



Lenham Primary School

Take Pride; Be Proud

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Finance Policy

January 2025

Document history: Written by Reviewed by	S Williams-King A McCluskey
Agreed by the governing body on:	3 rd February 2025
Review date:	January 2026
Signed:  Chair of Governors	

Lenham Primary School Finance Policy

1. Introduction

The Governors of Lenham Primary 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

Lenham Primary 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 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 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 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 (if applicable)
- The use of a Natwest onecard is strictly controlled (if applicable)
- 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 Lenham Primary 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 Lenham Primary 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 Working Group 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/Improvement 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 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 may be delegated to other members of staff at the discretion of the Headteacher and this delegation should be documented in the Finance Policy- delegation is given to Simone Williams-King, School Business Manager.

3.2 Internal Financial Controls

The internal financial controls operated by Lenham Primary 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/Improvement 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

Lenham Primary School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the School Business Manager carries out a monthly internal monitoring procedure, which is overseen by the Headteacher. This monitoring is copied to the Chair of the Finance Working Group. A monitoring report is taken to all meetings of the Finance Working 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 £8,000 - The Headteacher, reported to the Finance Working Group

Virements from £8,000 to £15,000 – the Finance Working Group

Virements over £15,000 – the Full Governing Body

3.5 Insurance

Lenham Primary 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.

Lenham Primary School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

3.6 Purchasing

At Lenham Primary School, budgets are delegated to the Senior Leadership Team.. Subject Leaders 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/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 or designated deputy 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) as a minimum. Lenham Primary School has agreed the following, as appropriate spend limits for approval:

- For For purchases between £1500 and £3000, it is good practice to hold two written quotations on single items to be approved by the Headteacher and notified to the Finance Working Group.
- Suggested: For purchases between £3000 and £8000, three written quotations are obtained and submitted to the Finance Working Group for approval.
- For purchases of £8000) or over, and up to the current public procurement threshold, three written quotations are obtained and submitted to the Full Governing Body for approval.
- For purchases above the public procurement threshold for goods and services, or above £1m for works, a tendering procedure compliant with public procurement

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 Lenham Primary 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 by the Finance Working Group 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 Lenham Primary School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the LA. The Headteacher, signs off the monthly payroll reports once they have been checked for accuracy by the School Business Manager.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Lenham Primary 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. Other school assets are recorded on a general asset register, maintained and updated by the School Business Manager.

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 Working Group 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 when borrowing the item and again when the item is returned.

3.10 Income

At Lenham Primary 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)

The total cash (income and petty cash) must not exceed the schools cash insured levels, according to the insurance policy schedule.

Governors have agreed that the maximum level of cash that can be held collectively at one time is £500. Cash will be receipted, recorded and banked promptly at least once a term (or sooner if limit is reached) without exception.

3.11 The School Bank Account

Lenham Primary 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.

Lenham Primary School pays supplies/invoices via online banking/BACS ensuring it adheres to all financial controls with the Scheme for Financing Schools.

Bank statements at Lenham Primary 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

Lenham Primary School operates a cashless system in school wherever possible, with purchases made via online transaction or by the NatWest onecards. Petty cash, if received will be held securely and income and expenditure documented. Transactions are kept to a minimum and the maximum value of any one transaction is £30. Receipts will be obtained for any purchases.

3.13 Natwest onecards

Lenham Primary School operates an approved Natwest onecard in accordance with the LA guidance.

Cardholder and Position	Single transaction limit	Monthly card limit
Simone Williams-King, School Business Manager	£2000	£2000
Andrea McCluskey, Headteacher	£750	£1500
Nicholas Smith, Caretaker	£150	£500

Personal credit / Debit cards will not be used for the purchase of items for the school.

Staff must not use personal reward cards for school purchases.

3.14 The Voluntary Fund

In addition to the LA's official funds, Lenham Primary School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance on Kelsi. 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 Fraud and Irregularities

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

Lenham Primary School have:

- An Anti-Fraud, Bribery and Corruption policy
- A Whistleblowing policy
- A Gifts and Hospitality Policy

All staff at Lenham Primary School are aware of these policies and to whom they should report concerns. As good practice this information is included in the induction process for new school staff and governors. These policies are available to staff on staffshare.

3.16 Data Protection

Lenham Primary School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including a data protection fee to the Information Commissioners Office (ICO). Lenham Primary School pays £35.00 as determined by the ICO. The schools designated Data Protection Officer is Andrea McCluskey

3.17 Information Systems

A password protection procedure is adhered to as laid down in the staff handbook. Systems are backed up regularly and the backups held securely, virus protection in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.17 Financial Administration

At Lenham Primary 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.