



# Finance policy

<b>APPROVED BY:</b>	<b>Board of Governors</b>
<b>APPROVED BY SIGNATURE (Chair):</b>	
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The main purpose of this Policy is to set a framework for sound financial management and boundaries within which the Headteacher, Governors and staff can operate. The school's financial arrangements comply with the current financial regulations<sup>1</sup>, standing orders and schemes of delegation<sup>2</sup> issued by Worcestershire County Council and guidance issued by the Government.

**Note:** *The term governing body is used to mean the full governing body or its committees, where responsibility can be delegated to a committee. Similarly, the term Headteacher is used to mean the Headteacher or other member of the school's staff, where responsibility has been delegated to that member of staff, in particular the Business Manager.*

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## **POLICY**

### **A Governance**

The Governing Body is collectively responsible for the overall direction of the school and its strategic management. This involves determining the guiding principles within which the school operates and making decisions, for example, how to spend the school's delegated budget. It is legally required to agree the school's annual budget plan.

The governing body has a strategic role to realise its mission as a Community school and has responsibility for setting educational and financial priorities, for oversight of sound financial management and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations and, through the Headteacher, complies with the LA's financial regulations or standing orders.

- **A1** The Headteacher is responsible on a day-to-day basis for the management of the school's finances within the approved budget and in line with the School Development Plan. The Headteacher has no authority to exceed the approved budget and must operate within the financial limits of delegated authority, Appendix B. The roles and responsibilities of the Headteacher and other staff in relation to financial decision-making and administration are detailed in Appendix A.
- **A2** The full governing body considers strategic financial issues.
- **A3** The financial limits of delegated authority of the governing body are detailed in Appendix B. Details of any committee structure; constitution and current membership are available from the Clerk to Governors.
- **A4** The governing body has agreed 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 Appendix C.
- **A5** Minutes are taken of all meetings of the governing and include all decisions and by whom action is to be taken.<sup>3</sup>
- **A6** The governing body maintains a register of interests of governors<sup>4</sup>, the Headteacher and any other staff who may influence decisions in any matter concerning the school. This is open to examination by governors, staff, parents, and the LA. "Declarations of interest" is a standing agenda item on all Full Governors and any sub-committee meetings.

### **B Financial Planning**

The Headteacher and Governors have a clear view of how they intend to use the school's resources in future years to achieve their educational priorities.

- **B1** The school has a School Development Plan (SDP), which includes a statement of its educational goals to guide the planning process.
- **B2** The SDP covers in outline the school's educational priorities and budget plans for the forthcoming year, showing how the use of resources is linked to the achievement of the school's goals.
- **B3** The SDP states 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 are carefully appraised in relation to all likely costs and benefits and their financial sustainability before being approved by the governing body.
- **B5** The SDP states intended expenditure on any significant changes from the previous financial year.
- **B6** A formal timetable and procedures are drawn up for constructing the SDP and budget to ensure that the governors have time to consider all relevant factors.
- **B7** There is a clear, identifiable link between the school's annual budget and its Development Plan (SDP).
- **B8** The Headteacher presents a draft budget in line with the SDP to the full governing body for approval in April, for submission to the LA by the 1 May. This should include sufficient detail and supporting information to enable Governors to make an informed decision. The draft budget will take account of the agreed staffing structure, known inflationary and incremental staff increases and known staffing changes for September.
- **B9** The governing body ensures that the main elements of the school's budget are periodically reviewed so that historic spending patterns are not unhelpfully perpetuated.
- **B10** The Headteacher profiles<sup>5</sup> the budget to take account of likely spending patterns taking account of seasonal factors, inflationary factors, and previous trends if appropriate.
- **B11** Any budget surpluses are earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in any given year.
- **B12** Once the budget has been discussed it will be approved by the full governing body.
- **B13** The Headteacher forwards details of the approved budget to the LA by the 1 May each year. Any subsequent budget changes are enacted in accordance with the Scheme of Delegation and notified promptly to the LA. Those schools in a deficit position will need to submit a deficit recovery plan to the LA with the initial submitted budget on 1 May each year.

## **C Budget Monitoring**

The Headteacher and Governors regularly monitor income and expenditure against agreed budgets and maintain financial control by reviewing the current position and taking remedial action where necessary. The Headteacher may delegate this to the School Business Manager.

- **C1** The Headteacher produces regular budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. The approved budget is the original budget approved by Governors as reported to the LA, plus any additional funding and any approved virements. These reports are reconciled with the finance system.
- **C2** The Headteacher will provide reports to the full governing body and the LA on a regular basis in accordance with the agreed timetable and minimum reporting requirements, as detailed in Appendix C. The Headteacher will provide budget monitoring reports to the full governing body at least once a term showing any

significant variances against the budget with explanatory notes and, where necessary, remedial action plans including virements.

