

# **Financial Regulations and Scheme of Delegation (External Bank) for Matching Green C of E (VC) Primary School**

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**THE FINANCIAL REGULATIONS AND  
SCHEME OF DELEGATION RELATING TO**

**MATCHING GREEN C of E PRIMARY SCHOOL**

**WERE APPROVED BY THE GOVERNING BODY  
ON**

**INSERT DATE OF FULL GOVERNING BODY MEETING**

**SIGNED .....**

**CHAIR OF GOVERNORS**

**Date Reviewed 9/6/2020**

These regulations are based on a template provided by Education Finance Support team, Juniper Education, from who original copies can be obtained.

Schools are able to amend the template to reflect local circumstances, provided this does not alter the principles contained therein. Where amendments are made, governors should receive an annotated copy clearly stating where the local scheme varies from the original.

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### **Please note:**

As schools will be making amendments to the content of these regulations, it is not possible to add page numbers to the contents page of this template.

# Scheme of Delegation - Authorisation and Monetary Limits

These limits are taken from the financial regulations that were approved by the full

Governing Body on: .....

The financial limits highlighted below are suggested amounts which schools are able to adjust to suit their own circumstances; those not highlighted are set either by the Local Authority or by government and must remain unchanged. Once this page has been completed and approved, it may be kept readily available as a quick reference guide for staff in schools. This box can then be removed.

***These limits must match those within the body of the main document***

## Authorisation Limits

### Expenditure Limits

Site Manager (emergency minor building repairs)	Up to £500
Headteacher	Up to £5,000
Finance & Premises Committee	Expenditure exceeding budget or is from £5,001 to £8,000

[The Chair of the Finance & Premises Committee has authority to approve all such expenditure on behalf of the Finance & Premises Committee].

Full Governing Body	Over £10,000
Revenue contribution to capital expenditure	Over £15,000 in any one year must seek advice from Director of Education

### Cheque Signatories

Two signatories	Up to £10,000
Chair of Governors (plus one other)	Over £10,000

### Virement Limits (including budget increases in LA funding)

Headteacher	Up to £5,000
Finance and Premises Committee	From £5,001 to £10,000
Full Governing Body	Over £10,000

### Writing off bad debts

School Business Manager	Up to £25
Headteacher	From £26 to £250
Finance & Premises Committee	From £251 to £500
Full Governing Body & notify LA's Business Partner	Over £500 (set by Local Authority)
Full Governing Body plus formal report to ECC Cabinet member	Over £10,000 (set by Local Authority)

### Disposal of Surplus Stock, Stores & Assets (estimated value)

Headteacher	Up to £250
Finance and Premises Committee	From £251 to £5,000
Full Governing Body	Over £5,000

**Other Monetary Limits**

**Mileage Allowance**

**Safe Cash/ Cheque limits  
(L.A. standard insurance policy)**

HM Revenue & Customs approved rate  
£3,000 – cash, £5,000 – cheques  
(recorded at point of receipt), £500 –  
monetary instruments i.e. stamps and  
vouchers

**Ordering Procedures**

3 Competitive quotations - evidence required

£5,000 - £50,000

Tendering procedure

Over £50,000

OJEU Tendering procedure (Public Contracts regulations 2015) in Euros

Supplies & Service Contracts

€221,000

Works Contracts

€5,548,000

**Pre-Authorisation Approval Procedures**

**Personal Expenses**

Headteacher

Chair of Finance & Premises/Chair of Governors

Other Staff

Headteacher

**Purchase Card Expenditure**

Headteacher

Chair of Finance & Premises/Chair of Governors

Other Staff

Headteacher

## 1.0 GENERAL

- 1.1 These Regulations seek to ensure that this school conducts its affairs in a way that complies with specific statutory provision and reflects professional best practice. They also seek to reinforce the standards of conduct laid down in the 7 principles of public life required of governors and staff, in particular the need for integrity, objectivity, accountability, openness and honesty.
- 1.2 The Governors of Matching Green C of E Primary School hereby recognise the need to lay down formally a policy for the overall management of the school budget and the day-to-day management of the school's financial affairs.
- 1.3 The general conditions that follow are subject to annual review and consideration by the Full Governing Body, whom must formally minute both the review and any subsequent amendments and approval each year.
- 1.4 The Governing Body confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.
- 1.5 The Governing Body confirms that overall management of the school budget is delegated to the Finance & Premises Committee subject to exceptions contained in these regulations.

Such management will include:

### Financial Matters

- a. Approval of the annual budget, where this has been delegated to the Finance & Premises Committee, or recommendation to the Full Governing Body to approve the annual budget plan and cash flow forecasts for the forthcoming financial year in accordance with the timescales dictated by the Local Authority.
- b. Determining the school's financial priorities through the School Development Plan (SDP) and the Asset Management Plan (AMP).
- c. Receiving regular management reports, (at least 6 times per year) to facilitate the monitoring of the school's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Governing Body. In all cases liaison must be maintained with other appropriate committees.
- d. Making decisions on requests from other committees that will have an impact on the school's financial position.
- e. Making decisions on expenditure within the Finance & Premises Committee's delegated powers.
- f. Making decisions on virements within agreed budgets, within the Finance & Premises Committee's delegated powers, and authorising any budgetary adjustments made.
- g. Advising the Governing Body on the appropriateness, or otherwise, of virements to be made outside of the Finance & Premises Committee's delegated powers.
- h. Reviewing annually the school's Financial Regulations and Scheme of Delegation.
- i. Reviewing annually the Terms of Reference of the Finance & Premises Committee.
- j. Ensuring the Register of Business Interests is kept up to date (Section 1.7).

- k. Annually reviewing all on-going contracts (Including Local Authority Contracts).
  - l. Reviewing the various leasing agreement schemes and options available to the school (Section 3.17).
  - m. Awarding of contracts by tender up to a specified limit (Section 12).
  - n. To approve and sign an annual Best Value Statement. Ensuring that all purchases follow the guidelines of the governors' best value statement (Section 7).
  - o. Monitoring **all** spending and income received in the school i.e. Local Authority (LA) Delegated/Devolved Budgets and School Private Fund(s) (Sections 7 and 10).
  - p. Ensuring that funding from the LA and other sources is used only in accordance with any conditions attached.
  - q. Receiving and commenting on the content of any audit report relating to LA funding, and monitoring the implementation of the agreed action plan.
  - r. Annually reviewing and appointing the independent examiner/auditor to the School Fund(s) (must be a qualified auditor if the total of income and expenditure is in excess of £100,000) (Section 3.16).
  - s. Annually agreeing and determining appropriate charges for lettings of the premises, in line with the school's lettings policy (see Section 11).
  - t. Ensuring the school adheres to the policies and procedures as specified by the Department for Education and its Schools Financial Value Standard (Section 5.5).
  - u. Ensuring the school has appropriate internal financial controls in place (Section 5).
  - v. Ensuring that all financial controls are adhered to via regular testing and management checks in order to protect against error, fraudulent or improper use of public money and assets.
  - w. Reviewing appropriate financial benchmarking data, in order to compare the school's financial performance with other similar schools.
  - x. Reviewing and monitoring budget projections/medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.
- 1.6 The Governing Body confirms that day-to-day financial management of the school is delegated to the Headteacher, subject to exceptions contained in these regulations. Throughout these conditions, delegation to the Headteacher shall imply further delegation to the Deputy Headteacher when the Headteacher is not on the school site (authorisation limits detailed on page 4 apply). Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Governing Body in writing, and incorporated into these conditions including updating the Scheme of Delegation.
- 1.7 The Governing Body and the school have a responsibility to avoid any conflict between their business and personal interests and the affairs and interests of the school. As such all members of the governing body, the headteacher and all staff with financial responsibility must complete a Declaration of Business Interests (see Appendix A), which must be kept on file in the school. These declaration forms must be updated immediately there is any change to the information and re-signed annually.
- The governing body is required to have a register, which lists for each member of the governing body, the headteacher and all staff with financial responsibility:
- i. Any business interests they or any member of their immediate family have;
  - ii. Details of any other educational establishment they govern;
  - iii. Any relationships between school staff and members of the governing body;

- iv. The Register should be kept up to date with notification of changes and through an annual review of entries;
  - v. The register of business interests must be available for inspection by governors, staff and parents. It must also be published, for example on a publicly accessible website;
  - vi. All Governors and school staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Governing Body meeting.
- 1.8 Throughout these regulations, the same financial limits and restrictions will apply to both the delegated school budget and private/school funds, unless specifically identified and defined limits are set for individual funds.
- 1.9 The Governing body will delegate scrutiny of Local Authority audit reports and internal audit reports to the Finance & Premises Committee who will report progress of any follow up actions required.



