



Brampton Abbots CE Primary School



Bridstow CE Primary School



Oak Meadow Federation

## Finance Policy

This policy will be reviewed and updated by the Governing Body at least annually.  
All references to 'the school' imply both Brampton Abbots and Bridstow Primary Schools.

Policy approved by Governing Body on 13<sup>th</sup> July 2020

Signed Daniel Brearey, Headteacher

Paul Mason, GB Chair

Policy due for review July 2021

## FINANCE POLICY

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### 1. INTRODUCTION

One of the keystones of a successful school is sound financial management. This policy intends to provide a framework within which limited resources can be allocated and controlled in a manner which will provide optimum educational benefit to current and future pupils of the school.

The school must ensure that financial arrangements comply with the current financial regulations, standing orders and schemes of delegation issued by the Local Authority (“LA”). The updated scheme of delegation from the LA will be formally adopted and approved by the Finance and Resources (“F&R”) Committee. A copy of this document is kept in the School Office and is available to all staff and governors. LA accounting guidelines will be followed.

The Governing Body (“GB”) is responsible for selecting and maintaining appropriate systems for the management and accountability of the delegated budget, the school fund and the governors’ accounts. Resources are targeted to maintain and improve the quality of education provided. The GB will seek to inform all stakeholders about the allocation and use of resources in an appropriate format.

The GB and Headteacher will maintain a School Development Plan which will help inform the preparation of annual budgets. Appropriate systems are maintained to monitor and evaluate financial activity.

Monitoring expenditure of the delegated budget is carried out by the F&R Committee on a half-termly basis. The statement of accounts is presented to the GB for approval. The accounts are audited in line with LA policy.

### AIMS

- To achieve value for money for all expenditure
- To ensure the budget is sufficiently balanced to provide optimum staffing levels, supplies and property costs whilst maintaining a reasonable surplus to cover unforeseen expenditure and long-term planning

- To ensure that responsibilities for financial management are clearly defined and establish internal financial controls
- To consider exposure to risk and insure appropriately
- To ensure that legal and audit requirements are adhered to
- To ensure that property and stock are appropriately controlled and safeguarded
- To ensure that the LA scheme of delegation is adhered to

## **2. ROLES OF GOVERNORS, HEAD TEACHER AND FINANCE STAFF**

The GB, working through the Headteacher, is collectively responsible for the overall direction of the school and its strategic management. It has responsibility for setting educational and financial priorities, and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations, through the Headteacher, and complies with the LA's financial regulations. It will ensure that adequate systems of financial control are in place and that it receives the necessary information to fulfil this role.

The GB includes a range of competencies to ensure that the school is not over reliant on one individual. The GB and Headteacher also ensure that the range of competencies for staff is such that the school is not over reliant on one individual.

A register of business interests of Governors, the Headteacher and any other staff who influence financial decisions is maintained. This is open to examination by governors, staff, parents, and the LA.

The GB shall approve the composition of the F&R Committee and the Committee shall appoint its chairman. Members of the F&R Committee will be provided with dedicated induction training.

### **2.1 Governing Body**

The Governing Body will:

- consider the annual budget plan, approve the budget and consider and approve any proposed revisions to the budget plan; the GB will have regard to forecasted income and expenditure for future years and will consider making current savings and/or the retention of funds to meet future needs;
- establish and review annually the financial limits of delegated authority.
- review at each GB meeting the Register of Governor's business interests to ensure its accuracy.
- be consulted on the LA's Scheme of Delegation and take account of this when considering the budget.
- ensure that a sound and balanced budget is approved in line with the School Development Plan and statutory curriculum requirements.
- ensure that the budget is managed effectively, and accurate records are maintained and that these are available for audit and inspection as required.
- consider the recommendations from Audit Reports and ensure that required action is carried out promptly and effectively.
- determine the staff complement and pay policy and ensure, in conjunction with the Headteacher, that salary payments are made only to school employees in accordance with their appropriate conditions of employment and for services provided for the school (including appropriate tax and NI deductions) and to ensure that payroll changes are accurately recorded and promptly processed;
- establish a written Teacher Appraisal policy in respect of staff appraisal.
- act as a 'Critical Friend' to the Headteacher by providing advice, challenge and support.
- consider budget variations and virement at regular intervals.
- adopt the 4 principles of Best Value (Compare how the school's performance compares with that of other schools; Challenge whether the school's performance is good enough; Compete to

secure economic, efficient and effective services; Consult with stakeholders about services provided) and evaluate the effectiveness of spending decisions;

- monitor adherence to the school's purchasing & tendering procedures.
- ensure that that financial policies and procedures are in place and well documented.
- ensure the range of financial competencies of staff is such that the school is not over-reliant on one individual.
- ensure the school meets its statutory obligations and financial requirements from the LA
- approve and review the school policy on charging and remissions.
- consider annual insurance premiums for risk not covered by the LA.

## 2.2 The Finance and Resources Committee

The F&R Committee will consider the strategic financial issues on behalf of the GB and ensure that the GB is kept fully informed about financial issues through the presentation of minutes and briefings. It will have its remit and membership reviewed annually to ensure the fullest possible range of financial competencies.

