



**Brookfields**  
Specialist SEN School

## Brookfields School Financial Management Policy

<b>Date</b>	<b>Description</b>
25 January 2023	Approved by the Full Governing Board

<b>Review schedule</b>	Annually
<b>Next review</b>	January 2024
<b>Policy holder</b>	Patrick Mitchell

## **Brookfields School Equalities Statement**

**All pupils at the school are offered a broad, balanced, stimulating and relevant curriculum regardless of their background, culture or ability. Each pupil is valued for who they are and what they bring to the school. We appreciate and celebrate the richness of diversity within the school community as well as the wider community. Through the work we do across the school on developing Values, we actively promote the importance of tolerance, co-operation, courage, determination, friendship and respect. Through this approach, pupils develop independence, confidence and integrity which prepares them for their future lives.**

## **BROOKFIELDS SCHOOL**

### **FINANCIAL MANAGEMENT POLICY AND PROCEDURES including GOVERNORS ALLOWANCES and INVENTORY POLICY**

#### **Purpose and background**

The school receives on an annual basis a financial allocation from West Berkshire Council (“WBC”), together with additional monies available through Standards Funds and direct government grants. This policy and procedures determine the framework within which the school conducts its finances, the delegation of responsibility and the methods of operation, so that all parties concerned are aware of their duties and responsibilities and that sound internal and financial controls are maintained. The implementation of appropriate practice and procedures will ensure the best use of funds available to enhance the education of the school’s pupils.

The operation of the school’s private fund is the subject of a separate document.

#### **Policy objectives**

[Compliance statement]. The school adopts and will comply with, ensuring that staff are made aware of as required, regulations and guidelines as published by the Local Authority, including: the WBC Financial Rules of Procedure\*; the WBC Contract Rules of Procedure\*; the WBC Anti Fraud and Corruption Policy\* and Confidential Reporting Code\* (Whistleblowing); and the WBC Scheme for Financing Schools\*, to the extent that such regulations and guidelines apply to schools. The school will also comply with DfE and Audit Commission regulations and guidelines for budget management, including ‘Keeping your Balance’ and the spending and receipt of monies, including Standards Funds and direct government grants. It will operate in accordance within current requirements and standards laid down by the DfE and WBC Audit and Accountancy Departments, including the DfE “Schools Financial Value Standard (SFVS) (from March 2013)”. Where practice varies from the guidelines given in these documents (or where the guidelines conflict with each other), full details and justification of the variation are included in this policy. Note that the WBC Contract Rules of Procedure allows for exceptions to normal procedure in certain circumstances. Where there is a good reason for not following normal procedure in any of the above documents (including the likelihood of not getting value for money), any stated procedures for handling exceptions will be followed, where possible.

[\* paper copies of these documents are available in the school office]

[Budget setting statement] The Governing board will prepare an annual budget for income and expenditure. It will publish, as required, annual statements relating to the quality of the school’s internal controls in the use of income and expenditure (SFVS).

[Delegation statement]. The governing board has delegated to the Headteacher the management of the budget and the virement of funds (see appendix below) and will take due account of the advice given by the headteacher in respect of financial matters. The signing of cheques and other bank instructions is delegated to school staff in line with a table of responsibilities (see appendix below). The governors will note and approve the Headteacher’s allocation of financial duties to staff so as best to achieve separation to ensure probity, and that shadowing of duties occurs to provide continuity in the event of absence. It will monitor the competencies of school finance staff and make recommendations to the Headteacher as appropriate.

[Budget purpose and objectives statement]. When setting the budget the Governing board shall consider the aims and objectives of the school and School Development Plan and ensure that the budget and financial processes of the school support and reflect these as far as possible.

[Staff and development statement]. In setting the budget governors will take due account of the need to resource the management and administration of the school's finances and to ensure, through regular review, that staff resource and competence is sufficient, and is supported through appropriate development and training

[Communication statement]. All material budgetary decisions will be communicated between all relevant and interested school staff and the governing board on a regular and timely basis, to ensure that the financial context of the school is understood and that necessary actions are implemented. This policy is available to staff and parents on request to the school office.

[Value for money and procurement statement]. The school has in place rules for the procurement of goods and services to obtain value for money from the resources available (see appendix below).

[Procedures statement]. Finance staff are given clear guidance to ensure that effective and robust financial and accounting procedures are adhered to (see appendix below). A Statement on Internal Control is published annually by the Governing.

[Payment of governors' expenses]. The payment of any allowance or reimbursement of costs incurred by the Chair of the Governing board requires the approval of the Deputy Chair of the Governing board before payment. The payment of any allowance or reimbursement of costs incurred by any other Governor requires the approval of the Chair of the Governing board before payment. Payments of allowances or costs to any Governor shall be reported to the Governing board on an annual basis. Payments of governors' allowances will be consistent with travel and subsistence payments that are made to school employees.

[Inventory and assets statement]. The school has in place procedures for the recording of assets (see appendix below). The Governing board will receive and review an inventory report on an annual basis, to be signed off once approved by the Headteacher.

[Pecuniary and business interests statement]. All governors and those staff with financial responsibilities will declare any pecuniary or personal interest annually through the Register of Business interests maintained by the school. Governors and other attendees will be required to declare any such interest relating to any governing board meeting agenda item at the start of that meeting.

[Indemnity statement]. No indemnity of any sort may be given to the benefit of a third party.