- **C3** The Headteacher monitors expenditure on the initiatives set out in the School Development Plan.
- **C4** Where budget elements have been devolved, departmental budget holders receive, and review reports half-termly (or on request) comparing the amount spent or committed to date against their budgets. The Headteacher monitors these reports periodically and takes action where necessary.

## **D Purchasing**

The School achieves the best value for money they can from all their purchases, whether goods or services. In this context, value for money is about getting the right quality at the best available price. This often means looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance.

- **D1** The school always considers price, quality and fitness for purpose when purchasing goods or services.
- **D2** Prior approval from the governing body is obtained for all expenditure above the limit predetermined by Governors in Appendix B and D.
- **D3** Competitive quotations/tenders are to be obtained wherever possible in accordance with Appendix B and D. Written quotations should be obtained for all expenditure above the limits predetermined by Governors in Appendix B and D unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the governing body.
- **D4** Where a quotation other than the lowest is accepted, the reason(s) for this decision is reported to the governing body and included in the minutes of the relevant meeting.
- **D5** All purchases estimated to exceed an amount predetermined by Governors in Appendix D, must be put out to tender, using a form common to all tenderers, on the basis of a detailed description or specification of the goods or services required and in accordance with the procedures set out in Appendix D.
- **D6** Contract specifications for example cleaning, catering and grounds maintenance define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.
- **D7** The school should not enter into any financial agreement with capital implications without the approval of the LA as appropriate. If a lease arrangement is entered into, this should represent good value for money and be an 'operating' lease, not a financial lease<sup>6</sup>.
- **D8** Official, pre-numbered orders are used for all goods and services except utilities, rents, rates, and petty cash payments. Verbal orders are kept to a minimum, but if required for reasons of urgency or emergency, they must be confirmed by a written order.
- **D9** Orders are used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their or others' private use.
- **D10** All orders must be approved electronically on the school's finance system by a member of staff approved by the governing body to be an authoriser.

- **D11** The authoriser 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.
- **D12** When an order is placed, the estimated cost is committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- **D13** The school checks goods and services on receipt to ensure they match the order, and the invoice is marked accordingly, and the check is recorded on the school's finance system. This is not done by the person who approved the order.
- **D14** Payment is made within time limits specified in law for the payment of debts and only when a proper (original) invoice has been received, checked, coded, and approved for payment manually or on e5 for payment. Supplier payment terms and condition should be complied with, and any late charges will be paid from the school budget.
- **D15** The school maintains a list of all Authorising officers and what they are authorising officer for.
- **D16** All paid invoices are stored electronically and uploaded to the finance system.
- **D17** The procurement cardholder and transaction administrators (where applicable) undertake their full responsibilities with the card, including adhering to all security procedures, processing transactions on the portal, posting to the school's finance system and processing any disputes. This is completed in accordance with the published Procurement Card Policy and Procedures

## **E Financial Controls**

The Governors have systems and internal financial controls in place to protect the school's resources from loss or fraud, to safeguard staff and governors and to ensure that information provided about how the budget is being spent is accurate and timely.

- **E1** The governing body ensures that the school has written descriptions of all its financial systems and procedures in the School's Financial Procedures. These are kept up to date and all appropriate employees are trained in their use.
- **E2** The Headteacher ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing. Staff and Governors have completed a Financial Management Competencies matrix analysis<sup>7</sup>.
- **E3** The Headteacher ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one acts as a check on the work of the other and all checks are fully documented.
- **E4** The school maintains proper accounting records and retains all documents relating to financial transactions for at least the period recommended by the LA 6 years plus the current year and will provide auditors with any documentation and explanations they consider necessary. The disposal of records after this period will be undertaken in a secure and appropriate manner as outlined in the ICT policy.
- **E5** There is a clear audit trail, with all financial transactions being traceable from original documentation to accounting records, and vice versa.
- **E6** Any alterations to original documents such as cheques, debtor accounts and orders should be discouraged. Amendments should be made by cancelling the original document and reissuing.

- **E7** All accounting records are securely retained when not in use and only authorised staff are permitted access.
- **E8** The Headteacher ensures that all expenditure from sources of earmarked funding/grants is accounted for separately and transparently and that the funding is used for its intended purpose. Extended School initiatives are also identified separately on finance system.
- **E9** The Headteacher shall immediately inform the Chief Internal Auditor of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting cash, stores or other property of the School.
- **E10** The Headteacher must ensure that all staff have received appropriate training to ensure they are trained to an appropriate level to use the finance systems and carry out financial tasks.

