

## Financial Policies and Procedures-E



Approved by Chair of Governors and Head teacher on:

Last reviewed on:

Next review due by:

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## Governance

### Governing Body

The Governing Body is collectively responsible for the overall direction and strategic management of Red Gates School. It is responsible for ensuring that the school meets all its statutory obligations and complies with any regulations arising from decisions of local and national government.

The financial responsibilities of the Governing Body, its committees, the head teacher and other staff are defined in this financial manual.

The full Governing Body meets at least once termly; all meetings of the Governing Body are minuted and signed. Copies of the minutes are retained by the school.

The membership, responsibilities and terms of reference of the Governing Body and its committees are detailed in a separate document (see appendix 7).

### A1: Financial Roles and Responsibilities

This summary description forms part of the delegated framework.

The **Governing Body** will have overall responsibility for:

- setting spending priorities which reflect the school aims outlined in the School Improvement Development Plan
- considering and approving the budget
- regularly monitoring the budget against actual income and expenditure
- determining the levels of delegation of financial responsibility within the school including virement and expenditure thresholds
- evaluating the effectiveness of spending decisions
- awarding contracts by tender to a specific limit
- setting up a Resource Committee to consider strategic financial issues on behalf of the full Governing Body.
- Setting up a Resource Committee/working group, when necessary, to Consider strategic financial issues on behalf of the full governing body

The **Headteacher** will:

- ensure that financial regulations are implemented
- ensure that effective systems of internal control are implemented
- manage operational and strategic financial issues including compiling draft budgets and supplying governors with budget monitoring information.

The **Finance Staff** will:

- implement the procedures defined by the Governing Body and outlined in this document
- ensure that financial systems and information are effectively maintained in line with the requirements set out in this document and in the relevant job description.

The Finance **Governors** will:

- take a general interest in the day-to-day systems in place in the school
- report to the Governing Body.

The full role and responsibilities of the Link Governor for Finance are described in Appendix 4.

**Budget Managers** (listed in appendix 2 will:

- comply with Red Gates School financial regulations
- be responsible for any budget delegated to them in line with the requirements set out in this document

## **A2: Financial limits of delegated authority**

The Governing Body has considered the extent to which it wishes to delegate its powers to the Headteacher and other staff, including the power of virement between budget headings and has formally recorded its decision (and any revisions) in the minutes of the Governing Body meeting at which the decision was taken.

The table below sets out the latest position

	<b>Authorisation limit</b>	<b>Additional notes</b>
Governing Body	Virements – Nil Purchases-Unlimited Pay reviews – see Pay policy	Refer to section D6 for details of arrangements for purchases over £100,000
Head Teacher	Virement - Nil Purchases – up to £15,000	
Budget Holders	Virement – Nil Purchases – up to the allocated budget or £2,000 whichever is the lower	
Finance Officer	Virements – Nil Purchases – up to the allocated budget for areas of responsibility such as office stationery etc.	

**A3: Financial Information to Governors**

The table below sets out details of the financial information to be provided to the Governing Body:

Document	Frequency	Level of Detail	Format	Responsible person
Initial budget information	Annually in January	Consistent Financial Reporting Categories	Consistent Financial Reporting Framework	Headteacher Budget Support Officer & A.O.
Draft Budget	Annually by the end of March	Consistent Financial Reporting Categories	Consistent Financial Reporting Framework	Headteacher Budget Support Officer & A.O.
Budget Monitoring	Monthly Quarterly	Accounting system print out – cost centre summary or budget - actual & committed CFR format showing % spent and forecast for year end position	Cost centre/Budget Headings	Headteacher Budget Support Officer & A.O.
Year End Accounts	Annually in May	Consistent Financial Reporting Categories Balance Sheet LA required schedules	Consistent Financial Reporting Framework LA format	Headteacher Budget Support Officer & A.O.

**A4: Minutes**

Minutes are taken of all Governing Body meetings recording details of decisions, by whom taken and action required. The minutes are circulated and ratified at the next meeting of the relevant body. The school retains signed copies of all minutes on the school premises.

**A5: Pecuniary Interest**

The school holds a register of business interests. Any employee or governor or a close relative of either who could be considered to be a supplier of works, services or goods must register such an interest and ensure that the record is confirmed or updated on an individual basis at least annually. The register is maintained by the clerk to the Governing Body and is available for inspection at each Governing Body meeting. If a governor is present at a meeting that involves awarding a contract for works, goods or services, then if the governor has a pecuniary interest, he/she will disclose the fact at the meeting and will not take part in the consideration or vote on the matter.



No governor or member of staff will:

- accept gifts or hospitality from current or potential suppliers.
- obtain an interest in the disposal of school equipment or property or school materials surplus to requirements at the end of any contract between the LA (including persons acting on its behalf) and any third party.
- take or hold any interest in any equipment or property held or used for the school.

Governors' Expenses: Under Schedule 11 of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. The payment of any other allowances is prohibited. (See also Governor Allowances Policy, agreed June 2018)

## Financial Planning

Financial planning is an essential part of good financial management. It provides the school with a clear view of how it intends to use its resources. There are two elements, the School Improvement Development Plan (SIDP) and the budget

The SIDP is a major building block for constructing the budget. The plan identifies the educational priorities and has a strong focus on raising standards. For this reason the SIDP must indicate the resource implications to guide decisions in the budget setting.

Budgeting is essential for good financial management. The budget sets out how resources are allocated and provides the means for monitoring expenditure throughout the year. It should be the concrete expression of the SIDP. Clearly identified links are needed between the annual budget and the SIDP.

Good budgeting means not running into deficit, but equally, it means not carrying forward a large surplus without good reason.

### Supporting documents: Financial Planning

- School Improvement Development Plan
- Subject leader development plans
- Premises Development Plan
- Budget for current year and plans for next three years
- Costings for new initiatives
- Financial planning timetable
- Budget working papers
- Resource committee minutes
- Cash flow forecast (monitoring budget plan/planned projects affordable)

### B1: School Improvement Development Plan - Educational goals

The school improvement development plan outlines the school's educational goals to guide the planning process.

### B2: School Improvement Development Plan - Educational goals linked to resources

The plan includes the following elements showing how the use of resources is linked to the achievement of the school's goals

- A statement of school policy and objectives
- Spending priorities for the current financial year linked to the Premises and SIDP Key Priorities for educational improvements
- Budget for the current financial year
- Allocation of any delegated budgets to named budget holders.
- A three-year premises plan showing spending priorities and income and expenditure estimates based on the school improvement plan.

**B3: School Improvement Development Plan – One-year detailed objectives**

The objectives must have sufficient detail to form the basis for constructing budget plans for the next financial year.

