



St Stephen's Junior School Finance Policy

1. Introduction

The Governors of St Stephen's Junior 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 for which all Governors and staff will operate within **the traditional model of Governance – i.e. a Finance, Audit and Risk Committee.**

This Policy has been drawn up with reference to the Academies Financial Handbook issued by the ESFA in September 2012 and is reviewed in line with the updated version issued each year.

2. Principles

St Stephen's Junior 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 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 school will establish sound internal 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 Governors, Headteacher and staff to maintain financial control 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 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 Purchase Card is strictly controlled
- Any non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the Chair of Trustees
- 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 Full **Governing Body** of St Stephen's Junior School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the ESFA and other funds (e.g. the School Voluntary Fund).

The **Finance, Audit and Risk Committee** is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate, approve and sign annual budget and the three year budget plan, which shows clear links to the School Improvement Plan, for ratification by the Full Governing Body
- To review and sign annually the Finance Policy and related policies
- To review annually the Charges and Remissions Policy
- To review a Pay Policy and staffing structure 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 ESFA Scheme for Financing Schools
- 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
- Evaluate any requirements for the annual accounts
- Evaluate and sign the annual Best Value Statement
- Be responsible for decisions relating to requirements of FMGE or its equivalent

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 or Scheme of Delegation.

3.2 Internal Financial Controls

The internal financial controls operated by St Stephen's Junior School largely follow the controls set out in the ESFA's Academies Financial Handbook. Where the requirements of the financial handbook are not specific, the Governors agree that the school may implement sufficiently stringent measures to make the workload sensible but also robust as to control. Reports are obtained from internal and external auditors to assure Governors that controls in school are sufficiently robust.

3.3 Financial Links to the School Improvement Plan

The School Improvement Plan has sufficient scope and depth relating to the financial implications and it is reflected in the school's three year budget plan.

3.4 Monitoring and Virements

St Stephen's Junior 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, with the Finance Manager. A monitoring report is taken to all meetings of the Finance Committee which reports, as required, to the Full Governing Body. Monitoring reports are submitted to the ESFA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the ESFA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.



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On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require authorisation at limits set in the Scheme of Delegation. The Scheme of Delegation is reviewed by the FGB and limits are checked annually.

3.5 Insurance

St Stephen's Junior School is insured through **the DfE Risk Protection Arrangement**. The cover extends to Commercial Combined, Terrorism, Group personal accident and travel, Loss recovery and Legal expenses. Motor Fleet insurance is through QBE Policy Number Y048129FLT0119A.

3.6 Purchasing

At St Stephen's Junior 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, Finance Manager or Budget Holder approve all orders and invoices prior to payment following the limits set out in the Scheme of Delegation.

Where the school purchases large items, we adhere to the principles of Best Value and to the limits set out in the Scheme of Delegation.

In summary:

- For orders in excess of £10,000, but less than £25,000, three written quotations are obtained and submitted to the Finance Committee for approval and report to the Full Governing Body
- For orders in excess of £25,000, 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. With this in mind, the School also adopts the procedure where quotations are sought for all purchases over £1,500, as a matter of course.

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

3.7 Personnel Matters

At St Stephen's Junior School, prior to the start of every financial year the **Finance Manager** uses current SIMS employment reports and the Kent Range Pay Scale from Kent County Council to calculate the salary costs of all support staff, including increments, where applicable. Any increases in Teachers Pay are in line with the Teachers Pay and Conditions. These details are used by the Finance Manager, Head teacher and Finance Committee for incorporation into the school budget planning process.



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The **Personnel Sub Committee** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Full Governing Body.

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

3.8 Payroll Matters

The payroll provider at St Stephen's Junior School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the contract with the academy. The Finance Manager checks the pre validation reports against the expected salaries and investigates any anomalies prior to the actual payroll run. Corrections and adjustments required are requested on Capita's Ask HR portal for rectification.

3.9 Safeguard of Stocks, Stores and Assets

All staff at St Stephen's Junior School 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 Headteacher or designated deputy. 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 Finance Committee agrees this on behalf of the Full Governing Body and the agreement is minuted. Limits of value of assets for write off are held within the Scheme of Delegation.

Where school assets are loaned to staff, a loan sheet is completed and signed when borrowing the item and again when the item is returned. The sheet is held on the personnel file. Assets are not generally loaned to pupils. In the event of this happening, the school would ask the parent to sign for the asset.

3.10 Income

At St Stephen's Junior School, the Lettings Policy is reviewed and approved on an annual basis by the Finance Committee.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Finance Committee or the Full Governing Body will approve this in accordance with the Scheme of Delegation. Any debts over the value specified in the annual funding letter must be referred to the Secretary of State for Education prior to being written off as per the terms of the ESFA Academies Financial Handbook.

Cash will be receipted, recorded and banked promptly at all times. Cash to be banked will be taken in accordance with the insurance policy requirements with all amounts being taken by 2 people.



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3.11 The School Bank Account

St Stephen's Junior School operates its school bank account(s) in accordance with the guidance in the ESFA Academies Financial Handbook. The school operates only one current account for the administration of official funds and One Account for administration of the Voluntary fund.

Bank account signatories are updated immediately there is a change in staffing.

Paper bank statements at St Stephen's Junior School are printed and processed daily with the official statement being reconciled on a monthly basis. The Finance Manager and Finance Assistant utilise Tucasi to record all School Dinner and Extended schools related payments and receipts and Sage is the current Finance package in use.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £250. 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

St Stephen's Junior School operates an approved Charge Card. The Charge Card is kept in the safe at all times when not in use. All purchases will be accompanied by a receipt or proof of purchase, this will be a VAT receipt where possible. Personal credit cards are not used for the purchase of items for the school if at all possible. Should such purchases be required, staff are asked to use a personal debit card to avoid any tax implications.

3.14 Irregularities

All staff at St Stephen's Junior School are aware of the Academy's Whistleblowing procedure. These details are available to staff in their staff handbook.

3.15 Data Protection

Under the terms of the Data Protection Act 1998, the Headteacher and Governing Body are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we 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.

3.16 Financial Administration

At St Stephen's Junior School, both the Finance Manager and Finance Assistant are trained in the use of the finance software and financial administration procedures. We also have support from the accountants Azets which is reviewed on an annual basis, allowing us the option to purchase



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additional support, if required.

Signed..... Date.....
(Chair of Governors)

Signed..... Date:.....
(Chair of Finance Committee)

Signed..... Date:.....
(Headteacher)