter (£1000/£2,000), Nicki Riddle (£2,000/£8,000), and Sarah Stewart £2,000/£8,000).

Long Mead: Elizabeth Alexander (£500/£5,000), Karen Follows (£500/£5,000), Julie Barden (£200/£1,000) and Emma Dann (£200/£1,000).

On leaving employment, the nominated card administrator will ensure the destruction of the card, which should be witnessed and recorded prior to the card holder leaving their employment.

**Personal credit / Debit cards will not be used for the purchase of items for the school.**

### **3.14 Irregularities**

All staff within the Tonbridge Federation 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 the staff network drive.

### **3.15 Data Protection**

The Tonbridge 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). Both Schools to the ICO pay £60 as determined by the ICO.

### **3.16 Information Systems**

The schools' information systems 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**

Within the Federation, 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.

## APPENDIX 1

### Receipting of Income, Security and Banking

#### 1. Introduction

- 1.1 All monies received should be properly receipted and recorded, held securely and banked promptly to the correct account. The school's local accounting system should be updated as soon as is practicable, once the income is received. It is advisable to process the income entries prior to banking.

#### 2. Key Controls and Procedures

- 2.1 Receipts should be issued *at the time* for all cash received, with pre-printed sequential numbered receipts for control purposes. For non-official cash, a voluntary fund receipt should be issued or acknowledgement of collection should be made by entry in a register (e.g., for school journey collections).
- 2.2 A member of staff handing cash to another member of staff should ensure the cash is counted and agreed at the time of hand-over.
- 2.3 Responsibility for the control and issue of receipt books (and pre-printed sequentially numbered invoices and chequebooks) should be designated to an appropriate member of staff (e.g. Trip Leader).
- 2.4 Prior to banking, all official and voluntary fund monies (i.e., both monies received and petty cash) should be held securely in the school safe in the Finance office or in the deposit box in the admin office or as a last resort in a lockable metal filing cabinet if safe facilities are not available.
- 2.5 The custody of safe keys should be specifically allocated to one or two members of staff and only they should open the safe. A maximum of three keys should be cut and issued to maintain adequate control, with one of these keys held by the Head Teacher (or a delegated deputy) for use in an emergency. Safe keys and cash-box keys must not be left on the premises overnight or at weekends.
- 2.6 Monies held in the safe for other persons/organisations (e.g., the PTA or site contractors) should be held in separate locked cash-boxes. It should be made clear to the person(s) responsible that this money is their sole responsibility and the cash box(es) should be locked and the keys held in their personal possession. They should also make their own insurance arrangements to cover the risk of loss of money.
- 2.7 The Governing Body stipulate that any amount above £1,000 must be banked more frequently than weekly,
- 2.8 Monies collected should be banked intact and personal cheques **must not** be cashed from monies collected.
- 2.9 The person responsible for banking should complete the bank paying-in slips with details of the amounts of each cheque and sufficient information to identify the source of the payment.
- 2.10 Cash should be banked up-to-date, e.g., to the last receipt issued.
- 2.11 The Head Teacher, or designated deputy, should ensure the amount banked agrees with the appropriate school records.