



# GRANBY PRIMARY SCHOOL

## STANDARDS FOR FINANCIAL ADMINISTRATION

**Approved By:**

**Signed By:**

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**Date Approved:**

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**Date of Next Review:**

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## **INTRODUCTION**

These standards have been produced to enable us to have a clear policy statement that identifies financial procedures and the financial management structure in operation at Granby Primary School. They combine and replace the previous version of the SFA and the R146- Statement of Roles and Responsibilities. These procedures are now located in this one reference document, available to view should the need arise during an internal audit, external assessment for SFVS or OFSTED inspection of the school.

## **SECTION 1. ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY**

### **1.1 Key Roles Defined.**

The Governing Body is given their powers and duties as an incorporated body. The statutory responsibilities of the Governing Body are detailed in **Section 38 of the Education Act 2011**.

The Governing Body is the body ultimately responsible for the overall affairs of Granby Primary School. It exercises this responsibility by establishing clear levels of delegation to the Finance Committee, to other committees and to the Headteacher. The Finance Committee and the Headteacher may in turn authorize delegation to other members of staff to ensure sufficient clarity of responsibility and separation of duties to secure the effective and efficient administration of the school's financial affairs.

The **Governing Body** has a strategic role in the financial management of the school and its key responsibilities include:

- a) Establishing and approving the annual budget and any subsequent variations that may be necessary.
- b) Ensuring deadlines for the return of the Budget Intention form, consistent financial reporting and other financial returns to the LCC are met.
- c) Establishing and approving the three-year financial or budget plan.
- d) Setting financial priorities through the School Development Plan
- e) Ensuring that the school does not operate a deficit budget.
- f) Establishing, reviewing and authorizing Terms of Reference for the Finance Committee and other Committees.
- g) Determining the extent to which it wishes to delegate some of its powers to the Finance Committee, other Committees and Headteacher and to record the decision (including any revisions) in the minutes.
- h) Reviewing and authorizing the annual Statement of Internal Control
- i) Appointing and determining the salary of the Headteacher.
- j) Determining the staff complement and pay policy of the school.
- k) Reviewing and approving local financial regulations and procedures (e.g. Standards for Financial Administration Policy on an annual basis.
- l) Ensuring that the school maintains compliance with the Standards Financial Values Standards (SFVS).
- m) Acting as a critical friend to the school on all financial matters.
- n) Approval of Best Value Statement.
- o) Authorisation of non-budgeted expenditure and virements subject to the limits outlined in Section 1.2

**Where there are serious concerns over the school's finances, the Governing Body will report these direct to the Director of Corporate Services and the Director of Children, Schools and Families.**

**The Finance Committee is responsible for:**

- a) Establishing a timetable for budget preparation allowing adequate resources including time for planning, consultation, and review and to meet LCC deadlines for submission of relevant documentation.
- b) Preparing the annual budget of income and expenditure for consideration approval by the Governing Body after due consultation with the Headteacher.
- c) Preparing the draft three-year financial plan for consideration and approval by the Governing Body after due consultation with the Headteacher
- d) Following other policies of the school where there is a financial implication.
- e) Advising the Governing Body where those policies are in conflict with maintaining sound financial records, procedures and management.
- f) Receiving and regularly reviewing budget monitoring reports which contain detailed statements of the current financial position of the school (i.e. income and expenditure, budgets and other evidence of delegated financial control) and the estimated outturn for the current financial year, ensuring that full explanations are available. These reports must include original system data.
- g) Reporting regularly on the school's finances at Governing Body meetings.
- h) Reviewing Internal Audit reports and reporting the recommendations to the Governing Body, ensuring full implementation of audit recommendations and action plan.
- i) Authorising agreement to the terms of any proposal to sublet any part of the site or buildings.
- j) Providing guidance and assistance to the Headteacher and Governors in all matters relating to finance and budgeting.
- k) Considering and approving a Statement of Internal Control and a Best Value Statement for recommendation to the Governing Body for Approval.
- l) Appointing and determining the salary of permanent, temporary and supply staff in consultation with the Headteacher and participating in staffing reviews and implementing pay policies as appropriate
- m) Undertaking reviews with the Headteacher of the management organization, accountancy systems and financial procedures of the school and their effectiveness including access to the computer systems.
- n) Participating in any consultation with the LA on funding reviews and amendments to the Scheme for Financing Schools and to make recommendations to the Governing Body on an annual basis as to the formal approval and adoption of the Scheme for Financing Schools
- o) Reviewing and making recommendations to the Governing Body on an annual basis as to the formal approval and adoption of the school's financial procedures (e.g. purchasing and petty cash).
- p) Ensuring the school maintains an up to date asset register
- q) Reviewing tenders, authorising expenditure and approving virements up to the limits set out in Section 1.2

