



Valence School Finance Policy

Approved by Governors	16 th July 2024
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1. Introduction

The Governors of Valence 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 Principal 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 with reference to the Local Authority's (LA) Scheme for Financing Schools.

2. Principles

Valence School Finance Policy will adhere to the following principles.

- The responsibilities of the Governing Body, its committees, the principal, 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, allowing the Governors, Principal 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 Friends' 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 Valence 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.

The **Full Governing Body** of Valence 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 **Business 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 Charges and Remissions Policy 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 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.
- 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

The **Principal** 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 other members of the Finance & Business Management Team. These roles are noted in their job descriptions.

3.2 Internal Financial Controls

The internal financial controls operated by Valence School follow the controls set out in the LA's scheme for financing schools. Any additional internal financial controls included within the school's financial procedures are reviewed by the Business Management Committee and ratified by the Governing Body.

3.3 Financial Links to the School Plan

The **School Development Plan** for Valence School has sufficient scope and depth of the financial implication, and it is reflected in the school's three year budget plan.

3.4 Monitoring and Virements

Valence School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Principal carries out regular internal monitoring procedures, copied to the Chair of the Business Management Committee. A monitoring report is taken to the termly meeting of the Business Management Committee which reports, as required, to the Governing Body. Reports are submitted to the Local Authority in accordance with its timetable.

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 Principal, reported to the Business Management Committee

Virements from £8,000 to £25,000: The Business Management Committee

Virements over £25,000: The full Governing Body

3.5 Insurance

Valence School is insured through *the Kent County Council 'Safe Hands' Scheme* with comprehensive cover, as identified by the schedule received from the LA's Insurance section.

Valence School purchases money cover as an optional extra through the Safe Hands Scheme and cash is insured up to £1,000.

3.6 Purchasing

At Valence School, budgets are delegated. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Principal 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 laid down in the School's Staff Handbook, paying regard to value for money at all times. The Budget Holder or designated deputy authorises all order requests and invoices prior to payment.

As a matter of good practice, orders over £5,000 have 3 quotations sought, where possible.

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 (<http://www.kelsi.org.uk/policies-and-guidance/finance-guidance-and-policies/scheme-for-financing-schools>)

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Business Management Committee for consideration.
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the full Governing Body for consideration.

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 Valence School, at the start of every financial year the **Principal** 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 Business Management Committee for incorporation into the school budget planning process.

The **Staffing Committee** undertakes an annual review of all salaries and recommends enhancements. The Business Management Committee is responsible for pay and pay increases for the Principal. Any recommendations are submitted to the main Governing Body for approval and ratification and the details are recorded as a confidential item in the minutes.

3.8 Payroll Matters

The payroll at Valence School is undertaken in-house. The Principal signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Valence School are responsible for the security of school assets. Asset details are maintained on an asset management system which are checked at least on an annual basis linked with a portable appliance test and certified by the Principal or designated deputy.

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 Business Management Committee agrees this on behalf of the Full Governing Body and the agreement is minuted.

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

3.10 Income

At Valence School, the charging and 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 Principal 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.

We have agreed a level of cash to be held in school at any one time as £1,000. Cash will be receipted, recorded, and banked promptly at all times.

3.11 The School Bank Account

Valence 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 the Schools Financial Services, as a matter of course.

Valence School pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Valence School are received/printed out on at least a monthly basis and reconciled to the school's local system immediately. The Principal 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 £1,000. At Valence School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £175 or, in the case of residential weekends, £400. 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 NatWest onecard

Valence School operates an approved **onecard** in accordance with the LA guidance. The approved users and their limits are attached to this policy.

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

Personal credit/debit cards or cash must not be used in conjunction with any school purchase.

KCC Schools – NatWest onecard

VALENCE SCHOOL CARDHOLDERS

Name	Card Ending	Monthly Limit	Single Transaction Limit
Debrah Beaney	***1714	£750	£250
Paul Bennett	***6452	£500	£100
Sandy Chapman	***0951	£2,500	£1,200
Jo Chivers	***6297	£1,000	£250
Roland Gooding	***8796	£1,500	£500
Julian Harrison	***1970	£1,000	£250
Pauline Headley	***4030	£2,500	£1,200
Stacey Holmes	***0039	£1,000	£250
Lisa Kavanagh	***0643	£1,000	£250
Sarah Lowndes	***3128	£1,500	£800
Joanna Quigley	***5872	£400	£150
Matthew Strange	***8179	£500	£250
Jessie Whipps	***4443	£1,000	£250
Kialay Ram	***5333	£1,000	£250

3.14 Irregularities

All staff at Valence School are aware of the Anti-Fraud, Bribery and Corruption Policy in place, the LA's Whistleblowing arrangements and to whom they should report concerns. These details are communicated to all staff and included in induction for new school staff and governors.

3.15 Data Protection

Valence 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). Valence School pays £55.00 as determined by the ICO.

3.16 Information Systems

Valence 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.

3.17 Financial Administration

At Valence School, three 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.

Brian Davies
(Chair of Governors)
16th July 2024

Grahame Ward
(Chair of Business Management Committee)
16th July 2024

Roland Gooding
(Principal)
16th July 2024