#### Management of policy

School: This policy is implemented and managed by the Headteacher with reference to the senior leadership team and other interested parties as necessary. It will be circulated to all staff with financial responsibility on an annual basis who will sign a check list to confirm that they have read and understood the document and its appendices.

Governing board: The Governing board reviews and makes amendments to this policy on a regular basis.

Associated policies, documents and remits

Register of Authorising Officers

School Development Plan

School (Private) Fund policy

Schools Financial Value Standard (SFVS)

Charging & Remissions policy

Lettings policy

Practice and procedures

This policy is to be read in conjunction with the attached appendices.

Documents supporting the compliance statement

West Berkshire Council Financial Rules of Procedure (copy available from school office)

West Berkshire Council Contract Rules of Procedure (copy available from school office)

West Berkshire Council Anti Fraud and Corruption Policy, Confidential Reporting Code (copies available from the school office)

West Berkshire Council Scheme for Financing Schools (copy available from school office)

## **DELEGATION AND THE MANAGEMENT AND VIREMENT OF FUNDS**

Subject to the terms of this policy and its appendices, the Governing board delegates to the Headteacher (or in his/her absence a nominated representative) authority to make purchases, decide upon quotations received and enter into financial commitments, income-generating activity and to vire monies within the set annual budget. In doing so it will authorise as necessary the lists of authorising school staff and their appropriate limits of authority provided to the Local Authority. The Headteacher may delegate the aspects of day-to-day administration to the School Business Manager (SBM) or other school staff.

The Governing Board will review the current school budget at least 3 times a year (and longer term forecasts at least once a year), in line with its remit, and agree any action where appropriate in relation to (a) budget variances, anticipated expenditure and income, and (b) any significant virements made or anticipated where, in both cases, the amount is greater than either 20% of any budget line in excess of £25,000 or £5,000. Similar cost centres may be aggregated by the headteacher in determining whether these budget limits have been breached (eg teaching + supply teaching budgets). It should be clear to governors what has been aggregated in this way. Below this level the Headteacher has full authority to agree budget variances and virements without reference to governors. Virement will be subject to any 'ring-fencing' restrictions.

Authorisation is given for the Headteacher, SBM and deputy headteachers to sign cheques and other instructions to the bank against the school's local authority bank account. Two signatories shall always be required.

## INSTRUCTIONS TO OFFICE STAFF ON FINANCIAL PROCEDURES

Table of responsibilities and short/medium term cover arrangements.

NB If the member of staff for a particular role is absent, their nominated deputy is authorised to perform their roles. Separation of duties should still be maintained wherever possible.

Member of staff	Cheques	Requisitions	Orders	BACS Payments	Inventory	Imprest Claim	Cash Rcvd	Petty Cash	Absence cover by
Headteacher	Signing	Signing	Authorising / Signing	Authorising / Signing	Authorising write-offs	Approval	-	Signing	Instruction
Deputy Headteacher	Signing	Signing	Authorising / Signing	Authorising / Signing	-	-	-	Signing	Instruction
Assistant Headteacher	-	Signing	Authorising	-	-	-	-	Signing	Instruction
Budget holders	-	Signing	-	-		-	-	Signing	-
School Business Manager	Signing	Signing	Authorising / Signing	Authorising / Signing	Authorising write-offs	Approval	Processing	Authorising	Finance Officer
Finance Officer	Preparing	Processing	Processing	Authorising / Signing	Administration	Preparation	Processing	Processing	SBM / Finance Assistant
Finance Assistant	Preparing	Processing	Processing	Processing	Administration		Processing	Processing	Finance Officer
Goods-In Staff (Nominally Finance Assistant)	-	-	Checking deliveries	-	Administration	-	-	-	Office Staff
Receptionist/Office Manager	-	-	-	-	-	-	Recording	-	-
HR Officer	-		-	-	Administration	-	-	-	SBM

## **Recording of transactions and accounting**

All financial transactions, journals and virements must be properly recorded without undue delay on the school's SIMS FMS computer system.

## **Budget management and monitoring**

The Finance Officer / SBM will monitor the budget and on a monthly basis reconcile Agresso printouts from West Berkshire Council with the school's FMS computerised accounting system and annually closedown FMS on a timely basis ensuring that carry forward figures correctly match Agresso. The SBM will produce reports as required by the Headteacher and the Governing board, including a summary of the main issues together with the basis on which the figures are presented, an explanation of variances and any proposed changes. Meetings to review the budget position will take place with the Headteacher on a half-termly basis, or more frequently as necessary. Reports should be prepared and sent with each meeting's agenda at least a week in advance of a Governing board meeting. The Governing board will need to be informed of the expectation of the school's outturn positions for the financial year, robustly based on information held to date, in order to make any necessary consequent strategic budget management decisions or recommendations, as appropriate. The SBM is a full and permanent member of the SLT to provide a constant input in relation to school business management considerations. School budget holders should receive up-to-date printouts from FMS of their budget position on a regular basis. Instruction in budget management and report interpretation will be the responsibility of the SBM or Finance Officer, as appropriate.

## **Orders for goods and services**

Requests to order goods and services must be made using the standard pink order forms and signed by the relevant school budget holder. In the case of any more complex transaction the advice of suitably qualified persons must be obtained in order that all considerations regarding pricing, specification, health and safety, etc can be taken into account.

Copies of all orders and supporting documentation shall be kept and recorded promptly in the school's accounts. A regular check of outstanding orders shall be made and any erroneously outstanding orders removed.