## **F Income**

The Headteacher and Governors have appropriate controls in place to ensure the security of income.

- **F1** The governing body has established a Charges & Remissions Policy for School trips, music tuition, private photocopying, private telephone calls and the supply of other goods or services. The full governing body reviews these policies annually.
- **F2** Proper records are kept of all income due.
- **F3** All lettings are authorised by the Headteacher within a framework determined by the governing body and are recorded in a diary or register; see Lettings Policy Appendix E.
- **F4** The responsibility for identifying sums due to the school is separate from the responsibility for collecting and banking such sums.
- **F5** Where invoices are required, they are issued within 30 days.
- **F6** The school always raises official, pre-numbered WCC receipts and maintains adequate formal documentation for all income collected and paid into the delegated budget. If necessary, a copy of the receipt can be issued. Receipts are securely stored in order.
- **F7** Cash and cheques are locked away to safeguard against loss or theft.
- **F8** Collections are paid into the appropriate bank account promptly and in full. Bank paying-in slips clearly shows the split between cash and cheques and list each cheque individually. The receipt number(s) should also be referenced in the paying in book/sheets when income is banked to provide an effective audit trail between income received and banked.
- **F9** Income collections are banked intact and must not be used for the encashment of personal cheques or for making payments.
- **F10** The School Business Manager reconciles monthly the sums collected with the sums deposited at the bank.
- **F11** The school has procedures for chasing any invoices, which have not been paid within 30 days.
- **F12** Debts are written off only in accordance with Appendix B and LA regulations<sup>8</sup>, and the school keeps a record of all sums written off.
- **F13** The Headteacher ensures that if machines take money they are emptied and the cash counted by two people.

- **F14** The Headteacher ensures that transfers of school money between staff are recorded and signed for.
- **F15** School procedures set out how VAT on income should be accounted for.
- **F16** School procedures stipulate that proper VAT invoices are issued from within the finance system and state WCC VAT registration number, which is GB 705 6721 42.

## **G Banking**

The Headteacher and Governors ensure that bank accounts are properly administered and controlled.

- **G1** The school obtains bank statements at least monthly, and these are reconciled with their accounting records. Any discrepancies are investigated.
- **G2** All bank reconciliations are signed by the person performing the reconciliation. They are also reviewed and countersigned by someone who understands the reconciliation process and is a member of the senior leadership team.
- **G3** Individuals should not use their private bank accounts for any payments or receipts related to the school's budget or use the school's accounts for payment of their personal expenditure or income.
- **G4** The school should not enter into any loan agreements<sup>9</sup>, other than with the LA, without the prior approval of the DfE and LA.
- **G5** School procedures stipulate that all cheques must bear the signatures of two signatories approved by the governing body. There should be at least three signatories on the bank mandate and at least two of these should be members of the Senior Leadership Team.
- **G6** School procedures ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.
- **G7** 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.
- **G8** School procedures stipulate that manuscript signatures only are used and cheques should not be pre-signed.
- **G9** Cheque books are held securely in the safe when not in use.
- **G10** Schools Finance maintains a list of all bank accounts held and the signatories for each.

## **H Payroll**

The school purchases payroll services and personnel services from Liberata under a Service Level Agreement. This arrangement is reviewed annually by the Governing Body. The Headteacher and full governing body review and agree annually the school staffing structure in line with the SDP.

- **H1** The governing body has established procedures, a 'Whole School Pay Policy', for the administration of personnel activities, including appointments, terminations and promotions.
- **H2** The Headteacher ensures 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 ensures 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** The school has sent in the names and specimen signatures of certifying officers to the LA.
- **H5** The Headteacher ensures that only authorised employees have access to personnel files and that arrangements for staff to gain access to their own records are in place.
- **H6** All payroll transactions are processed through the payroll system.
- **H7** The Headteacher maintains a list of staff employed on the school's management information system and the schools payroll system. Procedures are in place to ensure that this list is updated promptly to reflect new starters and leavers.
- **H8** The Headteacher obtains regular reports on payroll transactions. The School Business Manager checks them against the school's documentation on staffing and pay to ensure that they match. Detailed checking takes place to ensure that the right individuals have been paid the right amounts on at least a monthly basis. Any discrepancies are promptly investigated and resolved.

## **J Petty Cash**

The Headteacher and Governors have proper controls in places to ensure that petty cash is secure and its use appropriate.