**B4: Appraisal of new initiatives**

The Governing Body will appraise all new initiatives taking into account the following

- Identifying the need
- Evaluating the options
- Choosing the most cost-effective option
- Financial sustainability

**B5: School Improvement Development Plan -Continuing commitments**

The plan should state intended expenditure on continuing commitments commenting on significant changes from the previous year.

**B6: Financial Planning Timetable**

The Headteacher is responsible to the governing body for the preparation of the annual budget.

The budgeting process starts in October each year. The Head Teacher, School Business Manager and Budget Support Officer decide upon major expenditure by November.

The leadership and management team discuss priorities for the SIDP and budget implications and a draft budget is drawn up by the end of January.

The draft budget is presented to the governing body by March for review, discussion and amendment if appropriate. A copy of the budget plan signed by both the Headteacher and chair of governors is submitted to the LA by 1 May.

**B7: School Improvement Development Plan -Budget Link**

In the budget plan it should be possible to locate the proposed expenditure for new initiatives and on-going commitments.

**B8: Balanced Budget**

Total planned expenditure for the financial year may not exceed the budget share, adjusted by amounts carried forward from the previous year, any additional income receivable and any in-year adjustments which may be made in accordance with the LA scheme.

The Governing Body may not plan for a deficit budget. If an unplanned deficit arises at the school, the Governing Body will notify the LA immediately and submit

a plan to the LA showing how the school proposes to eliminate the deficit. Any deficit incurred will be the first charge on the school's budget share in the following financial year.

### **B9: Review of main budget headings**

The Governing Body should periodically review the main elements of the school's budget to ensure that historic spending patterns are still relevant.

### **B10: Cash Flow**

The Headteacher/ School Business manager are responsible for the profiling of the budget and the forecasting of cash flow taking into account likely spending patterns.

### **B11: Earmarking Surpluses**

Surpluses should be earmarked for specific future needs of the pupils but should not deprive them of resources in any given year.

### **B12: Approval of Budget Plan**

A Budget Plan approved by the Governing Body must be sent by the Headteacher to the LA by 1 May each year showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The Governing Body also submits a statement setting out what steps they will be taking in the course of the year to ensure that their expenditure will follow the principles of best value.

### **B13: Changes to Approved Budget Plan**

The Headteacher will forward to the LA a revised budget plan if there are significant changes in income and/or expenditure. These changes will need to be agreed by the Headteacher, and the Governing Body depending on the size of the changes.

The governing body monitors all financial aspects of the implementation of the school's budget plan although the Governing Body carries ultimate responsibility for monitoring the budget.

## **Budget Monitoring**

Regular monitoring of income and expenditure against the agreed budget is central to effective financial management. It allows governors, the head and the finance staff to maintain financial control by reviewing the current position and taking any remedial action necessary. The original budget will need regular updating, following consultation with governors, to take account of in-year developments.

Budget monitoring involves producing monthly monitoring reports and drafting action plans to tackle any significant variances. Expenditure on individual initiatives is also tracked to enable any key financial priorities within the SIDP to be met. Budget monitoring is an important guide when setting the budget for the following year.

All monitoring reports should be produced using the accruals principles.

### **Supporting documents: Budget monitoring**

Monthly budget monitoring report plus explanation of variances  
Plans to address significant budget variances  
Papers showing monitoring of expenditure on particular initiatives  
Any monitoring reports for delegated budget elements  
Monthly cashflow report

#### **C1: Monthly budget monitoring**

Admin Officer prepares a monthly report supported by the schools computerised accounting system of the actual performance against budget with explanations of the main variances. The computerised report should be annotated where necessary, signed by the Headteacher and filed for audit purposes. The report is sent to the Headteacher and the Chair of Governors.

#### **C2: Regular monitoring reports to Governing Body / LA**

The Headteacher/School Business Manager should provide budget monitoring reports to the governing body at least quarterly. These reports should highlight any significant variances against budget with explanatory notes and if necessary remedial action plans including virements.

A Statement of Income and Expenditure is submitted by the Headteacher to the LA within six weeks of the end of each quarter. Quarter ends are the ends of the months of June, September, December and March.

A final statement is submitted to the LA by a date determined by the LA and normally by around mid-May. An electronic final statement (CFR) from the schools computerised system is required by the DfES by July and is initially submitted via the LA in May. These reports to be signed by the Headteacher and Chair of Governors.

**C3: Monitoring of Initiatives**

The Headteacher should monitor expenditure on the initiatives set out in the SIDP.

**C4: Monitoring of devolved budget elements**

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lie with each budget holder, who must obtain prior written approval of the Headteacher, if they wish to exceed their monthly budget allocation. The process is co-ordinated by the Admin Officer who issues a termly report to each budget holder detailing budgeted and actual expenditure.

**C5: Monitoring of cash flow**

The Headteacher should monitor cash flow, via bi-monthly bank statements, to ensure that the school's bank account does not go overdrawn.

**Purchasing**

As public funds are being used it is essential that we achieve best value for money from all purchases, whether they are goods or services. In this context, value for money is about getting the right quality at the best available price. It is important that contract specifications contain detailed service and quality provisions.

Many of the standards in this section are there to protect individuals and to ensure that public money is spent without any personal gain. Purchasing procedures are needed to prevent waste and fraud.

**Supporting documents: Purchasing**

- Delegation framework (financial delegation limits) – this policy and Governor Terms of Reference
- Policy on quotations and tendering – this policy and the governing body Minutes
- Recent contract specifications – School order forms- Invoice / order file
- List of staff authorised to certify invoices – this policy Appendix 2

**D1: Seek value for money when purchasing**

The school always considers price, quality and fitness for purpose when purchasing goods or services.

**D2: Expenditure limits – governor's authorisation**

Prior approval from the Governing Body should be obtained for all expenditure above a predetermined limit.

**D3: Expenditure limits**

Three written quotations should be obtained for all expenditure above a predetermined limit unless it is impractical to do so. In such circumstances, the reasons for not doing so should be reported to the Governing Body:

Under £10,000 one quote

£10,000 to £40,000 three quotes

£40,000 to £100,000 Formal Tendering using LA Tenders & Contracts Regulations.

The school follows the Councils guidance on expenditure limits.

The only exception to the above is where the goods or services are so specialised that it is not possible to get more than 1 quote.

However, in an emergency situation e.g. works required to boiler to ensure school can remain open, there can be retrospective approval by the Chair of Governors to be formally approved at the next governors meeting.

**D4: Reporting when quotation accepted is not the lowest.**

Where a quotation other than the lowest is accepted, the reasons for this decision must be reported to the Governing Body and included in the minutes of the relevant meeting.

**D5: Expenditure limits – tendering**

All purchases estimated to exceed £40,000 should be put out to tender.