A formal computer generated order (marked confirmation of order if appropriate) on paper signed by an authorised signatory as defined in the attached Register of Authorising Officers will always be sent to procure supplies and services in each case and a signed copy of this retained in the school office with the original request form and copies of relevant documentation, including quotations. The only exceptions are when:

1. The payment for supplies or services represents one of a sequence of transactions as a result of an agreed contractual obligation.
2. Telephoned orders should only be made by (or under the instruction of) a member of the SLT, and only where necessary. In each case the school's computer accounting system should be updated as soon as possible to ensure that the value of the commitment is properly shown. Any confirmation sent must be clearly marked 'Confirmation of telephone order'.
3. For amounts up to £100, minor expenditure claims may be made by staff with prior authority from the relevant budget holder. They should be limited to those occasions when direct staff purchase is the only practical option. Related staff expenses claims must be completed on the "staff reimbursement" (blue) form and signed by the budget holder and be presented for payment and processed within 28 working days of receipt. All expenses claims must have full appropriate invoices or receipts attached evidencing



purchase and so that VAT can be reclaimed whenever possible. Staff or pupil personal purchases cannot be processed through the school's accounts nor can personal cheques be encashed. If the £100 limit is exceeded then reimbursement may be refused and the Headteacher must countersign any reimbursement that is agreed. The Business Manager must countersign reimbursements of up to £100 for the Headteacher, and the Finance Governor or Chair of Governors must countersign for amounts above £100.

4. In cases of emergency a supplier may be called to the school to undertake work. The commitment must then be ascertained and recorded as soon as possible.
5. The Purchase Order is sent either directly via the ordering system by email with an attached PDF Purchase Order, or by way of a scanned copy attached to an email. In each case the person signing the order must appear on the register of authorising officers with appropriate authority, and a signed paper copy of the order will be retained (in the same way as for Purchase Orders that are not sent in this way). Only users that appear of the register of authorising officers will be configured to see this functionality. In the case of system generated PDF orders the Pink form (signed by an authorised officer) shall suffice as the hard copy record.

All order requests for individual items of £10,000 or more require at least three quotations appended or a written statement on the order as to why this was not possible. If three quotations are not provided, finance staff may either return the order unprocessed or seek further quotations as necessary.

#### Security

- a) No more than a total of £2,500 public funds and private funds petty cash shall be held in the safe without approval of the Headteacher. The petty cash float should be checked when the imprest claim is submitted and cross checked by the member of office staff not responsible for its day to day maintenance
- b) All petty cash, cheque books, franking cards and secure boxes must be stored in the safe, which must be kept locked except when in immediate use. Hard copy financial records and vouchers should be kept in the school office and be clearly identifiable, the office being fully secured when not in use.
- c) The safe key holders are the SBM, Finance Officer and the Office Manager. In the absence of these key holders spare keys may be held by any other member of the SLT. This should be returned when one of the normal key holders returns.
- d) All portable and valuable items must be security coded (for example by using tamper-proof asset labels).
- e) All cash received must be counted and confirmed by two people.

#### Overspends

The approval of overspends by a budget holder can only be given by the Headteacher or the SBM and must include an understanding of where budget can be released from to offset the overspend.

## Brookfields School Financial Controls

This section states how the school operates and controls its finances. Where the guideline is followed faithfully no further explanation is usually given. Where clarification is required or the guideline is not followed, in part or in whole, the guideline is followed by additional notes.

### Governance

A11 The roles and responsibilities of the governing board, the headteacher and other staff in relation to financial decision-making and administration should be set out in writing.

A2 The governing board will consider strategic financial issues and its remit and membership should be reviewed annually.

A3 The governing board should establish the financial limits of delegated authority.

This register of authorising officers records each member of staff and school governor who is authorised to sign instructions to West Berkshire Council for school expenditure to be processed centrally. The responsibility for its management rests with the Headteacher. The limits in that document are the maximums allowed if the conditions below are satisfied, otherwise the lower limits shown in the table apply:

Position	Orders and accounts payable limit (£)	Payroll transactions limit (£)	Journals limit (£)	Imprest account limit (£)#
Headteacher	5,000 %1	5,000 %1	Unlimited	70,000
Deputy Headteacher	5,000 %2	0 %4	Unlimited	0 %5
SBM	5,000 %1	0 %4	Unlimited	0 %5
Finance Officer	0 %3	N/A	Unlimited	70,000 %6
Chair of Governors	0 %7	0 %7	0 %7	N/A

# Current imprest account level is £70,000; limits can be increased to £70,000 + any agreed overdraft

%1 Unlimited if spending is within budgets agreed at any governor meeting, or in an emergency

%2 £10,000 limit if spending is within budgets agreed at any governor meeting, or when deputising for headteacher

%3 £10,000 limit if spending is within budgets agreed at any governor meeting, when deputising for School Business Manager

%4 Same limit as headteacher, when deputising for headteacher

%5 Same limit as headteacher, when deputising for headteacher or Finance Officer

%6 Authorised to prepare only (not approve); same limit as headteacher

%7 Unlimited, when countersigned by headteacher or authorised deputy

The above limits need to be read in conjunction with the processes and procedures to be followed that are described in the Purchasing section of this document.

A4 The governing board should agree with the headteacher the minimum frequency, level of detail and general format of the financial information to be provided to it, especially in relation to budget monitoring reports.