## **2.0 FINANCE & PREMISES COMMITTEE STRUCTURE**

- 2.1 The membership of the Finance & Premises Committee will be 5 members, subject to annual review by the Governing Body. The Headteacher will automatically be a member.
- 2.2 The Finance & Premises Committee can co-opt persons who are not members of the Governing Body, subject to a maximum of 2.
- 2.3 Co-opted persons of the Committee may not vote on any matter.
- 2.4 The Finance & Premises Committee will meet at least termly, prior to the full Governing Body meeting, but will receive clear and concise monitoring reports six times per year. Additional meetings will be held as and when required, for example to review the end of year financial statement and to approve the budget.
- 2.5 The quorum will be 3 members, one of whom must be the Headteacher.
- 2.6 Minutes will be kept of all meetings. Copies of minutes will be kept in an appropriate file and circulated to all members of the Governing Body. All minutes must be retained within a public minute book and be made available upon request to any individual requesting them; an appropriate charge may be made for the reproduction of minutes to cover the cost of administration only.
- 2.7 A Chair of the Finance & Premises Committee will be appointed annually by and from the members of the Full Governing Body. In the absence of the Chair at any meeting, then the Vice-Chair will act as Chair for that meeting. A Governor who is employed at the school cannot be elected Chair.
- 2.8 A Vice-Chair of the Finance & Premises Committee will be appointed annually by and from the members of the Full Governing Body. In the absence of both the Chair and Vice-Chair at any meeting, then the Committee will appoint one of the members present to act as Chair for that meeting. A Governor who is employed at the school cannot be elected Vice-Chair.

### **3.0 DAY-TO-DAY DELEGATION OF AUTHORITY**

#### **3.1 Expenditure Limits**

The Headteacher can authorise expenditure up to £5,000 on goods and services. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The Headteacher may also authorise higher levels of expenditure for utility charges and annual contracts, provided the value authorised has been clearly documented and approved by Governors in the school budget.

If the value to be authorised exceeds the Headteacher's limit for goods and services, or the value set aside in the school budget, then Governing Body approval, as specified below, must be obtained.

Authorisation for expenditure that exceeds the school's budget or is between the values of £5,001 and £10,000 must be referred to the Finance & Premises Committee. The Chair of the Finance & Premises Committee has authority to approve all such expenditure on behalf of the Finance & Premises Committee]. Approval for such expenditure must be formally recorded in the minutes of the relevant Full Governing Body meeting.

Authorisation for expenditure above £10,000 must be referred to the Full Governing Body. Approval for such expenditure must be formally recorded in the minutes of the relevant Full Governing Body meeting.

#### **3.2 Virement Limits**

All virements, including budgetary increases from designated Local Authority funding and any new income are to be formally recorded, and authorised, on either:

- i. The Virement Approval Form; or
- ii. The school's own controlled stationery that is sequentially numbered.

Authorised forms should be retained in a clearly identifiable position alongside the originally signed budget papers.

The Headteacher can authorise virements up to £5,000. Virements between £5,001 and £10,000 will be referred to the Chair of the Finance & Premises Committee who has authority to approve all such virements on behalf of the Finance & Premises Committee. Virements above this amount must be referred to the Chair of the Full Governing Body for approval.

All virements will be formally reported to the Finance & Premises Committee at the next available meeting and recorded in the minutes.

#### **3.3 Budget reconciliation**

The School Business Manager is responsible for reconciling the school's Local Authority funding budget entered on the school's financial accounting system, with the monthly funding information provided by the Local Authority. This reconciliation should be completed promptly following receipt of the appropriate information from the Local Authority.

#### **3.4 Bad Debts**

The write-off of debts owed to the school, can be approved by the School Business Manager up to a value of £25, and by the Headteacher up to a value of £50. A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

Authority to write off debts above this value up to a maximum of £500 must be referred to the Finance & Premises Committee and be formally recorded in the minutes of the relevant meeting.

Write-offs exceeding £500 must be reported to the Local Authority's Business Partner.

Write-offs exceeding £10,000 must be formally reported to the Local Authority's Business Partner for reporting to the relevant Cabinet member.

### 3.5 Disposal of Obsolete or Surplus Trading Account Stock

The Headteacher can authorise the disposal of obsolete or surplus stock, recorded in published trading accounts, to the value of £250. Authority for disposals/adjustments above this amount are in accordance with the limits specified in the Authorisation and Monetary Limits page at the front of the Financial Regulations.

All disposals/adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

### 3.6 Disposal of Assets or adjustments to school inventory

The Headteacher can authorise the disposal/adjustment of recorded school inventory items up to the value of £250. Authority for disposals/adjustments above this amount must be in accordance with the limits specified in the Scheme of Delegation - Authorisation and Monetary Limits page at the front of the Financial Regulations.

All disposals/adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

### 3.7 Mileage Allowances and Subsistence Claims

The school will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers and that indemnifies the Local Authority against any claim. A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered in order for the school to be able to reclaim VAT.

- i. All expense claims are to be authorised by the Headteacher;
- ii. The Chair of Governors or the Chair of the Finance & Premises Committee must authorise all claims relating to the Headteacher;
- iii. All expense claims are to be supported by VAT receipts (or other appropriate evidence of expenditure) which must be attached to the claim. Claims for subsistence can only be claimed to the maximum stated in (iv) below;
- iv. Rates of subsistence will be paid at the rate and within the conditions that adhere to the Local Authority's policy on travel and subsistence allowances (last updated July 2016):
 

Breakfast	No more than £5.00 per person
Lunch	No more than £10.00 per person
Evening Meal	No more than £20.00 per person
- v. Claims for the purchase of alcohol will not be reimbursed;
- vi. The school or the Local Authority may not reclaim VAT without a proper VAT receipt;
- vii. Properly completed claims should be submitted to the school's payroll provider.

### 3.8 **Receiving of Goods/Acknowledgement of Service**

Receiving of goods and signing of delivery notes will not in normal circumstances be undertaken by the person authorising payment. For day-to-day operations therefore, receiving and signing for goods and services etc. will be by the Office Administration Staff, who is not involved in the payment authorisation.

### 3.9 **Minor Emergency Buildings Repairs**

The Caretaker can authorise work to be undertaken on minor emergency building repairs up to a value of £500 on any one repair. An order/commitment must be raised on the school's financial accounting system as soon as possible thereafter.

### 3.10 **Capital Expenditure**

Where the school seeks to incur capital expenditure from its budget share the LA must be notified; and where this exceeds £15,000 in any one year, the school must take into account any advice from the Director of Commissioning: Education and Lifelong Learning as to the merits of the proposed expenditure.

3.11 The Local Authority applies various de minimis limits so that expenditure is not capitalised where the amounts involved are not material. The de minimis limits applicable to schools are as follows:

- a. for capital projects where some or all the project is funded by Devolved Formula Capital Grant (DFC) the de minimis is £2,000; and
- b. the general de minimis limit of £10,000 is to be applied in all other cases.

Please note that it is the Local Authority's policy not to group low value items together in order to bring the total expenditure above the Local Authority's de minimis limits for capitalisation.

