# North West Kent Alternative Provision Service Finance Policy

1. **Introduction**

The Management Committee of NWKAPS is committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Head of Service and the Management Committee have drawn up this Finance Policy to provide the guiding principles for which all committee members and staff will operate within the traditional model of Governance – i.e. a Resource Committee.

This Policy has been drawn up in accordance with the Local Authority’s (LA) Scheme for Financing Services and the Audit Commission documents, *Keeping your Balance* and *Getting the Best from your Budget.*

1. **Principles**

NWKAPS Finance Policy will adhere to the following principles;

* The responsibilities of the Management Committee, its committees, the Head of Service and staff will be clearly defined, and limits of delegated authority established, where applicable.

The ***Management Committee*** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by:

* Using performance data to ***compare*** attainment and other outcomes from all services nationally, and with similar services
* Using the information gained to ***challenge*** performance and set new targets
* Where financial benchmarking is available, using it to ***compare*** expenditure with similar services
* 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 service will establish sound internal financial controls, based on the LA’s Budget Book and the Audit Commission documents mentioned above, to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the service’s prioritised educational objectives through its links to the Service Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Management Committee, Head of Service 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 service will be adequately insured against exposure to risk.

The service will ensure that:

* 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 Purchase Cards is strictly controlled
* The Service Voluntary Fund (if applicable) 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 Audit and Risk
* The service will adhere to current GDPR and Data Protection legislation
* Appropriate training in financial administration will be given to enable staff cover at all times

1. **Putting Policy into Practice**

**3.1 Delegated Authority**

The Full ***Management Committee*** of NWKAPS has overall responsibility for the management of all the service’s finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the Service Voluntary Fund). The Management Committeehas the responsibility to:

* Evaluate and approve the three-year budget plan, which shows clear links to the Service Improvement Plan
* Review and approve annually the Finance Policy and agree levels of delegation
* Review and approve annually the Charges and Remissions Policy (if applicable)
* Review and approve a Pay Policy
* Make decisions in respect of service agreements and insurance
* Be involved in any consultations to change the LA Scheme for Financing Services

The Finance Monitoring Governors have the responsibility to:

* Report monitoring and the outturn position to the Management Committee, highlighting any significant variances
* Evaluate any virements over £10,000 and report to the Management Committee
* Evaluate and report on Tenders for Contract Services to the Management Committee
* Keeping in-service financial procedures under review
* Benchmark the service’s financial performance and report to the Management Committee. Evaluate and recommend the annual Schools Financial Value Standard report and present to the Management Committee for approval

The ***Head of Service*** is responsible for implementing the decisions of the Management Committee and for the operational management of the service. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Head of Service and this delegation should be documented in the Finance Policy.

* 1. **Internal Financial Controls**

The internal financial controls operated by NWKAPS follow the controls set out in the LA’s Scheme for Financing Services and the Budget Book.

* 1. **Financial Links to the Service Improvement Plan**

The Service Improvement Plan has sufficient scope and depth of the financial implications and it is reflected in the service’s three-year budget plan.

* 1. **Monitoring and Virements**

NWKAPS recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Head of Service carries out a monthly internal monitoring procedure, copied to the Finance Monitoring Governor(s). Monitoring reports are submitted to the LA in accordance with its timetable. The Management Committee 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 service’s finances.

On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £10,000 - The Head of Service, reported to the Finance Monitoring Governor(s)

Virements over £10,000 – The Management Committee

* 1. **Insurance**

NWKAPS 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.

NWKAPS recognises that cash is not insured through the LA’s Insurance Policy.

* 1. **Purchasing**

At NWKAPS, budgets are delegated to Middle Leaders. Budget holders prepare a ‘needs budget’ for their area of responsibility, which is approved by the Head of Service in line with the priority needs of the service and the Service Improvement Plan.

All staff adhere to the service procedures for purchasing items, as laid down in the Service’s Staff Handbook and written Ordering Procedure, paying regard to value for money at all times. The Head of Service or designated deputy authorises all orders and invoices prior to payment, except where the deputy is directly running the centre relating to these orders. Notwithstanding the above, the Head of Service may authorise staff in writing to place orders up to £100.