A5 Minutes should be taken of all meetings of the governing board and include all decisions and by whom action is to be taken.

A6 The governing board should establish a register of business interests of governors, the headteacher and any other staff who influence financial decisions. This should be open to examination by governors, staff, parents and the LA.

## **Financial planning**

B1 The school should have a school development plan (SDP) which includes a statement of its educational goals to guide the planning process.

B2 The SDP should cover in outline the school's educational priorities and budget plans for at least the next three years, showing how the use of resources is linked to the achievement of the school's goals.

B3 The SDP should state the school's educational priorities in sufficient detail to provide the basis for constructing budget plans for the next financial year.

B4 Any new initiatives should be carefully appraised in relation to all likely costs and benefits and their financial sustainability before being approved by the governing board.

B5 The SDP should also state intended expenditure on continuing commitments, including a short commentary on any significant changes from the previous financial year.

B6 A formal timetable and procedures should be drawn up for constructing the SDP and budget to ensure that the governors have time to consider all relevant factors.

B7 There should be a clear, identifiable link between the school's annual budget and its development plan.

B8 The school's budget should be based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.

B9 The governing board should ensure that the main elements of the school's budget are periodically reviewed to ensure that historic spending patterns are not unhelpfully perpetuated.

B10 The headteacher should profile the budget and forecast cash flow to take account of likely spending patterns.

B11 Any budget surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year.

- (1) Until both the teacher and local government pay settlements have been announced it is necessary to make assumptions about staffing costs. The approved budget may require rethinking in light of staff changes and unexpected pay awards announced late in the financial year.

B12 The governing board should approve the school's budget and SDP after careful consideration and before the beginning of the relevant financial year.

- (1) It is usual not to approve a budget until final figures for the previous financial year are available from the LA. Historically this has been more than a month into the new financial year.

B13 The headteacher or SBM should promptly forward details of the approved budget and any subsequent budget changes to the LA.

### **Budget monitoring**

C1 The SBM should produce monthly budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. These reports should be reconciled with the LA's and, where necessary, the school's accounting records.

C2 The headteacher should provide budget monitoring reports to the governing board at least once a term. These should show any significant variances against the budget with explanatory notes and, where necessary, remedial action plans including virements.

C3 The headteacher should monitor expenditure on the initiatives set out in the school development plan.

C4 If budget elements have been devolved, departmental budget holders should receive and review regular reports comparing the amount spent or committed to date against their budgets. The headteacher should monitor these reports periodically and take action where necessary.

C5 In schools with bank accounts (non-Imprest accounts), the headteacher should produce monthly cash flow forecasts to ensure that the school does not go overdrawn.

### **Purchasing**

D1 The school should always consider price, quality and fitness for purpose when purchasing goods or services.

For supplies and services with a total contractual value below £10,000 the school may select one supplier without obtaining competitive quotations. At the discretion of finance staff more than one quotation should be sought for orders of less than £10,000, where it is believed that best value for money will be obtained by doing so. Where a sequence of small orders is likely to be placed with one supplier a check of their pricing against competitors should be made at least every three years.

D2 Prior approval from the governing board should be obtained for all expenditure above a predetermined limit.

For items above £5,000 governor approval should be sought before any commitment is made. Exceptions to this are:

- (1) When governors have previously approved budgets or expenditure for items that exceed this limit, further approval need not be sought.
- (2) In cases of emergency, expenditure above this limit can be made before getting governor approval. Expenditure should be limited to what is necessary to resolve the emergency, and best endeavours should be made to notify the chair of the finance committee of the expenditure in a timely manner. Retrospective governor approval should be sought (at the latest) at the next scheduled Full governing board meeting.

D3 Three written quotations should be obtained for all expenditure above a predetermined limit unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the governing board.

For supplies and services with a total contractual value between £10,000 and the EU tendering limits stated below a minimum of three quotations shall be obtained, except where the nature of the purchase and/or the range of suppliers and/or the timescale precludes this, in which case this will be brought to the attention of the governing board for consideration and approval and the reason for this shall be documented with the order. Quotations will be reviewed by, and a supplier chosen by, the Headteacher or a member of staff with his delegated authority. Internet and catalogue quotations should be suitably documented for future reference [e.g. photocopies, screen print-offs].

Exceptions to the three quotes rules are:

- (1) For local authority buy-back arrangements no further quotations need routinely to be sought as they have already sought to achieve value for money.
- (2) If similar goods or services are being purchased from a previous supplier who has already shown to provide value for money within the previous three years (as part of a three written quotation arrangement) then further price comparison may not be necessary.
- (3) If it is not possible to find three suppliers that are willing to provide quotations within the necessary timeframe.
- (4) Where specialised goods or services are required and there may not be three suitable suppliers.

Three quotes may still be used for expenditure below £10,000, if finance staff have reason to believe that value for money can only be obtained by using that process.

D4 Where a quotation other than the lowest is accepted, the reasons for this decision must be reported to the governing board and included in the minutes of the relevant meeting.

The most cost beneficial quotation will normally be accepted and if not, value for money reasons for accepting a more expensive quote will be documented with the order.

Reputation of supplier, references, past experience of post-sales support and proximity of supplier to the school may all be relevant factors in determining value for money.

D5 All purchases estimated to exceed a predetermined amount should be put out to tender.