- **J1** The governing body has set out in writing an appropriate level for the amount of petty cash to be held which represents a balance between convenience and the risk of holding cash on the premises. The petty cash "float" is currently £300 but at high demand times, this can be increased by prior authorisation of the Headteacher and agreement of the Schools Finance Team.
- **J2** The Headteacher ensures that the petty cash fund is held securely and that only authorised employees have access to it. This is administered by the finance administrator.
- **J3** Payments from the petty cash fund is limited to minor items, individual claim limit £100, which have been approved in advance by an authorised member of staff.
- **J4** All expenditure from the fund must be supported by receipts, identifying any VAT paid. It is signed for by the recipient and countersigned by an authorised member of staff.
- **J5** Proper records are kept of amounts paid into and taken out of the fund.
- **J6** The amount in the petty cash fund is periodically checked against the accounting records and reviewed by an independent member of staff.
- **J7** Personal cheques are not encashed from the petty cash fund.
- **J8** The Headteacher must also ensure that any imprest account must be kept within a surplus balance.
- **J9** Where appropriate a cheque should be provided and has two signatories.

## **K Tax**

The Headteacher ensures that the school complies with Value Added Tax (VAT)<sup>10</sup> and other tax regulations for example Income Tax<sup>11</sup> and Construction Industry Scheme (CIS)<sup>12</sup>.

- **K1** The Headteacher ensures that all relevant finance and administrative staff are aware of VAT, Income Tax and the CIS regulations.
- **K2** School procedures stipulate that only proper VAT invoices are paid, as the school will not be reimbursed in the absence of such documentation.
- **K3** School procedures set out how VAT on business activities, school trips and other taxable activities should be accounted for.
- **K4** The school makes payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS).
- **K5** The school ensures that any payments to individuals for services such as lecturing, teaching or instructing are made in accordance with the Social Security (Categorisation of Earners) Regulations 1978.
- **K6** The Headteacher must also ensure all appropriate records are maintained to support any claims for VAT or Construction Industry Scheme.

## **L Voluntary Funds** <sup>13</sup>

The school does not have any voluntary funds.

## **M Assets and Security**

Assets are kept securely and recorded in an inventory.

- **M1** The Headteacher ensures that stocks/consumables (for example stationery, art materials) are maintained at reasonable levels and subject to a physical check at least once a year.
- **M2** Up-to-date inventories are maintained of all items of equipment with a replacement value exceeding £500<sup>14</sup> or agreed lower value items which are portable and particularly attractive. Such items are identified as school property with a security marking.
- **M3** The Headteacher arranges for inventories/stock books to be checked at least once a year against physical items. All discrepancies are investigated and any over £500 reported to the governing body.
- **M4** Whenever school property, for example musical instruments or computers, is taken off the school site it is signed for, and a register note accordingly.
- **M5** The governing body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the LA's regulations.
- **M6** Safes and similar deposits are kept locked and the keys removed and held away from the school premises.
- **M7** The governing body has a plan for the use, maintenance and development of the school's buildings.

## **N Insurance**

The Headteacher and Governors regularly consider risks and take out insurance protection as appropriate.

- **N1** The school reviews all risks annually to ensure that the sums insured are commensurate with the risks.

- **N2** The governing body considers whether or not to insure risks not covered by the insurer. The costs of such premiums are met from the school's delegated budget.
- **N3** The school will notify its insurers, the LA and other agents as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alterations affecting existing insurance.
- **N4** The school does 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 will 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 cover the use of school property, for example musical instruments or computers, when off the premises. Staff are advised via the Acceptable User Agreement that equipment should not be left unattended in a car.
- **N7** Details of all risks insured, and the level of cover provided is detailed in Appendix I.

## **P Data Security**

The school is required to process and record personal, financial, and other management data and must keep this secure. Much of this data is held in an electronic format rather than on paper, therefore many of the controls in this section relate to IT systems and electronic data. Refer to the School's ICT Policy & Acceptable Use Policy in Appendix G.

- **P1** The school, as a Controller, adheres to the UK GDPR and the Data Protection Act 2018, including registering as a data protection fee payer with the Information Commissioner's Office (ICO) and paying the relevant annual fee. The school's use of any electronic or relevant manual systems to process personal data must comply with this legislation.
- **P2** Computer systems used for school management are protected by password security to ensure that only authorised employees have access. Passwords are changed regularly, updated for staff changes, and are not shared.
- **P3** The Headteacher ensures that data is backed up regularly and that all back-ups are securely held in a secure fireproof location, preferably off-site.
- **P4** The Headteacher has established a recovery plan to ensure continuity of financial administration in the case of emergency.
- **P5** The Headteacher ensures that systems are in place to safeguard school software and data against computer viruses and the virus protection is updated regularly. To prevent viruses being imported, only authorised software is used.
- **P6** The governing body ensures that payment systems used by the school are PCI Compliant, providing the Local Authority with annual assurance of this compliance.
- **P7** The Headteacher must ensure School Finance Team are notified of any leavers holding an e5/CP license to enable the user to be disabled on the employee's contract end date.