**D6: Contract specification defines service**

Contract specifications should define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.

A contract specification should contain the following elements:

- Contract duration
- Definitions
- Contract objectives
- Services to be provided
- Service quantity
- Service quality standards (including customer satisfaction surveys, number of user complaints, inspection checks)
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for dealing with disputes
- Review and evaluation requirements.

**D7: Entering into financial agreements**

The school will not enter into any financial agreement with capital implications without ensuring that it complies with current LA Guidelines through taking advice from Croydon LA Financial Services.

**D8: Use of written pre-numbered order forms**

Official, pre-numbered orders from the FMS system must be used for all goods and services except utilities, rents, rates and petty cash payments. Where urgency requires an oral order these must be confirmed by a written order.

**D9: Orders only used for school purposes**

Orders must only be used for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their personal use.

**D10: All orders signed by authorised signatory**

All orders must be signed by a member of staff approved by the Governing Body and the school should maintain a list of such staff.

Proposed orders for on line purchasing to be done on school order form, to be checked and signed prior to placing order on line.

Orders for Agency Staff to be recorded in the Cover Diary.

**D11: Responsibilities of signatories**

The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

**D12: Orders entered as commitments on budget**

When an order is placed, the estimated cost must be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.

**D13: Check goods and services on receipt**

The person who placed the order must check that goods and services received match the order which should be annotated accordingly (it is important that they check this in case goods received are not what they ordered – a third party may not be able to do this). This should not be undertaken by the person who authorised the order.

**D14: Payment made promptly and only against actual invoices (G8 also)**

These checks should confirm

- Receipt of goods or services, cross referenced to the order number



- Expenditure has been properly incurred and that payment has not already been made
- Prices agree with quotations, tenders, contracts or catalogue prices and the arithmetic is correct
- The invoice is correctly coded
- Discounts are taken where available

Payment should not be made only on the basis of a photocopied invoice or a statement from a supplier.

#### **D15: Approved staff should certify invoices for payment**

A member of staff, who did not sign the order or check receipt of goods, approved by the Governing Body should certify invoices for payment.

#### **D16: Certification of invoices for payment**

The school maintains a list of staff authorised to certify invoices for payment. Where the payments are made by the LA on behalf of the school, the names of authorised staff, together with specimen signatures, should be forwarded to the LA.

#### **D17: Cheque number and invoices**

All paid invoices should be accompanied by a printed FMS cheque authorisation showing the cheque number and the amount paid. The documentations must be securely stored for easy access.

#### **D18: Procurement Cards**

This is a credit type card that is operated by individuals in a school. The expenditure is collated on the school account and are paid at the end of each month by a direct debit arrangement. The card is operated by RBS and is operated as part of the Croydon Council arrangement.

The card is like any other credit/debit card and can be used to purchase goods and services over the counter or on line.

The school should continue to make the vast majority of purchases through accounts with recognised suppliers.

#### **Restrictions on use**

Each card holder will have an individual matrix of types of goods and services that it can purchase. This provides some security in that the card can be targeted at the typical use for that person.

At all times, when not in use, the debit card is kept securely by the Head. The cards have restricted use e.g. they are not allowed to be used for purchase of items such as alcohol and never to draw cash.

The main use made by schools is for purchases from the internet and local purchases that might have previously been bought with petty cash.

An authorised signature cannot authorise aspects relating to themselves if they are also a cardholder.

There needs to be segregation between the various roles and the following are expected

- Authorised persons should not authorise their own cards etc
- Administrators should not be cardholders
- Cardholders should not confirm receipt of goods /services that they have ordered.

### **Procedures for recording Procurement card details**

Each transaction/receipt must be given to the administrator and to be recorded on an individual procurement card daily log.

At the end of each month this must be signed off by the relevant cardholder and certified by the administrator as a correct record and reconciled against the relevant RBS Statement.

All details to be recorded on the schools finance system as a Cash book Journal. All payments are collected by Direct Debit.

	<b>Name</b>	<b>Limit</b>
Card Holder	Melissa Hendry	£6000
	Maria Davies	

## Internal Financial Controls

The accounting and financial records maintained by the school are subject to audit by the LA's external and internal auditors. The school builds in systems of financial control in order to protect the school's resources from loss or fraud and to ensure that accurate information is available to guide the governing body in decision making.

The system of internal controls extends to purchasing, payroll, income collection and contracting services.

### **E1: Written descriptions of financial systems**

The school uses the SIMS Financial Model for the day to day running of finance at the school. The HELP option of SIMS Finance provides an operating manual.

Descriptions of financial procedures are set out in this document or its various appendices which are regularly reviewed to reflect changes in working practice. The changes are ratified annually by the Governing Body.

It is the school's policy that all staff involved with financial administration have, or receive, appropriate training in basic bookkeeping and ICT skills.

The Headteacher should be able to access financial information and the Finance Officer should be able to ensure the finance information is accurately reflecting latest requirements

### **E2: Financial control when staff absent**

The Headteacher ensures that financial control is maintained in the absence of key personnel through staff training, by arranging job shadowing or arranging for temporary cover provided by JCA School Support Ltd (Level 4 Support), which the school purchases. Knowledge of all the financial processes is shared between the Headteacher, School Business manager and School Budget Support Officer. The Admin Assistant shares knowledge of the processing of purchase orders.

The arrangements for computer back up are detailed in section 15

### **E3: Separation of duties**

The Headteacher ensures that duties related to financial administration are distributed so that at least two people, are involved. The work of one should act as a check on the work of the other and all checks such as bank and petty cash reconciliation are documented. Duties are divided as follows:

<b>Individual</b>	<b>Responsibility</b>
Budget Holder	Initial request for orders Checking of deliveries
Finance Officer	Imputing of orders and invoices onto finance software Authorisation of invoices as correct and valid for payment Processing payments (but, wherever possible, not signing cheques) Paying income into the local bank account Handling staff dinner money receipts and paying into bank Administration of Petty Cash (including reconciliation and reimbursement) Bank account reconciliation Assisting in preparation of budgets Producing monthly monitoring reports
SBM	Bank account reconciliation Assisting in preparation of budgets Producing monthly monitoring reports Signing Cheques Preparation of budgets Monthly review Reports to Governing Body
Head Teacher	Authorisation of final order Signing Cheques Preparation of budgets Monthly review Reports to Governing Body
Deputy Head	Authorisation of final order Signing Cheques
Admin Assistants	Imputing of orders and invoices onto finance software Handling staff dinner money receipt and paying into bank Administration of Petty Cash Paying income into the local bank account Signing cheques
Clerical Assistants	Handling staff dinner and receipts

#### **E4: Maintaining proper accounting records**

Red Gates School aims to maintain proper accounting records. Only authorised staff are permitted access to the accounting records which are securely retained when not in use. Current documents are kept in the school office.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink.

