

FINANCIAL REGULATIONS POLICY

RATIFYING COMMITTEE	Finance & Premises Committee
DATE RATIFIED	11/5/18
NEXT REVIEW DATE	May 2019

Ravenbank Community Primary School Finance & Premises Committee Terms of Reference

1. Constitution

The Ravenbank Governing Body resolves to establish a Committee to be known as the Finance and Premises Committee (the Committee). The Committee is an assurance committee of the Governing Body and has only those powers specifically delegated in these terms of reference.

The purpose of the Committee is to develop and oversee the financial governance of the school. The Committee also has delegated responsibility for developing and maintaining school premises.

2. Membership

Membership of the Committee, appointed by the Governing Body consists of no less than 4 Governors including the Head Teacher and at least:

- 1 Staff Governor*
- 1 Parent Governor
- 1 Co-opted Governor (who is not a member of staff)

*or a Co-opted Governor who is also a member of staff.

(It is recommended that at least one member of the Finance and Premises Committee is also a member of the Staff & Stakeholders Committee).

The Chair and Vice Chair of the committee will be appointed by the Governing Body and will be a Parent, Community or LA Governor.

3. Quorum

A Quorum shall be 3 members and the Head Teacher at least one of which shall be:

- A Parent Governor

4. Attendance

Governors who are not members of the Committee may attend without invitation.

Any member of teaching and or support staff who's work or responsibilities contribute to the work and priorities of the Committee and/ or may inform decision making may also attend (as required, and upon invitation by the Chair only).

Other persons may attend as the Committee may determine by invitation only. An appointed Committee Clerk will attend as the Minute Taker.

All members of the Committee are expected to attend all meetings. Apologies will be accepted at the discretion of the Chair.

5. Frequency

Meetings shall be held half termly.

6. Authority

The Governing Body delegates authority to the Committee to:

- a) Make recommendations to the Governing Body;
- b) Develop and Ratify policies in accordance with the Ravenbank Policy on Policies
- c) Monitor and hold to account;
- d) Identify and escalate to the Governing Body key issues and risks including those related to delivery of the School Development Plan.

As well as:

- e) Approve the annual budget
- f) Vire funds
- g) Prepare and submit the school's annual Statement of Internal Control (SIC) & Best Value Statement to the Local Authority.
- h) Undertake and consider the outcomes of the Annual Audit of School Funds.

The Governing Body also delegates decisions that are not of a significant nature. In practice, what is significant will depend upon the judgement of members but the Committee must refer the following types of issues to the Governing Body:

Any issues which –

- i) Change or conflict with the School Mission/ Strategy/ Aims.
- ii) Contravene Ravenbank Policy, National Policy or Governmental directives;
- iii) Have significant revenue implications beyond the existing budget;
- iv) Are likely to arouse significant parent, public or media interest.

7. Duties:

Finance:

- a) To provide guidance and assistance to the Head teacher and the Governing Body in all matters relating to budgeting and finance.

- b) To prepare and review financial policy statements, including consideration of long term planning and resourcing.
- c) To consider each year's School Improvement Plan and to formally approve the first annual budget.
- d) To make decisions on expenditure following recommendations from other committees.
- e) To determine whether sufficient funds are available for pay increments as recommended by the Pay Committee/ Head teacher.
- f) In the light of the Head Teachers Performance Management Panel recommendations, to determine whether sufficient funds are available for increments.
- g) To monitor the income and expenditure of all public funds (i.e. budget share, Standards Funds) and report the financial situation to the Governing Body each term.
- h) To recommend the level of delegation to the Head Teacher for the day to day financial management of the school.
- i) To ensure the audit of the non-public funds presentation to the governing body.
- j) To receive, and where appropriate respond to, periodic audit reports of public funds.
- k) Review and report to the full Governing Body, plans, outcomes and decisions following an annual benchmarking comparative exercise.
- l) To receive and determine appropriate action related to LA, DfE and other externally driven initiatives as delegated by the Full Governing Body or as advised by the Head Teacher.

Premises:

- a) To advise the Governing Body on priorities for the maintenance and development of school premises.
- b) To contribute, prepare and monitor implementation of objectives related to premises in the School Improvement Plan.
- c) To approve the costs and arrangements for repairs, maintenance and redecoration within the budget allocation.
- d) To make recommendations on premises related expenditure.
- e) To provide support and guidance for the Headteacher on all matters relating to the school premises, grounds and security.
- f) To ensure the periodic inspection of the grounds and premises by suitability qualified professional.
- g) To oversee premises related funding bids.
- h) To ensure governors' responsibilities are discharged regarding litter under the Environmental Protection Act 1990.
- i) To oversee arrangements, for the use of the school premises by outside users, subject to governing body policy.
- j) To establish and keep under review a Building Development Plan.
- k) To establish and keep under review an Accessibility Plan.
- l) To establish a lettings and charges policy which takes into account the needs of the local community.
- m) To prepare information concerning premises and community to be published by the school.

