St Edward’s Catholic Primary School Finance Policy

1. Introduction

The Governors of St Edward’s Catholic 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 Board 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 KCSP’s Financial Regulations.

2. Principles

St Edward’s Catholic 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 Board 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 KCSP’s Financial Regulations 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 Development/Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Headteacher, staff and KCSP to maintain financial control.
There is a mechanism in place to review the current position and take any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The funding is spent for the purpose of the school only, compliant with the Academies Financial Handbook
- 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, in line with KCSP’s Procedure manuals.
- The use of petty cash is strictly controlled
- The use of a Corporate Card is strictly controlled (if applicable – see separate section)
- Any suspected irregularity will be reported immediately to the KCSP Trust Finance Director.
- 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 Local Governing Board of St Edward’s Catholic Primary School has been delegated the overall responsibility for the management of all of the school’s finances covering the revenue budget and any other budgets delegated or devolved by KCSP.

The Local Governing Board of St Edward’s Catholic 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 KCSP Trust office.

The Finance Committee has delegated responsibility 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 ultimate approval by the KCSP Board, via the Local Governing Board
- To review the Finance Policy and agree levels of delegation for approval by the Local Governing Board and in line with KCSP Financial Regulations
- To review the Charges and Remissions Policy for approval by the Local Governing Board
- To make decisions in respect of service agreements
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances.
- Evaluate and recommend the December and April KCSP monitoring returns.
- Report the financial position following the completion of the year end accounts
- Evaluate any proposed virements (if applicable)
- Evaluate and report on Tenders for Contract Services to the Local Governing Board
- Keeping in-school financial procedures under review
- Benchmark the School’s financial performance and report to the Local Governing Board

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 and the school administrator have delegated authority.

3.2 Internal Financial Controls

The internal financial controls operated by St Edward’s Catholic Primary School follow the financial controls set out in KCSP’s Financial Regulations.
3.3 Financial Links to the School Improvement Plan

The financial implications of the School Improvement Plan are adequately reflected in the school’s three year budget plan.

3.4 Monitoring and Virements

St Edward's Catholic 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, supported by the school’s Business Manager carries out a monthly internal monitoring procedure, copied to the Chair of the Finance Committee. A monitoring report is taken to all meetings of the Finance Committee which reports, if required, to the Local Governing Board. Monitoring reports are submitted to KCSP in accordance with its timetable, currently December and April. Governors should ensure their meetings are timed to receive all monitoring submitted to KCSP prior to submission. 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 Headteacher, reported to the Finance Committee
- Virements from £8,000 to £15,000 – The Finance Committee
- Virements over £15,000 – The Local Governing Board

3.5 Insurance

St Edward’s Catholic Primary School is insured through KCSP’s named Insurer. This includes an amount for Cash held on the premises.
3.6 Purchasing

At St Edward’s Catholic Primary School, budgets are delegated to subject leaders. Budget holders prepare a ‘needs budget’ for their area of responsibility, which is approved by the Headteacher 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 Headteacher authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for quotes and tenders as outlined in KCSP’s Financial Regulations.

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Finance Committee for approval and report to the Full Governing Body

- All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 are subject to formal tendering procedures, detailed in KCSP’s Financial Regulations and will be overseen by the Trust Finance Director

All of the above will be minuted at the appropriate committee meetings 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 St Edward’s Catholic Primary School, at the start of every financial year the School 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 Finance Committee for incorporation into the school budget planning process.

The Performance Management Committee undertakes an annual review of the Headteacher’s salary, and recommends enhancements, to the Local Governing Board and/or KCSP as appropriate.

The Headteacher undertakes an annual review of all other staff, in accordance with KCSP’s Pay Policy and reports to the Local Governing Board.

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

The payroll provider at St Edward’s Catholic Primary School is Schools Personnel Service, who provides payroll services to the specification laid down by KCSP. The Headteacher, or school business manager, signs off the monthly payroll reports once they have been checked for accuracy. A clear reconciliation between the payroll report and the accounting system should be maintained.

3.9 Safeguard of Stocks, Stores and Assets

All staff at St Edward’s Catholic Primary School are responsible for the security of school assets. Subject leaders and class teachers safeguard their assets. St Edward’s Catholic Primary School uses the Parago software as directed by the Trust and this is maintained accurately by the School Business Manager. It is checked at least on an annual basis and certified by the Headteacher or designated deputy.

Items of value are held in a locked cupboard, 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 Local Governing Board and the agreement is minuted. Three offers are required for items over £2,000.

Where school assets are loaned to staff or pupils, the loan is reflected on the Parago system.

3.10 Income

At St Edward’s Catholic Primary School, the Lettings Policy is reviewed and approved by the Governing Board.

Debts below £1000 may be written off by the LGB on receipt of a written report from the Head Teacher and copied to the Trust Finance Director. Requests to write-off debts over £1,000 must be referred in writing to the Trust Finance Director for submission to the Finance Committee for consideration. Debts may only be written off on the authority of the Finance and Resource Committee annually before the Financial Statements are approved.

We have agreed a level of cash to be held in school at any one time as £800. Large values may require additional insurance cover. Cash will be receipted, recorded and banked promptly at all times.
3.11 The School Bank Account

St Edward’s Catholic Primary School banks with Lloyds Bank and operates its school bank account(s) in accordance with KCSP regulations.

Bank account signatories are updated immediately for any changes in staffing.

St Edward’s Catholic Primary School pays its suppliers by the due date, ensuring it adheres to all financial controls within the KCSP Financial Regulations.

Bank statements at St Edward’s Catholic Primary School are received/downloaded on at least a monthly basis and reconciled immediately. The reconciliation fully complies with KCSP’s guidance and the Headteacher signs and dates the bank statement and supporting paperwork 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 £300. At St Edward’s Catholic Primary 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. These receipts are attached to the KCSP pro forma and authorised by the Head Teacher. In the exceptional circumstance of a receipt being lost, full details of the item in question should be written on the pro forma and signed by the Head Teacher.

3.13 Corporate Cards

St Edward’s Catholic Primary School operates an approved Corporate Card in accordance with KCSP guidance.

The approved users are Mrs Wakefield and Mrs Tinsley. The monthly card limit is £2500

No one other than the named card holder will use the card.

As with any spend at the school, the normal rules regarding spending apply. All expenditure will be authorised by the Head Teacher prior to items being purchased. Receipts/Invoices will be supplied as evidence of purchase, these are attached to the KCSP pro forma which is also authorised in the normal way.

In the case of expenditure being incurred by the Head Teacher, the authorisation will be made by the Chair of Governors.

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

All staff at St Edward’s Catholic Primary School are aware of KCSP’s Whistleblowing policy 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, KCSP is required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, the 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.

3.16 Financial Administration

At St Edward’s Catholic Primary School, two members of staff are trained in the use of the finance software and financial administration procedures.