## APPENDICES

### Appendix A

#### Financial roles and responsibilities

<b>Financial role and responsibility</b>	<b>Person/s responsible</b>
Overall responsibility for financial management in the school	Headteacher
Standards of financial management with the finance department	School Business Manager
Salary reconciliation	School Business Manager/Headteacher
Finance reports	School Business Manager
Subject specific budgets	Subject specific budget holders
Quotations	School Business Manager and Headteacher
Goods/services ordering	Finance Administrator/Office Manager
Goods receipting	Finance Administrator/Office Manager
Invoice payments	Finance Administrator/Office Manager
Invoice authorisation	School Business Manager/Headteacher
Imprest payment administration	Finance Administrator
Imprest authorisation	School Business Manager/Headteacher
Budget approval	Full Governing Body

## Appendix B

### Financial Limits of Delegated Authority

#### Full Governing Body

The full governing body has powers to approve expenditure and/or virements up to the limit of £20,000. The full governing body is NOT empowered to authorise expenditure that would place the school in an overspent position.

#### The Headteacher

The Headteacher is empowered to authorise expenditure only within the approved budgets, not including the contingency sum and up to a single value item not exceeding £20,000. Approval of the full Governing Body is required above this sum and for virement from the contingency sum.

Where specific items or work have the approval of the Governing Body, the Headteacher is empowered to authorise expenditure up to the approved sum. The approved sum is the amount allocated for the item or the lowest of any quotations/tenders less any contingency sums, whichever is the lower.

#### The School Business Manager

The School Business Manager is empowered to authorize expenditure within approved budgets of up to and including £10,000.

#### Budget Virement

The Headteacher is empowered to authorise virement between budget headings within the overall delegated sum as follows: -

- Up to £5,000 Discussed with Chair of Governors.
- From £5,000 to £20,000 Chair of Governors approval required in advance and reported to Governing Body.
- Over £20,000 full Governing Body approval required in advance.

#### Virement from capital to revenue is not allowed.

#### Procurement

Competitive quotations must be obtained wherever possible in accordance with the Tendering procedure (and based on Annex L to Worcestershire County Council Procurement Code and LA guidance) as follows: -

- up to £5,000  
Up to 3 quotations should be obtained. Quotations may be sought verbally but must be confirmed by suppliers in writing (email is acceptable).  
Catalogue prices may be used.
- £5,000- £20,000  
At least 3 written quotations (email is acceptable) must be obtained based on a specification that succinctly describes the requirement but is not eared to a particular product or service offering. All quotations must be retained. \*

- £20,000 – £50,000  
At least 4 formal invitation to tenders or written quotations must be obtained based on a specifications that succinctly describes the requirement but is not geared to a particular product or service offering. All quotations must be retained. \*
- £50,000 – Council Threshold. £214,904  
Minimum of 4 formal invitation to tenders to be obtained and retained.\*.
- More than the Council Threshold. £214,904  
Purchasing is strictly in accordance with the current Council’s Procurement Code. Invitation to tender opportunities must be advertised on the UK’s Find a Tender service portal.

\* Unsuccessful tenders/quotes are retained for a minimum of one year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision-making process are retained for six years following completion of the contract.

### **Contracts**

Variations to contracts and/or specifications involving additional expenditure exceeding £100 whether or not from the contingency sum require the approval of the Chair of Governors.

### **Writing off of Debts**

The Headteacher may authorise write-off up to a limit of £50.

Chair of Governors may authorise write-off up to a limit of £100.

Full Governing Body may authorise write-off of debts of £101 - £250.

WCC procedures apply for all debts above £250 to be written off. In such cases, the full governing body will recommend write off but must notify Financial Services who have authority to approve that the debt is written off.

### **Petty Cash**

The Petty Cash float is set at £300, however at high demand times this can be increased temporarily by prior authorisation of the Headteacher. Individual claim limits should not exceed £100.

