



Churchfields
The Village School

Atworth ∞ Monkton Farleigh

FINANCE POLICY

Approval Date:	Autumn 2021
Review Date:	Autumn 2022

1. Introduction

The Governors of Churchfields, the Village 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.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

2. Principles

Churchfields, the Village 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 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/informing** parents on policy development and major changes in the use of resources. For example, consulting specific parents on the spending of Pupil Premium funding, and informing parents generally on Pupil, Catch-Up and Sports Premium funding strategies

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 Development 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 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:

- 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 and Trade cards are strictly controlled
- The School Voluntary Fund 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 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

3. Putting Policy into Practice

3.1 Delegated Authority

The Full **Governing Body** of Churchfields, the Village 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 LA and other funds (e.g. the School Voluntary Fund).

The **Full Governing Body** of Churchfields, the Village 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 **Management Committee** is 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 Development 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 (If applicable)
- 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 Management Committee.

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 **Finance Officer** is delegated responsibility for the administration of financial procedures at Churchfields, the Village School. This is overseen by the **Headteacher**.

3.2 Internal Financial Controls

The internal financial controls operated by Churchfields, the Village School 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 Development Plan has sufficient scope and depth of the financial implications and it is reflected in the school's three year budget plan.

3.4 Monitoring and Virements

Churchfields, the Village School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Finance Officer carries out a monthly internal monitoring procedure, copied to the Chair of the Management Committee. A monitoring report is taken to all meetings of the Management Committee which reports to the Full Governing Body. Monitoring reports (in the form of Income and Expenditure Reports in September and December and CFR return at Year End) 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 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 Management Committee

Virements from £8,001 to £15,000 – The Management Committee

Virements over £15,000 – The Full Governing Body

3.5 Insurance

Churchfields, the Village School is insured through Wiltshire County Council with relevant cover, as identified by the schedule received from the LA's Insurance section.

3.6 Purchasing

At Churchfields, the Village School, some budgets are delegated to subject co-ordinators and class teachers. Budget holders complete a requisition form for any resources required for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Development/Improvement Plan. Other budgets are held by the Headteacher and any spend is approved by the Headteacher before ordering.

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 or designated deputy authorises all orders and invoices prior to payment.

As a matter of good practice, orders over £1,000 have three quotations sought, where possible.

Where the school purchases larger items, we adhere to the procedure for Spending the Council's Money as laid down in the Scheme for Financing Schools, in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Management Committee 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/Loans as this constitutes borrowing which is not permitted.

3.7 Personnel Matters

At Churchfields, the Village School, at the start of every financial year the **Finance Officer** 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 Officer for incorporation into the school budget planning process.

The **Performance Management 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 Churchfields, the Village School is Wiltshire County Council who provides payroll services to the specification laid down by the LA. The Finance Officer completes a payroll reconciliation for Basic Pay, National Insurance and Pension monthly which checks for accuracy. The Headteacher, or designated deputy, signs off any overtime claim forms before they are submitted to the Payroll Department at WCC.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Churchfields, the Village School are responsible for the security of school assets.

Items of value are held in a locked cupboard/cabinet wherever possible and all items are visibly security marked to deter theft.

Where school assets are loaned to staff or pupils, a loan agreement is completed and signed when borrowing the item and rescinded when the item is returned.

3.10 Income

At Churchfields, the Village School the Lettings Policy is reviewed and approved by the Management 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 headteacher will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the full Governing Body.

Where possible, the school will encourage payment by parents to be made via Parentpay. All payments for lettings to be made direct to the school bank account via BACS. 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

Churchfields, the Village School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Schools

Bank account signatories are updated immediately there is a change in staffing and details are held by the Finance Officer, as a matter of course.

Where possible, Churchfields, the Village School pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools. If this is not possible, a cheque is produced using the Financial Management System.

Bank statements at Churchfields, the Village School are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines. The Headteacher or designated deputy 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 held securely at all times and the limit for petty cash is £50. At Churchfields, the Village School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £30. If a staff member requires reimbursement for a purchase, it is expected that they will obtain a full VAT receipt for petty cash purchases/reimbursements, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

Where possible, reimbursements to staff are made via BACS or cheque (if

preferred).

3.13 Corporate and Trade Cards

All items should be ordered in accordance with the purchasing process. Any new cards and their purchasing limits will be agreed in advance by the governing body or delegated committee.

3.14 The Voluntary Fund

In addition to the LA's official funds, Churchfields, the Village School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that our Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of the school to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

3.15 Irregularities

All staff at Churchfields, the Village School 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.

3.16 Data Protection

Churchfields, the Village School (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).

3.17 Information Systems

Churchfields, the Village 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.

3.18 Financial Administration

At Churchfields, the Village School, one members of staff is trained in the use of the finance software and financial administration procedures. In event of staff absence, the Local Authority is able to provide support to the school as required. We also purchase a support contract through the Accounting and Budget Support team at Wiltshire Council, which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.