The F&R Committee will meet to discuss the annual budget proposals. This will include a longer-term forecast to give an indication of the effect of sustaining existing levels of expenditure, allowing for uncertainties such as future levels of funding and pupil numbers. In the course of its work, the F&R Committee is continually reviewing the budget and therefore the Headteacher and Chairman of the F&R Committee should only meet prior to the Committee where the budget proposals involve significant changes.

All members of the Committee shall receive monthly income and expenditure statements. The Headteacher and Chairman will meet to discuss and resolve any in-year issues that may arise, and decisions/actions reported back to the F&R Committee. The Committee itself will meet each term. Any recommendations /actions will be reported to the GB. The terms of reference of the Committee are contained in Appendix B.

In particular the Committee will:

- scrutinize the proposed annual budget ahead of approval by the GB.
- explore and assess different expenditure options and bids.
- consider predicted pupil numbers and income levels.
- monitor the budget through monthly reports provided by the Hoople Finance Office.
- ensure reconciliation with the school's financial system, including by spot checking by the Headteacher / School Administrator.
- monitor and adjust in-year income and expenditure figures.
- ensure end of year accounts are properly finalised and reported.
- approve the disposal or write off stock.
- review end of year out-turn figures.
- ensure the School Fund and Governors' Accounts are responsibly managed and that annual audits are carried out and reported on.
- ensure that its meetings have the required number of governors attending and are accurately minuted.
- ensure appropriate resources are secured.
- secure personnel with appropriate qualities for achieving the best outcome for each child
- agree the pay policy and staffing structure for approval by the GB.

## 2.3 The Headteacher

The Headteacher provides vision, leadership and direction for the school and will ensure that it is internally managed and organised to meet its aims and targets. The Headteacher will formulate aims, objectives and policies for attaining the agreed targets.

In respect of financial management, the Headteacher will:

- lead and manage the creation of the School Development Plan, ensuring it is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teacher's effectiveness and securing school improvement.
- plan for effective monitoring, evaluating, and reviewing of the School Development Plan to secure progress and school improvement.
- ensure that the relevant LA Financial Regulations and Standing Orders or DfE requirements are adhered to.
- set appropriate priorities for expenditure, allocate funds, and ensure effective administrative control.
- ensure that resources and staff are dedicated to ensuring the highest standard of achievement for all pupils whilst working to best value principles.
- establish sound internal financial controls which are managed daily by the School Business Manager/Administrator ("ScAd")
- ensure the effective implementation of current financial systems, policies, and procedures.
- in conjunction with the ScAd, check the funds delegated by the LA are as expected from the information provided in the Autumn Term Pupil Census and the Pupil Level Annual School Census (PLASC).
- in conjunction with the ScAd compile a draft budget balanced to the amount delegated to the school for GB approval via the F&R Committee.
- in conjunction with the ScAd ensure the production of regular, reconciled budget / financial reports.
- obtain GB approval for budget virements above delegated authority level.
- consider and respond promptly to recommendations identified in Audit Reports and advise the GB of remedial actions to be implemented.
- prepare a charging and remissions policy for approval by the GB.
- ensure the maintenance of an inventory for all school items.
- ensure the adequacy of the school's insurance arrangements.
- implement the school pay policy and appointments procedures, reviewing staffing requirements and curriculum needs, as necessary.
- report quarterly to the F&R Committee all spending on the Government Procurement card.

#### **2.4 The Deputy Headteacher**

The Deputy Headteacher deputises for the Headteacher in his absence and at other appropriate times by undertaking all the duties of the Headteacher listed above. In addition, the Deputy Headteacher will:

- assist the Headteacher in the creation of the School Development Plan, ensuring it is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teachers' effectiveness and securing school improvement.
- assist the Headteacher in planning for effective monitoring, evaluating, and reviewing of the School Development Plan to secure progress and school improvement.

#### **2.4 Staff**

All day-to-day finance matters are dealt with by the Headteacher and the ScAd. The ScAd, who works term time only, works under the direction of the Headteacher. The main duties and responsibilities are to oversee the financial processes, ensure procedures are in place to ensure auditing regulations are met and seek value for money. The Headteacher, in collaboration with the ScAd, is responsible for the preparation of the budget and monitoring of spending, and report to the GB.

Working with the Headteacher, the ScAd will:

- process all orders placed and invoices received.

- oversee all income received by the school in terms of grants, donations, or third-party payments, including instrumental music charges.
- oversee the petty cash account.
- ensure the school's procurement card is used in accordance with set procedures and limits.
- ensure accuracy of payroll details monthly.
- ensure that the schools accounting system is reconciled with the LA figures monthly.
- present monthly summary reports for period reports to the F&R Committee to indicate current financial position and forecasts.
- ensure expenditure is correctly recorded against relevant CFR (consistent financial reporting) codes.
- assume delegated responsibility for managing voluntary fund accounts.
- review and develop financial management procedures on an annual basis and recommend changes as necessary:
- maintain an inventory for all school responsibility items; seek approval for the disposal or write off stock.
- ensure that no goods are purchased through the school on behalf of an individual.
- advise the Headteacher in respect of the school's insurance requirements.
- ensure all financial records are retained as required under the Records Retention Policy.
- manage the School Fund account and arrange for annual audits.
- produce the annual School Census figures.
- assist the Headteacher with appointments procedures.
- provide accurate information to the LA regarding appointments, resignations, staff hours and job levels.
- assume the day to day responsibility for the receipt and banking of income for educational visits, swimming etc.
- assume responsibility for the secure holding of any income received into the school office.