**E5: Traceability of transactions**

All financial transactions are traceable from original documentation to accounting records and vice versa.

**E6: Rules of document alteration**

Any alterations to original documents such as cheques, invoices and orders will be clearly made in ink or other permanent form initialled. The use of correcting fluid or the erasure of information is not acceptable. 'Copy Invoices' will be marked 'Copy Invoice, not Previously Passed for Payment'.

**E7: Security of accounting records**

All accounting records including invoices, delivery notes, bank statements etc. are retained in hard copy for 6 years, plus the current year, in a secure store on the school site. Other records are held in accordance with council guidelines and legislative requirements.

## **Income Control**

Income is an asset and is therefore vulnerable to fraud. It is vital that appropriate controls are in place to ensure security. It is also important that we do not exceed the insurance limits on cash on the premises. The amount currently is £1,000.

Income comes from a variety of sources, including grant funding, school dinner money and lettings.

This section covers general income controls to ensure that income is banked regularly and reconciled to the receipts. Frequent and regular checking against bank records is important to ensure that all income is secure.

### **Supporting documents: Income**

- Charging policy
- Record of regular income
- Lettings policy – invoices (issued by school)
- Sample of bank paying-in slips
- Income reconciliations
- Procedures for chasing debt
- Records of transfers between staff

### **F1: Governor's Charging Policy**

The Governing Body has a charging policy for the supply of goods or services. This policy will be reviewed every 2 years. The Governing Body has overall responsibility for ensuring that all income due to the school is properly accounted for.

### **F2: Records kept of all income due**

All income should be recorded on the schools computerised system by the Admin Officer and invoices raised where appropriate.

### **F3: Lettings authorisation**

All lettings must be authorised by the Headteacher within a framework determined by the Governing Body and should be recorded in a diary or register.

The responsibility for identifying sums due to the school should be separate from the responsibility for collecting and banking such sums.

**F4: Separation of responsibilities**

The responsibility for identifying monies due to the school should be separate from the responsibility for collecting and banking such sums.

**F5: Invoices**

Where invoices are required these should be issued promptly and payment required within 30 days.

**F6: Pre-numbered receipts issued**

Finance Officer/ Admin assistant issues receipts from the computerised system for all amounts of non-grant income over £50 in value. In the case of school trips, entries in home/school books and or escort books are used to record monies received.

**F7: Security of cash & cheques**

All cash and cheque books are kept in the safe except when being processed. Keys for the safe are held by the Head teacher, Deputy, School Business manager and Finance Officer. Keys for the safe must not be kept on the premises overnight. The limit for cash in the safe is £1,000 subject to the written approval by the LA.

A safe logbook is maintained on the computer, by the Admin Officer/Admin Assistant, of all items not recorded on the finance system or in the dinner money receipt book and is updated every day.

**F8: Paying into Bank**

Receipts are paid into the bank account promptly and in full. Bank Paying-in slips show clearly the split between cash and cheques and (where possible) lists each cheque individually. The total shown on the paying-in slip must agree to the amount on the computerised system.

Money for banking is paid into the bank directly by the Admin Officer or Admin Assistant once a month.

**F9: Income collection not used for payments**

Income collections should not be used for the encashment of personal cheques or for other payments.

**F10: Reconciliation of collections and deposits**

Reconciliation of the bank statement compared to the income and expenditure on the computerised system should be completed monthly by the Finance Officer/School Business Manager

These reconciliations should be reviewed and signed by the Headteacher on a monthly basis.

**F11: Chasing invoices and writing off debts**

The Admin Officer will chase up invoices which have not been paid within 30 days. Should the need occur information about unpaid invoices will be initially taken to the School Business Manager/ Head teacher and they then will recommend action to the Governing Body for the final decision.

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery. Any debt under £50 can be written off by the Headteacher. Debts above £50 should be reported to the Finance Governor before action is decided. At the end of the financial year the School Business Manager will notify the LA of the number of cases and total value of debts written off (if any). If the total cumulative debts amount to more than £500 needing to be written off in any one year then the Headteacher will consult with the LA.



## **Banking**

The proper administration of bank accounts is the centre of financial control. Regular reconciliations are essential as they prove the balance shown in the accounting records are correct and provide assurance the underlying accounts are accurate.

The standards in this section cover bank account and cheque controls. Failure to adhere to these standards has potential for error or fraud and indicates a possible breakdown in internal control systems.

### **Supporting documents: Banking**

- Monthly bank reconciliations
- List of banks and building society accounts held by school

### **G1: Bank Reconciliations**

The school receives at least monthly bank statements, and these should be reconciled with the computerised accounting system. Any discrepancies should be investigated immediately.

### **G2: Reconciliations reviewed and certified**

All bank reconciliations are signed by the School Business Manager who undertakes the reconciliation. They are reviewed and countersigned by the Headteacher.

### **G3: Segregation of duties**

Staff responsible for the bank reconciliations should not also be responsible for the processing of payments and receipts. However, this is not always practical in small establishments. Where it is not possible to segregate these duties there should be a second signature of the Headteacher, who has checked the reconciliation.

### **G4: Optimal investments of surpluses**

All funds surplus to immediate requirements are in an interest-bearing bank account approved by the LA.

**G5: No use of private bank accounts**

The school and members of the school will not make use of any private bank accounts for school business.

**G6: No overdrafts**

The school does not overdraw its bank account. The bank has been informed that the school is not allowed to borrow funds and that no account should be allowed to become overdrawn.

**G7: Approval of non-Council loans**

The school should not enter into any loan agreements, other than with the Council, without the prior approval of the Secretary of State for Education and Skills.

**G8: Two signatories needed on all cheques**

The school procedures require that all cheques are signed by two signatories approved by the Governing Body.

**G9: Supporting documentation for cheque signatories**

The school procedures ensure that supporting documents e.g. invoices are made available to cheque signatories to safeguard against inappropriate expenditure.

**G10: All cheques crossed**

The cheques supplied by the bank for the school are all crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.

**G11: Cheque signatory requirements**

The school procedures require that only manuscript signatures are used, and cheques should not be pre-signed.

**G12: Security of cheque books**

Pre-printed cheque stationery is locked in a secure place when not in use.

**G13: List of bank accounts and signatories**

The following table shows signatories for the school bank accounts:

Designation	School LA A/C No.58784225		
Head Teacher	✓		
Deputy Head	✓		
Assistant Head Teacher	✓		
School Business Manager	✓		

**Payroll**

The school is aware of a number of areas where Inland Revenue regulations affect or determine the way payments are made. For example, there are strict rules about payments to individuals who claim to be self-employed. The school follows the LA guidelines in these circumstances.