For supplies and services with a total contractual value exceeding the current EU limit the nature of the contract may require additional procedures, including the receiving of quotations from more than three suppliers and a formal tender mechanism. The current limits are:

- £181,302 for certain services and all goods
- £4,551,413 for works

A procurement mechanism will be approved in advance in each case by the governing board, with appropriate specialist professional advice sought as necessary before commitment.

For supplies and services where the total contract sum exceeds £50,000 the school will comply specifically with the Local Authority's Contract Rules of Procedure in seeking appropriate advice regarding EU and UK legislation.

- (1) Purchases exceeding the EU limits stated above are put out to tender, or if finance staff have reason to believe that value for money can only be obtained by using the tender process.

D6 Contract specifications should define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.

In all cases any purchase or service contract must comply with current Legislation, including Health & Safety and Government regulations where applicable.

(1) For ongoing contracts, value for money should be reviewed after a maximum of three years.

D7 The school should not enter into any financial agreement with capital implications without the approval of the LA or appropriate body.

Any expenditure involving commitments in future financial year(s) must be limited to a maximum of five years (whether capital or revenue expenditure), unless agreed at a full governing board meeting.

D8 Official, numbered (paper/fax) orders should be used for all goods and services except utilities, rents, rates and petty cash payments. Where urgency requires an oral order, this should be confirmed by a written order.

D9 Orders should be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their private use.

D10 All orders must be signed by a member of staff approved by the governing board and the school should maintain a list of such staff in the register of authorising officers or other documentation.

D11 The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

(1) Finance staff should advise budget holders if they do not follow procedure when they attempt to place an order.

D12 When an order is placed, the estimated or confirmed cost should be committed against the appropriate budget allocation so that it features in subsequent budget monitoring. By entering the order promptly in SIMS FMS this will be automatically allocated to the appropriate budget.

D13 The school should check goods and services on receipt to ensure they match the order and the order should be marked accordingly. This should not be done by the person who signed the order unless no other staff are available (for example, during a school holiday period).

D14 Payment should be made within time limits specified in law for the payment of debts and only when a proper invoice has been received, checked, coded and certified for payment.

Invoices should be checked for arithmetic accuracy. No invoice should be paid whose value exceeds 10% more than the original order price without reference to the budget holder. Reasonable postage and packing can be added if it has been omitted from the original order. Service, contract and utility invoices should be checked against preceding payments to ensure periodic continuity without overlap.

The payment of invoices will be made at least monthly and imprest returns to reclaim the principle sum (less any income received) and net VAT paid/received made accurately and promptly in line with WBC requirements. The imprest account should not be allowed to overdraw and its level reviewed regularly to ensure that it meets the school's cash flow needs. Any exceptional overdraft request and WBC confirmation must be properly recorded.

D15 A member of staff approved by the governing board should certify invoices for payment.

- (1) A member of the finance staff can certify invoices for payment where the invoice relates to goods that have already been checked off as received against the original order.
- (2) In all other cases the person signing the order must first check the invoice for payment by indicating that the goods or services have been received, before the finance staff officially authorise the invoice.
- (3) Exceptionally, payment may be necessary before receipt of goods or services (eg some training courses and tickets). The person checking the invoice in these cases is responsible for informing the finance staff if the order for goods or services has been cancelled. Reimbursement will then be sought where possible.
- (4) Emailed invoices are accepted, where details match those held on record for a supplier.

D16 The school should maintain a list of staff authorised to certify invoices for payment. Where the payments are made by the LA on behalf of the school, the names of authorised staff, together with specimen signatures, should be forwarded to the LA.

- (1) This will only be members of the finance staff.

D17 All paid invoices should be marked with the cheque number or BACS details and the word 'Paid'. They should be securely stored in order.

Invoices for payment must be originals or certified copies and fulfil VAT requirements. Invoices are marked "paid" and dated, then attached to payment details to avoid possibility of duplicates being paid. The financial management system produces a warning if a duplicate invoice number is used.

Paid invoices must all be filed in monthly sequence with Imprest claims and a check made that all invoices are present before the file is completed. Procurement card invoices and payments are filed separately, but also in month order corresponding with the imprest claim period.

Invoices paid for centrally by WBC and direct-debit invoice records filed separately in month order.

- (1) Invoices are stored with details of the remittance slip in date processed / cheque number order (and by month paid). The financial system provides the link between supplier/orders/invoices and cheque numbers.

### **D18 Procurement Card**

Requests can be made to the Finance Office by completing the internal requisition form (PINK) and marking this as a Procurement Card order. This must be signed by the cost centre budget holder. This is only to enable purchases from companies over the internet/telephone to secure value for money and/or to order goods or services from suppliers who do not offer credit facilities.

The order must be placed by the Business Manager or Finance Officer / Assistant, or by designated card holders only. Copies of all purchases shall be kept and noted in the school's accounts via a requisitions spreadsheet.

Every request needs to be counter signed by the Business Manager or Head Teacher.

- a) Requests for purchases below £25 will only be made if deemed appropriate by the Business Manager.
- b) The overall card limit for the school will be set at £5,000 for any single purchase and a monthly limit of £15,000.