#### **2.4.1 All Staff**

All staff will ensure that premises and equipment are maintained in good order and limit unnecessary damage in a way that minimizes unbudgeted expenditure on repairs.

### **3. BUDGET PLANNING**

#### **3.1 Delegated Budget**

Under the LA's regulations the school is required to prepare a budget expenditure plan, including a costed staffing plan for the financial year in a prescribed form. The budget preparation is conducted by the Headteacher. The plan follows the format and guidelines issued by the LMS and Finance Section of Herefordshire Council using the HCSS budgeting portal (or any LA successive package), formatted to mirror the structures of Consistent Financial Reporting (CFR). A draft budget is analysed by the F&R Committee before submission to the GB for approval.

To assist in the preparation of the budget the following information is used:

- LA formula allocation for income, based on projected pupil numbers
- Teacher costings projection worksheets
- Non teacher costings projected worksheets
- Historical data on income and expenditure trends
- Benchmarking information
- Developments resulting from the School Development Plan
- Pupil Premium ("PP")

Pupil premium funding is utilised solely for the benefit of the pupils identified as eligible in the spring term school census under the categories of Looked After Children, Free School Meal Children, Free

School Meal Ever 6 children and Forces children. The expenditure is fully accountable for audit purposes.

Funding is received based on census data. However, any PP child who joins the school in an in-year transfer and is not included in the latest census data will have PP funding allocated from the main school budget.

The budget is approved by the GB in May each year. Details of approved budgets are forwarded to the LA by 1<sup>st</sup> June with any subsequent budget changes forwarded during the financial year.

**Carry forward of savings/deficit**

The Governors approve an annual budget for the LA funds based on a break even. Any carry forward of surplus is to be within the amount permitted by the LA, if a restriction is placed. The F&R Committee regularly monitors the potential under/overspend and adjusts the annual plan where necessary and/or possible.

**3.2 Capital Budget**

3.2.1 For capital works the F&R Committee meet a minimum of once termly to review works completed and discuss future projects. Proposals for capital expenditure are referred to the diocese and / or the LA in accordance with instructions laid out in the ‘Blue Book’.

The protocol for managing Devolved Funding Capital (DFC) grant is covered in Section 14.

3.2.2 Capital Works involving the structure of the building or which require supervision or project management will require the early involvement of consultants. Detailed specifications must be prepared to ensure comparable quotations.

3.2.3 Capital project authorisation levels

Quotes from Diocesan approved contractors will be obtained subject to the authorisation limits in the table below. The lowest quotation will be accepted except when circumstances dictate otherwise (for example, a single contractor taking on a whole project rather than lots of different contractors doing small subcontracts). Any capital project exceeding £10,000 must be approved by the GB.

It will be a condition of any contract that final payment will not be made before the works are signed off by the supervising consultant and by at least two members of the F&R committee.

Total	Requirements	Responsibility
£2,000- £5,000	Two written quotations	HT, DHT, ScAd
£5,001 - £25,000	Three written quotations	HT, DHT
£25,001 - £50,000	Three written quotations	F&R Committee for recommendation to GB.
Over £50,000	Retained Project designer will be asked to co-ordinate tendering on behalf of School.	F&R Committee for recommendation to GB.

**3.3 Budget Monitoring and Procedures**

3.3.1 Responsible Officers:

The Chair of Governors, the F&R Committee and the Headteacher are deemed to be the responsible officers for the monitoring of budget and associated procedures.

The approved delegated budget is monitored and controlled using the Hoople finance software package designed for schools.

Management information is always available to confirm current balances on cost centres, the printout showing cost centre allocation, actual expenditure and/or income, and committed items such as debtors' orders and creditors' invoices.

CFR income and expenditure reports are produced monthly and analysed.

### 3.3.2 Production of Reports

The F&R Committee meets a minimum of once a term and receives reports from the Headteacher, drawing on data from Hoople and CFR.

Accounts produced for the School Fund and other subsidiary school funds are reviewed annually by the F&R Committee after inspection/auditing.

## 4. PURCHASING and TENDERING

The school will always consider price, quality and fitness for purpose when purchasing goods or services. The school procedure for routine purchasing is to place orders with suppliers providing best value for money, using Herefordshire Council's approved list of contractors when appropriate and CIS requirements.

### 4.1 Orders for Goods and Services

The purpose of placing orders is to ensure that the acquisition of goods and services is made in accordance with the approved annual budget plan and to reduce the risk of fraud.