- n) To receive and determine appropriate action related to LA, DfE and other externally driven initiatives as delegated by the Full Governing Body or as advised by the Head Teacher.

8. Reporting

Draft or approved minutes of the Committee will be sent to the Governing Body for consideration/ assurance purposes.

9. Other Matters

The Committee is neither entitled to further delegate its powers to other bodies nor establish additional sub-committees unless expressly authorised by the Governing Body.

10. Date of Review

These Terms of Reference are to be reviewed annually.

1.0 ROLES AND RESPONSIBILITIES

- 1.1 The whole of the finances of the school shall be subject to regulation, supervision and control by the Governing Body. The inclusion or exclusion of any specific matters in any other regulation or resolution shall not be construed as limiting in any way the scope of these regulations. The supervision and control by the Governing Body should be subject to the terms and reference of the Finance Committee, which normally include:
- to allocate money to budget headings at the start of the financial year,
 - to recommend the annual budget to the governing body including the delegation of the budget responsibilities to budget managers
 - the regular monitoring of actual income and expenditure against each budget and revised forecast for the year
 - the awarding of contracts by tender up to a specified limit
 - reviewing reports by Internal Audit as to the effectiveness of the financial procedures and controls.
- 1.2 The Headteacher has overall executive responsibility for the school's activities, of which financial activities are clearly a part. The Headteacher is therefore considered by the LA to be the person with overall responsibility to the governing body for the financial management of the school. The Headteacher will ensure that the governing body is provided with financial advice, that proper and adequate financial systems and controls are in place and that accounts are prepared and maintained as required by the governing body or the LA.
- 1.3 As a school, we are accountable and responsible for all aspects of its financial management and control, and we shall demonstrate public accountability and value for money in education. This responsibility rests with our Governing Body and the school staff will fully support the Governing Body in this respect.
- 1.4 These regulations relate solely to financial matters within Ravenbank Community Primary School.
- 1.5 The school is supported by;
- **Senior Account Garry Bradbury**
Garry offers financial advice in line with WBC's policies and procedures.
 - **Finance Officer Sally Watson**
Sally monitors and prepares the budget and offers support to the Office Manager with the day to day finance tasks.
 - **Office Manager Claire Warren**
Day to day management of the budget.
 - **Budget Officer Liz Broom**
Monthly VAT returns and bank reconciliations.

1.6 Authorised signatories for cheques;

- Lesley Sweeney
- Julie Greenwood
- Jenny Baxter
- Gill Tysoe

1.7 In the absence of the Headteacher at Governor Meetings, the Headteacher will nominate a member of school staff to be her representative. In the event of a Governor Chair being absent, the Vice Chair of the committee will take leadership.

In the absence of the Headteacher, the Governing Body will seek advice from the LA to decide on the appropriate person to assign roles and responsibilities for financial regulations.

2.0 ACCOUNTING

2.1 Garry Bradbury, Senior Accountant from Warrington Borough Council will be responsible for advising the school on all financial matters and for issuing instructions for safe and efficient arrangements for the receipt of monies payable to and for payments made by the school. The Headteacher shall seek the advice of LA Finance Officers with regard to all matters financial.

2.2 Garry Bradbury, Senior Accountant from Warrington Borough Council will agree all the LMS accounting and costing records of the school. The Director of Finance and IT shall offer advice to the Headteacher with regard to the supervision and control over the form and standard of all LA related financial records, statements and accounts kept in the school.

3.0 BUDGETARY CONTROL

3.1 The Governing Body shall prepare and formally approve a detailed allocation of its budget, to meet all expenditure anticipated to be incurred during the forthcoming financial year, in order to achieve their educational objectives in line with their School Development Plan. The allocation shall be prepared in the format specified by the Director of Finance (VB1) and sent to the Education Finance Section by 1st May each year.

3.2 The timetable for the annual budget shall provide for the budget to be placed before the full Governing Body for its ratification, at its first meeting in or after March in each year.

