



The Flourish Federation

FINANCE POLICY

Adopted

SEPTEMBER 2017

Review

SEPTEMBER 2018

1. Introduction

The Governors of The Flourish 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

The Finance Policy of The Flourish Federation will adhere to the following principles:

- The responsibilities of the Governing Body, 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 both 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 individual school's prioritised educational objectives through its links to the School Development Plans, 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 by reviewing the current position and taking any remedial action necessary.

The Federation will be adequately insured against exposure to risk.



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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 accounts and the reconciliation of bank balances with the accounting records are properly controlled
- The use of Corporate Cards are strictly controlled
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- 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 Governing Body of The Flourish Federation has overall responsibility for the management of the individual school's finances covering the revenue budget and other budgets delegated or devolved by the Authority.

The Full Governing Body of The Flourish Federation 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 forms prior to sending a copy to the LA.

The Monitoring Budget Pair have 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.



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- 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 out turn positions to the full Governing Body highlighting any significant variances.
- 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
- Evaluate and recommend the annual Statement of Internal Control and present to the full Governing Body for approval.

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 may be delegated to other members of staff at the discretion of the Executive Headteacher.

The Executive Headteacher has delegated financial authority to the Federation Business Director.

3.2 Internal Financial Controls

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

3.3 Financial Links to the Combined SIP/SEF

The individual schools combined SIP/SEF will have sufficient scope and depth of the financial implications and it is reflected in the individual schools and federation three year budget plan.

Staffing organisation and proposals are agreed by the full Governing Body in the light of budget implications.

3.4 Monitoring

The Federation recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end the Executive Headteacher carries out a monthly finance monitoring and a finance monitoring report is taken to the full governing body meetings. Reports are submitted to the Authority in accordance with its timetable.



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Virements from the original agreed budget are not made – any differences are shown as a variance and full explanations provided.

3.5 Insurance

Individual schools are insured through **the Kent County Council 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the Authority's Insurance section.

The Federation recognises that cash is not insured through the Authority's Insurance policy.

There are separate policies for supply teacher sickness cover.

3.6 Purchasing

Budgets are overseen by the Federation Business Director. The Executive Headteacher allocates funds in line with the priority needs of the individual schools and the School Development Plan's.

All staff adhere to the school procedures for purchasing items, paying regard to value for money at all times. The Head teacher or Federation Business Director authorises all orders and invoices prior to payment.

Where the individual school purchases large items, we adhere to the procedure for tenders and contracts as laid down in the Budget Manual, (www.kent.gov.uk/publications/business/cop-tenders-and-contracts.htm).

In summary:

- For orders in excess of £8,000 and up to £50,000, three written quotations are sought and submitted to the Governing Body for consideration
- For orders in excess of £50,000 no fewer than 3 competitive tenders are sought and submitted to the Governing Body for consideration.

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. With this in mind, the school also adopts the procedure where quotations are sought for all purchases over £3,000, as a matter of course.

The Governing Body recognises that contracting is a complex area and arrangements are in place to seek expert advice when necessary.

The Governing Body discuss the options available to the school prior to the approval of continuation/cessation of contracts, including LA sourced services.



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The school does not enter into Lease/Purchase agreements and any lease agreements are submitted to the Authority's Corporate Accounts and Treasury Management Section for approval, prior to signing.

3.7 Personnel Matters

At the start of the financial year the Federation Business Director and the Executive Headteacher calculate the salary cost of all members of staff, including increments where applicable.

The Executive Headteacher Performance Review group undertakes an annual review of the Executive Headteacher's salary and recommend enhancement if applicable to the Full Governing body for approval.

The Executive Headteacher, Head of School's and Federation Business Director undertake an annual review of all other staff, in accordance with Pay & Reward Policy and reports to the Full Governing Body as necessary.

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

3.8 Payroll Matters

The payroll provider is Capita Business Services Ltd who provides payroll services to the specification laid down by the Authority. The Federation Business Director carries out the check and 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 Federation staff are responsible for the security of school assets. School assets are recorded on a general asset register held by the Federation Business Director. Annual equipment inventories are completed and signed by the Executive Headteacher.

Where assets are written off and disposed of, this is minuted at a meeting of the full Governing Body.

Where school assets are loaned to staff/pupils, a loans book is completed and signed upon borrowing the item and again upon the item's return.

3.10 Income

The Lettings Policy is reviewed and updated on an annual basis by the Governing Body.



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Where debts are required to be written off, after every effort has been made by the Federation Business Director 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 Finance Services Manager.

Since the Authority 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 recorded and banked promptly at all times.

3.11 The School Bank Account

Individual schools within The Flourish Federation operate their individual school bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools. The schools operate 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 for schools within The Flourish Federation are received on at least a monthly basis and reconciled in accordance with LA guidelines. The Executive Headteacher or Federation Business Director signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Corporate Cards

The Flourish Federation operates approved Corporate Cards in accordance with the LA guidance.

Approved user	Monthly Limit
Pauline Woods	£500
Cathy Smith	£1000
Liz Guyton	£1000
David Willis	£1000
Jess Dean	£1,500
Karen Down	£2,000

The individual schools are liable to the card provider for all charges made on the card. All receipts are to be retained for audit purposes and will be accounted for on the SIMS system under the same regulations as for all school expenditure.

Transactions that are not supported by receipts can be reclaimed from the relevant card holder at the discretion of the Chair of Governors.



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No personal loyalty reward card such as Nectar, Clubcard etc. is to be used when using the corporate card. If any such card is used the value of the loyalty rewarded will be reclaimed by the school.

3.13 Irregularities

All staff working within The Flourish Federation are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available in the Staff Handbook and are displayed in the Individual School's Staff Rooms.

3.14 Data Protection

Under the terms of the Data Protection Act 1998, the Head teacher and Governing Body are required to notify the Data Protection 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.

3.15 Financial Administration

The Federation Business Director and Administration staff are trained in the use of the finance software and financial administration procedures. The Federation Business Director holds both the CSBM and DSBM qualifications.

Signed			
Executive Headteacher		Date	
Chair of Governors		Date	