- c) Individual cardholders overall and single purchase limits will be agreed by the Head Teacher and Business Manager on a business basis.
- d) No cash withdrawals will be permitted.
- e) Access to the cards will be restricted and PIN(s) will be kept secure.
- f) Only the main contact (Head Teacher), Business Manager and Finance Officer has access to information on the account via the use of passwords.
- g) Purchases must relate to official funds for school activities only and must be supplied and delivered to the school. Personal items must not be purchased using this card.
- h) A valid invoice/receipt from each supplier with VAT details is required for each purchase and must be attached to the requisition order.
- i) Upon receipt of the monthly card statement it will be checked and reconciled against the requisitions/goods received spreadsheet by Finance Officer. There is a period of 7 days before the payment date to raise any queries with the bank (and to notify any fraudulent activity).
- j) The full outstanding balance will be paid by direct debit on or before 20<sup>th</sup> of each month and the cashbook journal will be posted on FMS on or before the monthly payment date to ensure it is included in that months Imprest claim.

### **D19 Direct Debits**

Direct debits are an efficient way to pay regular bills. They can be used for the following types of payments:

- Utility/phone bills
- Subscriptions
- Monthly/quarterly/annual contracts
- Procurement card payments

They may be either fixed or variable amounts. In every case there should be a suitably approved order which details supplier(s) and amounts.

The financial management system (FMS) will be used to record all direct debit arrangements so that commitments (actual or estimated) will appear on budget monitoring reports.

For suppliers paid by direct debit approved orders will be created on FMS at the start of the financial year that include estimates of total expenditure for the year.

### **D20 BACS**

- (1) Any requests for payments to be made by BACS should be made to the Finance Officer and BACS details should be supplied on an official letterhead from the supplier. This can be in the form of a quote, order confirmation or invoice (in addition to a separate notification).
- (2) BACS details will be thoroughly checked when they are entered into FMS and before the first BACS payment is made to any supplier. The details should be entered by one member of staff and verified by another member of staff. The BACS verification process will include initialling to say that the details have been checked for each new supplier in any BACS run. These details will then be used to pay the supplier.



- (3) Any changes to suppliers BACS details will result in the existing details being removed from FMS. The supplier will then be treated in the same way as a new BACS supplier and the process in (1) and (2) will be followed.
- (4) School staff may only log into Bankline from within the school and not from remote locations (e.g. home) and this access must be made using school owned PCs or laptops. The exception to this is when using a mobile device to support 'Multi Factor Authentication' as this, by design, adds an additional layer of security.
- (5) Only payments which have been generated through FMS can be made on Bankline.
- (6) An authorised signatory must compare and sign the FMS payment schedule with the Bankline payment schedule.
- (7) Bankline users must not share user names or PIN numbers to ensure that no one individual can both make a payment and approve a payment in the Bankline system.
- (8) All Bankline cards must be kept securely locked away except when in immediate use.
- (9) Any member of staff who leaves the employment of the school should have their Bankline access removed immediately and must return all cards to the school for destroying prior to their last day on site.
- (10) Only Bankline roles defined by the central West Berkshire administrator may be used by the school.
- (11) All Bankline payments reflected on the bank statements must be reconciled to the invoices received and any receipts obtained.
- (12) The *SBM* will undertake a random check of these procedures on a regular basis.

## **D21 De minimis level for capitalisation**

Capital expenditure must be charged to the appropriate Capital Fund. The Governing board adopts the West Berkshire Council de minimis level of £5,000.

## **D22 Emailed Purchase Orders**

Purchase Orders can be sent directly from the ordering system by email with an attached PDF (Portable Document Format) Purchase Order. In this case the person placing the order must appear on the register of authorising officers with appropriate authority, and a signed paper copy of the order will be retained (in the same way as for Purchase Orders that are not sent in this way). In this case a copy of the internal Pink order form, signed by an approved financial authoriser, will suffice as the hard copy of the purchase order. Only users that appear of the register of authorising officers are configured to see this functionality.

## **Financial controls**

E1 The Governing Board should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.

- (1) FMS and SIMS are used to record, monitor and control most financial information.

E2 The headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

- (1) At least two members of staff are able to perform all key financial transactions.
- (2) Two signatures (from four signatories) are required for cheque payments.

E3 The headteacher should ensure that duties related to financial administration are distributed so that at least two people are involved. The work of one should act as a check on the work of the other and all checks should be fully documented.

- (1) 80-90% of expenditure is spent on staffing. The finance staff only process staffing expenditure on written instructions (or for timesheets, approval) from a member of the SLT.
- (2) Processing of other items of income and expenditure are shared by two or more staff wherever possible.

E4 The school should maintain proper accounting records and retain all documents relating to financial transactions for at least the period recommended by the LA.

E5 All financial transactions must be traceable from original documentation to accounting records, and vice versa.

E6 Any alterations to original documents such as cheques, invoices and orders should be clearly made in ink or other permanent form, and initialled.

E7 All accounting records should be securely retained when not in use and only authorised staff should be permitted access.

E8 The headteacher should ensure that all expenditure from sources of earmarked funding is accounted for separately and that the funding is used for its intended purpose.

- (1) Separate FMS cost centres are created to monitor ring-fenced income and expenditure.

## **Income**

F1 The governing board should establish a charging policy for the supply of goods or services. This policy should be reviewed annually by the full governing board. (See: Charging and Remissions Policy)

F2 Proper records should be kept of all income due.

F3 All lettings must be authorised by the headteacher within a framework determined by the governing board and should be recorded in a diary or register.

F4 The responsibility for identifying sums due to the school should be separate from the responsibility for collecting and banking such sums.

F5 Where invoices are required, they should be issued within 30 days.

F6 The school should always issue official, prenumbered receipts or maintain other formal documentation for all income collected. Receipts should be securely stored in order.

