

ST WEONARD'S PRIMARY SCHOOL

FINANCE POLICY

INTRODUCTION

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

The school must ensure that financial arrangements comply with the current financial regulations, standing orders and schemes of delegation issued by the local authority. A copy of the LMS Scheme is kept in the Finance Office and is available to all staff and Governors.

The Governing Body is responsible for selecting and maintaining appropriate systems for the management and accountability of the delegated budget and the school fund. Resources are targeted to maintain and improve the quality of education provided at St Weonard's School. The Governing Body will seek to inform all stakeholders about the allocation and use of resources in an appropriate format.

The Governing Body and Headteacher will maintain a school improvement plan, summarising the school's strategic plans which will help inform the preparation of annual budgets. Appropriate systems are maintained to monitor and evaluate financial activity.

Roles of Governors, Headteacher and Finance Staff

The Governing Body is collectively responsible for the overall direction of the school and its strategic management. The Governing Body includes a range of competencies to ensure that the school is not over reliant on one individual. The Governing Body has a strategic role and has responsibility for setting educational and financial priorities, and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations, through the Headteacher, and complies with the LA's financial regulations. By defining the responsibilities it allows the Governing Body to ensure that adequate systems of financial control are in place and that it receives the necessary information to fulfil this role. The Governing Body and Headteacher also ensure that the range of competencies for staff is such that the school is not over reliant on one individual. To this effect, the staffing structure for staff with financial management responsibilities is reviewed at least every 2 years.

The Governing Body shall approve the composition of the Finance Committee and the Committee shall appoint its chairman.

Governing Body

The Governing Body accepts collective responsibility for setting educational and financial priorities and for ensuring that the budget is managed effectively and in compliance with the Local Authority's Financial Regulations and Standing Orders and in accordance with Section 21 of the Education Act 2002.

The Governing Body, supported by information and advice from the Headteacher, will decide the strategic direction of the school.

A register of business interests of Governors, the Headteacher and other staff involved in financial management will be maintained.

Whilst the Headteacher has responsibility for implementation of financial decisions, the Governors and all staff involved with financial management are clearly made aware of their responsibilities as follows:

The Governing Body will:

- consider the annual budget plan and the 3 year financial plan, approve the budget and consider and approve any proposed revisions to the budget plan;
- establish and review annually the financial limits of delegated authority;
- to review from time to time the Register of Governors' business interests and to ensure it's accuracy;
- be consulted on the Local Authority's Scheme of Delegation and take account of this when considering the budget;
- ensure that a sound and balanced budget is approved in line with the School Improvement Plan and statutory curriculum requirements;
- ensure that the budget is managed effectively and accurate records are maintained and that these are available for audit and inspection as required;
- consider the recommendations from Audit Reports and ensure that required action is carried out promptly and effectively;
- determine the staff complement and pay policy and ensure, in conjunction with the Headteacher, that salary payments are made only to school employees in accordance with their appropriate conditions of employment and for services provided for the school (including appropriate tax and NI deductions) and to ensure that payroll changes are accurately recorded and promptly processed;
- establish a written Performance Management policy in respect of staff appraisal;
- act as a 'Critical Friend' to the Headteacher by providing advice, challenge and support;
- consider budget variations and virement at half-year and three-quarter year periods;
- adopt the 4 principles of Best Value (**C**ompare how the school's performance compares with that of other schools; **C**hallenge whether the school's performance is enough; **C**ompete to secure economic, efficient and effective services; **C**onsult with stakeholders about services provided) and evaluate the effectiveness of spending decisions;
- to monitor adherence to the school's purchasing & tendering policy
- ensure that financial policies and procedures are in place and well documented;

- to ensure the range of financial competencies of staff is such that the school is not over-reliant on one individual;
- ensuring the school meets its statutory obligations and financial requirements from Herefordshire Council
- approve and review the school policy on charging and remissions;
- consider annual insurance premiums for risk not covered by the LA;
- report annually to parents including a statement of income and expenditure.