All orders are approved by the Headteacher or Deputy Headteacher, in accordance with the set financial authority limits of £10,000 for each transaction. All orders to be overseen by the Headteacher to ensure adequate funds are available within the budget. Official orders should be used for all goods and services. Where urgency requires a verbal order, this should be confirmed by a written order.

The GB will review and approve changes to the Authorised Signatories and Financial Limits on an annual basis.

- Two quotations will be sought for goods and services £1000 - £5000
- Three written quotations (ex VAT & fees) will be sought for any contract with a value exceeding £5,000.
- Proposed expenditure more than £10,000 will be submitted to the F&R Committee for recommendation to the GB.

The ScAd will check goods received and ensure that they match the order.

Payments should only be made on receipt of a VAT invoice where appropriate.

The petty cash fund will be administered by the ScAd and used to fund minor items. Petty cash claims must be approved by the Headteacher and supported by VAT receipts as appropriate.

### 4.2 Use of Procurement card

Staff may access purchases on-line using the school's Government Procurement Card ("GPC") subject to the following:

- The GPC is held securely in the school office.
- Staff raise orders in accordance with standing purchase procedures.
- The Headteacher to approve all spends on the GPC ensuring that the card is returned after use.
- The Headteacher to report quarterly to the F&R Committee all spending on the GPC.
- Confirmation of purchases are printed and recorded with petty cash purchases.
- On delivery, receipted (& date stamped) invoices to be married with confirmations of purchase.
- The GPC items are assigned to the Budget Imprest Account.
- Claims to be incorporated with monthly petty cash claims.
- F&R Committee approval to be required for exceptional transactions over £5,000 per month.

- Single transactions are limited to £2,000.
- Imprest limits: Brampton Abbots: £10,000; Bridstow: £7,900

#### **4.3 Payments of Accounts/Accounting Procedures**

##### **4.3.1 Payment of Accounts**

The school aims to pay all correctly certified invoices within 30 days of the invoice/tax point date. Invoices are submitted as soon as possible to the Resources Directorate for processing.

##### **4.3.2 Examination and Certification of Invoices**

Every invoice must show the school address, full details of goods/services supplied, order number and, where VAT is charged, a correct VAT number. Invoice details must be recorded on Agresso and coding slip approved by the Headteacher or Deputy. Purchase and confirmation orders must be approved by the Headteacher. Goods will be receipted by the ScAd and invoices then sent directly to the LA for direct payment.

##### **4.3.3 Separation of Duties**

No one officer should be able to complete the chain of processes including ordering, certification of invoices and payment without an independent verification and approval. The operating system for the LMS Budget is Agresso, there is a manual system in operation for School Fund.

To ensure separation of duties the following process is used:

- Entry of invoice data onto Agresso – ScAd
- Goods certified as received and prices must be checked by the ScAd against authorised requisition form
- Invoice certified for payment in accordance with the authorisation levels detailed above – Headteacher or Deputy Head.

##### **4.3.4 Expenditure**

- Printed orders are authorised in accordance with the authorisation levels detailed above
- Invoices, once checked and entered the appropriate operating system, are certified for payment in accordance with the authorisation levels detailed above
- Cheques for payment from the School Fund are handwritten and signed in accordance with the Bank mandate (see banking section below)

#### **4.4 Reconciliation of Accounts**

Accounts are reconciled to:

- Bank statements - at least once a month – Imprest, Procurement card and School Fund
- Hoople Agresso system – a reconciliation is completed on receipt of reconciliation information received from Hoople Ltd. These items relate to premises and payroll on behalf of the school as part of a Service Level Agreement
- CFR (Consistent Financial Reporting) - checking Agresso and CFR agree monthly.

#### **5. INCOME**

This section deals with income received by the school into the LA Budget, income relating to school fund is described in the relevant section. Income received is recorded using Agresso for LA budget. A manual system operates for School Fund. Methods of cash receipt are detailed below.

##### **5.1 Income Received Directly from the LA**

5.1.1 Formula based income. The resource allocation formula determined by the LA is calculated according to pupils on roll. Funding is based on data relating to pupil numbers, ages, special educational needs, and disadvantaged pupils.

5.1.2 Federation income. Bridstow school's share of Headteacher costs will be paid direct into the Brampton Abbots revenue account. The proportion of costs due from Bridstow is determined by the GB.

5.1.3 Miscellaneous Funds (including pupil premium) - grants may be made payable to the school for the raising of standards in education and may be general or more specific and ring fenced, and spending will need to match the development plan on which the funding was approved.

## 5.2 Other Income

5.2.1 Charges to Parents. The school asks parents for a voluntary contribution towards extra-curricular activities. Some support is available to those in receipt of published benefits (parents receive revised data each academic year), application forms are available from the ScAd. The ScAd records all receipts. An official Council receipt is completed.