- (1) All income received is recorded in a book
- (2) Receipts are not routinely given if the income is received via a third party

(3) Receipts are issued for all lettings income, after school club fees, and cash amounts handed in directly to the school office (on request).

Also see section L11 regarding voluntary funds

F7 Cash and cheques should be locked away to safeguard against loss or theft.

F8 Collections should be paid into the appropriate bank account promptly and in full (this will usually be at least once per month and in total not exceeding £8,000). Bank paying-in slips must show clearly the split between cash and cheques and list each cheque individually.

Cheques and cash held during school holidays should be kept to the minimum required, even when buildings are occupied. No monies due to the main school budget (including lettings income) may be banked into staff or other third party (including school fund) bank accounts under any circumstances.

F9 Income collections should not be used for the encashment of personal cheques or for other payments.

F10 The headteacher (or an authorised delegated person) should reconcile monthly the sums collected with the sums deposited at the bank.

F11 The school should have procedures for chasing any invoices which have not been paid within 30 days. Debts should be written off only in accordance with LA regulations and schools should keep a record of all sums written off.

F12 The headteacher should ensure that machines taking money, including telephones, are emptied and the cash counted by two people.

F13 The headteacher should ensure that transfers of school money between staff are recorded and signed for.

- a) Invoices, including those for lettings, and other claims for funding will be issued/raised promptly and payment chased effectively until received (terms of payment: due within one month of issue).
- b) Cheque payments and other instructions to the bank must be signed by two of the authorised signatories. Cheque signatories will scrutinise and confirm relevant voucher documentation before signing cheques. Only manuscript signatures are allowed.
- c) The writing off of any amounts due to the school and unpaid shall only be made with the formal consent of the governing board and in line with WBC regulations. Due regard to achieving value for money should be considered when evaluating this option.
- d) A suitable audit trail of income banked relating to lettings should be maintained.

## **Banking**

G1 The school should obtain bank statements at least monthly and these should be reconciled with their accounting records. Any discrepancies should be investigated.

G2 All bank reconciliations should be signed by the person performing the reconciliation. They should also be reviewed and countersigned by someone who understands the reconciliation process (usually the School Business Manager).

G3 Staff responsible for undertaking bank reconciliations should not be responsible for the processing of receipts or payments.

G4 All funds surplus to immediate requirements should be invested to optimal effect in accordance with the LA's investment policy.

G5 Individuals should not use their private bank accounts for any payment or receipt related to the school's budget.

G6 The school's bankers should be advised that schools should not be allowed to go overdrawn or negotiate overdraft facilities.

G7 The school should not enter into any loan agreements without the prior approval of the LA.

G8 School procedures stipulate that all cheques must bear the signatures of two signatories approved by the governing board.

G9 School procedures should ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.

G10 School procedures stipulate that all cheques drawn on the account(s) are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.

G11 School procedures stipulate that manuscript signatures only are used and cheques should not be pre-signed.

G12 Cheque books should be held securely when not in use.

G13 The headteacher should maintain a list of all bank and building society accounts held and the signatories for each.

Copies of all bank mandates and Local Authority lists of authorising officers will be held in the school office to allow easy access for reference

- (1) Account signatories can make verbal instructions to the bank (e.g. to stop a cheque) by phoning the corporate help desk 0345 835 1215. They will need to provide account details, answer a security question and record details of what they have requested.

## **Payroll**

H1 The governing board should establish procedures for the administration of personnel activities, including appointments, terminations and promotions.

H2 The headteacher should ensure that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.

H3 The headteacher should ensure that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.

H4 Where the payroll is administered by the LA or a bureau, the school should send in the names and specimen signatures of certifying officers.

H5 The headteacher should ensure that only authorised staff have access to personnel files and that arrangements for staff to gain access to their own records are in place.

H6 Payroll transactions should be processed only through the payroll system.

H7 The headteacher should maintain a list of staff employed. School procedures should ensure that this list is updated promptly to reflect new starters and leavers.

H8 The headteacher should obtain regular reports on payroll transactions and check them against the school's documentation on staffing and pay to ensure that they match.

### **Petty cash**

J1 The governing board should set out in writing an appropriate level for the amount of petty cash to be held. This amount should represent a balance between convenience and the risk of holding cash on the premises.

- (1) Petty cash cheques should be cashed in amounts not exceeding £1,000
- (2) The amount of petty cash held at any one time should not exceed £2,500
- (3) The total amount of cash held should not normally exceed £3,500; if it does (for example after a fund raising event), the cash should be banked as soon as is possible

J2 The headteacher should ensure that the petty cash fund is held securely and that only authorised staff have access to it.

- (1) Only finance staff are permitted to use the main petty cash tin
- (2) Small petty cash advances may be distributed to budget holders to use as cash floats. These floats are collected in periodically to check the total of cash plus vouchers held matches the advance.

J3 Payments from the petty cash fund should be limited to minor items which have been approved in advance by an authorised member of staff.

- (1) Usually £15 or less, exceptionally up to £40.
- (2) Some activities (eg pupil shopping/cooking) require students to purchase items as part of their learning. This sometimes exceeds the £40 limit.

J4 All expenditure from the fund must be supported by receipts, identifying any VAT paid. It must be signed for by the recipient and countersigned by an authorised member of staff.

- (1) Lost receipts must be substituted by a written statement from the claimant, and authorised by the relevant budget holder and the headteacher.

J5 Proper records should be kept of amounts paid into and taken out of the fund.