Fraud and Theft

Any suspicion of fraud should be reported to a member of the Senior Management Team. If it is considered more appropriate (for example, if a member of the Senior Management Team is involved) the suspicions may be reported directly to the Chair of Governors.

The school will keep a written log of any instances of fraud or theft detected. This will include attempted fraud or theft, so long as this will not prejudice any on-going action such as legal action against the perpetrator. This log will help the school to identify patterns of misconduct and any weaknesses in the current arrangements that need to be addressed.

The Headteacher

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

In respect of financial management the Headteacher will:

- lead and manage the creation of the School Improvement Plan, ensuring it is underpinned by sound resource planning, and which identifies priorities and targets for ensuring that students achieve high standards and make progress, increasing teachers' effectiveness and securing school improvement;
- plan for effective monitoring, evaluating and reviewing of the SIP to secure progress and school improvement;
- ensure that the relevant LA Financial Regulations and Standing Orders or DfES requirements are adhered to;
- set appropriate priorities for expenditure, allocate funds and ensure effective administrative control;
- ensure that resources and staffing are dedicated to ensuring the highest standard of achievement for all students whilst working to best value principles;
- establish sound internal financial controls which are managed on a daily basis by the Bursar;
- ensure the effective implementation of current financial systems, policies and procedures;
- compile a draft budget for Governing Body approval via the Finance Committee, ensuring delegated funds are correct;
- checking the funds delegated by the LA are correct;
- ensure the production of regular, reconciled budget / financial reports;

- in conjunction with the Bursar, will consult with the LA budget advisor to discuss budget profile;
- obtain Governing Body approval for budget virement above his delegated authority level;
- consider and respond promptly to recommendations identified in Audit Reports and advise the Governing Body of remedial actions to be implemented;
- prepare a charging and remissions policy for approval by the Governing Body;
- ensure the maintenance of an inventory for all school responsibility items;
- ensure the adequacy of the school's insurance arrangements;
- implement the school pay policy and appointments procedures, reviewing staffing requirements and curriculum needs as necessary.

Finance Committee

The Chairman of the Finance Committee shall review, with the Headteacher, annual budget proposals before they are presented to the Chair of Governors (or his/her deputy) and the rest of the Finance Committee. This will include a longer term forecast to give an indication of the effect of sustaining existing levels of expenditure, allowing for uncertainties such as future levels of funding and pupil numbers.

All members of the Committee shall receive at least termly income and expenditure statements. The Headteacher and Chairman will meet to discuss and resolve any in-year issues that may arise and decisions/actions reported back to the Finance Committee. A full Committee will meet each term. Any recommendations /actions will be reported to the Governing Body. The terms of reference of the Committee are contained in Appendix 2.

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

In particular the Finance Committee will :

- draw up the annual budget for approval by the Governing Body;
- explore and assesses different expenditure options and bids;
- consider predicted pupil numbers and income levels;
- monitor the budget through monthly reports provided by the Bursar;
- ensure reconciliation with the school's financial system (FMS);
- monitor and adjust in-year income and expenditure figures;
- ensure end of year accounts are properly finalised and reported;
- approve the disposal or write off of stock;
- review end of year out-turn figures;
- ensure the School Fund is properly managed and that annual audits are carried out and reported on.
- receive annual reports on any trust fund operated;
- ensure that it's meetings have the required number of governors attending and are accurately minuted.

Finance Staff

The finance staff currently comprises of a School Business Manager and one Clerical Assistant, both part time. The staff work term time only. The SBM works under the direction of the Headteacher and Chair of Finance. The main duties and responsibilities are to oversee the financial processes, ensure procedures are in place to ensure auditing regulations are met and seek value for money. The Headteacher, in collaboration with the SBM, is responsible for the preparation of the budget and monitoring of spending, and report to governors. The clerical assistant works under the direction of the Bursar and mainly deals with the day-to-day operation of school banking of income. The clerical assistant will undertake the duties of the other to ensure that risk is kept to a minimum and that, in the case of absence, the school office continues to operate effectively. The Headteacher will cover the finance in the absence of the SBM.

