



Brampton Abbotts CE Primary School



Bridstow CE Primary School



Oak Meadow Federation

## FINANCE POLICY SUITE

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

Date signed off by Full Governing Body: 17<sup>th</sup> October 2022

Signed Daniel Brearey, Headteacher

A handwritten signature in black ink, appearing to read 'D. Brearey'.

Paul Mason, GB Chair

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Date next review due: October 2023

## **Introduction**

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Our vision is rooted in Psalm 1:3: 'You are like a tree, planted by streams of water that never run dry. Your fruit ripens in its time; your leaves never fade or curl. In all you do, you prosper'. Through our Christian ethos we seek to nurture every child to reach their potential by working together in friendship, growing together in honesty and respect, and flourishing together in happiness. To this end, and in order to create a positive learning environment, it is essential that the budget is well-managed and designed to prioritise spend that enables learners to grow and flourish, and that the financial management systems demonstrate responsible stewardship.

With this in mind, this suite of policies aims:

- to reiterate our commitment to openness, transparency and integrity;
- to ensure that the budget provides for optimum staffing levels, sufficient learning resources, good evidence of pupil progress and attainment, and a safe, nurturing learning environment;
- to steward all resources appropriately and achieve value for money;
- to consider exposure to all forms of risk and to mitigate these risks appropriately;
- to adhere to legal and audit requirements and any local authority policies.

This policy suite contains the following chapters:

[Chapter 1](#): Financial controls

[Chapter 2](#): Alternative income sources including lettings

[Chapter 3](#): Charging and remissions

[Chapter 4](#): Disposal of assets

Other key school documents to refer to include the finance procedures, the Estates Management policy suite and the staff terms and conditions documents.

## **Complaints and whistleblowing**

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Complaints should follow the procedures as set out in the Complaints Policy on our website. Staff members also have a responsibility to raise any concerns in line with our whistleblowing policy.

## **Compliance**

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This policy is set out in line with the [School and Standards Framework Act \(1988\)](#), noting especially the rules in Chapters III & IV on the governing body's responsibilities for school conduct, school premises and budgeting, and all other relevant legislation and statutory guidance (see Appendix 1).

## CHAPTER 1: FINANCIAL CONTROLS

### 1.1 Governing body responsibilities

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The governing body has a collective duty to manage the schools' budgets, ensure accurate accounts are kept, determine the staffing structure and pay policy (in line with the [teachers' pay and conditions](#)), consult with the Local Authority, and, as a 'critical friend', support, advise and challenge the headteacher. It does this by:

- confirming (e.g. with an [ESFA skills audit](#)) at least once every four years that collectively the governing body (including any associate governors) has sufficient financial skills to meet its statutory responsibility and safeguard the public money for which it is responsible;
- participating in relevant training;
- ensuring that accurate, timely and sufficiently detailed information is provided to the Finance & Resources Committee;
- ensuring that resources (including staff) are deployed appropriately in line with the school's priorities, ethos, development and improvement plans, and self-evaluation framework;
- ensuring that the school meets its budgetary targets, avoids financial waste, receives favourable audit assessments, and remains in line with statutory obligations and the Local Authority's requirements and delegated authority;
- considering and approving annually the annual 5-year budget plans;
- considering termly any variations and recommendations from the Finance & Resources Committee;
- reviewing and approving annually the school's charging and remissions policies;
- monitoring adherence to procurement procedures;
- considering and mitigating any risks (including ensuring that adequate insurance is in place where appropriate);
- reviewing termly and updating where necessary the register of its pecuniary interests;
- acting promptly and effectively to address any recommendations arising from the audit.

### 1.2 Finance & Resources Committee responsibilities

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The Finance and Resources (F&R) Committee meets at least termly (and more frequently where required, e.g. to monitor any capital projects) to:

- monitor in-year income and expenditure against the budget, monthly management accounts and revised forecasts, including evaluating the effectiveness of spending decisions;
- agree the staffing structure and pay policy with the headteacher and recommend this to the governing body;
- appraise and award contracts tendered (within financial limits set by the governing body);
- approve the school fund spending policy based on the headteacher's recommendation;
- delegate to the headteacher (within these limits) the limits for procuring goods and service without the committee's additional approval;
- ensure that there are effective systems of internal financial control for all funds;
- review internal and external audit reports;
- forecast (annually) the future numbers on roll and expected income levels, and assist with preparing and reviewing the school's annual budget prior to recommending this to the governing body;
- approve the disposal / write-off of assets;
- ensure that year-end accounts are properly finalised and signed off by the chair of governors;
- administer any additional voluntary funds (within the scheme of delegation).