- (a) Music lessons are provided by peripatetic music teachers who are accredited by Encore (the Herefordshire Music Service). The teachers charge pupils directly for the lessons. The Office Manager monitors the charges made by the teachers to ensure that they are in line with expectations. Pupils may hire instruments directly from Encore.
- (b) Voluntary contributions for school trips, swimming etc. are received by the School secretaries. School uses the Parent Pay/School Money system to collect contributions as well as accepting cash payments. All income is recorded on class lists with the amount received recorded against the child's name. The School secretaries record all income and information is entered onto Aggresso by the ScAd.
- (c) Herefordshire Council receipts are issued for cash income more than £15. The Parent Pay/School Money System transfers income directly into the school bank account. For cash, an official bank paying in sheet is completed which is stamped by the bank/post office.
- (d) School Lunches – School uses the Parent Pay/School Money system to collect dinner money from parents as well as accepting cash payments. The Parent Pay/School Money system pays the income directly into the school bank account and the cash is banked under the usual banking arrangements, as for trips etc. All lunch orders are recorded on Excel against each child's name on a weekly basis. School orders the required meals from AIP on a weekly basis. AIP invoice the school for the cost of free school meals and paid meals.
- (e) Milk - Milk is provided free to pupils under the age of 5. Pupils in Reception reaching age 5 may continue to have milk at a subsidised rate, paid for by parents. School milk is also provided free to those pupils in receipt of benefits assessed free school meals who request it. The school uses a company called Cool Milk to administer milk purchases directly with parents.
- (f) Sundry sales to pupils – small amounts of cash are collected for sales of items such as jumpers, hats, and bottles. These are managed through the School fund.
- (g) After School Clubs – Some after school clubs may be charged pro rata per session per club. Pupil Premium pupils are exempt from this charge. Receipts are paid directly.

5.2.2 Nursery Rent – This will be deposited into the Brampton Abbots Governors' Number 2 account and an agreed figure (covering costs of heating and lighting that the nursery use) will be paid into the Brampton Abbots school's revenue account.

5.2.3 School Lettings - the school's facilities are used by community groups outside normal school teaching time and produce income. The GB have approved a Lettings Policy. The master copy is held in the School Office. The GB will ask a responsible person to manage the lettings diary (school administrator), and s/he will give the school GB treasurer details of lettings invoices. The rates of hire are determined by the GB ensuring heating, lighting and caretaker costs are covered. The administrator checks invoices have been raised, and income has been received. The process is managed using Council approved lettings application forms signed by both the hirer and an authorised signatory in school. Invoices are raised by the administrator or GB treasurer and income

is currently paid into the school Governors' No2 Account (Brampton Abbots) or the school's revenue account (Bridstow).

5.2.4 Sundry grants and donations received from external organisations.

All such income is invoiced, official receipts are issued, and income is manually reconciled monthly.

5.2.5 Debt recovery arrangements - for non-payment of charges such as music and lettings, the ScAd writes reminders to individuals after 30 days of the invoice. After a further 30 days if the debt is still unpaid, the Council is contacted and will raise a Council invoice and debt recovered through their debt recovery system.

5.2.6 Private use of telephone, as approved by the Headteacher, is not currently recovered. Unapproved private use of these facilities is not permitted.

### 5.3 Petty Cash Imprest Account

The Imprest account total for cash, cheque and procurement card reimbursement for small purchases made by members of staff on production of an appropriate receipt is £7,000. Stamps are held to a max. value of £100.

For details refer to the Herefordshire Council Accounting Guidelines G2 Petty Cash Imprest Account.

## 6. SCHOOL FUND

**6.1 The purpose of the fund** is to manage the processes associated with extra-curricular events such as off-site school activities and trips, concerts and drama productions involving pupils.

- The financial year for the School Fund runs from 1<sup>st</sup> April to 31<sup>st</sup> March.
- The accounts will be audited by an external auditor during the Summer term.
- An annual statement of account will be presented to the F&R Committee alongside other school accounts.
- Parents will be approached to ask for contributions taking account of their ability to pay and the number of students they have in school.
- Visits will be expected to be self-financing, surplus income over expenditure will be refunded to students if it represents more than 20% of the cost
- The Headteacher will have the discretion to fund subsidies up to 100% of costs for students who are unable to find the full cost of visits,
- Decisions regarding spending policy will be made by the F&R Committee based on recommendations made by the Headteacher.
- Signatories to all accounts will be the Headteacher, Deputy Headteacher and one other.

### 6.2 Systems and controls

Income is currently received from pupils either from the teaching assistant or directly to the School Office, depending on the nature of the receipt. All off site activities or trip receipts are received by designated administrative staff. Council receipts are issued by the ScAd. Small sundry sales are paid directly to the School Office. For small amounts of cash there is no need to provide a receipt provided it is recorded well and proof of receipt can be given if necessary. Cash and cheques are held in the filing cabinet in the School Office pending delivery to the bank. Payments are made from the fund by handwritten cheque, signed in accordance with the bank mandate.

## 7. BANKING

### 7.1 Delegated Budget

- Deposits are made at the local Bank every week.
- The ScAd is responsible for processing receipts and payments.
- The school should not enter into any loan agreements, other than with the LA.

- The ScAd takes any income to the bank relating to the delegated budget, accompanied by another member of staff for cash amounts more than £250
- Income, where appropriate, is banked every week but visits are made at irregular times to ensure security.