## Appendix C

### Minimum reporting requirements for Governors and Local Authority

#### For Governors

	Information	Frequency	Deadline
1	Actual Budget allocations from the LA	Annual	With (7)
2	Additional funds from LA throughout the year	As appropriate	
3	Devolved Capital formula allocations from the LA	Annual	With (7)
4	Other allocations and grant claims	As appropriate	
5	CFR report	Annual	September
6	Budget Plan for approval	Annual	In time to forward to LA by 1 <sup>st</sup> May
7	Budget monitoring statement for public funds from school's finance system showing original budget, latest revised budget, commitments, actual £ and % received/spent to date, balance outstanding and end of year projections	Termly	
9	Capital spend each term	Termly	
10	Forward projections (3 years)	Annual	
11	Private funds – approval of annual audited accounts – where private funds exist	Annual	Audit to take place within three months of Year end. Approval of audited accounts within 6 months of year end
12	Financial Benchmarking <sup>15</sup>	Annual	
13	Completion of SFVS self-assessment	Annual	Returned annually by 31 <sup>st</sup> March
14	PCI DSS compliance return to LA	Annual	

#### For Local Authority:

	Information	Frequency	Deadline
1	Budget Plan	Annual	1 <sup>st</sup> May
2	Lease Assessment Form	Annual	30 <sup>th</sup> September
3	Management of Surplus Balances Pro-Forma	On request	This information may be requested by the Local Authority where a school's uncommitted surplus balance exceeds the limit for the school phase.



## Appendix D

### Procurement Policy

#### Introduction

The essence of good financial control in purchasing and contracting is twofold. Firstly, to ensure that value for money is obtained and secondly to minimise the opportunity for fraud.

It is fundamental that competitive prices/quotations/tenders are obtained on a like for like basis, whether the invitation is for goods or services. It is therefore essential to invite quotations/tenders against a carefully drawn up specification. Where the value of the work/services exceeds £10,000 this must always be the case. Specifications must be prepared by persons properly qualified and experienced to do so.

To minimise the opportunity for fraud and to protect the interests of staff it is fundamental to separate the functions of ordering and receipt/authorisation of payment.

Tendering and Quotation Procedure:

This procedure is intended to ensure that tenders and quotations obtained by the school are invited and processed in accordance with the standing orders of the School, LA, and all legal requirements. It is intended as far as possible to separate the functions of invitation and selection and protect staff involved.

This procedure covers ALL contracts to be entered into by the school, including annual maintenance contracts.

The Headteacher will make sure that all tenders and quotations have the following guidance considered and followed, and if not, using all appropriate steps will share this with the full governing body before rejecting any step of the process or requirements.

- EU procurement directives and the UK regulation ([EU procurement directives and the UK regulations – GOV.UK \(www.gov.uk\)](http://www.gov.uk))
- Buying procedures and procurement law for schools ([Buying procedures and procurement law for schools – Buying things that are over the procurement threshold – Guidance – GOV.UK \(www.gov.uk\)](http://www.gov.uk))

These steps should consist of but are not limited to the below:

- assess the market.
- see if you can procure what you need using a DfE recommended framework tool or another framework agreement ([Benefits of using a framework – Find a DfE approved framework for your school – GOV.UK \(find-dfe-approved-framework.service.gov.uk\)](http://www.gov.uk))
- prepare your contract and invitation to tender.

- consider whether to use the restricted procedure to reduce the number of bids you must assess later or open the procedure to let anyone bid.

Then you must:

- advertise a contract notice using the UK e-notification service, Find a Tender (FTS) ([Find high value contracts in the public sector - GOV.UK \(www.gov.uk\)](http://www.gov.uk)).
- make your invitation to tender and all other documents available electronically from the time that the contract notice is published.
- assess all the bids you get fairly, using the same process.
- choose the supplier that offers best value for money.
- award the contract to the highest scoring bid supplier.

Number of Quotations:

For the supply of goods or services: -

- Below £10,000 a minimum of two quotations should be obtained. Quotations may be sought verbally but must be confirmed by suppliers in writing (email is acceptable). Catalogue prices may be used.
- More than £10,001 and less than £50,000. At least three written quotations (email is acceptable) must be obtained based on a specification that succinctly describes the requirement but is not geared to a particular product or service offering. All quotations must be retained<sup>4</sup> and signed off by the Headteacher, and agreed with an appropriate Governor and recorded.
- More than £50,000, you must run your own buying process, inviting suppliers to submit bids if:
  - You cannot get what you need through a framework agreement.
  - you are buying high-value goods and services.
  - appropriate Governor agreement and recorded within the minutes of the meeting.
- More than £214,904 you must run a Public Contracts Regulations (PCR) compliant buying process.
  - appropriate Governor agreement and recorded within the minutes of the meeting.