The F&R Committee reports at least once a term to the full governing body. The governing body may appoint associate governors to the F&R Committee to ensure that it has sufficient skills

and experience, and the F&R Committee will appoint its chairperson from within its membership (including any associate governors).

### **1.3 Headteacher's responsibilities**

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The headteacher is responsible for the internal organisation, management and control of the school, and ensures that sound systems, procedures and controls are in place for day-to-day financial management. This includes recruiting non-teaching staff with appropriate financial skills and training other members of staff as appropriate to cover in the event of any staff absence and avoid over-reliance on key individuals. S/he and the staff team are accountable to the governing body for the school's financial performance and are expected to give the governing body enough information to ensure that it is confident that the headteacher's responsibilities are being met.

The headteacher will:

- work with the F&R committee in drawing up and submitting to the governing body the annual budget plan;
- inform the F&R Committee in the first instance of any budget revisions which have been required or requested by the Local Authority or of any other DfE/LA requirements;
- propose plans for spending any voluntary funds.

The headteacher is responsible for ensuring that the funds delegated by the Local Authority are in line with pupil numbers.

The headteacher has the primary responsibility for drawing up the School Development Plan and for proposing a budget which meet the priorities and targets identified by these plans to ensure that pupils grow and flourish in line with our Christian values.

### **1.4 School administrator's responsibilities**

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The school administrator is responsible for day-to-day banking, including processing receipts and payments, depositing cash and cheques weekly, managing the various accounts (school fund account, ParentPay/schoolmoney, GPC and Imprest) and reconciling these on a monthly basis.

The school administrator will also check the bank mandates annually in the autumn term to ensure that the list of signatories is up-to-date. An up-to-date list of bank accounts and signatories is held in the School Office.

The school administrator is responsible, with the headteacher, for lettings and for recording all bookings, and will also maintain a record of all school contracts, leases and insurance policies.

The school administrator is responsible for backing up financial data, for ensuring that data is removed from any assets disposed of, and for ensuring that payroll is accurate.

### **1.5 Revenue funding from the Local Authority (LMS budget)**

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Local Management of Schools (LMS) revenue income from the LA is calculated based on pupil numbers, ages, SEN or other measures of disadvantage, and is allocated according to the School Development Plan.

### **1.6 Capital budget**

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The F&R Committee meets a minimum of once termly to discuss planned capital works and 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'.

Devolved Formula Capital (DFC) allocations are paid annually to our school and we can access additional capital funding by bidding for School Condition Allocation (SCA) funding.

Capital works involving the structure of the building or which require supervision or project management may require the early involvement of consultants. The governing body may engage consultants recommended by the Diocese to guide us through all capital projects.

## 1.7 Bank Accounts

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The school fund account at each school is for managing the payment of extra-curricular events such as off-site school activities and trips, concerts and drama productions involving pupils. Funds received via the ParentPay/schoolmoney system are paid directly into the school fund account. The account must have at least three signatories, including the headteacher, deputy headteacher and one other member of staff. All cheques must be handwritten, crossed 'account payee only', and signed by hand by at least two signatories.

The governors' #1 account is for capital expenditure, and is the account into which the Devolved Formula Capital (DFC) funding is paid. The governing body's 10% contribution is paid into this account from the #2 account or from the school fund account or another source if the #2 has insufficient funds.

The governors' #2 account serves as a current account. Income from rental and lettings is paid into this account. Receipts are issued by the treasurer.

The governing body elects a treasurer to manage these accounts, and signatories for both are the treasurer, chair of governors, headteacher and one other person. Management of these accounts is delegated to the F&R Committee.

Payment from any account must be authorised by two signatories, who should sign cheques by hand. Bank accounts may not be overdrawn nor may an overdraft arrangement be sought. No loans may be agreed other than with the Local Authority. Any interest accrued remains in the account for which it accrued.

Funds made available by the Education & Skills Funding Agency (ESFA) may be rolled forward for a maximum of three years (or four years with permission) as per ESFA rules.

The financial year runs from 1<sup>st</sup> April to 31<sup>st</sup> March.

## 1.8 Petty cash

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Purchases and reimbursements are managed through each school's Imprest account, for which the balances are agreed with the LA. Details can be found at paragraph 4.7.9 of the [Local Authority's Financial Procedures](#).

The maximum amount of petty cash which can be held by either school is £1,000, and the School Administrator must be accompanied by another member of staff if carrying more than £250 to deposit at the bank.

## 1.9 Purchasing and tendering

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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 both CIS requirements and the Diocese of Hereford's and Herefordshire Council's approved lists of contractors where appropriate.