***Note: The full list of Finance Committee responsibilities are defined in its terms of reference (See Annex 1) approved by the Governing Body on annual basis in August of each year.***

**The Headteacher has responsibility for the overall supervision of the day to day running of the financial affairs of the school and is responsible for:**

- a) Receiving the Section 251 Budget Statement from the LCC and verifying its accuracy.
- b) Preparing the draft annual budget that is aligned to the school's development plan and its key priorities, for presentation to the Finance Committee.
- c) Submitting to the Finance Committee, at least on a termly basis as well as on an ad hoc basis as necessary, reports which show the current financial position of the school (i.e., income and expenditure, budgets and other evidence of delegated financial control) and

- the estimated outturn for the current financial year, ensuring that full explanations are available
- d) Managing the budget on a daily basis, including the overseeing of the operation of the bank account.
  - e) Ensuring adequate separation of duties in both manual tasks and financial systems when specific responsibilities are delegated to members of staff as appropriate to their job descriptions.
  - f) Monitoring income and expenditure to ensure compliance with any regulations mentioned in these standards.
  - g) Ensuring Granby Primary School seeks appropriate advice and assistance and utilises the relevant LCC services when necessary.
  - h) Appointing and determining the salary of temporary and supply staff
  - i) Ensuring immediate action is taken in the event of any actual or potential financial irregularity affecting the school being identified.
  - j) Initiating consultations with the Chair of Governors and/or the Chair of the Finance Committee on any significant and exceptional financial matter or circumstance that causes concern.
  - k) Reporting to the Chair of Governors any failure in any material respect of any member of staff that fails to comply with these procedures
  - l) Reporting to the Chair of Governors any matter of serious concern in relation to the school's finances or any circumstances that could adversely affect the school's finances

**The Deputy Head will have the authority of the Headteacher to continue the day to day running of the school's financial affairs when the Headteacher is unable to do so.**

The Deputy Head will also undertake such other duties or responsibilities relating to financial matters as may be required of them by the Headteacher. In exceptional circumstances or in an emergency situation additional authority may be obtained from the Chair of Governors and the Chair of the Finance Committee acting jointly.

**The school finance staff team is responsible for:**

- a) Processing any orders for the procurement of goods and services using recommended methods and suppliers only.
- b) Processing for payment, without undue delay, any suppliers' invoices, petty cash claims, travel claims or staff time sheets, including the preparation of cheques where necessary. Specifically to avoid claims of interest arising from the late payment of invoices.
- c) Receiving, receipting and banking of any debts due to the school, including the issuing of invoices where relevant.
- d) Reconciliation of the school bank account on at least a monthly basis.
- e) Assisting and liaising with the Headteacher in preparing the draft annual budget.
- f) Preparing a report for the Headteacher, on at least a monthly basis showing the current financial position of the school and a projected outturn for that financial year.
- g) Assisting and liaising with the Headteacher in monitoring expenditure against the annual budget.
- h) Reconciling the LA tabulated accounting reports to the school records.
- i) Ensuring on a day to day basis that the procedures laid down in this document and any guidance issued by the local authority are followed by all involved in any way in the school's finances
- j) Advising the Headteacher whenever the procedures outlined in these regulations and procedures are about to be, or have been, breached.
- k) Reporting to the Headteacher any circumstances which could adversely affect the school's finances or any matters of serious concern in relation to the school's finances