### 3.12 **Inventory/Asset Register**

- a. Governors recognise the need to maintain an inventory of equipment in the school to:
  - i. Ensure proper physical control of school equipment;
  - ii. Provide a basis for insurance cover and claims if equipment is damaged or destroyed;
  - iii. Provide an up-to-date record of the equipment available for teaching purposes;
  - iv. Help the school plan its equipment replacement programme.
- b. All portable items of equipment will be security marked with the name and postcode of the school. If the school chooses to use an invisible form of marking, then the item of equipment must carry a visible reference to the fact that the equipment has been security marked. Items not security marked are potentially not covered by insurance.
- c. The following categories of inventory will be entered in the inventory register at the time of acquisition by the school:
  - i. All items valued at £1,000 or more at the time of acquisition or purchase, either individually or as a set;
  - ii. Items below the value noted in (i) above but which are portable and considered attractive;
  - iii. Items considered by the Headteacher as being worthy of inclusion;
  - iv. Items hired to or leased by the school, that match any of the above criteria, will be included but identified accordingly.
- d. The inventory register will record the following information:
  - i. Item description;

- ii. Serial number or asset reference number;
  - iii. Date acquired;
  - iv. Acquisition cost;
  - v. Asset location;
  - vi. If item has been security marked;
  - vii. Date of last physical check;
  - viii. Disposal details, including date and method of disposal;
  - ix. Authorisation for disposal.
- e. The Administrative Assistant is responsible for maintaining the inventory register.
  - f. All inventory items recorded in the register will be checked annually by the School Business Manager (*who should not be the same person that maintains the register – see (e) above*) and certified as correct. Any adjustments arising from the physical check must be authorised as laid down in 3.6 above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the stock check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the stock check.
  - g. All authorised disposal of school inventory must be recorded, showing the method of disposal and the authority for such action (see Section 3.6).
  - h. A separate 'Off Site Register' shall be kept for all items loaned to members of staff and pupils. The register must include name and signature of the person borrowing, details of the equipment, date borrowed, signature of the authorised lender, space for date and signature of authorised person receiving the equipment on return. It is the Administrative Assistant's responsibility to ensure that the 'Off Site Register' is correctly maintained. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

### 3.13 Staff Appointments

The Headteacher is authorised to appoint staff, subject to the agreed establishment and budget constraints and in accordance with the Governing Body's appointment policy. The Full Governing Body (or committee appointed by the Full Governing Body) is authorised to appoint the Headteacher in accordance with the Governing Body's appointment policy.

All relevant forms and paperwork relating to the appointment of, or amendment to contracts, of staff should be sourced from the school's Human Resources (HR) service provider.

- a. All new appointments are to be notified to the school's payroll provider. The required documentation is to be completed by the School Business Manager and only authorised by the Headteacher. A copy will be kept in the employee's personal file. All new employees must complete a DBS check with the Disclosure and Barring Service (DBS) and a Childcare (Disqualification) Regulations 2009 check; all checks must be in accordance with current guidelines which can be obtained from the DfE or from the schools HR service provider.
- b. Amendments to an employee's terms of employment are to be notified the school's payroll provider. The amendment documentation is to be completed by the School Business Manager and only authorised by the Headteacher.
- c. Terminations of employment are to be notified to the school's payroll provider. The termination documentation is to be completed by the School Business Manager and only authorised by the Headteacher. Due regard is to be taken of the last day of service, annual leave etc. to be paid/deducted and any special instructions regarding final payment.

- d. Staff overtime etc, the Headteacher is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, authorisation can only be made by the Finance & Premises Committee or the Governing Body. Claims for additional duties/variations of hours etc must be signed by the claimant and authorised by the Headteacher.

The documentation required by the school's payroll provider will be completed by the Administrator and authorised by the Approver. To guard against fraud or error, the approver and authoriser should not be the same person. No overtime should be undertaken without the prior approval of the Headteacher.

- e. It is the responsibility of the School Business Manager to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the school's financial accounting system is correct and will avoid distortion of financial information.
- f. Any payroll transactions relating to the Headteacher will be authorised only by the Chair of Governors or Chair of the Finance & Premises Committee.

### 3.14 Supply Staff

- a. All supply staff will be appointed by the Headteacher/Deputy Headteacher or as otherwise directed by the Headteacher. The Headteacher should be satisfied that all pre-employment checks have been undertaken. At the same time the appropriate commitment for the estimated costs incurred will be entered on to the school finance system. It is the responsibility of the School Business Manager to ensure this is done.
- b. It is the responsibility of the individual member of staff to agree with their line manager the hours worked in each payment period. The line manager will then authorise the claim and forward it to the School Business Manager. If a dispute arises over hours claimed, the Headteacher will be informed immediately and, if necessary, advice sought from the school's HR service provider.
- c. The hours claimed, payment rate and appropriate ledger code will be supplied by School Business Manager, authorised by the Headteacher and submitted to the school's payroll provider as in 3.13d above.

### 3.15 School's Computer System for Financial Applications

#### a. Access

The school must be registered under the Data Protection Act.

Access to the system is determined by the Headteacher and protected through the use of passwords. It is essential therefore that each person having access to the system uses only their individual user identification and password which should be changed at least termly. The password for each user will be written down and kept in separate sealed envelopes in the school safe which should carry the date reference of the last password change.

#### b. Back-up

In the event of an emergency it may be necessary to restore data to the computer system as soon as possible. It is essential therefore that back-ups are made daily. It is the responsibility of the School Business Manager to ensure that this is done with due regard to Data Protection and information security. For security reasons all back-up tapes/discs (where used) will be stored in a suitable safe that is secure, preferably fire and water resistant and remote from the server.

### 3.16 Key holders

#### a. Buildings

Keys for all buildings and rooms in the school will be held by the Headteacher, the Caretaker and the School Business Manager. Where keys for certain rooms are held by other individual members of staff or Governors, their name will be entered in a 'Keys Register' which will be maintained by the Administrative Assistant.

Where keypads are used to gain access to buildings, access codes should be reviewed when staff leave or if there is concern that the code has become known.

#### b. School Safe(s)

Keys for the school safe(s) will be held by the **School Business Manager** and the keys will be kept in their possession at all times and taken off the school site when not on duty. Where only one key is in use, due regard to security is to be made when considering the location of the spare.

### 3.17 Leasing Policy and Arrangements

By law an operating lease is the only type of lease available to schools. These leases involve the school paying a rental for the hire of an asset for a specified time period and have the character of a rental agreement. No other lease, such as finance leases or hire purchase, may be entered in to by the school as this is a form of borrowing.

The LA has a leasing framework agreement in place. Schools should refer to the school's procurement section of the Essex Schools Infolink for more information. Schools are encouraged to place all leases through the preferred supplier(s) as stated on the Infolink as all best value and legal integrity checks have been rigorously tested. If schools choose to utilise other leasing products/ providers, not specifically approved by the LA, then the following regulations must be observed:

- i. Leasing agreements will only be made where the financial arrangements are such that they benefit the school and the Finance & Premises Committee have given their approval;
- ii. All leasing agreements are to be referred to the LA's schools leasing advisors, **Unilink**, for advice and approval, except where the agreement is within the LA's or DfE's approved leasing framework;
- iii. Once approval has been given, leasing agreements are to be signed by the Headteacher on behalf of the Governors;
- iv. The Headteacher will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals;
- v. Any lease entered in to must meet the following criteria:
  - Ownership of the asset must remain with the leasing company and there is no option for the school to purchase the asset at any time;
  - Any extension of the lease must be at open market values;
  - The school will not benefit from any sale proceeds of the asset;
  - The termination value of the lease is equal to or exceeds 10% of the value of the asset at the commencement of the lease.

### 3.18 Insurance

The Headteacher must ensure that insurance cover meets or exceeds the requirements of the Local Authority. For more information, please see the Insurance and Health and Safety sections on the **Essex School Infolink**.