- Two quotations will be sought for goods and services £2,000 - £5,000.
- 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 governing body.

## 1.10 Fraud prevention

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We maintain a robust system of controls to safeguard against fraudulent or improper use of public money and assets. Arrangements are planned both to 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, namely that no single member of staff is responsible for both validating and processing a transaction;
- strictly limited access to systems for authorising and making payments;
- spot checks on systems and transactions by members of the F&R Committee or the school's leadership team, measure the effectiveness of existing controls, help identify new risks, and indicate to staff that fraud prevention is a high priority;
- investigation and logging of every incident of irregularity, including any 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 procedures.

**CHAPTER 2: ALTERNATIVE INCOME SOURCES including LETTINGS****2.1 Lettings**

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The governing body seeks to promote the usage of school premises outside normal school hours, on the following priority basis.

- School functions, formal business meetings of the PTFA or governing body, or school fundraising events;
- Lettings by registered organisations offering opportunities and support to local children and their families;
- Other uses which are consistent with our aims and ethos and approved by the governing body, with priority given to activities which benefit the children of the school and the school community.

Use of the premises for school functions will take priority over lettings.

Lettings will not give full-time exclusive use of all or part of the premises or grounds, and must not interfere with the primary activities of the school. Any equipment used by the hirer must be removed from the site or stored as agreed with the school such that it does not restrict the use of the facilities by the school or other approved organisations.

The governing body does not have a 'caretaker' who is continuously present on the school premises or grounds during the period of hire, but reserves the right to do so, and delegates this same right to the headteacher should s/he decide that this is in the best interests of the school property. The governing body including the headteacher, and his/her designate, reserves the right of access to the premises during a period of hire, and the governing body expects the headteacher or his/her designate to monitor activities from time to time.

The school is not legally required to make first-aid facilities available, and its first-aid kits or other resources are not available to the hirer. It is the hirer's responsibility to make arrangements to provide first-aid facilities and trained personnel (e.g. in the case of sports lettings).

School equipment may be used by prior arrangement and with the headteacher's approval, and its safe use and return must be under adult supervision. The hirer is responsible for ensuring that school equipment is used safely and appropriately, and is liable for any damage, loss or theft of any school equipment which it has agreed to use.

Anyone hiring the school hall is required to have adequate public liability insurance and to give details of this insurance on the booking confirmation form. We can arrange public insurance for an additional charge of 10% of the booking fee. No lettings will be made without a contract and insurance indemnity, and the hirer will be reminded of its contractual obligations.

The letting of classrooms is not permitted.

New lettings are approved by the headteacher.

Rates of hire are determined by the F&R Committee and are designed to ensure that the income covers the additional costs of caretaker hours, lighting and heating; the minimum charge is normally £15/hour. The headteacher has the right to negotiate a different rate in special circumstances.

A refundable deposit of £50 (to be refunded within 7 days of a successful post-booking inspection by the headteacher) will be charged for parties. This deposit is waived for parents/carers of child/ren who are on the school roll at the time for which the event has been booked.

For bookings of more than 10 sessions booked in a calendar year, a minimum charge of £24 per session applies. For bookings of fewer than 10 sessions booked in a calendar year, a minimum charge of £45 per session applies.

Either party may give no fewer than 14 days' notice to terminate a single event, and no less than half a term's notice to terminate a regular booking. Termination may be immediate in the event of a breach of contract. Please see the reverse of the booking form for terms and conditions.

**2.2 Rental income**

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Rental rates for the nursery are agreed by the F&R Committee, and are dealt with procedurally at paragraph 3.2.2 in Appendix 2.

## **CHAPTER 3: CHARGING & REMISSIONS**

### **3.1 Introduction**

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We do not charge for any activity undertaken as part of the National Curriculum. There are some charges relating to school trips, residential visits, transport to and from swimming lessons, some after-school clubs, and music tuition (where this is not part of the National Curriculum). With the exception of music lessons which are invoiced directly by peripatetic music teachers, these charges are requested on a voluntary basis. Parents/carers in receipt of state benefits and pupils for whom the school receives Pupil Premium funding are exempt from these charges. Those whose children do not attract Pupil Premium funding and who wish to apply for support may request an application form from the School Administrator. The headteacher may make a discretionary subsidy available to other pupils whose families are unable to fund the full cost.

Where insufficient contributions have been received, we may have to cancel a school trip or a residential visit, and seek to cover the curricular aspects of the trip or visit in other ways. Parents/carers have a right to know how each trip is funded, and we will provide this information on request.