Working with the Headteacher, the SBM will:

- process all orders placed and invoices received;
- oversee all income received by the school in terms of grants, donations or third party payments, including instrumental music charges;
- oversee the petty cash account;
- ensure accuracy of payroll details on a monthly basis;
- ensure that the schools accounting system is reconciled with the LA figures on a monthly basis;
- produce a regular report for the Finance/Resources/etc Committee to indicate current financial position and forecasts;
- produce termly reports for all delegated fund holders;
- ensure expenditure is correctly recorded against relevant CFR (consistent financial reporting) codes to facilitate benchmarking exercises;
- assume delegated responsibility for managing voluntary fund accounts;
- review and develop financial management procedures on an annual basis and recommend changes as necessary;
- maintain an inventory for all school responsibility items;
- seek approval for the disposal or write off of stock;
- advise the Headteacher in respect of the school's insurance requirements;
- ensure all financial records are retained as required under the Records Retention Policy;

Working with the Headteacher the SBM will:

- manage the School Fund account and arrange for annual audits;
- produce the annual PLASC figures.

Delegated Budget Planning

Under the LA's regulations the school is required to prepare a budget expenditure plan, including a costed staffing plan for the financial year in a prescribed form. The budget preparation is conducted by the Headteacher in collaboration with the SBM and in consultation with senior staff. The plan follows the format and guidelines issued by the LMS

and Finance Section of Herefordshire Council using the Schools Budget Planning Book, formatted to mirror the structures of Consistent Financial Reporting (CFR). A draft budget is analysed by the Governors' Finance Committee before submission to the full governing body for approval.

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

- LMS detailed formula allocation for income, based on projected pupil numbers
- LMS detailed general and ring fenced grants for the raising of standards (Standards Fund grants)
- LMS detailed teacher costings projection worksheets
- LMS detailed non teacher costings projected worksheets
- Historical data on income and expenditure trends
- Benchmarking information
- Developments resulting from the School Improvement Plan

The budget is approved by the Governing Body in May each year. Details of approved budgets forwarded to the Local Authority by 1st June with any subsequent budget changes forwarded during the financial year. End of year declarations for specific funding such as Standards Fund are returned to the Local Authority by the given deadline.

Capital Budget

For capital works the Finance Committee meet termly to review works completed and discuss future projects. Works funded by devolved capital grant are approved as follows:

- Works are identified by the Site Manager in consultation with the Headteacher and notified to the Premises Committee for information and approval
- Tenders are invited as follows:
 - For works over £10,000 three contractors invited to bid
 - For works over £25,001 expert advice from the LA will be sought
- A sub committee is formed which consists of the Headteacher and two Governors, one of which should be the Chair of Governors or Chair of the Finance Committee; declarations of interest are taken and consideration is given to each bid, sometimes with expert advice such as ICT adviser for ICT projects
- The sub committee will make their recommendations to the Finance Committee
- Each project is signed, dated, recorded and filed for reference
- For projects under £10,000 the Headteacher can decide alone or take advice if he wishes.

Carry forward of savings/deficit

The Governors approve an annual budget for the LMS funds based on a break even. There is no formal policy setting out the limits of carry forward balances; the finance committee regularly monitors the potential under/overspend and makes adjustments to the annual plan where necessary and/or possible.

Budget Monitoring and Procedures

Responsible Officers:

Governors' Finance Committee
Headteacher
SBM

The approved delegated budget is monitored and controlled using the SIMS finance software package designed for schools. To comply with CFR the budget is loaded into the system in income and expenditure activity groups. This level of information is designed to give a clear picture of the overall activity of the school account. However, budget holder information is recorded at a greater level of detail and allocated to cost centres rather than ledger groups. The overall allocation of income and expenditure, in both ledgers and cost centres must balance, leaving a zero bottom line.