3.3 The principal steps involved in budgeting are:

- to ensure everyone involved in the process is aware of the assumptions, constraints and targets which have been determined by reference to the school's financial objectives as defined within the School Development Plan.
- to estimate the costs of each element in the overall plan, preferably over at least a three year period. The second and third year costs will not be in as much detail as the first year. Costings over this number of years will help to identify core commitments and areas of discretionary expenditure where contingencies can be included.
- to estimate future delegated budgets over at least a three year period. (Uncertainty about funding is inevitable and assumptions need to be made about the future level of funding the school will receive based on the various factors which could influence it)
- comparison of net expenditure and budget to identify the potential surplus or shortfall in funding required to meet the financial objectives in the strategic plan
- identification of savings in expenditure in order to prepare a budget which delivers the strategic plan if a shortfall is identified
- revision of the strategic plan once priorities have been identified to enable the preparation of a budget with reduced expenditure to match the expected budget
- any budget surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year
- any new initiatives will be carefully appraised in relation to all likely costs and benefits and their financial sustainability and links to the School Development Plan before being approved by the governing body
- to present the budget to the governing body for approval
- to inform those members of staff with financial responsibilities what their budgets are, together with any constraints imposed
- to inform all school staff of the financial aims of the school
- the Headteacher will promptly forward details of the approved budget and any subsequent changes to the LA

3.5 The steps involved in arriving at an approved budget may require a number of attempts to balance income and expenditure.

3.6 The Headteacher / Finance Officer will ensure that the following Budget Monitoring steps are in place:

- the Headteacher / Finance Officer will produce monthly budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. These reports will be reconciled by Liz Broom (Budget Officer) with the LA's and where necessary, the school's accounting records.
- the Headteacher / Finance Officer will provide budget monitoring reports to the Finance Committee at least once a term. These will show any significant variances against the budget with explanatory notes and, where necessary, take remedial action plans including virements.
- where budget elements have been devolved, the budget holders will receive and review monthly reports comparing the amount spent or committed to date against their budgets. The Headteacher will monitor these reports periodically and take action where necessary

4.0 REGISTER OF PECUNIARY INTERESTS

4.1 The school shall maintain a Register of Pecuniary Interests. Within this register the business interests of all Governors, the Headteacher, and any member of their immediate family will be declared (note this can be extended to include the business interests of all members of staff who can influence the school's decision making).

4.2 The register will include all business interests such as directorships, shareholdings and other appointments of influence within a business or other organisation which may have dealings with the school.

4.3 The Governing Body will ensure that the register is up to date and complete by ensuring that:

- Nil returns are required from those who have been requested to declare their interests and have none
- There is a requirement to notify the school of any changes in business interests as they occur; and
- A suitable person is nominated to deal with the administration (maintenance of the register, letters to governors etc.)

4.4 The Register of Pecuniary Interests will be considered annually by the full governing body.

4.5 The Register of Pecuniary Interests will be available for inspection by Governors, staff, parents, the LA and Ofsted.

- 4.6 Governors will have a duty to disclose related business interests at a governor body meeting and withdraw from the meeting whilst the proposed contract or other related matter is being discussed. This disclosure will be recorded by the clerk to the governors in a book to be maintained for that purpose and a reference will also be recorded in the minutes of the governing body meeting.
- 4.7 A proforma Register of Pecuniary Interests is included at Appendix C.

5.0 FINANCIAL CONTROLS

- 5.1 The Governing Body will ensure that the school has descriptions of all its financial systems and procedures. These can be seen on the HELP facility in the SIMS module.
- 5.2 The Headteacher will ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.
- 5.3 The Headteacher will ensure 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 should be fully documented.
- 5.4 All financial transactions must be traceable from original documentation to accounting records, and vice versa.
- 5.5 Any alterations to original documents such as cheques, invoices and orders will be clearly made in ink or other permanent form, and initialled.
- 5.6 All accounting records will be securely retained when not in use and only authorised staff shall be permitted access.
- 5.7 The Headteacher will ensure that all expenditure from sources of earmarked funding is accounted for separately and that the funding is used for its intended purposes.

Procedures and Limits for Obtaining Tenders

Any tenders for the building/maintenance will be dealt with by the relevant committee and passed to the LA for tender. The school purchases the procurement SLA to support this.

Three written quotes should be obtained from relevant suppliers and if they are within the Headteachers authorised limit of £5,000 then the most suitable for the school will be acted upon.

If they fall within the authorised limits of £5,000 - £10,000, then the Finance Committee shall meet and if they fall over £6,000 then the full Governing Body will approve the supplier.

Disposal of Assets

The Headteacher is authorised to dispose of assets to the value of £500.

The Finance Committee will meet to discuss the disposal of assets up to the value of £5,000 and the full Governing Body above £5,000.

All efforts will be made to sell the asset.