***Note: Other financial management responsibilities not mentioned above in relation to the Governing Body, Finance Committee, Headteacher and school finance staff are defined within the following sections of this document.***

## **1.2 Clear Limits of Delegated Authority.**

- The Headteacher can authorise non capital expenditure up to a maximum of £5,000. For sums above this figure up to £10,000, written permission of the Chair of the Finance Committee and the Chair of the Governing Body must be obtained.
- The Headteacher shall report to the next Finance Committee any instances where such approval has been obtained.
- Expenditure above £10,000 up to £20,000 must be authorised by the Governing Body.
- Expenditure above £20,000 up to £60,000 must be authorized by the Governing Body with advice from the Corporate Director, Children and Young People's Services as to the merit of the proposed expenditure
- Expenditure above £60,000 must be authorized by the Governing Body and the Director of Finance of the Local Authority
- The Headteacher can authorize a virement between approved budget headings, up to £2,000 and must report any such instances to the next Finance Committee.
- The Finance Committee can authorise any virements in excess of £2,000.
- In emergency circumstances, the Chair of Governors and the Chair of the Finance & Personnel Sub-Committee can approve such virements, in writing. The Headteacher shall bring a report detailing the circumstances of such an approval to the next Finance Committee.
- The Governing Body can only write off debts up to a maximum of £250 per debtor. Where the debt exceeds £250, the approval of the Children's Schools and Families Financial Controller should also be obtained.
- Two signatures as per the bank mandate shall be required on each and every instrument of payment drawn on the school's bank account. The following post holders shall be eligible to act as signatories:
  - 1) Chair of Governors
  - 2) Chair of Finance Committee
  - 3) Headteacher
  - 4) Deputy Headteacher
- Cheques exceeding £5,000 require to be signed by any two of the signatories but permission must be obtained from one of the governor signatories.
- Cheques exceeding the value of £10,000 have to be signed by all members.
- Cheques to one of the above are signed by all the others

**Notwithstanding the above, all contracts should be tendered and as outlined in Annex E (Purchasing, tendering and contracting arrangements) of the most up to date "Scheme for Financing Schools" document published by the LCC.**



### **1.3 Registers of Pecuniary and Business Interests (SF53 in the Scheme for Financing Schools.**

- All staff and governors involved in the procurement of goods and services shall complete an annual written Declaration of Interest form, stating any business and/or other interests they or their family or close acquaintances may have.
- The Headteacher shall maintain a register of pecuniary interests. Where such interests are declared or revealed, the relevant party shall withdraw from any further discussion and decision making process regarding the business being transacted i.e. they shall not be eligible to vote on any matter relating to their declaration. The register will be made available for inspection by governors, staff, parents and the LCC.
- The Headteacher shall maintain a register of business interests. The register will list, for each member of the governing body and the Senior Management team, any business interests that they or any member of their immediate family may have. The register will continually be updated as necessary with a formal review taking place each summer term. The register will be made available for inspection by governors, staff, parents and the LA.

### **1.4 Sound Internal Control Systems**

- The Headteacher is responsible to the governing body for ensuring that sound systems of internal control are in place to enable proper processing of the school's transactions. To support the maintenance of sound internal control systems, the Administrative Officer and the Office Manager will co-operate with auditors employed by the local authority and auditors appointed by the Audit Commission.
- The governing body is permitted, under s48 of the Schools Standards and Framework Act 1998, to appoint its own auditors to seek additional assurance. The costs of such an appointment are to be met from the school's budget share.
- The Headteacher will periodically perform mini audits on the accounting procedures and will report in writing to the Finance & Personnel Sub-Committee the findings of such audits.
- The main control system for tracking the allocation, virement and expenditure of LMS monies is the SIMs system
- At present the school uses the FMS6 (SIMS) system.