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

- CFR income and expenditure reports are produced monthly and analysed by the Bursar
- Budget holders receive print outs of their cost centres termly or on request
- Management accounts are compiled for the Headteacher and Governors prior to each termly Finance Committee meeting, using consolidated information from CFR reports, budget plan and LA Cedar reports.

Production of Reports

The Finance Committee meets termly and receives reports from the Bursar; drawing on data from FMS and CFR. Budget holders receive termly print outs of their cost centres as a matter of course, or on request.

Accounts produced for School Fund are reviewed by the Governors' Finance Committee.

Adjustments to Annual Budgets

In circumstances where it is apparent that the original allocation will be insufficient to meet necessary expenditure, requests for amendments must be made by the Budget Holder to the Headteacher.

Purchasing/Tendering

The school will always consider price, quality and fitness for purpose when purchasing goods or services and adhere to the principles of Best Value. Please see Best Value Statement.

Orders for Goods and Services

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

Requisition Order

Teaching/non-teaching staff submit to the SBM details of purchase (catalogue numbers, unit prices, quantities etc) and the cost. The requisition is authorised by the Headteacher or Deputy Headteacher. The SBM converts the requisition order into an official order, entering the commitment onto the FMS module if funds permit. Official orders are signed by the Headteacher or Deputy Headteacher, in accordance with the financial authority limits set in a previous section.

Day Works Orders

When confronted with emergency building repair works, the Site Manager issues day works orders to contractors to enable work to proceed. Copies are retained in the School Office.

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

Expenditure in excess of **£3,000** will be submitted to the Finance Committee for recommendation to the full Governing Body.

Three written quotations will be sought for any contract with a value exceeding **£3,000**.

Goods and services up to the value of **£3,000** are at the discretion of the Headteacher. For goods and services in excess of this amount, the approval of the Governing Body must be sought.

Official orders should be used for all goods and services. Where urgency requires a verbal order this should be confirmed by a written order.

All orders to be overseen by the SBM to ensure adequate funds are available within the budget.

All orders to be signed by the Authorised Signatories in accordance with agreed limits.

The SBM to check goods received and to ensure that they match the order.

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

The petty cash fund to be administered by the SBM and used to fund minor items. (Up to a maximum value of £500, maximum £25 in cash reimbursement).

Petty cash claims to be approved by the Headteacher and supported by VAT receipts.

The school procedure for routine purchasing is to place orders with suppliers providing best value for money, using Herefordshire Council's approved list of contractors when appropriate and CIS requirements.

Budget holders are authorised to commit expenditure in line with their departmental plans and agreed budget allocation. Requisition orders must be completed and signed by budget holders for processing and entering on to the accounting system as a commitment. Official orders are signed by the Headteacher or Deputy Headteacher according to the expenditure limits set out below:

- Headteacher £3,000
- Deputy Headteacher £3,000

Orders for single items require quotes as follows:

Total	Requirements	Shortlisting
Under £3,000		Discretion of Headteacher
£3,001 - £10,000	3 written quotes	Headteacher or Deputy Headteacher
£10,001-£25,000	3 written quotes	Headteacher and one other (either Chair of Finance or Chair of Governors or Vice Chair of Finance)
£25,001-£100,000		Due to the complex nature of contracting, the school will seek the expert advice from Property Services for work exceeding £25,000.

These recommendations are in line with Local Authority formal tendering procedures. In exceptional circumstances (e.g. urgency or lack of potential suppliers) the shortlisting responsibility may be escalated up one level and the strict requirements avoided. For values over £25,001, the governing body as a whole may vary the quotation requirements.

The quotes must be submitted to the School Office for safekeeping.