## 7.2 School Fund

- One bank account is held for school fund: the account is audited annually by an independent auditor & approved by the Headteacher and GB. Any interest remaining is paid into the school fund.
- Regular bank statements are received and are reconciled monthly. Any discrepancies are immediately investigated.
- All bank reconciliations are carried out and authorised by the ScAd.
- The ScAd is responsible for processing receipts and payments.
- Individuals must not use their private bank accounts for any payment or receipt related to the school fund.
- The bank accounts are not to be allowed to go overdrawn nor can an overdraft facility be negotiated.
- All cheques must bear the signatures of two of the three signatories approved by the GB. Signatures must be manuscript signatures only and cheques should not be pre-signed.
- All cheques are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- A bank mandate is current and held by the bank. It is updated regularly to ensure accountability and security when there is a change in staff. An up to date list of bank accounts and signatories is held in the School Office.
- Parent Pay/School Money is administered through a separate account

## 8. CONTRACTS AND LEASES

### 8.1 Contracts

Contracts fall into two categories; those managed directly by the school and those managed on behalf of the school through a purchased Property Services Service Level Agreement which normally would include arranging and monitoring contracts for:

- Electrical inspection and testing
- Mechanical heating plant inspection, testing and maintenance
- Firefighting equipment inspection and testing
- Intruder Alarm
- PE & Sports Equipment
- Tree surveys
- Grounds maintenance (retendered every 3 years)

Orders are placed on behalf of the school, invoices are paid by the Directorate's Payments Section and recharged centrally. Annual charges for the above services are notified to the school in Spring each year; acceptance of the service is agreed and signed by the Headteacher.

Direct management of service contracts relates to the following provision:

- Catering contract
- Telephone system maintenance
- Office equipment maintenance e.g. ICT equipment
- Cloakroom services and water cooler
- Cleaning
- ICT support

All documentation relating to school contracts is maintained in separate service contracts folder managed and retained by the ScAd. All service contracts are reviewed by the Headteacher and GB every 3 years.

## **8.2 Leases**

Leases exist for the water cooler, photocopier, and telephone system. Details of the agreements and copies of direct debit instructions paid via LA (where applicable) are maintained in the school office.

## **9. INSURANCES**

### **9.1 Centrally Provided**

The school purchases an annual Service Level Agreement covering the following insurance provision:

- Public liability – insures against claims for personal injury or damage to third party property
- Employer's liability – insures against claims for personal injury or damage to property brought by a member of staff whilst at their place of employment
- Buildings and contents
- Flood and Fire
- Personal (covers death and serious injury) – staff, governors, and volunteers
- Fidelity Guarantee – protects LA budget against loss by any fraud or dishonesty

### **9.3 Optional Insurance**

In addition to the centrally provided cover, the school opts to purchase the following insurance provision from the LA:

- Contents – balance of risk policy tops up cover already purchased under building above – covers against theft and accidental damage to contents
- Fidelity guarantee – protects private funds against loss by any fraud or dishonesty
- School journey on and off site – insures pupils and any accompanying adult for personal injury sustained due to an accident whilst engaged in an off-site activity arranged by the school – also includes a full travel policy for UK and overseas.
- Occasional business use car insurance.
- Minibus insurance

## **10. INVENTORIES and STOCK CONTROL**

All deliveries arrive at the main school reception. Goods are recorded by the ScAd and are distributed directly to the classes. Once checked, delivery notes are held by the ScAd.

### **10.1.1 Stocks - teaching**

Each classroom holds a stock of stationery and resource materials. Allocation of books to pupils is monitored by the class teacher. Micro Learning resources are not listed on the general school inventory.

### **10.1.2 Stocks - administration**

Stationery stocks are held in the Storeroom for administration and senior management staff. Reprographics stationery is managed by the ScAd and stored in an appropriate place.

### **10.1.3 Stocks - cleaning**

Deliveries are checked and taken into stock by the Cleaner and stored in locked cleaners' cupboards. No inventory of cleaning materials is kept; cleaning equipment is recorded on both the school inventory and the annual Portable Appliance Testing schedule.

School inventories record items of material value for the following purposes:

- To prove ownership of items in the event of an insurance claim against loss
- To promote good custodianship of departmental resources.

### **10.2.1 General Inventory**

Record keeping of assets was originally produced by performing an initial stock check of all items in school to establish an inventory register. This is kept on an Excel spreadsheet which can provide a printout of all assets held in each room together with the relevant responsible person. The inventory is held securely, by the ScAd. A copy is held by the room holder and disposals and new acquisitions are recorded. Amendments are reported to the ScAd on a termly basis. An asset check/statement will be produced annually and cross-referenced, where applicable to the Portable Appliance Testing (PAT) schedule. The general inventory is stored on the school's computer server and backed up daily on memory stick held securely by the ScAd. An annual stock check will be carried out at the beginning of each Autumn Term.

### **10.2.2 ICT Inventory**

This is maintained by the school network provider in liaison with the ScAd on an Excel spreadsheet. Acquisitions and disposals are recorded on the inventory and reported to the ScAd. Data is stored in the School Office.