### **1.5 Compliance with Financial Regulations.**

The Headteacher is responsible to the governing body for ensuring compliance with:

- a. The regulations laid down in the "Schemes for Financing Schools" document (s48 of the Schools Standards and Framework Act 1998) (Revised February 2005)
- b. Leicester City Council Financial Regulations
- c. The procedures contained within this document (Standards for Financial Administration)

## SECTION 2. BUDGETS

### 2.1 Written Statement of aims and objectives

School aims and objectives are contained in the relevant sections of the School Development Plan. Where these aims and objectives have a budgetary aspect, they will be incorporated into the annual budget and budgetary forecasts. Specific expenditure as a result of these aims and objectives is agreed by staff and governors and detailed in the Development Plan under relevant headings.

### 2.2 Medium Term Plans

Annually the governing body will consider the current year's budget, together with a minimum of two future years. The basis of consideration will be the areas of priority spending as identified in the School Development Plan.

### 2.3 Budget Timetable

<b>Month</b>	<b>Task</b>
March	Section 251 budget allocation communicated to schools by LCC.
April	Budget prepared in line with the priorities set out in the School Development Plan.
May	Budget Intention Form prepared and presented to Governing Body for approval. Approved Budget Intention Form submitted to LCC.
June	Final CFR submitted to LCC.
October	Review budget allocations against actual spend. Autumn outturn statement prepared and presented to Governing Body for approval. Approved Autumn outturn statement submitted to LCC.
January	Revised Section 251 received from LCC. Spring outturn statement prepared and presented to Governing Body for approval. Approved Spring outturn statement submitted to LCC.

### 2.4 Timely Estimates

Timely estimates of income and expenditure, in advance of each financial year, will be prepared in accordance with the above timetable.

### 2.5 Planning for solvency (Section 4.2 of SfFS)

- The governing body accepts responsibility for ensuring that planned expenditure does not exceed the available budget. The governing body also accepts the provision of Section 48 of the Schools Standards and Framework Act 1998, in that they will seek permission of the Chief Financial Officer of the LCC in requesting a budget plan at any time where Granby Primary School is unable to set a balanced budget.
- Where the school has a surplus balance at the end of the financial year, the LCC shall deduct any amounts relating to prior year commitments that the school has already committed from the surplus balance and any unspent Standards Fund grant from the

- previous year. The LA shall then deduct any amounts the Governing Body has declared to be assigned for specific purposes permitted by the LA. If the surplus balance exceeds 8% of the school's Section 52 budget allocation after having made the above deductions, the LA shall deduct from the current year's budget share an amount equal to the excess.
- The governing body will report to the LA on the use that the school intends to make of any surplus balances, after taking account of any retrospective adjustments, which exceed 8% of the school's budget share.

## **2.6 Details of the Budget for the LCC.**

- The governing body undertakes to submit the annual Budget Intention Form to the LCC by the relevant deadline (currently 31<sup>st</sup> May). The Governing Body will also submit to the LCC a revised Budget Intention Form on any occasion it deems appropriate following any significant changes to the budget.
- As the Budget Intention Form also controls the amount of the cash drip feed the school receives from the LA, the governing body will also submit a revised Budget Intention Form on any occasion it deems appropriate in order to amend its cash flow.
- The Budget Intention Form must be approved by the Governing Body before being signed by the Chair of Governors and Headteacher prior to submission to the LCC.

## **2.7 Budget Profiling**

- The Headteacher will profile the annual budget in order to identify the cash flow.
- The budget is reviewed in October and January of each year when virement and budget amendment are considered. Updated versions are set out in preparation for the new budget.

## **2.8 Responsibilities of Budget Holders.**

Budget holders can only spend within their allocation and are responsible to the Headteacher. Budget holders are responsible for any item of income or expenditure charged to their account. They are not permitted to charge any item of expenditure to another budget holder's account without permission.