## 4.0 FINANCIAL PLANNING AND REVIEW

### Budget Planning/Setting

- 4.1 The school's overall budget plans (both one year annual and multi-year forward financial plan) will be prepared by the School Business Manager in consultation with the Headteacher and Governing Body. The budget will be prepared having regard to all known needs of the school including the School Development Plan and the Asset Management Plan. It is the responsibility of the School Business Manager to ensure that all the required budgeting paperwork is approved by the Full Governing Body/Finance & Premises Committee and submitted to the Local Authority in accordance with their regulations; **for Essex schools this is the Essex Scheme for Financing Schools.**
- 4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.
- 4.3 The School Business Manager will be responsible for ensuring that the school has budget business plans in place for all trading activities e.g. catering, uniform sales, before and after school clubs, nursery etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from the Delegated Fund to cover a budgeted deficit, then this must be formally approved by the Governing Body and recorded in the minutes of the meeting at which it was discussed and agreed. All budgeted business plans should be clearly linked to the School Development Plan.
- 4.4 The school budget can be approved by the full Governing Body or this function can be delegated to the Finance & Premises Committee. Delegation of this responsibility must be included within the terms of reference of the Finance & Premises Committee.
- 4.5 The annual budget plan and cash flow statements must be submitted to the Finance & Premises Committee for consideration during the Spring term. After approval, it is the responsibility of the Headteacher to ensure that the approved budget plan is submitted to the Local Authority by their specified deadline (Essex LA is 1<sup>st</sup> May annually). The Chair or, in his/her absence, the Vice Chair of the Finance & Premises Committee is authorised to sign the approved budget plan.
- 4.6 Following governing body approval, the budget should be promptly loaded onto the school's financial accounting system and "fixed". Any subsequent changes to the budget (virements) should be in accordance with Section 3.2 on Virements.
- 4.7 A copy of the signed budget plan is to be placed in the minute file and a further copy retained by the Headteacher.

### Budget Monitoring

- 4.8 The previous year's out-turn statement showing income and expenditure against budgets will be submitted to the Finance & Premises Committee, as soon as possible after the end of the financial year. The current year's budget will then be reviewed in the light of the prior year out-turn.
- 4.9 The School Business Manager will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating clear and concise monitoring reports to the Finance & Premises Committee at least six times per year. Urgent budget issues will be reported to the Chair of the Finance & Premises Committee immediately.



- 4.10 The School Business Manager will present appropriate **system generated** monitoring reports to the Finance & Premises Committee, together with a written explanation of significant variances against budget. A cashflow, verification of control account reconciliations and projection of income & expenditure to the year-end will also be included in the monitoring pack.
- 4.11 If monitoring reports are given in a non-system-based format (e.g. excel spreadsheets/user defined reports) they need to be reconciled with a system generated report. A nominated governor must be appointed to perform this reconciliation and minutes must record its satisfactory completion. This gives the governors clear assurance that the information being reported is a true reflection of that held by the accounting system.
- 4.12 Trading accounts will be produced, and presented to the Finance & Premises Committee as part of the monitoring pack, for each trading activity (see 4.3 above) clearly identifying purchases and sales, stock balances and the operating surplus or deficit.

### **Local Authority Returns**

- 4.13 The School Business Manager will be responsible for ensuring that all financial transactions are recorded on the school's financial accounting system in line with the Consistent Financial Reporting (CFR) framework.
- 4.14 The School Business Manager will be responsible for ensuring that all financial monitoring returns required by the Local Authority are submitted to the Schools Finance Team by the published deadlines, i.e. budget notification, month 6 and 9 returns and closure of accounts information Such requirements are published on the [Essex Schools Infolink](#)

## 5.0 INTERNAL CONTROL

- 5.1 The objectives of Internal Control checks are to give the Governing Body confidence that as far as is reasonably possible:
- the school's accounting records are accurate and complete;
  - the funds are being used in accordance with the financial regulations and the scheme of delegation;
  - the financial procedures in operation minimise the risks of misappropriation of funds and assets;
  - the school achieves best value.
- 5.2 The School Business Manager is responsible for carrying out monthly bank statement reconciliations for all bank accounts, including monthly reconciliations of the purchase card statement, within one week of receipt. All discrepancies are to be investigated immediately and reported to the Headteacher and, if appropriate, the bank.
- 5.3 The School Business Manager is responsible for completing the monthly VAT returns in the prescribed format and forwarding them to the Local Authority's VAT Specialist within one week of the end of the VAT accounting period.
- 5.4 The Headteacher is responsible for periodically checking the following (at least once per term, ideally once per month), and signing and dating to confirm that the checks have been made:
- All payments made to suppliers have been correctly authorised;
  - No payments have been made that could be classed as 'fee payments' to individuals without completing the necessary checks to confirm self-employed status;
  - Income received by the school can be traced from source to financial system entry and bank statement;
  - Bank account reconciliations are being completed each month for all school bank accounts including School's Private Fund;
  - The funding budget entered on the school's financial accounting system is reconciled promptly to the monthly Local Authority funding statement;
  - VAT returns are being submitted on time;
  - Direct Debit arrangements are appropriate and have been correctly authorised;
  - Charge/purchase card arrangements are appropriate and have been correctly authorised;
  - Purchase card statement reconciliations are being completed monthly and are correctly authorised (see 7.28);
  - Individual staff salary payments are reconciled to commitments on a regular basis (at least each term);
  - All balance sheet accounts i.e. Creditors & Debtors are reconciled.
- 5.5 **Schools Financial Value Standard (SFVS)**
- The Schools Financial Value Standard is mandatory for all LA maintained schools, Nurseries and Children Support Services that have a delegated budget to demonstrate their compliance with the standard; they must complete the whole document, checklist, dashboard and the assessment form, on an annual basis.
- Schools must submit their return to the Local Authority by 31<sup>st</sup> March annually, although it is for the school to determine at what time in the year they wish to complete the form.
  - Any remedial actions must be timetabled, and it is the governor's responsibility to monitor the progress of these actions to ensure that all are cleared within specified deadlines.

- c. It is the responsibility of the Chair of Governors to sign the annual SFVS. The assessment is primarily aimed at the school's governors, containing questions which the Governing Body should formally discuss with the Headteacher and senior staff annually along with the information resulting from completion of the Dashboard. However, consideration of the questions & dashboard results may be delegated to the Finance & Premises Committee as long as a detailed report is then provided for consideration by the full governing body prior to the Chair of Governor's signature.
- d. Once completed and signed, the SFVS return should be emailed to [internal.audit@essex.gov.uk](mailto:internal.audit@essex.gov.uk) or if there are no scanning facilities at the school, the school may submit a copy to:  
Essex County Council, Internal Audit, County Hall, Market Road, Chelmsford CM1 1QH
- e. A signed copy must be retained on school premises and be available for inspection at any time.

The Schools Financial Value Standard documents and guidance may be found on the Gov.UK website: <https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

## 5.6 Separation of duties

It is the responsibility of the Headteacher to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:

- a. Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee;
- b. Authorisation – the authorisation of transaction such as a purchase order and the payment;
- c. Payment – the raising of cheques/BACS and cheque/BACS signatories;
- d. Custody – the holding of goods and services;
- e. Recording – the completion of the accounting records;
- f. Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation.

## 5.7 Contracts

- a. The school should maintain a separate register and spreadsheet documenting all current contracts. All contract documentation should be kept on file.
- b. Contract Renewal - In order to ensure best value is achieved, the school should have a process in place to review all contracts in advance of each contract's notice period. This process must include obtaining quotes from alternative suppliers, allowing sufficient time for governors to make an informed decision as to whether to continue with the existing contract or to give notice and move to one of the alternative suppliers. All such decisions must be fully documented in the minutes of the appropriate governor's meeting.

## 5.8 Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, the school must maintain a Register of Interests which captures relevant business and pecuniary interests of all governors, senior employees and staff with significant financial or spending powers. The register may include other employees of the school.

The register is open to public scrutiny.

