

Tunbridge Wells Girls' Grammar School Finance Policy

Approved: December 2018

1. Introduction

The Governors of Tunbridge Wells Girls' Grammar 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

Tunbridge Wells Girls' Grammar 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** parents, usually through the Senior Leadership Team, 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 where appropriate.

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 (where practical) 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 Card 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 Tunbridge Wells Girls' Grammar 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 Tunbridge Wells Girls' Grammar School will ensure the annual detailed reports 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 and Facilities 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 Improvement Plan, for approval by the Full Governing Body
- To review annually the Finance Policy and agree levels of delegation for approval by the Full Governing Body

- To review every three years the Charges and Remissions Policy for approval by the Full Governing Body
- To review annually 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 termly 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 annually

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.

3.2 Internal Financial Controls

The internal financial controls operated by Tunbridge Wells Girls' Grammar 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

Tunbridge Wells Girls' Grammar School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Bursar carries out a termly internal monitoring procedure, copied to the Chair of the Finance and Facilities Committee. A monitoring report is taken to all meetings of the Finance and Facilities Committee 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 £8,000 - The Headteacher, reported to the Finance and Facilities Committee

Virements from £8,000 to £15,000 – The Finance and Facilities Committee

Virements over £15,000 – The Full Governing Body

3.5 Insurance

Tunbridge Wells Girls' Grammar School is insured through **the Kent County Council (KCC) 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the LA's Insurance section.

Tunbridge Wells Girls' Grammar School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

3.6 Purchasing

At Tunbridge Wells Girls' Grammar School, budgets are delegated to Directors of Achievement, Curriculum Leasers, support staff budget holders and members of the Senior Leadership Team. 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 Development Plan.

All staff adhere to the school procedures for purchasing items, as detailed on the staff intranet, paying regard to value for money at all times. The Headteacher or Bursar authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for Spending the Council's Money as laid down in the Scheme for Financing Schools (www.kent.gov.uk/publications/business/spending-councils-money.htm), in summary:

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

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 Tunbridge Wells Girls' Grammar School, at the start of every financial year the Bursar 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 and Facilities Committee for incorporation into the school budget planning process.

The **Pay 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 Tunbridge Wells Girls' Grammar School is Baxter & Co, who provides payroll services to the specification laid down by the LA. The Headteacher or Bursar signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Tunbridge Wells Girls' Grammar School are responsible for the security of school assets. Curriculum Leaders safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Headteacher or Bursar. ICT related school assets are recorded on a separate asset register, maintained and updated by the Networks Manager. 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, it is recorded in the relevant asset register; the writing off of more major assets is agreed by the Headteacher or Bursar.

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 Tunbridge Wells Girls' Grammar School, the Lettings Policy is reviewed and approved on a three yearly basis 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 Schools Financial Services Manager.

We have agreed a level of cash to be held in school at any one time as £5000. Cash will be receipted (where practical), recorded and banked promptly at all times.

3.11 The School Bank Account

Tunbridge Wells Girls' Grammar School operates its school bank account 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 the Schools Financial Services, as a matter of course.

Tunbridge Wells Girls' Grammar School pays suppliers/ invoices via cheques ensuring it adheres to all financial controls within the Scheme for financing Schools.

Bank statements at Tunbridge Wells Girls' Grammar School are received on a monthly basis and reconciled in accordance with LA guidelines. The Headteacher or Bursar signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £400 and £900 for School Fund (including foreign currency). At Tunbridge Wells Girls' Grammar School, petty cash transactions are kept to a minimum. 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 Corporate Cards

Tunbridge Wells Girls' Grammar School operates an approved Corporate Card in accordance with the LA guidance. The approved users are the Bursar and the Finance Officer. The monthly card limit is £5000. Personal credit / Debit cards should not be used for the purchase of items for the school.

3.14 The Voluntary Fund

In addition to the LA's official funds, Tunbridge Wells Girls' Grammar 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. The Voluntary Fund accounts are audited by a qualified professional from an external company 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 Tunbridge Wells Girls' Grammar School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff on the intranet.

3.16 Data Protection

Tunbridge Wells Girls' Grammar 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). Tunbridge Wells Girls' Grammar School pays a fee of £35 as determined by the ICO.

3.17 Information Systems

Tunbridge Wells Girls' Grammar School has a password protection procedure in use. 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 Tunbridge Wells Girls' Grammar School, two members of staff are trained in the use of the finance software and financial administration procedures, in event of staff absence. 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.

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

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

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