Payments of Accounts/Accounting Procedures

Payment of Accounts

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

Examination and Certification of Invoices

Every invoice must show the school address, full details of goods/services supplied, order number and, where VAT is charged, a correct VAT number. If a copy invoice is to be processed, a check must be made to ensure a duplicate payment is not made – a certification of this fact must be made on the copy invoice. Invoice details must be entered onto SIMS FMS and a pink coding slip is attached before forwarding to the Treasury for payment. To ensure separation of duties the following process should be used:

- Entry of invoice data onto SIMS FMS – SBM
- Goods/services received and prices checked – SBM
- Invoice certified correct and approved for payment – Headteacher

Separation of Duties

No one officer should be able to complete the chain of processes including ordering, certification of invoices and payment without an independent verification and approval. The operating system for the LMS Budget is FMS, there is a manual system in operation for School Fund at present. At least two members of staff are able to operate this system.

Expenditure

- Requisition orders completed correctly and authorised by the budget holder are processed by the SBM and charged to the appropriate cost centre within the LMS budget. A similar process is in place for charges against School Fund.
- Printed orders are signed in accordance with the authorisation levels detailed above
- Invoices, once checked and entered into the appropriate operating system, are certified for payment in accordance with the authorisation levels detailed above
- Cheques for payment from the School Fund are hand written and signed in accordance with the Bank mandate (see banking section below)

Reconciliation of Accounts

Accounts are reconciled to:

- Bank statements – at least once a month – Imprest and School Fund
- Herefordshire Council Cedar System – a reconciliation is completed on receipt of reconciliation information received from the Council. These items relate to premises and payroll on behalf of the school as part of a Service Level Agreement.
- CFR (Consistent Financial Reporting) – checking Cedar and CFR agree on a monthly basis
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INCOME

This section deals with income received by the school into the LMS Budget; income relating to school fund is described in the relevant section.

Income received is recorded using FMS for LMS budget. A manual system operates for School Fund. Methods of cash receipt and banking detailed below.

Income Received Directly from the LA

- Formula based income. The resource allocation formula determined by the Local Authority is calculated according to pupil and non pupil factors. The pupil based component draws on data relating to pupil numbers, ages, special educational needs and disadvantaged pupils. The non pupil based component draws on data related to premises, such as area of premises, type and age of premises, and condition of premises.
- Standards Fund – grants are made payable to the school for the raising of standards in education and may be general (for example School Development Grant) or more specific and ring fenced (for example Training School) and spending will need to match the development plan on which the funding was approved.

Other Income

- Charges to Parents. The school asks parents for a contribution towards the cost of music tuition and extra curricular activities. Music tuition charges are made termly in accordance with the current rates arranged by Encore. A Bursary is available to those in receipt of published benefits (parents receive revised data each academic year), application forms are available from the SBM. The service is bought in from the

Herefordshire Music Services and all payments are collected and managed by the Tutor. The Admin Assistant records all receipts. An official Council receipt is completed for income of £35.00 or more.

- School Lettings – The governors have approved a Lettings agreement for the Preschool to use class 1 at a reduced rate. Invoices are raised by the SBM and income is currently paid by cheque.
- Grants and donations – sundry grants and donations are received from organisations. All such income is invoiced, official receipts are issued and income is manually reconciled monthly.
- Debt recovery arrangements – for non payment of charges such as lettings, the SBM writes reminders to individuals after 30 days of the invoice. After a further 30 days if the debt is still unpaid, the Council is contacted and will raise a Council invoice and debt recovered through their debt recovery system
- Private use of telephone, as approved by the Headteacher, is not currently recovered. Unapproved private use of these facilities is not permitted

Petty Cash Imprest Account

Petty cash is available for small purchases made by members of staff on production of an appropriate VAT receipt. Imprest is held by the SBM. Imprest may also be processed by a member of the FMS team on request.