The register is continually updated when changes occur and is subject to a full annual review. It should include all business interests such as directorships, partnerships, employments, share-holdings or other appointments of influence within a business or organisation which may provide goods or services to the school; trusteeships and governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with the school. For each interest the register must show the name of and nature of the business, the nature of the interest and the date the interest began.

The register must identify any relevant material interests arising from close family relationships between the school's governors; and those arising from close family relationships between those individuals and employees. It must also include business interests of relatives such as a parent or spouse / cohabitee or business partner where influence could be exerted over a governor or a member of staff by that person.

In addition to updating the register of business interests, all governors and staff must declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee at each meeting. Where an interest has been declared, those governors or staff should not attend that part of any committee or other meeting. The opportunity should also be given for governors and staff to declare previously undeclared interests at every meeting.

The school **must** publish the relevant business and pecuniary interests, including governance roles in other educational institutions, of governors (taken from the Register of Business interests) on their website. If the headteacher is not a governor, their relevant business and pecuniary interests must also be published on the website.

## 5.9 **Gifts & Hospitality**

The school should have a policy on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgement or integrity. Where such benefits have been received, they should be recorded in the Gifts and Hospitality Register detailing, for each occasion, the nature of the benefit and the donor.

When giving gifts, the school must ensure that the value of the gift is reasonable, is within the school's scheme of delegation, the decision is fully documented and has regard to the propriety and regularity in the use of public funds. Alcohol is not permitted.

The school must maintain a register even where no gifts have been declared, which should be signed by the Chair of Governors on an annual basis.

## 5.10 **Business Continuity**

The School Business Manager must prepare a business continuity plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the school is exposed and the systems that have been put in place to mitigate those risks.

The school must prepare an Operational Procedures Manual to cover the absence of key personnel in the finance/administration team. The manual should be accessible to all staff members.

## 6.0 BANKING ARRANGEMENTS

- 6.1 All decisions with regard to choice of banking service provider and subsequent banking arrangements will be made by means of a special resolution made at a meeting of the Full Governing Body, and in accordance with the requirements of the LA's Section 151 Officer, as detailed on the [Essex Schools Infolink](#).
- 6.2 Any school wishing to close an account used to receive its budget share and open another must select the new financial institution from the approved list provided by the Local Authority's Treasury Management Team, even if the account to be closed was not with an institution on that list.
- 6.3 The school must inform their bank that the school accounts must never become overdrawn.
- 6.4 The school must give permission to their bank(s) allowing information to be passed to the LA's External Auditor
- 6.5 The School Business Manager is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. Any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.
- 6.6 Governors will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account. Surplus balances will, as far as possible, be transferred to a high interest or deposit account.
- 6.7 Direct Debit or Standing Order payment arrangements must be authorised by two of the following authorised signatories and retained on file for reference. (use job titles not individual's names)
- Headteacher
  - Senior Teacher
  - Chair of Finance & Premises Committee
  - Chair of Governors

For any Direct Debit or Standing Order authorisation over £10,000, one of the signatories must be the Chair of Governors.

Note: A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.

- 6.8 Schools may use BACS facilities instead of cheques. The principles and authorisation remain the same as for cheque payments. BACS procedures are as follows:
- On initial set up the School Business Manager will contact the supplier for written confirmation of their bank details, signed by 2 senior members of the company on their company headed paper.
  - On receipt of their bank details (or subsequent changes thereto) the School Business Manager will telephone the company, using the telephone number on file, to verify their bank details and will write/sign on the letter to confirm that this has been completed.

- The bank details are then input into the Financial Accounting System and are double checked and signed off by the School Business Manager or Headteacher. This signed evidence of independent checking is to be retained separately for audit purposes.
- On a monthly basis an audit trail report will be generated to show any supplier's bank details that have changed – all changes on this report are checked off against the bank details provided by the supplier and authorised by the Headteacher. This signed evidence of independent checking is to be retained separately for audit purposes.
- All BACS payments generated on the financial accounting system, together with supporting invoices, will be signed individually by two approved signatories (in accordance with the bank mandate and the school's financial regulations) to confirm authorisation for payment.
- The BACS bureau procedures will be completed, ensuring that separation of duties is maintained. Payment advices will then be sent to each supplier.

6.9 All school bank accounts must be reported through either the School (Private) Fund or the Delegated Fund.

6.10 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.

6.11 Income received electronically through a payment collection partner (eg. Parentpay / Tucasi) should be recorded and reconciled.

6.12 Use of unlimited debit cards (e.g. Switch, Delta, Connect etc.) is not permitted.

### 6.13 **Charge or Purchase Cards**

- a. These are not considered to infringe the borrowing restrictions imposed on schools, providing any balance is cleared in full at the end of each month.
- b. The School Business Manager/Administrative Assistant will be appointed to administer the signing in and out of cards, they will not be a card signatory themselves, but will maintain a list of those staff members who are authorised signatories. When the purchase/debit card is not in use it should be kept in the safe.
- c. Purchase/debit cards must be issued in the school's name. Individual cardholders may have their own spending limits, which must be shown in the scheme of delegation. Where the card is in the name of the Headteacher, all purchases must be authorised by the Chair of Finance & Premises Committee/Chair of Governors.
- d. A direct debit will be set up between the bank and purchase card provider to clear the monthly balance in full. The School Business Manager will reconcile receipts on a monthly basis against the statements and subsequently against the bank direct debit charge. A full reconciliation should be presented to the headteacher for approval. Any discrepancies should be investigated.
- e. If the headteacher is a card holder, periodic checks should be carried out by a governor to ensure appropriate use.

### 6.14 **Internet Banking**

Access should be by authorised users only, under secure password protection (which is a standard feature of all banks' on-line facilities). Facilities available should be restricted to 'view only' and/or the

of funds between accounts held by the school.

## **7.0 PURCHASING AND PAYMENT PROCEDURES**

The school strives to achieve the best value for money from all purchases, which means getting what we need in the correct quality, quantity and timescale at the best price possible. A large proportion of purchases will be paid for with public funds and the school needs to maintain the integrity of these funds by following the guidance in the school's separate Procurement Policy and Best Value Statement.

7.1 Budget holders will be responsible for requesting the purchase of items or services from their own budgets.

This will be done by means of an Internal Order Form which will be sent to the School Office.

7.2 On receipt of the Internal Order Form (or notification), the School Business Manager will determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified, the Administrative Assistant will raise an official sequentially numbered Purchase Order to send to the supplier/contractor. Internal Order Forms will be attached to the copy of the purchase order and kept in a file in the Finance Office.

7.3 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the Scheme of Delegation at the end section 3.1 of these Regulations. Authorised paper copies of official orders will be kept in numerical sequence in a file in the Finance Office. Where appropriate, a copy of the official order will be passed to the budget-holder.

7.4 If an order is placed verbally due to urgency, an internal pro-forma or confirmation Internal Order Form should be used to notify the School Business Manager/Administrative Assistant to ensure that a commitment is promptly raised on the financial accounting system. It is not acceptable to wait until the invoice/delivery note is received before entering a commitment onto the financial accounting system.

7.5 All invoices received will be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the school's financial system.

7.6 The cheque signatories are any two from the following:

Headteacher

Senior Teacher

Chair of Governors

The Chair of Governors must be a signatory on any cheque exceeding £10,000 in value.

The person responsible for raising cheques should not be a cheque signatory.