There is a requirement for an annual stock check by an independent person for both the general and ICT inventory. The Disposal of Assets policy provides protocols for the disposal of school assets.

## **11. SECURITY**

The Headteacher holds responsibility for the security of the building and its contents. The responsibility is shared with several personnel who act as keyholders. The detailed list of keyholders is held by the local police authority, the LA auditors, and the organisations responsible for maintaining alarm systems.

### **11.1 Buildings**

The nominated keyholders are the Headteacher, Deputy Headteacher and Chair of Governors. Access is gained using a security code, which is changed regularly.

All have a code to activate or deactivate the alarm system maintained by local provider. Out of school hours, the alarm system is monitored by a custodian service who will contact a keyholder and the police in the event of an alarm activation. In the event of a false alarm an abort procedure is known to the keyholders. Police attendance cannot be guaranteed; therefore, staff should not enter the building in an alarm situation until assistance has arrived. The buildings are normally opened and secured by the Headteacher

### **11.2 Cash**

Cash receipts awaiting banking for school trips, music, milk, coat sales and other miscellaneous income are held in a locked filing cabinet in the school office. The keys are kept offsite by the administration staff. The maximum amount of cash kept securely in the office at any time is £1000.

### **11.3 Data**

All data, including finance and pupil information is backed up daily to a cloud-based storage area.

### **11.4 Retention of Financial Records**

All current year and preceding year financial records are retained and filed in the Finance Office. Previous years' records are stored securely and accessible to finance staff only. The following records are retained for 6 years (in addition to current year) before they are destroyed:

- Budget files
- Orders and requisition
- Delivery documentation
- Invoices
- Bank account records
- Cashbooks
- Debtors' records

- Budget monitoring tabulations
- Lettings' records
- Music account records (historical only)

Full details of document retention periods are listed in Appendix A.

## **12. PREVENTION OF FRAUD**

The school maintains a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Arrangements are planned to both prevent malpractice and to enable prompt detection should it occur.

The main areas of control are:

- financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents.
- separation of duties – no one member of staff should be responsible for both validating and processing a transaction, for example certifying that goods have been received and making the payment for them.
- strictly limited access to systems for authorising and making payments.
- spot checks on systems and transactions by members of the GB's F&R Committee or the school's Leadership team – this is intended to help identify new risks and measure the effectiveness of existing controls. It also indicates to staff that fraud prevention is a high priority.
- investigation and logging of every incident of irregularity, including instances of attempted fraud.
- careful pre-employment checks on staff who will have financial responsibilities; and
- making staff members' financial responsibilities clear through written job descriptions and desk instructions.

## **13. MISCELLANEOUS**

### **13.1 Travel and subsistence**

All claims for travel and subsistence consistent with employment at the school are reimbursed via the payroll. Strictly Education claim forms (available from the school office) must be completed with full details of journey, miles or public transport costs claimed, and the reason for travel. Receipts should be obtained for all subsistence and public transport claims. Where possible and applicable staff are encouraged to share transport. Claim forms must be passed for payment by the end of each month, signed by the claimant. Completed forms are certified for payment by the Headteacher and sent for processing to Hoople Ltd.

### **13.2 Staff Overtime**

All additional hours and supply cover must be approved by the Headteacher and recorded on the LA's official claim forms. Photocopies are not accepted All claim forms must be signed by the employee, checked by the ScAd, and authorised by the Headteacher. Claim forms will be processed for payment every week and forwarded to the LA for payment

### **13.3 Internal Audit Arrangements**

School finance, personnel, and statutory policies and procedures are now reviewed against the financial standard SVFS. There are currently no formal arrangements for audit by the LA. However, all schools are required to meet the control procedures of SVFS and submit evidence of compliance with the standard to the School Finance department. This evidence is reviewed by the LA and further details or clarification may be requested.

In addition to the above, a continuous audit of systems and procedures within individual school departments will be carried out. The informal audit will review information available from the following sources:

- Monthly print outs of cost centres
- Regular reports submitted to the F&R Committee

- H&S checks carried out by Headteacher and H&S governor.
- Departmental reviews conducted by the Headteacher.

Where issues over systems and procedures emerge from the above data, the F&R Committee will conduct a formal audit within the area of concern and agree an action plan to reduce identified risks.

#### **13.4 Payroll**

Procedures regarding the appointment of staff and authorisation for changes to contracts and hours are included in the school's various HR policies.

##### Payroll Reports

Monthly payroll reports are received from the LA. The ScAd is responsible for checking that only staff employed by the school appear on the report and that any staffing changes have been implemented.

#### **13.5 VAT**

The School complies with the Herefordshire Council VAT manual, held in the School Policies file.

#### **13.6 Risk Management**

The GB ensure that risk management across all aspects of the operation of the school are covered within committee terms of reference and subsequent minutes.

### **14. GOVERNING BODY ACCOUNTS**

These accounts cover all monies paid directly to the GB and include Devolved Capital funding, Hire and Letting income.