6.0 WHISTLEBLOWING

6.1 The school will ensure that a clear mechanism is established for dealing confidentially with allegations of malpractice, thus enabling staff to raise concerns without prejudice to their personal position. The system for the raising of concerns will include respect for staff confidentiality, an opportunity to raise concerns outside the line management structure, and an indication of the proper way in which concerns may be raised outside the organisation if necessary.

7.0 GOODS AND SERVICES FOR PRIVATE USE

7.1 As a school we should avoid practices such as obtaining goods and services which may include an element of private use for governors or staff. Governors and staff should also avoid accepting excessive hospitality, entertainment, or other services from existing or prospective suppliers.

8.0 ORDERS FOR WORK, GOODS AND SERVICES AND CONTRACTS

8.1 The Governing Body is responsible for all orders raised in relation to the school budget. Authority to sign such orders up to given financial limits will be restricted to a small number of persons named by the Governing Body and the school will maintain a list of such staff.

8.2 The Headteacher has the authority to make arrangements for the ordering of works, goods and services up to a value of £5,000 and for anything over £5,000 the Headteacher must seek approval of the Finance Committee. Three competitive quotes must be sought for any works,

goods and services in excess of £2,000 (ex VAT). For expenditure greater than £6,000 the Headteacher and Finance Committee shall seek the approval of the full Governing body.

- 8.3 The Office Manager can approve orders up to £250
- 8.4 In order to ensure that the school obtains value for money, the Governing Body shall set a limit on expenditure above which at least three written, competitive, quotations must be obtained from suppliers, before placing the order. These shall be retained for auditing purposes. It is recommended that this limit should be £6,000.
- 8.5 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.
- 8.6 Each supplier shall be evaluated as to its financial viability before an order is placed.
- 8.7 The Governing Body shall ensure that before the order is placed, sufficient budgetary provision exists to meet all the costs associated with that order.
- 8.8 When an order is placed, the estimated cost shall be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.

8.9 Cheque Book Management Schools

- 8.9.1 Cheque Book Management schools maintain computer financial management systems which have built in controlled sequentially numbered orders.
- 8.10 Each order must clearly state the nature of the goods or services, the quality supplied, the agreed charge or estimate cost, together with the delivery address and any other relevant details. Copy orders shall be securely retained in numerical order.
- 8.11 Official Borough Council order forms shall not be used to obtain other goods and services for individuals.
- 8.12 Only in cases of extreme urgency can an order be issued orally, which shall be confirmed with a written order as soon as possible afterwards.
- 8.13 The school will not enter into any financial agreement with capital implications without the approval of the LA or appropriate body.

8.14 Virements

8.14.1 The Governing Body, on the advice of the Finance Committee and in consultation with the Headteacher, has made the following rules:

- The Headteacher has the power to vary the amount of budget without prior approval up to a maximum of £5000 for non-staffing budget headings. With regards to staffing budgets the Headteacher has the power to vary the amount of budget, providing approval has been agreed by the Personnel Committee and the full Governing Body. Where a virement is to be raised, the virement request form will be completed, authorised and submitted to the LA, a copy will be retained at the school.
- Where there is an underspend or overspend in any financial year the Headteacher shall present to the Finance Committee a list of priorities in line with the School Development Plan. The Finance Committee shall then make recommendations to the Governing Body in respect of the movement of budget.

9.0 PAYMENT OF ACCOUNTS

9.1 The Headteacher or authorised signatories shall be responsible for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant account.

9.2 All invoices shall be signed by the Headteacher or an authorised signatory and shall include responsibility for verifying that:

- The goods or services to which the invoice relates have been received. This should not be done by the person who signed the order.
- That the school follows the policies set on returned goods. A goods returned book shall be maintained in order to document the return to the supplier. This will include a description of the goods and reason for the return and a procedure to ensure that replacements or credits are received for all returns.
- The process, calculations, trade discounts, other allowances and VAT are correct and the invoice has not previously been passed for payment.
- The relevant expenditure has been properly and legally incurred and is within the relevant estimate provision and that proper entries have been made in inventories, stores and other records where appropriate.

- The payment shall be made within the limits specified in law for the payments of debts (Late Payment of Commercial Debts (Interest) Act) i.e.:
 - Businesses are able to claim interest on bills that are paid late and can charge interest at 8% over base rate on over due business debts.
 - No credit period is specified but, where a contract contains none, it will be assumed to be 30 days from delivery or invoice, whichever is the later.
 - If we do not agree with an interest charge (e.g., if the goods delivered are faulty and had to be repaired) we may have to negotiate with the supplier to reduce or amend the interest charge if the supplier enforces the Act.
- The payment shall be made only when a proper invoice has been received, checked, and certified for payment.
- A member of staff approved by the governing body shall certify invoices for payment. This shall be neither the person who signed the order nor the person who checked the receipt of goods or services.
- The Headteacher or authorised signatories shall examine all accounts passed for payment and shall be entitled to receive such information and explanations as may be required.