Pupils will not be treated differently based on the level of contribution which their parents/carers have paid for their participation in school trips.

### **3.2 School trips**

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School trips are organised to enhance pupils' educational experience and enrich the curriculum, and are subsidised by the school. This could include museum or theatre visits, musical or sporting events or outdoor adventure activities.

School trips are expected to be self-financing, and any surplus income over expenditure greater than 20% of the cost of a trip will be refunded to parents/carers.

### **3.3 Residential visits**

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If we organise a residential visit in school time (or mainly in school time) which relates directly the National Curriculum, no charge is made for the educational element or travel expense, but we do invite a contribution towards the costs of board and lodging.

### **3.4 Swimming**

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We organise swimming lessons for all children in Key Stage 2, which take place in school time and are part of the National Curriculum; voluntary contributions are invited towards the cost of transport. We inform parents/carers when these lessons are due to take place, and seek their written permission for their children to take part.

### **3.5 After-school clubs**

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Some after-school clubs (e.g. additional sports coaching run by qualified coaches who are not members of staff) attract an additional charge towards the additional cost of qualified coaching.

### **3.6 Music tuition**

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Peripatetic music teachers who are accredited by Encore (the Herefordshire Music Service) charge parents/carers directly for individual lessons and for instrument hire.

### **3.7 School meals and milk**

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Parents whose children are not eligible for free school meals are asked for a contribution towards the cost of lunch. The procedures for collecting payments can be found at paragraph 3.2 in Appendix 2.

Milk is provided free of charge to pupils under the age of 5. Pupils in Reception who reach the age of 5 may continue to have milk at a subsidised rate, paid for by parents. School milk is also provided free of charge to those pupils in receipt of benefits-assessed FSM whose parents request it.



## CHAPTER 4: DISPOSAL OF ASSETS

### 4.1 Introduction

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This chapter provides protocols for the disposal of school assets and helps to ensure that the disposal of assets is appropriate and minimises risk to the school, including the risk of fraud and misappropriation. Supplementary details on accounting for assets and their disposal can be found from paragraph 6.2.1 of the finance procedures (see Appendix 2).

'Asset' applies to any item, piece of equipment or other asset listed as such on the school's general inventory or ICT inventory (where the latter is held separately by an ICT provider) which has a purchase price of over £100 and is expected to last for more than one year.

As noted in the finance procedures (see Appendix 2 paragraphs 6.2.1ff), we maintain an inventory of current assets, and a parallel inventory of ICT assets is held by the ICT provider. This inventory provides space to record identifying details (e.g. serial numbers) and potential disposal timing, methodology and authorisation. The inventory is audited annually.

All disposals will be approved by the headteacher and the inventory updated accordingly (including adding an asset to be disposed of if it is not currently listed on the inventory).

### 4.2 Reasons for disposal

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We recognise that obsolescent and obsolete assets can take up valuable space and incur ongoing maintenance costs which are a false economy. Other reasons for disposing of assets are that they are:

- not capable of running required operational software systems or being upgraded to do so;
- no longer required, due to changed procedures, functions, or usage patterns;
- no longer complying with occupational health and safety standards;
- beyond repair but able to be sold for scrap.

Reasons for disposal must be recorded in the inventory. This assists the audit process and highlights successes and challenges for future reference.

### 4.3 Options for disposal

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Assets identified for disposal can, with the headteacher's authorisation and subject both to the finance procedures and to the market value, age and functionality of the asset, be:

- transferred to a new school site (and shown on the inventories of both old and new schools);
- sold, in which case a minimum price, which must be higher than the cost of disposal, will be agreed by the headteacher and school administrator, and the asset will be:
  - widely advertised as 'sold as seen' in communications with parents/carers and the original supplier;
  - offered to the highest bidder within a specified time-frame;
  - duly recorded as with any other sale, and;
  - credited to the school fund account);
- donated to a community service organisation or school;
- recycled;
- destroyed.

Electrical goods will only be sold if the Portable Appliance Test (PAT) is still valid. Prospective buyers or recipients of any asset to be sold or donated may be given adequate opportunity to inspect the goods prior to purchase / donation, provided that this can be done in a way which does not impinge our safeguarding policy.

All data will be professionally cleared from any ICT equipment before disposal, and a record of this kept.

The chosen option and methodology for disposal will be recorded, to avoid or respond to any subsequent challenge or query.

All disposals will be in accordance with legislative requirements (e.g. for recycling batteries) and in a way which minimises the environmental impact of the disposal.