J6 The amount in the petty cash fund should periodically be checked (at least monthly) against the accounting records and reviewed by an independent member of staff.

J7 Personal cheques should not be encashed from the petty cash fund.

J8 If the school has an imprest account, periodic checks should be carried out between the petty cash accounting records and the bank statements, and reviewed by an independent member of staff.

## **Tax**

K1 The headteacher should ensure that all relevant finance and administrative staff are aware of VAT, Income Tax and the CIS regulations.

K2 School procedures should stipulate that only invoices in the correct format are paid (with VAT detailed, as appropriate).

K3 School procedures should set out how VAT on business activities, school trips and other taxable activities should be accounted for, both within the delegated budget and in voluntary funds.

- (1) Main school activities are subject to VAT, and VAT is charged or reclaimed as appropriate
- (2) Private school fund activities are not subject to VAT, and VAT is neither charged nor reclaimed

K4 The school should make payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS).

## **Voluntary funds (Also known as Private Funds)**

L1 The headteacher should ensure that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account.

L2 The governing board should ensure that relevant voluntary funds are registered with the Charity Commission.

L3 The governing board should ensure that a treasurer has been appointed to oversee the funds.

L4 The governing board should appoint an auditor who is independent of the school. The auditor should not be a member of the governing board.

L5 The headteacher should ensure that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds.

L6 Any income which properly relates to the school's delegated budget should not be credited to a voluntary fund.

L7 The headteacher should present the audited accounts, the auditor's certificate and a written report on the accounts to the governing board as soon as possible after the end of the accounting year.

L8 The headteacher should ensure that the audited accounts are made available to the LA after as required.

L9 The headteacher should ensure that every cheque drawn against a voluntary fund bank account is signed by two signatories authorised by the governing board.

L10 Any voluntary fund income should be paid into the relevant bank account at least once a month.

L11 Receipts should always be issued for any donations or income entering voluntary fund bank accounts.

L12 The headteacher should ensure that regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed.

L13 The governing board should ensure that voluntary funds are covered by insurance, including fidelity guarantee insurance.

## **Assets**

M1 The headteacher should ensure that stocks are maintained at reasonable levels and subject to a physical check at Least once a year.

M2 Up-to-date inventories should be maintained of all items of equipment. Such items should be identified as school property with a security marking.

All portable and desirable items of furniture, ICT equipment etc with a value over £100 will be included in the inventory, and will contain make, model, serial number, date acquired, date disposed of, purchase cost, location etc, as appropriate, required to identify the items. For the overall inventory – who checked, when and double check signature and date of authoriser are included. Governors note the inventory annually after it has been checked and signed off by the headteacher or a governor. The school maintains a register of items taken off site and returned by staff, e.g. cameras. This excludes staff loan laptops (covered by the loan agreement).

M3 The headteacher should arrange for inventories to be checked at least once a year against physical items. All discrepancies should be investigated and any over a predetermined sum reported to the governing board.

An inventory check is completed annually in the autumn term and a report made for the governing board. The purpose of the inventory is two fold:

- for insurance purposes, sums insured and claims (in the event of loss)
- to identify items that have gone “missing” and therefore to act as a deterrent against theft

Any unaccounted items will be referred to the governors for appropriate action. The inventory should be updated with the acquisition of new items and will comprise all portable and desirable items of value over £100.

M4 Whenever school property, for example musical instruments or computers, is taken off the school site it should be signed for and a register noted accordingly.

The taking of any school property recorded on inventories off site must be approved by the Headteacher and noted, along with its return, on the inventory. Laptop computers on loan to staff will be appropriately recorded and supported by a loan agreement letter signed by the member of staff.

M5 The governing board should authorise all write-offs and disposals of surplus stocks and equipment in accordance with the LA's regulations.

The disposal of any assets must be authorised by the Headteacher in accordance with Local Authority regulations. (The format of the inventory should enable evidence that such authorisation was given).

Any assets purchased for the sole use of a pupil using only LAC PPG funding (Looked After Child Pupil Premium Grant), can be disposed of by the Headteacher by allowing that resource to stay with the pupil when they leave Brookfields School. Further approval by the governing board is not required, but any such items should be reported as disposals on the inventory.

M6 Safes and similar deposits should be kept locked and the keys removed and held in a different location.

M7 The governing board should have a plan for the use, maintenance and development of the school's buildings.

## **Insurance**

N1 The school should review all risks annually, in conjunction with the LA where appropriate, to ensure that the sums insured are commensurate with the risks.

N2 The governing board should consider whether or not to insure risks not covered by the LA, voluntary body or foundation. The cost of such premiums should be met from the school's delegated budget.

N3 The school should notify its insurers, the LA or other agent as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.

N4 The school should not give any indemnity to a third party without the written consent of its insurers, the LA or other agent as appropriate.

N5 The school should immediately inform its insurers, the LA or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.

N6 Insurance arrangements should cover the use of school property, for example musical instruments or computers, when off the premises.

## **Data security**

P1 Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes.

P2 The headteacher should ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location, preferably off-site.

The computer backup of financial data is performed automatically overnight to a remote location.

P3 The headteacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.

P4 The headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.



P5 The governing board should ensure that the Data Protection Commissioner is notified in accordance with the General Data Protection Regulation (GDPR) and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with this legislation.

Signed: .....  
Policy Holder



Date: 04/01/2023

Signed: .....  
Headteacher/Governor

Date: .....