10.0 AUTHORISATION LIMITS

- 10.1 The school works with the School Development Plan and targets different curriculum areas or work within school which is agreed with the Governors each year.
- 10.2 The school will maintain a list of staff authorised to certify invoices for payment.

11.0 DOCUMENT RETENTION

- 11.1 For Local Bank Account Schools, ALL paid invoices must be retained for the current year and the previous 6 financial years to satisfy HM Customs and Excise.
- 11.2 The school will ensure that the following records are retained until the Authority's Accounts have been certified by the external auditors i.e. the current year plus the previous 2 financial years.
 - Copy orders
 - Signed delivery notes
 - Copy remittance advices
 - SIMS/LRM detailed accounts plus final Central Report 1
 - Paying—in slip stubs/records

- Copy receipts for all income
- Bank statements
- Bank reconciliation statements
- Paid cheques (if returned by bank)

12.0 SEGREGATION OF DUTIES

12.1 All Schools – Principles of segregation

12.1.1 Duties should be properly segregated between individuals. One of the prime means of control is the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction. Segregation of duties reduces the risk of error or intentional manipulation through checks built into the routine and provides a certain degree of protection for individual staff against possible accusation of misappropriation.

12.1.2 The school will ensure that the following functions shall be separated:

- authorisation (the authorisation of a transaction such as a purchase order or a payment)
- execution (the placing of an order, receiving of goods and services or charging and receipt of a fee)
- custody (the holding of the goods or services)
- recording (the completion of the accounting records)
- in the case of a computerised accounting system, systems development and operation (the determination of operating procedures and the carrying out of those procedures).

12.1.3 The school will segregate duties in relation to the staff available and their levels of responsibility in the financial organisation of the school.

12.1.4 The governing body shall satisfy itself that there are adequate checks and segregation to ensure that the risk of error or fraud is minimised. The governing body shall approve the specific arrangements.

13.0 SALARIES AND WAGES

13.1 Our school shall ensure that any circumstances affecting the salaries, wages or other payments to an employee of our school, including appointments, promotions, regradings, secondments, suspensions, dismissals, retirements and absences from duty (other than normal leave),

shall be notified to the Education Department in the appropriate manner. The Governing Body will consult the Pay Policy and Education Personnel Section on any matters relating to conditions of service, salary and wage scales.

- 13.2 Our school's Governing Body will provide the Director of Finance with any information required to calculate and pay salaries and wages. They will also provide any information necessary to enable the Director of Finance to maintain records of service and make deductions for superannuation, income tax, national insurance and statutory sick pay.
- 13.3 Our school will ensure that time sheets and other pay documents in a form approved by the Director of Finance shall be checked and certified by an officer authorised by the Governing Body, who shall be a different person to that who has completed the documents. The names and specimen signatures of all authorised officers shall be submitted to the Director of Finance along with notification of any changes. Claims by any member of our school's staff for expenses incurred in carrying out official duties, shall also be certified by an authorised officer and produced in a form approved by the Director of Finance
- 13.4 In authorising such documents, the school's authorised officers will ensure that the payment was necessary, has been coded to the appropriate cost centre and detail code combination for the school, and is within the sum available in the appropriate school budget. In addition that the school's records have been updated to record that the document has been passed for payment.
- 13.5 Our school will ensure that alterations to the payroll are authorised by someone other than the person preparing the alteration and not by the person the alteration relates to. Payroll alterations will normally be authorised by the Headteacher, with any alterations to the Headteacher's pay being authorised by an appropriate committee of our school's governing body.
- 13.6 Our school's Governing Body shall ensure that the duties of authorising or terminating the appointment of staff, are performed by different staff from those responsible for undertaking the processing of salaries, wages, travelling and other employee related payments.
- 13.7 All payments to school staff for work done, and travelling and subsistence claims shall be paid through the Borough Council's payroll system, to ensure that our school complies with income tax regulations. No employee related payments shall be processed through the central payments system, Local Bank Account or school fund.
- 13.8 The Headteacher will ensure that only authorised staff have access to personnel files and that arrangements for staff to gain access to their own records are in place.

13.9 The Headteacher will maintain a list of staff employed. School procedures will ensure that this list is updated promptly to reflect new starters and leavers.

13.10 The Headteacher will obtain regular reports on payroll transactions and check them against the school's documentation on staffing and pay to ensure that they match.

14.0 PETTY CASH

14.1 The Governing Body will set out in writing an appropriate level for the amount of petty cash to be held. This amount will represent a balance between convenience and the risk of holding cash on the premises. Ravenbank School will have a maximum of £500 in petty cash.