- 7.7 The School Business Manager is designated to control cheques/BACS and must ensure that:
- a. A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in 7.6 above;
  - b. Cheque/BACS run/remittance reports are kept on file and are signed by at least one cheque signatory confirming an unbroken sequence of cheque numbers;
  - c. Spoiled cheques are cancelled on the financial system, defaced and retained on file to confirm that all cheques have been accounted for;
  - d. All blank cheques are securely stored and properly accounted for;
  - e. Blank cheques are not pre-signed;
  - f. Where continuous cheque stationery is used, the approved format is complied with, in accordance with Local Authority guidance;
  - g. All raised cheques/BACS are entered correctly on the financial accounting system;
  - h. Minimum remaining cheque levels are established with the bank;
- 7.8 Cheques/BACS payments will be issued in accordance with the trading terms of the individual contractor or supplier since due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2013 and 2018'.
- 7.9 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.
- 7.10 A copy of the computer-generated remittance advice relating to the cheque/BACS payment will be affixed to the original invoice, both of which will then either be filed with the official order or filed in alphabetical order of supplier (in numerical sequence of payment).
- 7.11 Original invoices must be marked "paid" to ensure duplicate payments are not made, together with details of the cheque number/BACS reference, date sent etc.
- 7.12 Copy invoices are not to be paid unless it has been verified that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".
- 7.13 Under no circumstances are payments to be made against supplier statements.
- 7.14 Where appropriate, adequate checks are to be made that the contractors and service providers have Public Liability Insurance Cover of at least the minimum value required by the LA (see Insurance section on the Essex Schools Infolink. It is the responsibility of the School Business Manager to ensure that this is complied with.
- 7.15 Payments to individuals should be made through the school's payroll provider unless the individual is self-employed. To establish someone's employment status, the school should use [Employment Status Indicator](#). For IR35, if the result shows that the school is liable to pay the tax & NI for that person and the schools payroll provider is unable to make this payment separately, that person must be paid through payroll in order to protect the schools HMRC liability.



- 7.16 For any order or purchase which is estimated to be less than £5,000 in value, for the supply of goods, materials or services, the budget holder must seek to achieve efficiencies and value for money. If the school has adopted a Best Value Statement, it must be adhered to.

Orders and purchases between between £5,001 and £50,000, will be subject to the receipt of **at least 3** competitive quotations, documentary evidence of the various quotations must be obtained and attached to the purchase order and appropriately authorised. Where a quotation other than the lowest is accepted, the reasons (in line with the schools best value policy) for its acceptance must be documented, attached to the purchase order, and reported to the Governing Body. All decisions made must be recorded in the minutes of that meeting for future reference. The competitive quotation rules do not apply if the supplier has been selected via Crown Commercial Services (the government recommended procurement department).

In accordance with agreed procurement standards, approval of contracts over £50,000 will only be made after following the tendering procedure (section 12).

### 7.17 **Internet Purchases**

At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement relating to separation of duties, authorisation controls and independent management checking.

- 7.18 The School Business Manager/Administrative Assistant will be authorised to place online purchases. The internet order must be raised in the name of the school with the school's address, not to an individual.

- 7.19 Requests should be made to the School Business Manager/Administrative Assistant from the budget holder in the normal manner (section 7.2), an official order should be raised on the financial accounting system and authorised as specified (section 7.3). Where possible the official order number should be quoted on the internet order as a cross reference.

- 7.20 It is the responsibility of the budget holder to ensure the internet is the most appropriate means for procurement.

- 7.21 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the school's normal payment route. If the supplier is unable to supply an invoice in advance, the School Business Manager/Administrative Assistant will be authorised to use the school's purchase card to make payment (the same rules for card authorisation apply as for invoices).

- 7.22 Payment by an individual's personal credit card should only be considered when the above options have been exhaustively attempted and failed. The correct authorisation procedure for purchases should still be adhered to (section 7.3), and the school retains the right to refuse to reimburse the individual if the school's procedures are not followed.

- 7.23 Reimbursement to individuals should be made in the normal manner upon production of an original invoice/receipt.

- 7.24 Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system (section 7.3). This is especially important if the school is to recover any VAT element.

7.25 All purchases should only be made from secure websites that the School Business Manager/Administrative Assistant has gained reassurance are safe and free from fraudulent activity. The use of online auction websites is not recommended.

**7.26 Internet sales**

The use of online auction websites is not recommended.

**7.27 Retention of financial records**

The School Business Manager must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.

**7.28 Purchase / Debit Cards** (see section 6.13)

- a. Written instruction will be given to card users on the card's scope of use and expenditure limits.
- b. All purchases made with the purchase/debit card, regardless of size, should be pre-authorized by the Headteacher. Purchases made by the Headteacher must be pre-authorized by the Chair of Governors.
- c. All purchases made using a purchase/debit card must be authorised in the same way as any other purchase with an official order being raised and a commitment entered onto the accounting system prior to the purchase being made. Purchase order numbers should be quoted on any documentation.
- d. Purchase receipts will be returned from card users to the School Business Manager as soon as is practically possible. VAT receipts must be obtained where possible for the goods purchased and the VAT receipt retained on file.
- e. In addition to approval of individual purchase card expenditure items, the statements should be reviewed and appropriately approved to ensure that all expenditure has been correctly authorised.
- f. If a card is used for personal expenses, this should be in accordance with the school's Expenses Policy.

## **8.0 PETTY CASH**

**The school does not currently operate petty cash.**

## **9.0 PAYROLL AND PERSONNEL PROCEDURES**

- 9.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in section 3.13.
- 9.2 Neither the Headteacher nor the Senior Teacher can authorise amendments concerning their own pay and contract conditions. Changes to the Headteacher's pay and contract conditions must be authorised by the Chair of the Governing Body.
- 9.3 The School Business Manager has responsibility for checking and reconciling actual monthly payroll payments and deductions to those expected and committed.
- 9.4 Payments made each month to the Payroll Service Provider and payments made to outside staff agencies are to be debited against the relevant budgets and credited to the Payroll Control/Payroll Bank Account. After the appropriate BACS transfers and the corresponding entries in the Payroll Control/Payroll Bank Account and the school bank accounts have been made, any balance remaining in the Payroll Control Account must be reconciled, and appropriate explanations documented. It is the responsibility of the School Business Manager to ensure that this is done.
- 9.5 Each month the School Business Manager will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 9.6 Each month the Headteacher will check a sample of the personnel records maintained by the school to the payments actually made by the Payroll Service Provider. It is expected that over the course of a year, every member of staff would have had his/her salary payment checked against personnel records at least once. It is the responsibility of the Headteacher to ensure this is done.
- 9.7 Copies of all individual notifications to the Payroll Service Provider will be filed by the School Business Manager in the personnel file of the staff member concerned and kept secure
- 9.8 Any contract for the services of a Payroll Service Provider will be reviewed regularly to ensure that the school is getting value for money and that the provider is giving adequate service. A copy of the contract should be held in school.
- 9.9 If cheque/BACS payments are made to employees for expense claims, mileage and subsistence etc, the recipient must acknowledge receipt by signing an official receipt and returning it to the Finance/General Office. Both the claim form and the receipt are to be kept as prime documents.
- 9.10 The Headteacher (or formally delegated authority) will carry out monthly management checks to ensure that all the internal control mechanisms, ensuring there is appropriate separation of duties, shown above are in place and are being adhered to, and to ensure the accuracy of all payroll working papers.

## 10.0 INCOME

### Delegated Fund income

10.1 It is the responsibility of the School Business Manager to ensure that all income due to the school has been received and banked, including monthly budget allocations from the Local Authority.

10.2 All physical income (cash/cheque) received should be recorded immediately on a Daily Income Collection Record and entered onto the school's financial accounting system. The collection record should contain details of the income: the amount received, the name of the person/organisation making the payment, the date the payment is received by the school, the method by which payment is made i.e. cash or cheque and the number of the receipt issued where applicable. *See Appendix D*

Where physical income (cash / cheque) is collected for a class activity such as a trip / sponsored event, the income should be recorded immediately on a Class Activity Income Collection Record and entered onto the school's financial accounting system. The collection record should contain full details of the income as above. *See Appendix E*

10.3 All physical income (cash / cheque) received by the school should be banked promptly and intact having due regard for the school's safe limits covered by insurance.

10.4 When physical income (cash / cheque) is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.

10.5 Income received by the school will be acknowledged to the payer by either i) issue of a receipt when the value of the payment exceeds £49.99.