## **2.9 Regular Reviews of the Budget.**

Budget holders will receive a half termly income and expenditure report from the Bursar. More frequent printouts are available when requested. The Bursar will provide reports to the Headteacher in order for expenditure patterns to be assessed and to propose any corrective actions as required. These reports must include original system data (i.e. from FMS6).

## **2.10 Monitoring progress against the Development Plan.**

- At least once a year the Finance Committee shall assess progress against the objectives in the development plan. This assessment shall be by way of a specific item on the agenda at a meeting of that committee.
- The Headteacher and the Leadership and Management Group meet termly to analyse the position including expenditure.

## **2.11 Consultation on Information Quality.**

At least once a year the Headteacher shall consult the Governing Body and staff to ensure that the financial and management information they receive is relevant, timely, reliable and understandable.

## **2.12 Reporting proposed policy changes.**

- The Headteacher will report to the Finance Committee any proposal for policy changes that significantly affect the annual budget of the current or future years.
- Any changes to policy are agreed by the Finance Committee and ratified by the Governing Body.

## **2.13 Capital Expenditure controls (Section 2.14 and 4.2b vii of SfFS)**

- Guidance can be sought from the Chief Finance Officer on the definition of capital expenditure. A common definition of capital expenditure is given as:
  - a) The acquisition of an asset;
  - b) Enhancement of an asset which -
    - i. Lengthens substantially the useful life of an asset; or
    - ii. Increases substantially the open market value of the asset; or
    - iii. Increases substantially the extent to which the asset can or will be used for the purposes required by the school.
- If the governing body propose to spend in excess of £20,000 on capital expenditure from its budget share in any one year, they will notify the LCC and take into account any advice from the Corporate Director, Children and Young People's Services as to the merits of the proposed expenditure. In addition, should any planned capital expenditure exceed £20,000 the governing body will similarly notify the LCC.

## **SECTION 3. INTERNAL FINANCIAL CONTROL**

### **3.1 Duties/check specified by governors.**

- Requisitions for the procurement of goods may only be signed a member of the Senior Management Team. A schedule of these officers will be submitted to the Finance Committee annually, with a further report on a termly basis where any such post holders change.
- Official purchase orders may only be signed by one of the following post holders:
  - a) Headteacher
  - b) Senior Manager, provided cheques are not signed by the signatory on the cheque
- Where one of these post holders has raised the original requisition they are not permitted to sign the official purchase order.
- Purchase invoices shall only be certified for payment by the Headteacher, or in their absence and by exception, Deputy Headteacher or Office Manager.
- Any invoice relating to expenditure incurred by the Headteacher, shall be independently certified for payment by the Deputy Headteacher, Office Manager or Chair of Finance Committee or Chair of Governors..
- Cheques shall be signed in manuscript by any two of the post holders listed in section 1.2 of these standards, authorised as signatories by resolution of the Governing Body
- The Senior Admin Officer processes the order, checks delivery and signs the delivery note. The Site Manager signs delivery notes outside school hours.
- The Senior Admin Officer checks the invoice against the delivery note and marks the invoice as paid.

### **3.2 Agreed written procedures.**

Written details of financial and procurement procedures are available to all staff and governors. The governors will ensure that the appropriate staff has adequate training in their interpretation, use and implementation.

### **3.3 Cover for absences**

The Headteacher shall arrange for adequate cover in the event of any absence of key staff.

### **3.4 Separation of duties: records and cash**

- The Headteacher shall ensure that the school's finance staff takes the appropriate levels of responsibility in ensuring that the collection and recording of cash received is not in any way confused with or offset by the paying out of monies.
- Random spot checks are carried out on receipt and paying out of monies in accordance with the SFVS guidelines.

### **3.5 Rules for document alteration**

- All alterations (if any) are made in permanent form. **The use of correcting fluid on any financial records is strictly prohibited.** All alterations are to be initiated by the individual making the amendment. The removal or erasure of information is not acceptable and, if uncovered, may render the individual involved subject to disciplinary procedures.
- All financial records held to support the entries made into the school's accounting system in relation to the Official fund activities and the Voluntary and Private fund activities shall be recorded in ink. The use of pencil to record the underlying financial records is not permissible.