**Supporting documents: Payroll**

- Personnel procedures
- Up to date list of staff employed
- Payroll transaction report

**H1: Procedures for personnel/payroll matters**

The school follow established Council procedures for the administration of personnel activities. All appointments, terminations and salary levels are formally approved by the Pay Committee.

**H2: Segregation of duties - decisions**

The Headteacher ensures that, where practicable, the duties of appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.

**H3: Authorised access to personal files**

The Headteacher ensures that only authorised staff have access to personal files and that arrangements for staff to gain access to their own records are in place.

**H4: Proper payroll transactions**

All payroll transactions are processed ONLY through the payroll system.

**H5: Regular updating of staff employed**

The Head Teacher/School Business Manager maintains a list of staff employed by the school which is updated promptly to reflect starters and leavers.

**H6: Payroll checks**

The School Business Manager undertakes monthly checks between payroll reports and the school documentation (Budget plan Staffing sheets) to ensure:

- There are no ghost employees
- Staff are being paid the correct rates and allowances
- Old employees have been removed from the payroll

**Petty Cash**

Petty Cash is useful for small purchases; as cash is portable and desirable it is important that proper controls are in place to prevent its abuse or loss.

**Supporting documents: Petty Cash**

- Document showing imprest level approved by governors
- Petty cash records - reconciliations

**J1: Agreed level of Petty Cash**

The agreed level of petty cash to be held is £500

**J2: Security of petty cash**

The Headteacher ensures that the petty cash fund is held in a locked cash box and that only authorised signatories have access to it. It is locked in the safe at night.

**J3: Proper use of petty cash**

Payments from petty cash are limited to a maximum of £25 which have been approved in advance by an authorised member of staff. Personal cheques are not cashed from the petty cash.

**J4: All expenditure supported by receipts**

All expenditure from petty cash must be supported by receipts, identifying any VAT paid. It must be signed for by the recipient and countersigned by an authorised member of staff.

**J5: Proper accounting records kept**

Proper records are kept of amounts paid in and out of petty cash. All cash drawn and payments made are recorded on FMS which allocates a unique transaction number.

**J6: Regular independent check on petty cash**

The amount of petty cash is checked monthly against the accounting records on FMS by the Admin Officer and reviewed by the Headteacher. A running total is automatically maintained on FMS

**J7: No personal cheques cashed**

No personal cheques should be cashed.

**J8: Reconciliation of the petty cash account**

Petty cash reimbursement is made from the main account to the imprest level agreed by Governing Body. The petty cash is reconciled monthly against the Finance system by the Admin Officer as detailed in J6 and checked by The Headteacher.

## Tax

### K1: Relevant staff aware of tax regulations

The Headteacher ensures that all relevant finance and administrative staff are aware of Value Added Tax (VAT), Income Tax and the Construction Industry Scheme (CIS) regulations.

### K2: Payments only on VAT Invoices

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:

- The suppliers name and address
- The date goods / services were supplied
- The name and address of the school
- The goods or service supplied
- Amount payable excluding VAT
- Amount of VAT
- VAT rate

If the total cost, inclusive of VAT, is less than £100, less detail is required.

### K3: Procedures for VAT on business activities etc

This following section sets out the main areas of activities, which generate income and the applicable VAT rate associated with each one.

It is vitally important to get the VAT rate right otherwise Red Gates School/The Council will be liable to severe penalties from HMR&C.

	Standard	Zero	Exempt	Non-business
Sports Development courses			✓	
Private telephone calls	✓			
Payphones	✓			
Book sales		✓		
Children's clothing (Note 1)		✓		
Adults clothing	✓			
Exam/enrolment fees				✓
Sale of work from classes to pupils				✓
School trips - curriculum based				✓

	Standard	Zero	Exempt	Non-business
Training/retraining courses			✓	
Equipment				✓
Meals supplied to pupils at Council schools by the Council				✓
Vending machine supplies at schools within canteen				✓
Vending machine supplies at Schools outside canteen	✓			
Printed Matter e.g some books	✓	✓		
Games	✓			
Meals supplied to adults at Council schools	✓			
Lettings				
- room only			✓	
- use of equipment only	✓			
-sporting (Note3)		✓		
- sporting < 10 lets		✓		
- non sporting	✓			
- mixed	✓			
- catering	✓			
School Inspection Service - to Council schools				✓
OfSTED /GM Schools - inspections			✓	

Provided that equipment is mobile, is brought to school at least once a week, and the item is sold at cost or below, the sale to pupils is non-business and VAT can be recovered on the purchase.

The letting of sporting facilities is exempt where 10 lets are booked at one time for the same facility with a gap of not more than 2 weeks between each let. Payment can be made in stages provided the series of lets are for more than 10 weeks. If the rules do not apply, the lets will be standard-rated.

Full details of the Council VAT Guidance Manual should be obtained from the LEA.

## Voluntary Funds

The school does not have any voluntary fund accounts. All monies are dealt with through the delegated budget.

## **Assets**

The school has attractive and portable material and equipment ranging from library books to computers, camcorders and televisions. These assets are kept securely and recorded on the asset register on the school's computerised system. The asset register is continuously reviewed and updated. The Governing Body sets a monetary value below which inclusion on the inventory is not required. The Headteacher ensures such items of school property are identified as to their location and need for on-site and/or off-site insurance.

The delegation of funding for structural maintenance means that the school is now responsible for their buildings and other parts of their premises. The school needs to plan the use, maintenance and development of the buildings and take into account the LA's asset management plan.

### **M1: Maintenance of stock**

The Admin Officer/Deputy Head ensure stocks are maintained at reasonable levels and subjected to a physical check at least annually.

### **M2: Security Marking**

Up to date inventories must be maintained of all equipment. These items must be identified as school property by security marking.

Security marking is undertaken on all new and existing assets over £100 this is carried out by the school admin team.

### **M3: Asset Register check**

The head teacher arranges at least annually for the inventories to be checked against the physical items. All discrepancies are investigated and over £75 reported to the Governing Body.

### **M4: Property taken off site**

All assets removed from the school site are recorded in a register held by the Admin Officer/Admin Assistant and signed back on their return.



**M5: Authorisation of write-offs and disposals**

The Headteacher authorises all write-offs and disposals of surplus stocks and equipment in accordance with the LA's regulations.

**M6: Security of Safes and keys**

The school safe is kept locked and the keys removed and held in a different location. Only cheque signatories have access to safe keys.

**M7: Plan for use, maintenance and development of buildings**

The Governing Body has a plan for the use, maintenance and development of the schools buildings as outlined in the schools Premises Development Plan.