14.2 The Headteacher will ensure that the petty cash fund is held securely and that only authorised staff have access to it.

14.3 Payments from the petty cash funds will be limited to minor items which have been approved in advance by an authorised member of staff.

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

14.5 Proper records will be kept of amounts paid into and taken out of the fund.

14.6 The amount in the petty cash fund will periodically be checked against the accounting records and reviewed by an independent member of staff within our school.

14.7 Personal cheques will not be encashed from the petty cash fund.

14.8 Periodic checks will be carried out between the petty cash accounting records and the bank statements, and reviewed by an independent member of staff.

15.0 INCOME

15.1 Our school's Governing Body shall ensure procedures are operated within the school for the safe and efficient collection, receipt and accounting of all money due to the Borough Council.

15.2 The level of charge to be levied for each activity where our school generates income, shall be reviewed and approved annually by the Governing Body.

- 15.3 All lettings will be authorised by the Headteacher within a framework determined by the Governing Body and shall be recorded in a diary or register.
- 15.4 Wherever possible payment shall be obtained in advance (particularly for amounts of less than £30), or an official invoice shall be raised for income due, in order that the debt is formally established in the Borough Council's accounts and to enable debt collection procedures to be instigated if necessary.
- 15.5 Invoices for income due to the Borough Council in respect of charges for work done, goods supplied or services rendered shall be raised promptly using a method approved by the Director of Finance. All payments in settlement of an account shall be paid in to the Borough Council bank account or approved Local Bank Account as appropriate.
- 15.6 Our school will ensure that procedures are in place for chasing any invoices which have not been paid within 30 days. Debts shall be written off only in accordance with LA regulations and our school will keep a record of all sums written off.
- 15.7 The Headteacher will ensure that transfers of school money between staff are recorded and signed for.
- 15.8 The correct accounting analysis, including the separate analysis of VAT, shall be made on the appropriate part of the bank paying-in slip and provided by the appropriate means for inclusion in the Borough Council's accounts. Our school will ensure as a general rule, income shall not be coded to expenditure codes but to an income code.
- 15.9 Our school will ensure that the collection of all income shall be immediately acknowledged by the issue of an official, pre-numbered receipt, in a form approved by the Director of Finance. A record shall be made immediately in the accounting system, of the income received, including an analysis of VAT where appropriate.
- 15.10 Our school will ensure that all income received by our school on behalf of the Borough Council shall be paid into the Borough Council bank account or approved Local Bank Account without delay and at least weekly. No deductions will be made from the sum received. School staff paying money into the bank account shall record the full particulars of each receipt, including the amount, a detailed description of the income, and a reference, on the bank paying-in slip or counterfoil.
- 15.11 Cash and cheques shall be locked away to safeguard against loss and theft.

- 15.12 Our school's Governing Body shall ensure that as full a separation of duties between members of staff as possible, exists in the school's procedures for the collection, receipt and banking of income.
- 15.13 In order to ensure compliance with the 1992 Cheques Act, all cheques which represent official Borough Council income must be made payable to "Warrington Borough Council" and not to our school.
- 15.14 Personal cheques must not be cashed from money held on behalf of the Borough Council.
- 15.15 The Headteacher will reconcile monthly the sums collected with the sums deposited at the bank.
- 15.16 Goods or materials sold for cash or paid for by cheque cannot be released until the cash has been received by our school or the cheque cleared into the Borough Council bank account or approved Local Bank Account. Cheques offered with a valid guarantee card may be treated as cash, subject to the conditions under which the card has been issued.
- 15.17 The Governing Body shall ensure that our school's procedures lead to cash or cheques being placed in a locked safe or a locked drawer, as soon as possible after receipt, and that access to safes and locked drawers is strictly controlled. Consideration shall be given to ensure that insurance cover is sufficient in respect of the amounts of cash and cheques held in our school.
- 15.18 All documentation and records in relation to income due to, or received by our school, shall be retained securely.
- 15.19 The following authorised signatories are authorised to cancel, replace or write-off a debtor's account;
- Lesley Sweeney
 - Julie Greenwood
 - Jenny Baxter
 - Gill Tysoe

The write-off of bad debts shall be reported to the Governing Body with full explanation of the reasons for the write-off. The written-off amount will be debited against our school's budget to offset the original credit received when the account was first raised.

- 15.20 Monthly reconciliation shall be performed of the amounts of income recorded as banked in our school's income register, with the amounts shown on the Financial Reports provided by the Director of Finance as having been entered in the school's accounts. Any discrepancies shall be investigated promptly.