Amount: £1000
Expenditure limit: £500

Banking

Delegated Budget

- Deposits are made at the local Post Office every week.
- The SBM is responsible for processing receipts and payments.
- The school should not enter into any loan agreements, other than with the Local Authority.
- The SBM or clerical assistant takes any income to the post office relating to the delegated budget.
- Income, where appropriate, is banked every week but visits are made at irregular times to ensure security.

School Fund

- A bank accounts is held for school fund with Lloyds Bank.
- Regular bank statements are received and are reconciled monthly. Any discrepancies are immediately investigated.
- All bank reconciliations are carried out and authorised by the SBM.
- The SBM and clerical assistant are responsible for processing receipts and payments to ensure segregation of duties.
- Individuals must not use their private bank accounts for any payment or receipt related to the school fund.
- The bank accounts are not to be allowed to go overdrawn nor can an overdraft facility be negotiated.
- All cheques must bear the signatures of two signatories approved by the governing body. Signatures must be manuscript signatures only and cheques should not be pre-signed.

- All cheques are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- A bank mandate is current and held by the bank. It is updated regularly to ensure accountability and security when there is a change in staff. An up to date list of bank accounts and signatories is held in the School Office.
- A member of the clerical team takes any income to the bank relating to private funds.
- The School Funds are required to be audited annually by an independent auditor, currently Mrs Lucy Davies.

Contracts and Leases

Contracts

Contracts fall into two categories; those managed on behalf of the school by Herefordshire Council Property Services and those managed directly by the school.

Property Services arrange and monitor contracts for:

- Electrical inspection and testing
- Mechanical heating plant inspection, testing and maintenance
- Fire fighting equipment inspection and testing

Annual charges for the above services are notified to the school in Spring each year; acceptance of the service is agreed and signed by the Headteacher.

Direct management of service contracts relates to the following provision:

- Grounds maintenance (re tendered every 3 years)
- Catering contract
- Telephone system maintenance
- Office equipment maintenance

All documentation relating to school contracts is maintained in a service contracts folder managed and retained by the SBM.

All service contracts are reviewed by the Governing Body every 3 years.

Leases

A lease exists for the photocopier. Details of the agreements and copies of direct debit instructions (where applicable) are maintained in the school office.

Insurances

Centrally Provided

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

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

Optional Insurance

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

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

Inventories/Stock Control

Deliveries

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

Stocks – teaching

Each teacher holds a stock of stationery and resource materials. Allocation of books to pupils is monitored by the class teacher; non returned books are subject to a charge, collected from parents. Learning resources are not listed on the general school inventory.

Stocks – administration

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

Stocks – cleaning

Deliveries are checked and taken into stock by the SBM, and stored in locked cleaners’ cupboards. No inventory of cleaning materials is kept; cleaning equipment is recorded on both the school inventory and the annual Portable Appliance Testing schedule. School inventories record items of material value for the following purposes:

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

General Inventory

Record keeping of assets was originally produced by performing an initial stock check of all items in school to establish an inventory register. This is kept using Excell which can provide a printout of all assets held in each room together with the relevant responsible person. The inventory is held securely, by the SBM. A copy is held by the room holder and disposals and new acquisitions are recorded. Amendments are reported to the Bursar on a termly basis. An asset check/statement will be produced annually. The general inventory is stored as a hard

copy and on Excell. An annual stock check will be carried out at the beginning of each Autumn Term.

ICT Inventory

This is maintained by a clerical assistant on an Excell spreadsheet. Acquisitions and disposals are recorded on the inventory and reported to the Bursar. Data is stored in the School Office.

There is a requirement for an annual stock check by an independent person for both the general and ICT inventory.

Disposal and write offs – staff wishing to dispose or write off equipment should seek authorisation from the Headteacher. A copy of the form should be sent to the Finance Office.

Travel and subsistence

All claims for travel and subsistence consistent with employment at the school are reimbursed via the payroll. Strictly Education claim forms (available from the school office) must be completed with full details of journey, miles or public transport costs claimed, and the reason for travel. Receipts should be obtained for all subsistence and public transport claims. Where possible, applicable staff are encouraged to share transport. Claim forms must be passed for payment by 3rd of each month, signed by the claimant. Completed forms are certified for payment by the Headteacher and sent for processing to Herefordshire Council.