**Insurance**

The school has risks for which protection by insurance is needed. Risks may include third party liability, property, money, personal accident, motor vehicles and fidelity guarantee insurance. It is essential that the school reviews its exposure to these risks to ensure adequate cover is provided. If the insurance is not provided by the LA the cover must be at least as good as the relevant minimum cover arranged by the LA.

**N1: Annual review of risks**

The Governing Body review all risks annually, in conjunction with the LA where appropriate, to ensure that the sums insured are commensurate with the risks.

**N2: Additional insurance cover**

The Governing Body should consider whether to insure risks not covered by the LA, voluntary body or foundation. The cost of these premiums should be met from the delegated budget.

**N3: Notification of new risks / changes**

The school notifies its insurers, LA or other agent of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance. An annual update is forwarded to the LA.

**N4: Indemnity to third parties**

The Governing Body / School will not give any indemnity to a third party without the written consent of its insurers.

#### **N5: Notification of insurance losses or claims**

The school immediately informs its insurers of all accidents, losses and other incidents that may give rise to an insurance claim.

#### **N6: Insurance of property taken off site**

Insurance arrangements should cover the use of school property, for example musical instruments or computers, when off site.

### **Data Security**

The school uses a computer system to record personal, financial and other management data. Most of the controls in this section cover access to data held on computers. It is important that management information is properly protected from unauthorised access and it is backed up regularly. A recovery plan must be in place to ensure continuity of financial information in an emergency.

The General Data Protection Regulations Act 2018 is designed to protect the rights of individuals in relation to personal data that is held about them. It sets out requirements about the processing, storage and disclosure of that data and extends coverage of the previous legislation from data handled electronically to certain manual record systems.

The Act requires Governing Bodies and Headteachers to notify the Data Protection Commissioner where the activities they are engaged in are covered by this legislation. Pupils paper records will probably fall under the requirements of the General Data Protection Regulations Act 2018 and be subject to notification.

#### **Authorised Users of Pupil & Staff Data**

Head Teacher	-	Pupil & Staff Data
Admin Officer	-	Pupil & Staff Data
Deputy Head Teacher	-	Pupil & Staff Data
Admin Assistants	-	Pupil Data & Staff Data
Clerical Assistant	-	Pupil Data & Staff Data

#### **Supporting documents: Data protection**

- Emergency recovery plan
- Notification to the Data Protection Commissioner (Data Protection Act 1998)

**P1: Security of Access**

Computer systems used for school management are protected by password security to ensure that only staff have access. The passwords are changed regularly and updated for staff changes.

**P2: Back-up procedures**

The Computer system is backed up daily via a remote link to the L.A.

**P3: Recovery plan for emergency**

The Headteacher has established a recovery plan to ensure continuity of financial administration in the case of emergency.

**P4: Protection against computer viruses**

To prevent viruses being imported, only authorised software agreed by CrEdIT (LA IT support) is used.

**Audit**

The school comes within an internal audit regime determined by the LA, and within the LA external audit regime as determined by the Audit Commission. The school provides access as necessary for audit purposes to its records, for both internal and external auditors.

The DfES requires the school to obtain and provide to the LA annual audit certificates in respect of voluntary and private funds held by them and of the accounts of any trading organisations controlled by them. However, the LA will not itself audit such funds. The auditor of non-public funds must not be connected with the administration of those funds. Any other requirement as to the audit of such funds is a matter for those making the funds available and for the Charity Commission where charitable trusts are concerned.

The Governing Body appoints a Finance Governor who will visit the school at least annually to observe and discuss financial activities with the School Business Manager and Headteacher.

Policy reviewed by the FGB 18<sup>th</sup> March 2019.

**Signed:** \_\_\_\_\_ **Chair of Governors**      **Date:** \_\_\_\_\_

**Signed:** \_\_\_\_\_ **Headteacher**      **Date:** \_\_\_\_\_

## Appendix 1: General information not relating specifically to Red Gates School

Relevant website addresses

Croydon home page	<a href="http://www.croydon.gov.uk">www.croydon.gov.uk</a>
School Funding and Finance, Finance Matters page	<a href="http://www.croydon.gov.uk/EDDept/School_Finance/4financematters.htm">http://www.croydon.gov.uk/EDDept/School_Finance/4financematters.htm</a>
Scheme for Financing Schools	<a href="http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Scheme/Contents.asp">http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Scheme/Contents.asp</a>
Croydon School Financial Regulations	<a href="http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/FINANCIALREGULATIONSFORSCHOOLS.doc">http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/FINANCIALREGULATIONSFORSCHOOLS.doc</a>
Croydon Financial Guidance Including retention of records	<a href="http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/Handbook_Contents.asp">http://www.croydon.gov.uk/EDDept/School_Finance/1managementfinance/Handbook/Handbook_Contents.asp</a>
Croydon Service Agreements	<a href="http://www.croydon.gov.uk/EDDept/School_Finance/3services/SLA2002/Service_Level_Agreements_summary.asp">http://www.croydon.gov.uk/EDDept/School_Finance/3services/SLA2002/Service_Level_Agreements_summary.asp</a>
NCSL	<a href="http://www.ncsl.org.uk">http://www.ncsl.org.uk</a>
Audit Commission	<a href="http://www.schools.audit-commission.gov.uk">http://www.schools.audit-commission.gov.uk</a>

Other external related documentation

Document	Provider	Last update
Local Personnel Management in Schools	Croydon EPS	
Statutory Instrument 2000 No 2122	DfES	
Keeping Your Balance	Audit Commission	

**Appendix 2: Information Specific to Red Gates School-staff related**

Authorised users of the School Finance Software

<b>Post</b>	<b>Post holder</b>	<b>Read /Write</b>
Headteacher	*Lorraine Slee	Read /Write
Deputy Headteacher	Melissa Hendry	Read /Write
School Business Manager	Eileen Lawlor	Read /Write
Finance Officer	Anne O'Connor	Read /Write
FSST budget adviser	Mandy Friend	Read /Write
System/network manager	Eileen Lawlor	Read /Write
Octavo IT	Paul Smith	Read /Write