#### **4.4 Donating or selling items to staff members**

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If a member of staff offers to purchase an asset, or asks if it can be donated, we will give due regard to transparency to avoid any suspicion of impropriety. Assets will only be donated or sold to staff members if they have been advertised internally for a period of two weeks, and we may conduct a lottery or similar process if there are multiple interested parties.

## **Appendix 1: Legislation and Statutory Guidance**

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[School and Standards Framework Act \(1988\)](#)

[Section 21 of the Education Act \(2002\)](#)

[School and Early Years Finance \(England\) Regulations \(2021\);](#)

[Statutory guidance on financing maintained schools \(23 April 2021 update, issue 13\)](#)

[Statutory guidance on capital funding for schools \(2021 update\);](#)

[Statutory guidance on capital funding for voluntary-aided \(VA\) schools \(2014\);](#)

[Guidance for the governing body on meeting its Schools Financial Value Standard obligations \(June 2021 update\);](#)

[Guidance on submitting a land transaction proposal](#) (which replaces the guidance on protecting, transferring and disposing of school land and property, which was withdrawn in February 2021)

## **Appendix 2: Finance procedures**

### **1.1 Delegated budget**

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Under the Local Authority'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, in consultation with the Finance & Resources Committee, which will present the draft budget to the full governing body for approval. The plan follows the format and guidelines issued by the [LMS and Finance Section of Herefordshire Council](#) using the HCSS budgeting portal (or any successive package), formatted to mirror the structures of Consistent Financial Reporting (CFR).

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) and any other premium funding.

Pupil Premium funding does not only have to be spent on pupils for whom it is received. The headteacher can exercise judgement as to how to spend this funding in a way in which the whole school best benefits. 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 governing body in May each year and details of approved budgets are forwarded to the LA by the end of May (subject to any changes imposed by the DfE). Any subsequent budget revisions are forwarded during the financial year.

### **1.2 Responsible Officers**

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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.

### **1.3 Carry forward of savings/deficit**

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The governing body expects to approve a zero budget for LA delegated funding, notwithstanding any carry forward of surplus within the amount permitted by the LA. The F&R Committee regularly monitors the potential underspend / overspend and adjusts the annual plan where necessary and / or possible.

### **1.4 Capital project authorisation levels**

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Quotations from diocese-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, taking on a single contractor for a whole project rather than multiple contractors for small sub-contracts). Any capital project exceeding £10,000 must be approved by the governing body.

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.

<b>Total</b>	<b>Requirements</b>	<b>Responsibility</b>
£2,000 - £5,000	Two written quotations	Headteacher / deputy headteacher / school administrator
£5,001 - £25,000	Three written quotations	Headteacher / deputy headteacher
£25,001 - £50,000	Three written quotations	F&R Committee for recommendation to governing body
over £50,000	Retained project designer asked to co-ordinate tendering on behalf of school	F&R Committee for recommendation to governing body

### **1.5 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, and 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 governing body will review and approve changes to the Authorised Signatories and Financial Limits on an annual basis.

The School Administrator will check goods received and ensure that they match the order. Payments will only be made on receipt of an invoice (showing VAT where appropriate).

### **1.6 Contracts**

Contracts are either managed directly by the school or on behalf of the school through a purchased 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 (see under security procedures below);
- PE & Sports Equipment;
- Tree surveys;
- Grounds maintenance (retendered every 3 years);
- Insurance, including public liability, employer's liability, buildings & contents, flood & fire, personal (for staff, governors and volunteers, including death and serious injury) and fidelity (which protects school funds against loss due to fraud or dishonesty).

Orders are placed on behalf of the school, and 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 and forms part of the school's normal budgetary planning and reporting.

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
- Additional insurance for minibuses, for business usage for private vehicles, for school journeys (which insures pupils and any accompanying adults for personal injury sustained

due to an accident while on a school-arranged off-site activity, and includes travel insurance for the UK and overseas), and for top-up insurance for contents to cover theft and accidental damage and for fidelity to cover private funds.

All documentation relating to school contracts is maintained in separate service contracts folder managed and retained by the School Administrator. All service contracts are reviewed by the headteacher and Finance & Resources Committee every 3 years.

### **1.7 Use of Procurement card**

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

- The GPC is held securely in the school office.
- Staff raise orders in accordance with standing purchase procedures.
- The headteacher approves all expenditure and ensures that the card is returned after use.
- The headteacher reports all GPC expenditure termly to the F&R Committee.
- Confirmation of purchases are printed and recorded with petty cash purchases.
- On delivery, receipted date-stamped invoices are matched with confirmations of purchase.
- The GPC items are assigned to the Imprest account.
- Claims are incorporated with monthly petty cash claims.
- F&R Committee approval is required for exceptional transactions over £5,000 per month.
- Single transactions are limited to £2,000.
- Imprest limits as agreed with the LA are observed.