Where the service purchases large items, we adhere to the procedure for Spending the Council’s Money as laid down in the Scheme for Financing Services (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 Management Committee for approval.
* For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Management Committee for approval

All of the above will be minuted at the appropriate Management Committee meeting to ensure that the Service is seen to be obtaining value for money at all times. With this in mind, the Service also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

**The service does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases.**

* 1. **Personnel Matters**

At NWKAPS, at the start of every financial year the ***Head of Service*** uses the Kent Financial Planning Tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Management Committeefor incorporation into the service budget planning process.

The ***Head of Service’s Appraisal Committee*** undertakes an annual review of the Head of Service’s salary, and recommends enhancements, if applicable, to the Management Committee for approval.

The Head of Service undertakes an annual review of all other staff, in accordance with the Management Committee’s Pay Policy and reports to the Management Committee.

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

* 1. **Payroll Matters**

The payroll provider at NWKAPS is SPS Intepay*,* who provide payroll services to the specification laid down by the LA. The Head of Service signs off the monthly payroll reports once they have been checked for accuracy.

* 1. **Safeguard of Stocks, Stores and Assets**

All staff at NWKAPS are responsible for the security of the service’s assets. Centre Managers, Co-ordinators and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Head of Service. Other service assets are recorded on a general asset register, maintained and updated by the service 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 Management Committee agrees this, and the agreement is minuted.

Where service 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.

* 1. **Income**

Where debts are required to be written off, after every effort has been made by the Head of Service and Management Committee to recoup the monies, the Head of Service will approve up to £500 and the Management Committee will approve from £500 to £1,000. Approval to write off debts over £1,000 is required in writing from the CFE Finance Manager.

Since the LA does not insure for cash held on the service premises, we have agreed a total level of cash to be held in the service at any one time of £400 as follows:

The Northcourt Centre - £100

The Westcourt Centre - £300

Cash will be receipted, recorded and banked promptly at all times.

* 1. **The Service Bank Account**

NWKAPS operates its service bank account(s) in accordance with the regulations in the LA’s Scheme for Financing Services and the guidance in the Budget Book.The service 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 LA Financial Services team, as a matter of course.

Bank statements at NWKAPS are received on a monthly basis and reconciled to the service’s local system as soon as possible. The Head of Service or designated deputy signs and dates the bank statement when the reconciliation has been checked.

* 1. **Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £250 as follows:

The Westcourt Centre - £200

The Northcourt Centre - £50

At NWKAPS, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £30. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the service budget and satisfies legislative requirements.

* 1. **Purchase Cards**

NWKAPS operates approved Purchase Cards in each establishment in accordance with the guidance in the LA’s Budget Book. Monthly limits are:

Sharon Cox, Premises Staff - £500

Kay Fitzgerald, PA to Head of Service – £750

David Gatfield, Finance Manager - £500

Phillip Hardwick, Department Head - £5,000

Tracey Nash, Pastoral Manager - £400

The Purchase Cards will be kept in the possession of the named card holder at all times when not in use (Schools Financial Service Guidance). Personal credit and debit cards will not be used for the purchase of items for the service. Only the named cardholder may use the corporate card. Other members of staff may not “borrow” the card to record the card number for purchasing items (Budget Book Section 7, Point 6.5).

* 1. **The Voluntary Fund**

NWKAPS does not operate a voluntary fund.

* 1. **Irregularities**

All staff at NWKAPS are aware of the LA’s Whistle Blowing Procedure. These details are available to staff in their staff handbook. NWKAPS has adopted the LA’s Whistle Blowing Policy issued by HR January 2014. Any concerns should be raised with the Chair of the NWKAPS Management Committee rather than the LA as indicated in the policy.

* 1. **Data Protection**

NWKAPS (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). NWKAPS pays £35 as determined by the ICO**.**

**3.17 Information Systems**

NWKAPS 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 NWKAPS, 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 Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

Signed……………………………………………… Date……………………………

(Chair of Management Committee)

Signed……………………………………………… Date:………………………….

(Head of Service)