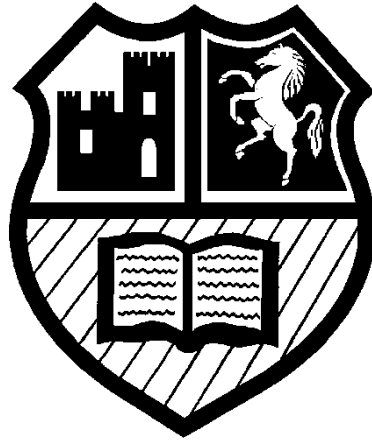


Otford Primary School



Finance Policy

Reviewed and Approved by Full Governing Body

Date December 2025

For review December 2026

Finance Policy

Status Statutory

1. Introduction

The Governors of Otford 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

Otford Primary School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, 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

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 Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Head teacher 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 received, 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 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 Otford 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 Otford 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 Full Governing Body has responsibility 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 ratification by the Full Governing Body.
- To review the Finance Policy and agree levels of delegation and approve
- To review the Charges and Remissions Policy and approve
- To review a Pay Policy and approve for ratification by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- Be fully aware 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, highlighting any significant variances
- Evaluate any proposed virements
- Evaluate and report on Tenders for Contract Services
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and review 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 Head teacher and this delegation should be documented in the Finance Policy.

3.2 Internal Financial Controls

The internal financial controls operated by Otford Primary School follow the financial controls set out in the LA's Scheme for Financing Schools and are the responsibility of the Headteacher.

3.3 Financial Links to the School Improvement Plan

The School 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

Otford 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, copied to the Lead for Finance & Resources. A monitoring report is presented at meetings of 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.

In addition, governors carry out monitoring visits throughout the year to ensure that systems and procedures are secure and that policies are followed.

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 Head teacher, reported to the Full Governing Body

Virements from £8,000 to £15,000 – The Full Governing Body

Virements over £15,000 – The Full Governing Body

3.5 Insurance

Otford 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.

Otford Primary School is insured as standard through the Safe Hands (RPA) scheme and therefore recognises that only cash held on site up to £3000 if held in a safe/strongroom or £250 if held in a locked receptacle (other than safe/strongroom) is insured.

Otford Primary school purchases Money Cover as an optional extra through the Safe Hands scheme and therefore cash is insured up to £3,000.

3.6 Purchasing

At Otford Primary School, budgets are delegated to key stage co-ordinators and class teachers. 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/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 (<http://www.kelsi.org.uk/policies-and-guidance/finance-guidance-and-policies/scheme-for-financing-schools>) in summary:

- For purchases up to £24,999* it is considered good practice to hold 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 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 Full 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 Otford Primary School, at the start of every financial year the Headteacher and Bursar use a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Governing Body for incorporation into the school budget planning process.

The Chair of Governors and at least one additional governor together undertake an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Board for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and makes recommendations to the Full Governing Board for their approval (or otherwise).

Details of all salaries are recorded as a confidential item in the minutes.

3.8 Payroll Matters

At the time of this review the payroll provider at Otford Primary School is Cantium Services, who provide payroll services to the specification laid down by the LA. The Headteacher, or designated deputy, signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Otford 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 Head teacher or designated deputy. 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, the Full Governing Body agrees this 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 Otford 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)

We have agreed a level of cash to be held in school at any one time as £3,000. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

Otford 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.

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

Bank statements at Otford Primary School are received/printed out on at least a monthly basis and reconciled immediately. The Head teacher or designated deputy signs and dates the bank statement when the reconciliation has been checked.

3.12 Petty Cash

The school does not hold Petty Cash.

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

Oxford Primary School operates an approved Corporate Card in accordance with the LA guidance.

The approved users are the Headteacher and the school Bursar. All monthly statements are to be provided to the Full Governing Body for review. Spending limit is £3,750.

Cardholder and/or Position	Single transaction limit	Monthly card limit
Helen Roberts	£3,750	£3,750

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

3.14 The Voluntary Fund

In addition to the LA's official funds, Oxford Primary 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 s Schools Financial Services 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.

3.2 Fraud and Irregularities

3.15

We have a robust system of controls to safeguard the school against fraudulent or improper use of public money and assets.

The school has in place the following policies:

- An Anti-Fraud, Bribery and Corruption policy
- A Whistleblowing policy
- A Gifts and Hospitality policy (*model policy is forthcoming*)

All Staff are made aware of these policies and particularly to whom they should report any concerns. This information is included in the induction process for new school staff and governors.

3.16 Data Protection

Oxford Primary 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). Oxford Primary School pays £35 as determined by the ICO.

Information Systems

Oxford Primary 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.

Financial Administration

At Oxford Primary 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
(Head teacher)

Signed
(Chair of Governors)

Signed
(Vice Chair of Governors)

Date established by governing body	November 2024
Date for full implementation	Immediate
Date for review	November 2025

Delegation of Financial Authority

1. Budget	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Setting Annual Budget	X					
Creating Annual Budget	X	X		X		
Monthly Budget Monitoring	X	X		X		
Quarterly Budget Monitoring	X			X		
Creating Monthly Budget Statements		X		X		
Annual Review of Budget Against School Objectives	X	X				
Financial Forecast		X		X		
Virement of Budgets	X (Over £10,000)	X (Up to £5,000)				
2. Internal Controls	Governing Body	Head teacher	Deputy Head teacher	Bursar/Admin Assistant	Site Manager	Account Holder
Agree Purchase		X				X
Place Orders				X		
Certify Orders		X	X			
Receive and Check Orders				X	X	
Authorise Payment Orders		X	X			
Make Payments				X		
Authorisation of BACS transfers		X		X		
Reconciliation		X		X		
Termly Reconciliation	X					
3. Insurance	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder

Annual Insurance		X				
Additional Insurance	X					
Notification of Losses including Staffing Absence				X		
4. Purchasing	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Best Value	X	X		X	X	X
Projects	X (Over £5,000 for any one item)	X (less than £5,000 for any one item)				
5. Personnel	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Processing Information				X		
Payment Transactions				X		
Monthly Checks		X		X		
Review Salaries	X (Staffing Sub)					
6. Security of Stock	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Maintenance of Stock						X
Inventory of Stock (annual check)		X	X			
Security Marking with the Yearly PAT testing		X	X			
Maintenance of Items Off-Site List		X	X			
Physical Security of Site and Keys					X	

7. Income	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Charging Policy	X					
Charging/Accounting		X		X		
Reconciliation		X		X		
Banking				X		
8. Banking Arrangements	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Banking (Safe limit £3,000 cash)				X		
Records and Reconciliation				X		
9. Voluntary Funds	Governing Body	Head teacher	Deputy Head teacher	Bursar	Site Manager	Account Holder
Treasurer		X				
Accounting and Monitoring				X		
Reconciliation of Statements				X		
Arranging Annual Audit				X		
Annual Oversight	X					