### **2.1 Accounting Procedures**

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#### *2.1.1 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.

#### *2.1.2 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 Business World and the coding slip approved by the headteacher or his/her deputy. Purchase and confirmation orders must be approved by the headteacher. Goods will be receipted by the school administrator and invoices then sent directly to the LA for direct payment.

#### *2.1.3 Expenditure*

Printed orders are authorised in accordance with the authorisation levels detailed above. Invoices, once checked and entered in the appropriate operating system, are certified for payment in accordance with the authorisation levels detailed above. Cheques are handwritten and signed by hand in accordance by at least two signatories.

#### *2.1.4 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 Business World; there is a manual system in operation for the school fund and governors' funds

To ensure separation of duties, the following process is used.

- The school administrator enters invoice data onto Business World;
- The school administrator checks prices against the invoice and certifies the goods or services received against the authorised requisition form;
- Each invoice is certified for payment in accordance with the authorisation levels above.

## 2.2 Reconciliation of Accounts

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Account statements (School Fund, Imprest, GPC and ParentPay/schoolmoney) are reconciled monthly.

Hoople's Business World system is reconciled on receipt of information received from Hoople Ltd for premises and payroll costs as part of the Service Level Agreement.

Business World is reconciled monthly to ensure compliance with CFR (Consistent Financial Reporting).

### 3.1 Income Received Directly from the LA

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Bridstow's share of the headteacher costs will be paid direct into the Brampton Abbots revenue account. The proportion of costs due from Bridstow is determined by the governing body on an annual basis. All other income from the LA is calculated based on pupil numbers, ages, SEN or other measures of disadvantage, and is allocated according to the School Development Plan.

### 3.2 Other Income

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#### 3.2.1 Payments by parents

- (a) The school uses the ParentPay/schoolmoney system to collect lunch money, payment for after-school clubs, and voluntary contributions for school trips, swimming etc.. The school also accepts cash. The Parent Pay/schoolmoney system transfers income directly into the school bank account. For cash, an official paying-in sheet is completed which is stamped by the bank/post office. LA receipts are issued for cash income of more than £15.
- (b) Lunch orders and amounts received are recorded against each child's name on a weekly basis and entered onto Business World by the school administrator.
- (c) Peripatetic music teachers (accredited by Encore, the Herefordshire Music Service) charge parents/carers directly for individual lessons. Instrument hire is also a direct arrangement between Encore and the parents/carers. The school administrator monitors the charges to ensure that they are in line with expectations.
- (d) Small amounts of cash collected for sales of items such as jumpers, hats, and bottles are managed through the school fund.
- (e) Cash received by other members of staff (e.g. for meals or trips) will be passed to the school office by the end of the day on which they were received, unless this is impractical in which case it will be passed to the school office as soon as possible.

#### 3.2.2 Nursery rental income

Nursery rent is deposited into the Brampton Abbots Governors' #2 account, and an agreed figure to cover the costs of heating and lighting is vired into Brampton Abbots' revenue account.

#### 3.2.3 Lettings income

The master copy is held in each school office, and the school administrator manages the lettings diary, checks that invoices have been raised and income has been received, and shares the invoice details with the governing body's treasurer on request. The process is managed using LA-approved lettings application forms signed by both the hirer and an authorised signatory in school. Invoices are raised by the school administrator (or occasionally by the governing body treasurer) and income is paid into the Governors' #2 Accounts.

Records kept for audit purposes include:

- the school administrator's record of lettings;
- lettings application forms;
- a lettings memorandum account for financial and risk management and to comply with the school's and hirer's public liability insurance.

### 3.2.4 Sundry grants and donations received from external organisations

Any such income is recorded, official receipts are issued when required, and income is manually reconciled monthly.

### 3.2.5 Debt recovery

The school administrator writes reminders to individuals after 30 days of the invoice it remains unpaid. If the debt is still unpaid after a further 30 days, the school administrator contacts the LA, which raises an invoice and recovers the debt through its debt recovery system.

### 3.2.6 Private use of telephone

Reimbursement is not sought for private telephone calls, provided these have been approved by the headteacher.

## 4.1 Bank deposits

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Deposits are made at the bank every week, and between deposits all cash and cheques are held in the locked filing cabinet in the school office. The school administrator is responsible for paying in and will be accompanied by another member of staff if carrying cash of more than £250. More frequent visits will be made to the bank if necessary to mitigate the risk that the school or the school administrator is carrying too much cash.

