



KENT HEALTH NEEDS EDUCATION SERVICE

Name of Policy	FINANCE POLICY
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1. Introduction

The Members of KHNES 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 Head Teacher and the Management Committee have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within the **Circle Model of Governance**.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools and the Audit Commission documents, *Keeping your Balance* and *Getting the Best from your Budget*.

2. Principles

KHNES Finance Policy will adhere to the following principles:

- The responsibilities of the Management Committee, its Monitoring Pairs, the Executive Head Teacher and staff will be clearly defined and limits of delegated authority established, where applicable.
- The **Management Committee** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by:
 - i) Using performance data to **compare** attainment and other outcomes from all schools nationally and with similar schools
 - ii) Using the information gained to **challenge** performance and set new targets
 - iii) Where financial benchmarking is available, using it to **compare** expenditure with similar schools
 - iv) Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
 - v) **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 Members, Executive Head Teacher 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:

- 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 received, 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
- The School Friends of KHNES 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 Audit and Risk
- The school will adhere to current 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 **Management Committee** of KHNES 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 Friends of KHNES Fund).

The **Management Committee** of KHNES will annually review and approve the Finance Policy and all Terms of Reference for the Monitoring Pairs.

The **Monitoring Budget Pair** are delegated responsibility by the Management Committee 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 Management Committee
- To report monitoring and the outturn position to the Full Management Committee, highlighting any significant variances.
- Evaluate any proposed variations and report to the Full Management Committee.
- Evaluate and report on Tenders for Contract Services to the Full Management Committee.
- Keeping in-school financial procedures under review.
- Benchmark the school's financial performance and report to the Full Management Committee.
- Evaluate and recommend the annual Statement of Internal Control and present to the Full Management Committee for approval.
- Evaluate and recommend the annual Best Value Statement and present to the Full Management Committee for approval.

The Executive Head Teacher is responsible for implementing the decisions of the Management Committee 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 Executive Head Teacher and this delegation should be documented in the Finance Policy.

3.2 Internal Financial Controls

The internal financial controls operated by KHNES 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 financial implications and it is reflected in the school's three year budget plan.

3.4 Monitoring and Virements

KHNES recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Executive Head Teacher carries out a monthly internal monitoring procedure, copied to the Monitoring Member/s. A monitoring report is taken to all Full Management Committee meetings. Monitoring reports are submitted to the LA in accordance with its timetable. Members 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 £8,000 – The Executive Head Teacher, reported to the Monitoring Member/s.

Virements over £8,000 – The Full Management Committee

3.5 Insurance

KHNES 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.

KHNES recognises that cash is not insured through the LA's Insurance Policy.

3.6 Purchasing

At KHNES, budgets are delegated to co-ordinators and class teachers as appropriate. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Executive 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 Executive Head Teacher or designated deputy 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, but less than £50,000, three written quotations are obtained and submitted to the Full Management Committee for approval.

For orders of £50,000 or over, no fewer than three competitive tenders are sought and submitted to the Full Management Committee for approval.

All of the above will be reported and minuted at the Full Management Committee 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 KHNES, at the start of every financial year the Executive Head Teacher uses the three year salary calculator provided by Kelsi to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the **Monitoring Members for** incorporation into the school budget planning process.

The Executive Head Teacher's Appraisal Committee undertakes an annual review of the Executive Head Teacher's salary, and recommends enhancements, if applicable, to the Full Management Committee for approval.

The Executive Head Teacher undertakes an annual review of all other staff, in accordance with the Members' Pay Policy and reports to the Full Management Committee.

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

3.8 Payroll Matters

The payroll provider at KHNES is Intepay (SPS) who provides payroll services to the specification laid down by the LA. The Executive Head Teacher signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at KHNES 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 Executive Head Teacher or designated Head of School. 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 Management Committee 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

Since the LA does not insure for cash held on the school premises, 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.

3.11 The School Bank Account

KHNES 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.

Bank statements at KHNES are received on a monthly basis and reconciled in accordance with LA guidelines. The Executive Head Teacher signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Petty Cash (If Applicable)

Petty Cash is only held at the Ebbsfleet Hub, where it is held securely at all times and the limit for petty cash is £115. At KHNES, 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

KHNES operates an approved Corporate Card in accordance with the LA guidance.

The approved users are:

Mark Goode	£2,000 credit limit
Stuart Radlett	£1,000 credit limit
Sally Long	£1,000 credit limit

The Purchase Cards will be kept in a secure location at all times when not in use. Personal credit / Debit cards will not be used for the purchase of items for the school.

3.14 Irregularities

All staff at KHNES 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.

3.15 Data Protection

Under the terms of the Data Protection Act 1998, the Executive Head Teacher and Management Committee are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. 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.

3.16 Financial Administration

At KHNES 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.

Policy approved at the meeting of the Management Committee on Monday 12th October 2020