From 28<sup>th</sup> October 2024 there is new Public Procurement Legislation comes into force which will have implications for school buyers

Key areas to consider before the new regulations come into force:

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<sup>4</sup> Unsuccessful tenders/quotes must be retained for a minimum of one year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision-making process are retained for six years following completion of the contract.

1. **Understanding the new procurement rules:** school buyers should familiarise themselves with the new procurement rules and guidelines outlined in the Act. This includes the revised tendering processes, evaluation criteria, and contract management practices.
2. **Taking a strategic approach:** the Act encourages a more strategic approach to procurement, moving beyond just compliance to prioritise value for money and long-term outcomes. School buyers are encouraged to develop clear procurement strategies aligned with school and trust objectives and consider social value factors.
3. **Engaging with suppliers:** effective communication and collaboration with suppliers will be crucial under the new Act. School buyers should foster open dialogue, provide clear procurement information, and encourage feedback from potential suppliers. [Get help buying for schools](#) can advise on how best to do this.

#### Emergency Works:

Competition may be waived where Contractors need to be engaged, or materials purchased to conduct immediate remedial works in an emergency. Any action taken must be reported to the Governing body at the earliest opportunity.

#### Contractors Own Conditions:

In cases where a Contract is let using the Contractor's own conditions, typically accepting a quotation, the Responsible Officer (Headteacher or Governing body) MUST satisfy him/herself that the Conditions are acceptable and do not disfavour the school.

#### Payment:

Payment will be made when the work or supply is satisfactorily complete.

Contractors usually make an "interim claim". It is, however, the Contract Administrator's responsibility to value the work. Interim Certificates must be issued in accordance with the Contract Conditions.

Where the Contract includes a lump sum payment this must only be made when the work is properly completed, and proper final account rendered.

In all cases no payments are to be made in advance.

#### Records:

All records should be kept for the appropriate retention period and will need to be made available to appropriate officers of the Local Authority or their agents, which will include but not limited to internal audit, external audit, property services, procurement, finance.

- The school must keep an updated list of contracts and the values of all these contracts. A template is available from Schools Finance Team SharePoint site.
- The school should keep a record of conflict-of-interest record for anyone involved within any Tender/Quotation. A template is available from Schools Finance Team SharePoint site.

- A copy of any quotations and the specification of requirements sent out to receive these quotations. A template of a quick quotes template is available from Schools Finance Team SharePoint site.
- Terms of reference for evaluation of quotations and tenders where appropriate. A template is available from Schools Finance Team SharePoint site.

## **Appendix E**

### **Lettings policy**

The Lettings policy can be found on the school website and staff intranet.

<file:///V:/!%20-%20APPROVED%20POLICIES/Lettings%20policy%202023.pdf>

## **Appendix F**

### **Charging and Remissions policy**

The Charging and Remissions policy can be found on the school website and staff intranet.

<file:///V:/!%20-%20APPROVED%20POLICIES/Charging%20and%20Remissions%20policy%20February%202024.pdf>

## **Appendix G**

### **Acceptable Use Agreement**

The Acceptable Use agreement is kept on the staff intranet.

<file:///V:/!%20-%20APPROVED%20POLICIES/Acceptable%20User%20policy%20STAFF.pdf>

## **Appendix H**

### **Financial Procedures Document including Finance manual**


The Financial Procedures document and finance manual are available on the Finance Sharepoint

<https://worcestershirecc.sharepoint.com/sites/external/chsiag/finance/School%20Finance%20Documents/Forms/AllItems.aspx?FilterField1=Topic&FilterValue1=e5%20Manual&FilterType1=Choice&FilterDisplay1=e5%20Manual&viewid=3bfbfe59%2D1a4a%2D400d%2D86a2%2Dd9089a2b73dc>