## 4.2 Petty cash

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Cash will only be reimbursed on production of a receipt. Stamps are held to a maximum value of £100. Further details on managing Imprest accounts can be found at paragraph 4.7.9 of the [Local Authority's Financial Procedures](#).

## 5.1 Leases

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

## 6.1 Inventories and stock control

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

### 6.1.1 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.

### 6.1.2 Stocks - administration

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

### 6.1.3 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 (PAT) 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.



### 6.2.1 General Inventory

A secure inventory is maintained on an Excel spreadsheet by the school administrator, who can provide a printout of all assets held in each room together with the relevant responsible person. A copy is held by the room holder and disposals and new acquisitions are recorded. Amendments are reported to the school administrator on a termly basis. An asset check/statement is 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 a memory stick held securely by the school administrator so that an off-site copy is available as per the Estates Management policy suite. An annual stock check will be carried out at the beginning of each autumn term.

### 6.2.2 ICT Inventory

This is maintained by the school network provider in liaison with the school administrator. Acquisitions and disposals are recorded on the inventory and reported to the school administrator. Data are stored in the school office.

Chapter 4 above provides the protocols for the disposal of assets.

## 7.1 Security

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The headteacher holds primary responsibility for the security of the building and its contents. This 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.

## 7.2 Buildings

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The nominated keyholders are the headteacher, deputy headteacher and appointed officers.

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, which will contact a keyholder and the police in the event that an alarm is activated. In the event of a false alarm, an abort procedure is known to the keyholders. Police attendance cannot be guaranteed, and staff members should not enter the building in the event of an alarm situation until assistance has arrived. The buildings are normally opened and secured by the headteacher.

## 7.3 Data

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All data including finance and pupil information are subject to automatic back up to a cloud-based storage area.

## 7.4 Retention of Financial Records

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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 the 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 can be found in this [White Paper](#).

### **8.1 Travel and subsistence**

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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.

### **8.2 Staff Overtime**

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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 school administrator, and authorised by the headteacher. Claim forms will be processed for payment every week and forwarded to the LA for payment

### **8.3 Internal Audit Arrangements**

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School finance, personnel, and statutory policies and procedures are now reviewed against the Schools Financial Value Standard (SFVS). There are currently no formal arrangements for audit by the LA. However, all schools are required to meet the control procedures of the SVFS and to submit evidence of compliance with the standard to the LA's school finance team. 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;
- Health & Safety checks carried out by headteacher and link governor for health and safety;
- 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.

### **8.4 Payroll**

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

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

### **8.5 VAT**

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The school complies with all VAT legislation, having regard to the particular instructions contained in the 'Blue Book'.

### **8.6 Risk Management**

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The school has a risk register for all school operations (not just finance), which is reviewed termly as part of the governors' Health and Safety inspection.

**Appendix 3: Skills audit template**

ESFA skills matrix for governors with financial responsibility, based on the DfE’s [governance competency framework](#).

<b>1: Highly competent</b>	<b>2: Competent</b>	<b>3: Developing</b>	<b>4: Not yet developed</b>
<i>Where relevant to the competency or example, the following apply to the individual concerned.</i>			
<ul style="list-style-type: none"> <li>• this is an area in which you have significant practical experience</li> <li>• this is something that you undertake on a regular basis</li> <li>• this is a personal characteristic or style that you demonstrate all of the time</li> <li>• there is a regular programme of activities to maintain technical competence</li> </ul>	<ul style="list-style-type: none"> <li>• this is an area in which you have some practical experience</li> <li>• this is something that you undertake on an infrequent basis</li> <li>• this is a personal characteristic or style that you demonstrate most of the time</li> <li>• there is a regular programme of activities to maintain technical competence</li> </ul>	<ul style="list-style-type: none"> <li>• this is an area in which you have little practical experience</li> <li>• this is something that you rarely undertake</li> <li>• this is a personal characteristic or style that you demonstrate some of the time</li> <li>• there is a programme of activities to develop the technical competence in this area</li> </ul>	<ul style="list-style-type: none"> <li>• this is an area in which you have no practical experience</li> <li>• this is something that you have never undertaken</li> <li>• this is a personal characteristic or style that you rarely demonstrate</li> <li>• there is no programme of activities to develop the technical competence in this area</li> </ul>
<b>1 – Provides strategic leadership</b>		<b>Chair of governing body</b>	<b>Chair of finance committee</b>
<p><b>Leads the development of strategic plans</b></p> <ul style="list-style-type: none"> <li>• has strategic knowledge and understanding of school priorities, aims and objectives</li> <li>• is able to articulate strategic priorities, financial implications and objectives clearly</li> <li>• understands the importance of setting and agreeing a viable financial strategy and plan which ensures sustainability and solvency</li> <li>• understands the school’s process for resource allocation and the importance of focusing allocations on impact and outcome</li> <li>• delegates tasks to headteacher and promotes team working between governors and all staff</li> </ul>			
<p><b>Able to identify viable options most likely to achieve the school’s goals and objectives</b></p> <ul style="list-style-type: none"> <li>• will take difficult but necessary decisions</li> <li>• is able to analyse information provided by staff in a useful way</li> <li>• is rigorous in questioning to understand whether enough is being done to drive financial efficiency and align budgets to priorities</li> <li>• is open to new ideas, consults and willing to work in partnership with stakeholders</li> <li>• knows how to review the results of techniques for assessing significant school matters</li> <li>• uses detailed financial knowledge and experience (appropriate for the scale of the organisation) to provide advice and guidance to the board and the school</li> </ul>			
<p><b>Has a clear understanding of best financial management practices and school performance</b></p> <ul style="list-style-type: none"> <li>• has knowledge of the current financial health and efficiency of the school and how this compares with similar schools locally and nationally</li> </ul>			