16.0 TAX

- 16.1 The Headteacher will ensure that all relevant finance and administration staff are aware of VAT and Income Tax.
- 16.2 School procedures will stipulate that only proper VAT invoices are paid.
- 16.3 School procedures will set out how VAT on business activities, school trips and other taxable activities will be accounted for, both within the delegated budget and in voluntary funds.

17.0 VOLUNTARY/SCHOOL FUNDS

- 17.1 The Headteacher will ensure that voluntary/school funds are accounted for separately from the school's delegated budget and are held in a separate bank account.
- 17.2 The Governing Body will ensure that relevant voluntary/school funds are registered with the Charity Commission.
- 17.3 The Governing Body will ensure that a Treasurer is appointed to oversee the funds.
- 17.4 The Governing Body will appoint an auditor who is independent of our school. The auditor will not be a member of the Governing Body.
- 17.5 The Headteacher will ensure that the same standards of financial accounting which apply to income and expenditure for our school's delegated budget are applied to the voluntary/school funds.
- 17.6 Any income which properly relates to our school's delegated budget will not be credited to a voluntary/school fund.
- 17.7 The Headteacher will present the audited accounts, the auditor's certificate and a written report on the accounts to the Governing Body as soon as possible after the end of the accounting year.
- 17.8 The Headteacher will ensure that the audited accounts are copied promptly to the LA after the Governing Body has accepted them.
- 17.9 The Headteacher will ensure that every cheque drawn against a voluntary/school fund bank account is signed by two signatures authorised by the Governing Body.
- 17.10 Any voluntary/school fund income shall be paid into the relevant bank account at least once a month.

- 17.11 Receipts will always be issued for any donations or income entering voluntary funds.
- 17.12 The Headteacher will ensure that regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed.
- 17.13 The Governing Body will ensure that voluntary/school funds are covered by insurance, including fidelity guarantee insurance.

18.0 AUDIT

18.1 The Director of Finance and IT shall be responsible for maintaining an independent continuous audit of the financial records, the operations and systems of control as laid down in the CIPFA statements on internal audit practice. For that purpose the Director of Finance and IT or authorised representative shall have the authority:

- To enter the premises under the control of our school without prior notification to examine all records, documents and correspondence
- To require and receive such explanations as deemed necessary in order to satisfy her/himself on any matter under consideration
- To require the production of any documents, cash, stores and other property.

18.2 The Headteacher has authorised the Director of Finance and IT or authorised representative to audit the SIMS FMS package

18.3 Wherever any matters arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council. The Headteacher shall immediately inform the Director of Finance and IT who shall take steps as deemed necessary by way of investigation and report.

18.4 Reports produced by Audit shall be put to the Governing Body

19.0 INVENTORIES AND CONTROL OF ASSETS

19.1 The Governing Body will have a plan for the use, maintenance and development of our school's buildings.

19.2 Purchase of Assets

19.2.1 Procedures relating to the purchase of assets shall follow the procedures for all purchases with regard to limits, authorisations and tender policies. All assets purchased shall be entered in the inventory if the cost is over the specified value. The specified value should be determined by our school's governing body by reference to materiality in relation to the school's finances and will be dependent on the size of our school and any requirements notified by the school's insurers.

19.3 Inventory

19.3.1 Our school will maintain an inventory which contains details of significant equipment and capital items. A member of staff who has no involvement in the ordering of goods shall maintain the register. In addition the register shall be kept up-to-date and include the following information

- date of acquisition
- description of the asset including a unique identification mark such as a serial number
- cost
- source of funding
- location of asset
- details of disposal or write-off.

19.3.2 Items used by our school but owned by others shall be included with a note of ownership.

19.3.3 An inventory can

- form an important part of our school's procedures for ensuring that staff take responsibility for the safe custody of assets
- enable school management to undertake independent checks on the safe custody of assets, as a deterrent against theft or misuse
- help our school to manage the effective utilisation of its assets and to plan for their replacement
- support insurance claims in the event of fire, theft or other losses.

19.4. Security of Assets

19.4.1 Stores and equipment shall be secured by means of physical and other security devices. Authority to access will be clearly documented.

19.4.2 All the items in the register should be permanently and visibly marked as the property of our school and there shall be a regular (at least annual) count by someone other than the person maintaining the register. The person undertaking the annual check shall sign and date the register as

evidence. Discrepancies between the physical count and the amount recorded in the register shall be investigated promptly and where significant, reported to the governing body.

19.4.3 Whenever school property, e.g. musical instruments or computers, is taken off our school site it will be signed for and the register noted accordingly.