Posts, Post Holders and Cheque Signatories as at date of last revision

<b>Post/ area of responsibility</b>	<b>Post holder</b>	<b>Budget holder</b>	<b>Cheque signatory</b>
Chair of Governors	Sue Powell	No	No
Finance Governor	Sue Powell	No	No
Headteacher	Lorraine Slee	Yes	Yes
Deputy Headteacher	Melissa Hendry	Yes	Yes
School Business Manager	Eileen Lawlor	Yes	Yes
Finance Officer	Anne O'Connor	No	Yes
Staffing budget	*Lorraine Slee	Yes	No
Staff training	Melissa Hendry	Yes	No
Administrative Supplies	Eileen Lawlor	Yes	No
Consumables	Melissa Hendry	Yes	No
Furniture and Equipment	Lorraine Slee/Melissa Hendry	Yes	No
Premises	Lorraine Slee	Yes	No
Cleaning consumables	Dave Pettengale	Yes	No
English	Lucy Kirk	Yes	No
Mathematics	Elizabeth Robson	Yes	No
Science	Eliza Nerszswicz	Yes	No
Music	Leo Runswick	Yes	No
Art & DT	Carmen Cox/Fiona Lawrence	Yes	No
PE	Caryn Zapotochny	Yes	No
ICT	Carmen Cox	Yes	No
History, Goegraphy, RE	Anna Ryfiak	Yes	No
SMSC	Elena Verigo	Yes	No

## Appendix 2: Scheme of Delegation

### Approval limits

Expenditure approval on invoices

**£0-£15,000** Head teacher, including those invoices received in respect of SLA's and contracts for services to be carried out during the academic year including but not exclusively from the following companies. JCA School Support, Octavo (SLA's), Team EWO, Croydon drop in, Veolia.

**£15,000 – 40,000** Head Teacher + Finance Governor

**£40,000 upwards:** Full Governing body agreement.

### Tenders/Quotes/Contracts:

Under £10,000 one quote

£10,000 to £40,000 three quotes

£40,000 to £100,000 Formal Tendering using LA Tenders & Contracts Regulations.

### Purchasing:

\*All purchases with a value of under £15,000 can be authorised by the Head teacher.

Purchases up to £50,000 where expenditure is budgeted for can be approved by the Finance governor.

Purchases exceeding £50,000 where expenditure is budgeted the final decision will be taken by FGB.

### Disposal of assets:

All disposals must be authorised by the Head teacher, who will notify the governing body of all disposals over £250+

### Recording of assets on Asset register:

All purchases of equipment that could be described as an asset and will cost the school a substantial amount of time or money to replace should be entered onto the asset register – this relates to purchases over £250

### Separation of Duties:

Budget holder – Initial request & Checking of deliveries

Office staff – checking of deliveries received by Office

Anne O'Connor- Processing of orders, & paying in Income.

Lorraine Slee – authorisation of orders/expenditure

Eileen Lawlor– authorisation of invoices/expenditure.

Head/Deputy/Assistant Heads/ School Business Manager – signatory on cheques

### Procurement Card:

Head teacher – Transaction limit £1,000 – Monthly limit £6,000

### Appendix 3: Information specific to Red Gates School – non staff related

Revisions to this 'Financial Policy and Procedures' Document

Version number	Date approved by Governing Body
1	Mar 2019
2	Reviewed & updated annually

Admin Software used

Software area	Package	Version
Virus protection	Sophos	Updated monthly
Finance	FMS Capita	Updated as new software is available by Octavo IT
Personnel & Pupil Data	SIMS.net	“

Bank Account Details

Bank	Account Number	Title
NatWest Croydon High Street PO Box 332, 1 High street Croydon CR9 1UY	58784225	London Borough of Croydon Red Gates School

Insurances held by the school

Area covered	Policy	Number
Buildings	Croydon LA SLA	N/A
Contents	Croydon LA SLA	N/A
Public Liability	Croydon LA SLA	N/A
Teacher illness	Class Insurance	RED-06941819
Teacher maternity	“	“
Support Staff illness and maternity	“	“

Staff authorised to certify invoices

Post	Post holder
Headteacher	Lorraine Slee
Deputy Headteacher	Melissa Hendry
School Business Manager	Eileen Lawlor

## Current Contracts and Service Agreements

<b>Current Contracts</b>	<b>Contact details</b>	<b>Description</b>	<b>Date Renewal annually</b>	<b>Best Value Assessed as part of budget review</b>
SCS	SCS	Phones	01/04	
Octavo IT	Octavo Partnership	Network PCs	01/04	
Octavo HR	Mark Langston	HR	01/04	
Liberata	Rohit Khagram	Payroll	01/04	
JCA	Mandy Friend	Finance Support	01/05	
Step Academy	Ricardo Oliveri	Web site Support		
Croydon Council	Mark Norrell	Support on building maintenance, building services, health & safety	01/04	
LA	Octavo Partnership	Governor Services	01/04	
LA	Octavo Partnership	Legal Advice	01/04	
A.I.P	Lydia Lyons	School catering	01/04	
Infinity Fire	George Lee	Check fire alarm system & fire extinguishers	Ongoing	
Guardian Alarms	Callum Daniels	Check burglar alarm system	Ongoing	
F.E. Bright	Irene Peat	Hoist servicing	Ongoing	
Aquatide	Linda Roberts	Water hygiene/systems	Ongoing	
YMEC	Ron Greene	Heating & boiler system	Ongoing	
Mint Hygiene	Dave Fullbrook	Recycling & Clinical collection	01/04	
Mint Hygiene Direct 365	Ricardo Orobio	Sanitary & general waste	01/04	

Annually in January contracts are reviewed for best value and comparative costs sought as appropriate

Also refer to Planned Maintenance File: Building Services & Equipment check list  
Official Registrations held by the school

<b>Item</b>	<b>Reference number</b>	<b>Date of last registration</b>	<b>Reviewed annually</b>
Television licence	TVL51591012	01/10/18	
Data protection register	Z7285963	04/12/18	
Christian Copyright	670295	October	Renewed every 3 year though



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Licence		2017	DoE
Public Video Screening	FY09/13033	01/04/2017	Renewed every 3 year though DoE

## Other Red Gates School related documentation

<b>Description</b>	<b>Location Ref</b>	<b>Version Date</b>	<b>Date to be reviewed</b>
Terms of reference of the Governing Body	Head's Office Gov. Minute File	September 2018	Annually
Role of the Finance Governor, Headteacher, budget holders, finance admin staff	Head's Office Finance Policy & Procedures File	March 2019	Annually
Best Value statement	Head's Office Finance Policy & Procedures File	Mar 2019	Annually
Lettings Policy	Head's Office General Policy File	February 2019	Every 2 years
School Improvement Dev. Plan	Head's Office	Sept18- August 19	Termly
Budget plan	Head's Office Finance/Budget File	April 19 - March 20	Monthly
Register of pecuniary interests	Head's Office Pecuniary Interests File	September 2016	Each Governing Body meeting
Specimen quarterly monitoring return presented to the H/T and FGB	Head's Office & Admin Office Finance/Budget File	Quarterly & ongoing	End of each quarter
Data Protection Register	Admin Office	March	Annually

## **Appendix 4: Role of the School Governor (reference to Finance Link Governor)**

**RED GATES SCHOOL (Group 5)** caters for pupils with severe learning difficulties (SLD), profound and multiple learning difficulties (PMLD) and autism and SLD. Age range 4 to 11.