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<ul style="list-style-type: none"> <li>• assimilates the financial implications of the school’s priorities and use this knowledge to make decisions about allocating current and future funding</li> <li>• understands the school’s internal control processes and how these are used to monitor and ensure propriety to secure value for money</li> <li>• co-operates with external inspectors/auditors and reviews action on their findings</li> </ul>			
<p><b>2 – Ensures accountability</b></p>	<p><b>Chair of governing body</b></p>	<p><b>Chair of finance committee</b></p>	<p><b>Governor with finance role</b></p>
<p><b>Understands the school’s statutory financial management requirements</b></p> <ul style="list-style-type: none"> <li>• is able to hold school leaders to account for financial and business management, as much as educational outcomes</li> <li>• understands the legal financial framework in which the school needs to operate</li> <li>• has knowledge of the school’s funding arrangements, funding streams and its mechanisms for ensuring financial accountability</li> <li>• has knowledge of information that can be requested by the Local Authority and the DfE</li> <li>• understands how the school receives funding through Pupil Premium funding and other grants e.g. Sports Premium, how these are spent, and how spending has an impact on pupil outcomes</li> </ul>			
<p><b>Understands budget setting and budget monitoring</b></p> <ul style="list-style-type: none"> <li>• understands the principles of finance and budget management and how these are used in the school</li> <li>• has numeric and analytical skills</li> <li>• is able to challenge and ensure the integrity of financial information and to establish robust financial controls</li> <li>• is able to interpret financial data and ask informed questions about income, expenditure and resource allocation and alignment with the strategic plan priorities</li> <li>• has confidence in the arrangements for provision of accurately and timely financial information, and the financial systems used to generate such information</li> <li>• is able to interpret budget monitoring information and communicate this to interested parties</li> <li>• is able to participate or lead the school’s self-evaluation of activities relating to financial performance, efficiency and control</li> <li>• understands that appropriate resource allocation can affect pupil outcomes</li> </ul>			
<p><b>Understands the importance of communicating the school’s performance to stakeholders</b></p> <ul style="list-style-type: none"> <li>• knows the procedural requirements and timescales and checks they are followed</li> <li>• understands the monitoring returns for the DfE and local authority (for maintained schools)</li> <li>• is open and diplomatic when communicating with stakeholders, e.g. parents</li> </ul>			

3 – Acts as a critical friend	Chair of governing body	Chair of finance committee	Governor with finance role
<p><b>Has a commitment to the school and the work of the governing body</b></p> <ul style="list-style-type: none"> <li>• declares personal or pecuniary interests and avoids using his/her position for personal gain</li> <li>• participates in the work of the governing body by preparing for meetings, attending, contributing at meetings and taking agreed actions</li> <li>• improves financial management knowledge through training, discussions with staff and reading relevant papers</li> <li>• is able to identify when specialist skills and experience in audit, fraud or human resources are required to undertake specific tasks or more regularly to lead governance committees</li> <li>• helps new governors to understand their financial management role and make a full contribution</li> </ul>			
<p><b>Presents information and views clearly and influentially to others</b></p> <ul style="list-style-type: none"> <li>• uses analytical skills to challenge management constructively and ask probing questions</li> <li>• is able to influence others and build consensus using the power of argument and clear presentation of the case</li> <li>• seeks to resolve misunderstanding and conflict by giving and receiving constructive feedback</li> </ul>			