No category of school income should be excluded from the issue of a receipt.

Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.

10.6 School staff personal cheques will not be cashed from money received by the school.

10.7 Insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected e.g. proceeds from a school fete, the insurer must be informed to obtain additional short-term cover, and the income must then be banked as soon as is practicable.

### 10.8 Automated payments e.g. Parent Pay / Tucasi etc.

a. When setting up a contract with a new supplier for provision of this service, consideration should be given to the following areas:

- i. Basis of fees payable to the company;
- ii. Complete audit trail and facility of income reconciliation of totals received;
- iii. Reminder facilities to chase up overdue amounts.

b. Any contract for the services of an online parental payment system Service Provider will be reviewed regularly to ensure that the school is getting value for money and that the provider is giving an adequate service. A copy of the contract should be held in school.

- c. Income received as automated payments should be recorded on the schools financial accounting system promptly on receipt of the service provider's notification and reconciled to the relevant entry on the bank statement. The individual pupil's income amounts should be recorded promptly against the appropriate activity.

## 10.9 Invoiced Income

Invoices raised by the school must be sequentially numbered with a copy retained on file. VAT must be included as appropriate in accordance with HMRC guidance. When invoiced income is received it must be dealt with in the manner outlined 10.1 to 10.6 above.

## Catering/school meal income

**10.10 School meal income class registers:** the completion of manual registers must be in ink. The value of income collected must be reconciled to the number of paid-for meals provided. The value of school meal income banked must be supported by a consolidated summary sheet of income by class register which provides a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip reference number should be entered on the consolidated summary sheet.

**10.11 School meal income software packages:** the bank paying in slip reference number should be entered onto the school meal system to provide a simple and clear audit trail from income received to income banked.

Receipts for school meal income should be issued when the value of the payment received exceeds the value set out in 10.5 above.

**10.12 Cafeteria style catering – till collections; NOT APPLICABLE**

## 10.13 Debt Management

Schools should have a policy to deal with dinner money arrears

## 10.14 Educational Trips

Educational trips should be non-profit making. Each educational trip should be budgeted separately to ensure that all costs are recovered.

Income and expenditure summaries for trips and activities should be completed and retained on file in order to maintain transparency.

## 11.0 LETTINGS POLICY

The Governing Body recognises the position of the school in the local community and that encouragement should be given to the use of the school premises by outside organisations.

Every possible care should be taken to ensure that all children/young people and others using the school premises out of school hours are safe from abuse and that they are treated with dignity and respect.

The letting of the school is the responsibility of the Governing Body. The school must have a Lettings Policy that details the responsibilities, procedures for bookings and payments, and debt management, which should be annually reviewed and approved by the Full Governing Body.

The administration of lettings is the responsibility of the School Office.

If income from a letting is paid into the Governors fund or school private fund, then arrangements must be made for reimbursement to the school of costs involved e.g. site manager's salary, heating and lighting.

For further information see the Insurance and Health and Safety pages on the [Essex Schools Infolink](#).

## 12.0 TENDERING PROCEDURE

This section applies where the school chooses to conduct its own tendering process:

It is recognised that, especially with regard to specialist or complex works and purchases, the school may choose to appoint a professional third party (e.g. surveyor, consultant, architect) to carry out the tender process on the school's behalf. If a third party is used it is expected to apply these regulations with the same rigour.

- 12.1 Approval of contracts over £50,000 will only be made following the school's tendering procedure. Further advice on procurement may be found on the Essex Schools Infolink and the Gov.UK website.
- 12.2 Invitation to submit tenders will be made by appropriate means, i.e. invitation to tender through advertising in appropriate trade journals etc. Due regard must be given to the expected total valuation of the contract (spanning all years in the case of multi year contracts) and publication within the Official Journal of the European Union (OJEU) will be necessary if relevant financial thresholds are met.
- 12.3 The invitation to submit tenders (Section 12.2) will include the nature and purpose of the contract, where further details can be obtained and the last date and time on which tenders can be received, normally not less than fourteen days after the invitation is published.
- 12.4 All tenders received must be in a plain sealed envelope bearing only the words "tender" and the subject to which the tender refers.
- 12.5 All tenders will be opened at the same time and details of contractor, tendered amounts and any other details recorded at the time of opening.

- 12.6 Tenders will be opened by any two nominated representatives from the Governing Body. Where the tender process is being managed by a professional third party the two people present for the opening of tenders may be representatives of the third party rather than the school. Tenders received after the closing date and time will not be considered.
- 12.7 No contractor will be allowed to amend the tender after the date and time fixed for receipt of tenders. However, if genuine and obvious errors are found in tenders, contractors will be allowed to withdraw, confirm or amend the tender as appropriate.
- 12.8 In accepting any tender, Governors will analyse and compare all possible options to make sure value for money is obtained. This might mean accepting a tender that is not necessarily the lowest. Where a tender other than the lowest is accepted, the reasons for its acceptance must be documented and reported to the Governing Body. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.
- 12.9 A copy of the tender documentation should be held on file on school premises for easy reference as required.
- 12.10 Acceptance of any tender will be confirmed to the contractor in writing and no work should be started until this has been done.
- 12.11 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Governing Body.
- 12.12 All ongoing contracts will be reviewed and renegotiated at regular intervals.
- 12.13 Governors and school staff should declare their personal interests whether pecuniary or non-pecuniary in any proposal to call for tenders for supply of goods, materials or services or in the decision-making process to accept any such tender. Should an interest be declared, consideration should be given to withdrawing the person making the declaration from any discussions or decisions about the tender or award of contract to avoid any potential conflict of interest.



## 13.0 GOVERNORS' ALLOWANCES

The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013, Part 6 enables Governing Bodies to decide whether they wish to pay travelling and subsistence allowances from the school budget to individual members of the Governing Body. The policy of the governors in respect of payment of allowances must be openly available to parents and governors.

The Governing Body must consider the payment of allowances annually, and the outcome must be recorded appropriately in the minutes.

13.1 Governors have agreed that subsistence and travelling expenses may be paid to all governors. Reimbursement of actual expenditure by an individual governor on, for example, postage, telephone calls, childcare or babysitting costs will also be allowed.

13.2 The school will reimburse mileage expenses to Governors for journeys at a rate in accordance with the limitations set out by HM Revenue & Customs.

13.3 Rates of subsistence will be paid at the rate and within the conditions that adhere to the Local Authority's policy on travel and subsistence allowances (ECC updated July 2016):

13.4

Breakfast	No more than £5.00 per person
Lunch	No more than £10.00 per person
Evening Meal	No more than £20.00 per person

NB – Actual expenditure only can be claimed up to the maximum stated above, **must not** include alcohol and must be supported with receipts, whatever the expenditure.

Each Governor making a claim for expenses must use the form provided. The claims will be processed for payment in the school office. All records of claims and payments must be kept together.

13.5 All records and papers relating to payment of Governors' expenses will be retained in the school for six financial years plus the current year in a secure and logical manner.

13.6 Authorisation of governors' expenses will be by the Chair of the Governing Body. Claims by the Chair of the Governing Body will be authorised by **both** the Vice Chair of the Governing Body and the Chair of the Finance & Premises Committee.

## 14.0 GOVERNORS' WHISTLEBLOWING POLICY

Existing good practice within the school in terms of its systems of internal control, both financial and non-financial and the external regulatory environment in which the school operates will ensure that cases of malpractice rarely occur.

It is the responsibility of the Governing Body for agreeing and establishing the school's whistleblowing procedure which should be formally adopted as a separate policy document, kept on display for ease of access by all stakeholders.

Suspected fraud must be reported to the LA's Internal Audit department by calling: Counter Fraud Manager on 03330 138420 or the Head of Audit and Counter Fraud on 03330 138445.

