

## FINANCE POLICY

### 1. Introduction

The Governors of Portal House 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

The Portal House School Finance Policy adheres 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** 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 Development Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring at least 6 times per financial year, 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 NatWest **onecard** is 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 Portal House 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 Portal House 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 **Finance Focus Group** is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- To 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.
- To evaluate any proposed virements.
- To evaluate and report on Tenders for Contract Services to the Full Governing Body.
- To keep in-school financial procedures under review.
- To benchmark the school's financial performance and report to the Full Governing Body.

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 is delegated to the Finance manager.

### **3.2 Internal Financial Controls**

The internal financial controls operated by Portal House School follows 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**

Portal House 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. A monitoring report is taken to all meetings of the Finance group which reports, if required, to the Full Governing Body. Monitoring reports 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 £1,000 - The Headteacher, reported to the Finance Focus Group.
- Virements over £1,000 - The Finance Focus Group.

*(Note: Levels should be determined at school level - usually up to £8,000 Headteacher, up to £15,000 finance committee, over £15,000 Full Governing Body))*

### **3.5 Insurance**

Portal House School is insurance through the *Kent County Council (KCC) 'Safe Hands'* with relevant cover, as identified by the schedule received from the LA's Insurance section.

### **3.6 Purchasing**

At Portal House 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's Development Plan. A list of authorised signatories, containing name, position, budget held and value of budget, are held in the school as an appendix to the Finance policy (**See Appendix B**).

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying record to value for money at all times. The headteacher or designated deputy authorises all orders and invoices prior to payment.

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 Purchases up to £10,000 Headteacher authorisation confirmed at the FGB.
- For purchases up to £24,999\* one written quotation.
- For purchases of £25,000\* and up to the current public procurement threshold, three written quotations are obtained and submitted to the *Finance Committee and FGB* for approval according to the TOR responsibilities.
- For purchases above the public procurement threshold for goods and services, or above £1m for works, a tendering procedure compliant with public procurement regulations is required.

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 as this constitutes borrowing which is not permitted.**

### **3.7 Personnel Matters**

At Portal House School, at the start of every financial year the *Headteacher* uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used during the school's budget planning process.

The *Headteacher Performance Management Governors* undertake annual reviews 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 Portal House School is Capita Business Services Ltd who provides payroll services to the specification laid down by the LA. The *Headteacher* and *Finance Manager* sign off the monthly payroll reports once they have been checked for accuracy. The timeframe for this is in the same pay month.

### **3.9 Safeguard of Stocks, Stores and Assets**

All staff at Portal House School are responsible for the security of school assets. *Subject Leaders* and *Class Teachers* safeguard their assets. All assets with a value over £100 are entered on an electronic asset register which is held by the *Site Manager*. These assets are checked on an annual basis and certified by the Headteacher.

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 to be written off and disposed of, the *Headteacher* agrees this and records it as such in the appropriate asset register.

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

At Portal House School, the Lettings Policy is reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the *Headteacher* 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 LA Finance Business Partner CYPE. ([schoolfunding@kent.gov.uk](mailto:schoolfunding@kent.gov.uk))

We have agreed a level of cash to be held in the school at any one time as £250. Cash will be receipted, recorded and banked promptly at all times without exception.

### 3.11 The School Bank Account

Portal House school 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 Schools Financial Services, as a matter of course. Signatories/authorisers for BACS must also be on the bank mandate and there are two authorisers minimum.

Portal House School pays suppliers/Invoices by cheques/Bacs or Direct Debits ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Portal House School are received/printed out on at least a monthly basis and reconciled immediately. The *Headteacher* signs and dates the bank statement when the reconciliation has been checked.

The School is now using Bankline, Online Banking with NatWest. The *Finance Manager* is administrator and the mandate has been signed by the *Headteacher*, *Finance Manager* and the *Chair of Governors*

### 3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £400. At Portal House School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £30.00.

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. Each petty cash voucher is signed by the claimant and authorised by the **Headteacher**.

Staff **must not** use their own cash, personal debit or credit cards for the purchase of any items for the school.

### 3.13 NatWest onecard

Approved **onecard**/s are held as an additional method of payment in accordance with the LA guidance.

| Cardholder and/or Position | Single transaction limit | Monthly card limit |
|----------------------------|--------------------------|--------------------|
| Rosemary Bradley           | £1,000                   | £1,000             |
| Linda Lever                | £2,000                   | £2,000             |
|                            |                          |                    |
|                            |                          |                    |
|                            |                          |                    |

### 3.14 The Voluntary Fund

In addition to the LA's official funds, Portal House 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, and within three months of the fund year ending. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

### 3.15 Fraud and Irregularities

- Portal House School have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Portal House school ensures we have a current Anti-Fraud, Bribery and Corruption Policy in place and staff have been made aware of this and the LA's Whistleblowing arrangements and to whom they should report concerns. A Gifts and Hospitality policy (*a model policy is forthcoming*)

This information is communicated to all staff and is included in induction for when new school staff and governors start.

### 3.16 Data Protection

The 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). The school pays £60 as determined by the ICO. The schools designated Data Protection Officer is Mrs R Bradley Headteacher.

### 3.17 Information Systems

Portal House 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 Portal House School, one member of staff is trained in the use of the finance software and financial administration procedures. 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.

## Appendix B

### Budget Holders, September 2024

| Name           | Position                          | Budget Held     | Value |
|----------------|-----------------------------------|-----------------|-------|
| David Phillips | Subject lead for ICT              | ICT Curriculum  | 600   |
| Helen Rowarth  | Subject lead for Food Technology  | Food technology | 3500  |
| Daniel Long    | SENCO                             | SEN             | 200   |
| Peter Bulteel  | Subject lead for PE               | Enrichment      | 3000  |
| Maddy Craggs   | Subject lead for Art              | Art             | 2000  |
| Peter Bulteel  | Subject lead for PE/Enrichment    | PE              | 1300  |
| Joe McClure    | Subject lead for RE/PSHRE/Careers | RE/PSHE         | 400   |
| Dean Hill      | Assistant head                    | Friday Awards   | 3900  |
| Kieran Renihan | Subject lead for Geography        | Geography       | 250   |
| Doug Heaps     | Subject Lead for Maths            | Maths           | 1500  |
| Carolyn Lavers | Subject lead for Science          | Science         | 2000  |
| Hannah Daniel  | Subject lead for English          | English         | 2000  |
| Hannah Daniel  | Subject lead for English          | Library         | 200   |
|                |                                   |                 |       |