### ***A link governor will undertake:***

- *To monitor an identified area on the School Plan or a statutory function of the Governing Board and report to the Governing Board, ensuring the challenge and support is captured. It is expected that 3 monitoring visits will be made to the school during the year, unless school circumstances necessitate more. A visit does not necessarily have to take place during the time when students/pupils are in school and could be just as effective as a meeting between governor(s) and the lead professional at the end of the day as mutually agreed.*
- *To meet with the lead professional within the school to gain an understanding of the scope of the area/target and the activities the school is conducting to achieve success.*
- *To monitor the progress of school activities towards the priority milestone or duty.*
- *To monitor how well relevant policies are operating within the school and whether there are any perceived difficulties in implementing the policies adopted by the governing body.*
- *To ensure holding to account by the questions asked are undertaken within the visit with the answers documented*
- *To evaluate, with the lead professional, the extent of success at the end of the set timescale.*
- *To act as an advocate/raise the profile of the delegated area of responsibility, for example commenting on proposed budget allocations.*
- *To undertake any necessary training (in or out of school) to enable effective monitoring of the areas/subject.*

*All visits to the school will be arranged with reference to the Headteacher and in accordance with the Governor Visits policy.*

*Reports will be submitted for approval by the Headteacher and the Chair within the school within one week of the visit, and then be lodged with the Clerk of governors for distribution as soon as possible, at least seven days before the next Governing board meeting.*

### **Link Governor for Finance**

The Governing Body will generally scrutinise the school's finances, including the budget and financial management systems; however, further detailed work will often be undertaken by the **Finance Governor** as agreed under a Scheme of Delegation from the full Governing Body.

**The Link Governor for Finance** will be assigned to strategically monitor the financial management of the school on behalf of the Governing Board. S/he will ensure that a budget is set within available resources; spending is kept within budget; and that funds are spent for the educational benefit of the pupils; and that resources are used wisely.

Three monitoring visits should be made each year, ensuring all financial questions and answers are captured within the subsequent report to enable collective decision making. The visits and reports should include monitoring of the following:

- To ensure that the school maintains an up-to-date 'balanced' three-year budget plan, which shows clear links to the 'School Improvement' and 'Staffing' plans.
- To evaluate any virement recommendations and report to the Governing Board.
- Analyse and report on Tenders for Contract Services in accordance with board delegated limits.
- To keep in-school financial procedures under review.
- To ensure that the school benchmarks its financial performance against similar schools and report to the Governing Board.
- To evaluate proposed expenditure as set out within the delegated limits following recommendations from the headteacher and present to the Governing Board.
- To draft the **Schools Financial Value Standard**, following discussions with the School Business Manager, using the support tools, for Governing Board approval before 31<sup>st</sup> March
- To ensure that the school is working within the guidance of the **SFVS** recommendations.
- To ensure that all spending provides 'Value for money' in terms of raising standards in education and is wisely spent.
- To liaise with the relevant Link Governor regarding monitoring of the spend of extra funding such as pupil premium, sports premium, ensuring its use has impact.
- Review finance policy; lettings policy; Whistle blowing policy; Governor allowance policy; Charging and remissions policy, making recommendations to the Board
- Ensure annual Governor financial skills audit is undertaken and evaluated
- Review the business continuity plan making recommendations to the Governing Board
- Review compliance audit reports, ensuring the Board follows recommendations and actions
- To make regular reports to the Governing Board and ensure that key financial decisions are recorded correctly in the minutes.

## Appendix 5: Best Value Statement



### Red Gates School

### Best Value Statement (Revised November 2017)

#### Introduction

The Board of Governors is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services

#### What Is Best Value?

Governors will apply the four principles of **best value**:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

#### The Governors' Approach

The Governors and school leaders will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school leaders, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISE, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. maintenance contracts, new build & IT
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety.

Governors and school leaders:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

### ***Staffing***

Governors and school leaders will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

### ***Use of Premises***

Governors and school leaders will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. requests for letting

### ***Use of Resources***

Governors and school leaders will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

### ***Teaching***

Governors and school leaders will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, Foundation State curriculum and the needs of all pupils
- teaching which builds on previous learning and has high expectations of children's achievement.

**Learning**

Governors and school leaders will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets.

**Purchasing**

Governors and school leaders have developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £10,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

**Pupils' Welfare**

Governors and school leaders will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

**Health & Safety**

Governors and school leaders will review the quality of the school environment and equipment termly, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

**Monitoring**

The following tools will be used to monitor best value:

1. In-house monitoring by the Head Teacher and curriculum heads, e.g. classroom practice, work sampling
2. Annual Performance Management
3. Annual Budget Planning
4. Head Teacher's monthly financial review
5. Monthly visits by the school's external Finance Adviser
6. Quarterly financial submissions to LA
7. Analysis of school pupil performance data, e.g. pupil attainment
8. Analysis of LA financial data, e.g. ORACLE reports, against bench mark data for all schools, LA schools, similar schools
9. Analysis of external pupil performance data, e.g. RAISE
10. Ofsted Inspection reports
11. Audit reports
12. Governors' termly classroom observations
13. Governors' meetings and Link Governor visit reports
14. Analysis of pupil premium and sport grant
15. Monthly payroll checks

**Appendix 6: School specific proformas**

<b>Description</b>	<b>Location Ref</b>	<b>Version Date</b>	<b>Date to be reviewed</b>
School specific order form	Admin/SLT/SBM/ Finance	29/9/2018	Ongoing



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## Appendix 7: Responsibilities

### Governors

- Approval of 'Financial Policy and Procedures'
- Budget approval
- Regular monitoring
- Accountability to LA and parents
- Delegation to Head Teacher
- Ensuring that financial statements required by the LA are produced

### Head Teacher

- Preparation of draft budget
- Reporting to Governors
- Budgetary control in order to ensure that expenditure is kept within the budget plan
- Virement within limits
- Monitoring of expenditure

### Budget Holders

- Placing of orders according to working practise
- Accountability for allocated budget
- 

### School Business Manager

- Summary reports for Budget holders
- Drafting of reports for Head Teacher
- Detailed monitoring of budget
- Monitoring of day to day procedures
- Bank reconciliation
- Ensuring that 'Financial Policy and Procedures' document is updated when required by the Governing Body.

### Admin Officer

- Processing of orders and invoices
- Receipt and banking of income
- Preparation of cheques
- Recording of income

## APPENDIX 8: WHISTLE BLOWING PROCEDURE

Refer to Croydon Whistle Blowing Policy and Procedure displayed in the staffroom and attached to this policy.

This policy was reviewed and updated by the FGB March 2019