In addition, information and advice can be obtained from the charity – 'Public Concern at Work'. This charity offers free legal advice in certain circumstances about serious malpractice at work. Their literature states that matters are handled in strict confidence and without obligation. Contact details for the charity are as follows:

Public Concern at Work: CAN Mezzanine, 7 - 14 Great Dover Street, London SE1 4YR.  
Website: [www.pcaw.org.uk](http://www.pcaw.org.uk)

Whistleblowing advice line: 020 7404 6609      Advice line: [whistle@pcaw.org.uk](mailto:whistle@pcaw.org.uk)

Business Support: 020 3117 2525      General enquiries: 020 3117 2520

**Declaration of pecuniary and personal interest**

**Name:** .....

**School:** .....

**Position:** .....

I [Name], declare as a Governor of Matching Green C of E Primary School that I hold the following personal and/or pecuniary interest(s):

<b>Pecuniary interests</b>	<b>Please provide details of the interest</b>
Current employment	
Businesses (of which I am a partner or sole proprietor)	
Company directorships – details of all companies of which I am a director	
Charity trusteeships – details of all companies of which I am a trustee	
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management	
Gifts or hospitality offered to you by external bodies while acting in your position as a governor/trustee and whether this was declined or accepted in the last 12 months	
Contracts offered by you for the supply of goods and/or services to the trust/school	
Any other conflict	

Personal interests	Name	Relationship to me	Organisation	Nature of the interest
Immediate family/close connections to governor/trustee				
Company directorships or trusteeships of family/close connections to governor/trustee				

**If you are a governor or trustee of any other schools and/or academies, please provide details below:**

**Name of school/academy:** .....

**Position held:** .....

**Date appointed/elected to post:** .....

**Date of termination to post:** .....

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the trust/school's conflicts of interest policy.

**Signed:** .....

**Date:** .....

## **Guidance notes**

Governors and trustees have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures governors or trustees are acting in the best interests of the school.

In the declaration above, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the trust/school to provide goods or services;
- Goods or services you offer which may be used by the trust/school;
- Any close relation you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the trust/school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

## **Pecuniary interests**

Generally, governors should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing board. Both direct and indirect interests must be declared.

## **Non-pecuniary interests (Conflicts of loyalty)**

There may be a non-pecuniary interest whereby the governor does not stand to gain any benefit but a declaration should still be made. For example, this might be where a governor has a family member working in the school. While the governor might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

## **Handling the conflict**

The governing board must make a decision as to whether or not they should take steps to remove the conflict by:

- Not pursuing the course of action it relates to; or
- Proceeding with it in an alternative way which does not give rise to conflict; or
- Not appointing the governor in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

- The nature of the conflict;
- Which governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the governor(s) withdrew from the meeting;
- How the governors made the decision in the best interests of the school.

The School and Early Years Finance (England) Regulations 2013 provide for local authority financing schemes to keep a register of pecuniary interests for the trustees, governors and staff of schools. The register should be reviewed annually by the clerk to the governing body but any new interest or ceased interest, should be reported to the clerk as and when they occur. Upon completion, this signed form should be given to the clerk of governors whose responsibility it is to keep a register of all interests and review it annually. You can find NGA's model conflict register on the [NGA's website](#).

The Charity Commission has produced [guidance on dealing with conflicts of interests](#) which may be useful, even for schools that do not have charitable status.

**Appendix B**

REF NO \_\_\_\_\_

**MATCHING GREEN C of E PRIMARY SCHOOL  
VIREMENT APPROVAL FORM**

**Reason for Virement:**

.....

.....

.....

.....

<b>Cost Centre name</b>	<b>Ledger Code</b>	<b>Original Budget</b>	<b>Increase (+) Decrease (-)</b>	<b>New Budget</b>

Virement actioned by: (name) \_\_\_\_\_ Date: \_\_\_\_\_  
(signature) \_\_\_\_\_

Authorised by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Headteacher)

Authorised by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Governor)

Please note: The Headteacher must be aware of and authorise every virement. All virements must be reported to the Finance & Premises Committee .

The Governing Body must authorise every virement in excess of £5,001.

## MATCHING GREEN C of E PRIMARY SCHOOL

Mileage Rates  
Teaching and Support Staff

Revenue & Customs approved mileage rates (from 2011)		
From 2011/12	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

### Passenger payments – cars and vans

Employees can claim 5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them.

### Note:

Employees using their own vehicles for work are entitled to receive certain payments free of tax and National Insurance Contributions (NICs); the rules for each are related but not identical.

The table above shows the current maximum rates payable at which no additional tax or National Insurance is liable.

If employees receive greater amounts than are allowed tax-free, they will pay tax on the excess. If they receive amounts greater than those limits, employERS and employEES will be liable for Class 1 National Contributions on the excess.

If employees receive less than the respective amounts above, no National Insurance Contributions will be payable and tax relief will be available.





## MATCHING GREEN C of E PRIMARY SCHOOL

### CLASS ACTIVITY INCOME COLLECTION RECORD

Class \_\_\_\_\_

Activity \_\_\_\_\_

Date of activity/term \_\_\_\_\_

Date	Received from: <i>(pupil's name)</i>	Receipt No.	Cash (tick)	Cheque (tick)	Amount Received	
					£	p
<b>Total</b>						

**Receiving officer:** *name* \_\_\_\_\_

*signature* \_\_\_\_\_ *date* \_\_\_\_\_

**Countersigned by:** *name* \_\_\_\_\_

*signature* \_\_\_\_\_ *date* \_\_\_\_\_

## INTERNAL ORDER FORM

## Appendix F

Budget holder \_\_\_\_\_ Date \_\_\_\_\_

Charge to \_\_\_\_\_ (Department Title) \_\_\_\_\_

Supplier / Catalogue Name	Page No	Ref No	Description of Goods	Cost Per Item / Pack	Quantity	Total Cost	Budget name (office)	Budget Code (Office)

Purchase Order Raised: date.....

Matched to Delivery Note: date.....

Matched to Invoice: date.....

SCHOOL NAME: **MATCHING GREEN C of E PRIMARY SCHOOL**

**INVENTORY OF FURNITURE AND EQUIPMENT**

Room / Location: \_\_\_\_\_

Asset Ref. No.	Item Description Model and Serial No.	Location	Date Acquired	Purchase Price £	Security Marked ?	Date of Disposal	Method of Disposal *	Authorisation

N.B. All equipment should be marked invisibly and visibly with the school name and postcode Disposal key\* L = Lost/Stolen S = Sold O = Other

**Annual Check**

Name: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## **Notes of Guidance:**

The purpose of this note is to provide colleagues with some guidance on procedures regarding Inventories. It is by no means exhaustive and much of what might happen in schools in setting up an inventory or checking an existing one will probably depend on the wishes of the individual Headteacher.

The inventory enables the Headteacher and Governors to physically control the equipment in the school. It also details the teaching and administrative resources available to the school.

### 1. Control Objectives

The inventory should record the location of all equipment and ensure losses are easily identified

### 2. Key Controls

The Headteacher should nominate an appropriate member of staff to be responsible for the inventory procedures.

### 3. Records Required

An inventory of all valuable items on the premises should be maintained. This should include assets on loan or donated to the establishment as well as those purchased. It should include all non-consumable items which cost over £1000, and any items costing less than £125 which are particularly liable to theft, for example those that are attractive and portable. It is a matter for local decision as to whether furniture is included. For example, a Headteacher might decide not to include classroom furniture but might wish to include a valuable desk or bookcase.

For each item the following description should be recorded immediately upon receipt:

A description, the model and serial number, the date of purchase or acquisition, the order reference and the purchase price

This information can be entered on the attached inventory form. Items of equipment included in the inventory should be marked as the property of the school both visibly and invisibly.

### 4. Checking the Inventory

The inventory should be checked to the physical existence of items each year and signed and dated by the person responsible to certify the check has been carried out. The check should not be completed by the individual(s) who maintain the inventory on a daily basis.

5. Writing off items from the inventory

A formal record should be kept of all deletions from the inventory, including reference to the authorisation obtained as quoted in the school Financial Regulations.