Staff Overtime

All additional hours and supply cover must be approved by the Headteacher and recorded on the LA's electronic official claim form. All claim forms must be signed by the employee, checked by the SBM and authorised by the Headteacher. Claim forms will be processed for payment by the 3rd of each month and forwarded to the LA for payment.

Use of a Staff Credit Card

A staff credit card is only to be used where there is no alternative. The use of credit cards is discouraged, owing to:

- The need to ensure that the supplier is reputable ie. Ensuring that the goods turn up
- Risks associated with site security
- The requirement of a valid VAT receipt in the School's name to reclaim the VAT
- The debt not being that of the School's, therefore the School should not be accountable for any interest on the credit card, or late payment charges applied by the supplier
- The risk of goods being unsuitable/damaged/partly delivered/needing to be returned, even though the credit card has been billed for the full amount and needs to be paid.

Any such use should be strictly controlled and kept to an absolute minimum.

A credit card is used by the school to purchase catering supplies from Tesco, this process keeps the cost of catering supplies down, and Tesco will only accept this form of payment and no other.

Internal Audit Arrangements

The Local Authority arranges for an audit of the school's systems and procedures relating to finance, personnel, Health and Safety at Work and statutory requirements. The audit process is:

- Audit date is agreed between audit team and school
- Scope of audit is notified to school
- It is a requirement to agree and sign the audit assignment brief prior to audit commencement
- On site audit lasting approximately 4-5 days
- Draft report received by Headteacher for consideration and review
- Final audit report and action plan agreed by Governors

Under the LMS scheme schools have the option of contracting external auditors to carry out the above work.

In addition to the formal LA internal audit, consideration should also be given to continuous audit of systems and procedures within individual school departments. The informal audit should review information available from the following sources:

- Monthly print outs of cost centres
- Regular reports submitted to the Finance Committee
- Departmental development plans (particularly income and expenditure plans)
- Departmental reviews conducted by Senior Management and link Governor

Where issues over systems and procedures emerge from the above data, it is recommended that the SBM conducts a formal audit within the area of concern, and agree an action plan with the budget holder to reduce identified risks.

School Fund

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

Systems and controls

Income is currently received from pupils either from the teaching assistant or directly to the School Office, depending on the nature of the receipt. The Governors have approved a Lettings Policy. The master copy is held in the School Office. All off site activities or trip receipts are received by designated administrative staff. Council receipts are issued by the SBM. Information is made available to trip organisers to assist in the collection of monies for activities. Small sundry sales are paid directly to the School Office. For small amounts of cash there is no need to provide a receipt provided it is recorded well and proof of receipt can be given if necessary. Cash and cheques are held in the safe in the School Office pending delivery to the bank. Payments are made from the fund by handwritten cheque, signed in accordance with the bank mandate (see banking section).

Security

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

School cheque books are locked away in the metal filing cabinet at all times.

Buildings

The nominated keyholders are the Deputy Head, Headteacher and SBM. The school does not have an alarm system.

Access is gained using a security code, which is changed regularly.

Cash

Cash receipts awaiting banking, and limited petty cash, are held in a lockable filing cabinet in the School Office. All cash receipts are banked.

Data

All data, including finance and pupil information is backed up daily. Back up discs are taken off site.

Retention of Financial Records

All current year and preceding year financial records are retained and filed in the School Office. Previous years' records are archived and stored in the School Office accessible to office staff and site manager. The following records are retained for 6 years (in addition to current) before they are destroyed:

- Budget files
- Orders and requisition
- Delivery documentation
- Invoices
- Bank account records
- Cashbooks
- Debtors' records
- Budget monitoring tabulations
- Lettings' records
- Music account records

Please see Retention of Documents policy