19.4.4 Safes and similar deposits will be kept locked and the keys removed and held off the premises outside working hours (insurance requirement).

19.5 Disposals

19.5.5 Items which are to be disposed of by sale or destruction must be appropriately authorised for disposal and, where significant, should be sold following competitive tender.

20.0 COMPUTER RECORDS

20.1 Computer systems used for school management will be protected by password security to ensure that only authorised staff have access. Passwords will be changed regularly and updated for staff changes.

20.2 To avoid financial data being lost our school will take regular copies or backup of data held on computerised systems. Data shall be copied onto a disk or other removable medium as appropriate to the system in use, and the copies stored in a secure, fire proof container preferably off-site.

20.3 Copies shall be taken at intervals determined by the time taken to produce the backup and the time it would take to re-enter information lost since the last backup, should this situation arise.

20.4 The backups shall not be recorded on the same disk each time as this results in only one copy being available. In order to provide more protection from loss of data our school shall use at least three different disks in rotation and to store them in different locations. At least one copy shall be stored off-site with the person storing it being made aware of any responsibilities under the Data Protection Act.

20.5 A hard copy of the nominal ledgers and audit trails shall also be printed regularly and stored separately from the accounting system, preferably in a fire proof container.

20.6 The Headteacher will establish a recovery plan to ensure continuity of financial administration in the case of emergency.

- 20.7 The Headteacher will ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software will be used.
- 20.8 The Governing Body will ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 1998 and that the school's use of any electronic or relevant manual systems to record or process personal information, complies with this legislation
- 20.9 All licences shall be retained for software purchased by the school.
- 20.10 All users of the internet shall be given rules and regulations as to its use – see Appendix B

21.0 GOVERNORS' INSURANCE

- 21.1 The Authority provides insurance cover to protect the Governors of our school in respect of their legal liability against claims, costs or proceedings which may be commenced against them, provided the Governors have acted in good faith. The Authority's expenditure on insurance will be treated as a Discretionary Excepted Item. Expenditure incurred by the LA arising from a contractual liability incurred without authority by our school may be charged to our school's budget.
- 21.2 The following Policies are provided through the Authority's insurers.
- **Employers' Liability** - The current policy applies and extends to Governors' liabilities.
 - **Public Liability** — The current Policy applies and again has been extended to include Governors' liabilities
 - **Officials' Indemnity** — This policy has been extended to provide cover for Governors' liabilities
 - **Libel and Slander** — The existing Policy has been endorsed to include Governors.
 - **Money and Fidelity Guarantee** — Cover includes losses from unofficial school funds and the cover has been extended to include Governors.
- 21.3 Our school will review all risks annually, in conjunction with the LA where appropriate, to ensure that the sums insured are commensurate with the risks.
- 21.4 The Governing Body will consider whether or not to insure risks not covered by the LA, voluntary body. The cost of such premiums will be met from our school's delegated budget.

- 21.5 Our school will notify its insurers, the LA or other agent as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.
- 21.6 Our school will not give any indemnity to a third party without the written consent of its insurers, the LA or other agent as appropriate.
- 21.7 Our school will immediately inform its insurers, the LA or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.
- 21.8 Insurance arrangements will cover the use of school property, e.g. musical instruments or computers, when off the premises.

22.0 BEST VALUE

22.1 General

- 22.2 This section provides information to assist our school in considering the relevance of best value principles to the expenditure of funds from our delegated budget share. When submitting annual budget plans, our school will say how best value principles are being followed.
- 22.3 Best value is a statutory duty to deliver services to clear standards, covering both cost and quality, by the most effective, economic and efficient means available. Legislation places a duty on LAs to secure best value in respect of the way in which they exercise their functions. The duty is not intended to apply to those functions which are exercised by the governing bodies of LA maintained schools. However, our school will adopt the best value performance management framework as good practice.
- 22.4 In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for our school's governing body to ensure
- the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include
 - a) challenging how and why a service is provided (including consideration of alternative providers);
 - b) comparison of performance against other schools taking into account the view of parents and pupils;

- c) mechanisms to consult stakeholders, especially parents and pupils;
 - d) embracing competition as a means of securing efficient and effective services.
- the development of a framework of performance indicators and targets which will provide a clear practical expression of our school's performance, taking national requirements into account;
 - that the following are included in our school's development plan
 - a) a summary of objectives and strategy for the future;
 - b) forward targets on an annual and longer term basis;
 - c) description of the means by which performance targets will be achieved;
 - d) a report on current performance.
 - that a mechanism for internal and external audit exists to ensure that performance information is scrutinised. It is expected that this would be provided by the LA.
- 22.5 The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by our school's governing body of adherence to best value principles.