## Appendix I

### Insurance details

 <b>Department for Education</b>	
<b>Confirmation of risk protection arrangement (RPA) membership</b>	
The Department for Education's risk protection arrangement (RPA) is a voluntary arrangement for academies, free schools and local authority maintained schools. It is an alternative to insurance through which the cost of risks that materialise will be covered by government funds.	
The following local authority maintained school is a member of the RPA.	
<b>NAME OF MEMBER ORGANISATION:</b>	Rigby Hall Day Special School
<b>MEMBERSHIP NO/URN:</b>	117049
<b>MEMBERSHIP PERIOD:</b>	01 April 2024 to 31 March 2025
<b>RPA MEMBERSHIP RULES:</b>	Community
(1) Limit of Indemnity	<b>EMPLOYER'S LIABILITY</b> Unlimited
(2) Limit of Indemnity	<b>THIRD PARTY PUBLIC LIABILITY</b> Unlimited
(3) Limit of Indemnity	<b>PROFESSIONAL INDEMNITY</b> Unlimited
(4) Limit	<b>PROPERTY DAMAGE</b> Loss of or damage by any risk not excluded to any property owned by or the responsibility of the Member including property the responsibility of the Member due to a lease or hire agreement Cover Reinstatement value of the property
<b>NOTES:</b>	
<ol style="list-style-type: none"><li>1. Indemnity is subject to the RPA membership rules.</li><li>2. In accordance with the provisions of paragraph 1 of Schedule 2 of the Employers' Liability (Compulsory Insurance) Regulations 1998 (SI 1998/2573), the Secretary of State for Education hereby certifies that any claim established against the named member organisation above in respect of any liability to the employees of the kind mentioned in section 1(1) of the Employers' Liability (Compulsory Insurance) Act 1969 will, to any extent to which it is otherwise incapable of being satisfied by the aforementioned employer, be satisfied out of moneys provided by parliament.</li><li>3. A General Principles Clause is included.</li></ol>	
Signed: 	Dated: 01 April 2024
Susan Dawson Director of Commercial for Sector and Commercial Operations	
 <b>Department for Education</b>	

## NOTES

Please note that where reference is made to documents on the FMSIS website, these are now accessible from the national archives via the following link:

<http://webarchive.nationalarchives.gov.uk/20110202132017/http://www.fmsis.info>

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<sup>1</sup> WCC financial regulations and standing orders are available from Worcestershire County Council's website @ [www.worcestershire.gov.uk](http://www.worcestershire.gov.uk)

<sup>2</sup> A copy of Worcestershire's Fair Funding Scheme for Financing Maintained Schools is available from the Schools Finance Team 01905 844009

<sup>3</sup> A Guide to taking minutes for meetings of the Governing Body and its Committees can be requested from WCF Governor Services.

<sup>4</sup> Further guidance and pro-forma for registering business interests are available from WCF Governor Services

Resource document R81 General Code of conduct and registration of interests for senior staff (2005).

<sup>5</sup> Budget profiling is an accounting term meaning a forecast of spending or income at different times during a year. Comparison with it helps managers to detect when the budget starts to get off track and hopefully allows enough time for corrective actions to be taken i.e. it serves as an early warning system.

<sup>6</sup> Further guidance on leasing and a leasing assessment form is available from the Schools Finance Team 01905 844009

<sup>7</sup> You can download the financial management skills matrix for governors from, the "Additional Resources" page in the "Support Notes" section of the DfE SFVS webpages.

<sup>8</sup> Writing off debts - where a school has its own bank account, the Governing Body is authorised to write off debts up to a level stipulated by the Chief Finance Officer, but must notify the Authority of any debts approved for write off. The current limit is set at debts up to and including £250. In the case of larger debts and for schools who do not have their own bank account, the school cannot write off these debts but must carry out procedures set out in WCC Financial Regulations and WCC Accounting Instructions. Governors can recommend writing off a debt but must notify Financial Services who has authority to approve that the debt is written off.

<sup>9</sup> Details of the LA loan Scheme are available from the Schools Finance Team 01905 844009 Loans are available for larger purchases, to spread the cost over 2-4 years.

<sup>10</sup> For further guidance on VAT, please contact the WCC VAT officer [vatenuquiries@worcestershire.gov.uk](mailto:vatenuquiries@worcestershire.gov.uk) WCC's "Accounting for VAT in schools" publication is available from the Schools Finance Team 01905 844009

<sup>11</sup> For further guidance on Income tax, please phone your normal contact in payroll.

<sup>12</sup>

- **Inspection of CIS Vouchers** -Subcontractors will no longer provide vouchers for inspection. Where appropriate, CIS status verification will be performed centrally by the Revenue Section in Financial Services via HMRC's online service.
- **Exemption for LA Schools** - Schools are not required to operate CIS provided that the construction work is commissioned by the School Governors, the Head Teacher, or a member of staff exercising the delegated authority of the Head Teacher **and** payment for the construction work is to be made from the school's delegated budget.
- **School Construction Work that is Not Exempt** - CIS is to be operated for school construction work when any of the following criteria is met - the construction work is commissioned centrally by the LEA or payment for the construction work is to be made from a centrally-managed budget.

Further guidance is available from the Revenue Officer.

<sup>13</sup> "School Private Funds – "Instructions for the Management of School Funds" is available from the Schools Finance Team 01905 844009

<sup>14</sup> Internal Audit has advised that it would be reasonable for Governors to have an inventory limit of £100 i.e. only include items with replacement value of £100 in your inventory. Schools may choose to include desirable items of a lower value.