#### **14.1 Banking**

Funds are held in one of two bank accounts:

No. 1 Account is a dedicated Devolved Capital Funding ("DFC") account.

No.2 Account serves as a current account.

- The financial year for the two Governors' Accounts runs from 1<sup>st</sup> April to 31<sup>st</sup> March.
- The accounts will be inspected annually by an independent inspector during the Summer term.
- A funds balance report will be given at each meeting of the F&R Committee and each meeting of the GB.
- An annual statement of accounts will be presented to the F&R Committee.
- Management of these accounts is delegated to the F&R Committee. Actions are based on recommendations made by members of the GB.
- The GB will elect a treasurer to manage these accounts.
- Signatories to both accounts will be the Treasurer, Chair of Governors, Headteacher and one other.
- It is agreed that these accounts will not be registered for on-line access.

#### **14.2 Systems and controls**

14.2.1 All DFC (90%) funding is paid direct into the No.1 account and this account will be used solely for the purposes of Devolved Capital. The GB's 10% contribution is paid into this account from the No.2 (current) account to ensure that the DFC account remains fully funded.

If the current account has insufficient funds, the 10% contribution must be found from the school revenue account or some other source other than the DFC account.

## BRAMPTON ABBOTTS and BRIDSTOW CHURCH OF ENGLAND PRIMARY SCHOOLS

Funds made available by the Education Funding Agency (“EFA”) may be rolled forward for a maximum of three years or with permission 4 years as per EFA rules. The appropriate paperwork requested on completion of DFC funded projects will be submitted to the DBE as required.

14.2.2 All other receipts are deposited in the No.2 account. Receipts are issued by the Treasurer. For small amounts of cash there is no need to provide a receipt provided it is recorded well and proof of receipt can be given if necessary.

14.2.3 All payments are made from the accounts by handwritten cheque, signed in accordance with the bank mandate.

**Appendix A****SCHOOL FINANCES****Retention of Documents**

<b>TYPE OF DOCUMENT</b>		<b>RETENTION PERIOD (YEARS)</b>
<b>ACCOUNTANCY / FINANCIAL</b>		
Budgetary control records		6
Financial ledgers (monthly capitation statements)		6
Leasing records		2 + current year
School fund records		6 + current year
Telephone call records		6 + current year
<b>BANK RELATED RECORDS</b>		
Bank paying in book / slips		6
Bank reconciliation		6
Bank statements		6
Cancelled cheques		2 + current year
Cheque books and counterfoils		6
Paid cheques		4
Returned cheque records		2 + current year
<b>CONTRACTS</b>		
Successful tenders		3 after final payment
<b>CREDITOR RECORDS</b>		
Copy order		2 + current year
Record of credit notes		6
Delivery notes		2 + current year
Imprest documentation (e.g. petty cash)		2 + current year
<b>INCOME RECORDS</b>		
Receipt books		2 + current year
<b>INSURANCE RECORDS</b>		
Insurance claims (fire, theft)		4
Insurance claims (public / employers' liability)		6
Insurance policy documentation		Retain indefinitely
<b>MISCELLANEOUS RECORDS</b>		
Computer system documentation		2 + current year
Stock inventory		2 + current year
Minutes		2 + current year
Postal usage record		2 + current year
Free school meal records		2 + current year

## **Appendix B**

### **Finance and Resources Committee      Terms of Reference:**

Membership    To consist of not less than 6 governors including the HT

Quorum        Three members of the sub-committee

1. To propose an annual budget, to the GB, built on achieving key priorities and accurate forecasts of spending, that ensures our key aims of excellent learning and high achievement are achieved for current pupils, whilst ensuring adequate but not excessive resources are available for future years.
2. To monitor the execution of the budget by reviewing at each meeting a financial monitoring report detailing actual expenditure and income against the budget, and forecasts for the end of year position.
3. To decide, where necessary, amendments to the budget to address changes in priorities and spending patterns, during the school year.
4. To ensure adherence to LA Financial Regulations and Finance Policy at all times and to enforce such procedures as are necessary to prevent fraud.
5. To create and maintain a staffing establishment for the whole school showing all posts with relevant information about their pay and grading.
6. To oversee the preparation, tendering, adoption, and implementation of contracts.
7. To agree the level of delegation to the Headteacher for the day-to-day financial management of the federation
8. To ensure that the school funds and governors' funds are spent in accordance with their aims and to ensure the audit of non-public funds for presentation to the Governing Body.
9. To review annually the Finance Policy and at prescribed intervals other policies including: Charging and Whistleblowing policies
10. To identify priorities for improvement and decide allocation of resources.
11. To ensure that school buildings and grounds are safe and well maintained.
12. To ensure that all H&S procedures are kept up to date and followed as identified by the appointed Health & Safety advisor
13. To contribute to the formation and regular updating of Asset Management plans.
14. To monitor the letting of premises and all out of hours use.
15. To review at regular intervals policies including: Lettings and Health & Safety policies.
16. To ensure all committee members have appropriate induction and on-going training
17. To provide feedback to the full governing body at each of their meetings