### **3.6 Security of Accounting Records**

- The following accounting records of the school will be kept for the current financial year and the previous six (6) years:
  - a) Copy orders
  - b) Signed delivery notes
  - c) Certified paid invoices
  - d) Copy remittance advices
  - e) SIMS/LRM/FMS detailed accounts
  - f) Paying in slip stubs
  - g) Copy receipts for income
  - h) Bank statements
  - i) Bank reconciliation statements
  - j) Copy VAT returns
  - k) Copy CITD returns
  - l) Cheque reimbursement forms
  - m) Petty cash vouchers
- In addition, the governors agree to comply with section 8 (eight) of Leicester City Council's Finance Rules that sets out the document retention and disposal policy.

### **3.7 Traceability of transactions**

The school can provide traceability of all its accounting transactions. It will be possible to provide a detailed audit trail to link all aspects of the accounting process.

### **3.8 Limited access to accounting records.**

- Only authorised staff members are permitted access to the accounting records. This is currently limited to the following post holders:
  - a) Headteacher
  - b) Bursar
  - c) Office Manager
  - d) Senior Admin Officer
- All requests from governors for financial information are to be made through the Finance Committee. The response to any request will be returned via that committee to ensure that all relevant governors have equal access to the same information.

## **SECTION 4. INSURANCE**

### **4.1 Review of Insurance arrangements.**

- The Headteacher undertakes to liaise with the LCC to effect and review insurance arrangements. All risks will be reviewed annually to ensure sums insured are commensurate with risk.
- Each and every out of school activity is covered by making use of the standard LCC insurance policy.

### **4.2 Reviewing Insurance needs**

The Headteacher will consider annually, whether to affect any additional insurance to cover any potential risks not included in the policies provided by the LCC. The cost of any such premiums will fall to be met from the school's budget share.

### **4.3 Notification of new risks**

The Headteacher undertakes to notify its insurers of all new risks or amendments that may affect existing policies.

### **4.4 Consent for Third-party indemnities.**

Granby Primary School does not give indemnities to any third parties without the written consent of its insurers or the LA.

### **4.5 Notification of insurance claims**

The Headteacher will inform insurers immediately of any loss or accident, which may give rise to an insurance claim.

### **4.6 Insuring property off site.**

The Headteacher will control the removal of school property taken off site to ensure adequate insurance arrangements are in place to cover such removal.

## **SECTION 5. COMPUTER SYSTEMS**

### **5.1 Data protection registration.**

The Headteacher and the Governing Body shall ensure that the School is registered at all times in accordance with the relevant Data Protection legislations (e.g. Data Protection Act 1998.) The purposes for which personal data is held by the school will be notified to the Information Commissioner's Office

### **5.2 Back-up protection**

- The Senior Admin Officer is responsible for the effective backing-up of the computer system on a daily basis. Using an encrypted external hard drive.
- The school will implement its disaster recovery plan in the event of loss of accounting facilities or financial data. It is intended to utilise the services of EDISS (LCC support unit) should such an occasion arise.

### **5.3 Protection of computer facilities.**

The ICT Technician is responsible for the provision of access rights to the financial and administrative system (currently SIMS). The ICT Technician is also responsible for authorising any software to be used on the school's network and stand-alone machines.

### **5.4 Software Security**

The ICT Technician will be responsible for authorising any software to be used on the school's network and stand-alone machines. Unauthorised or illegal software must not be used on the school's computers.

The accounting system (SIMS) will be protected by **[Insert name of anti-virus software]**, which will be regularly updated.

### **5.6 Business Continuity**

The Headteacher will implement the school's disaster recovery plan in the event of loss of accounting facilities or financial data. It is intended to utilise the services of EDISS (LCC support unit) should such an occasion arise.



## SECTION 6. PURCHASING

### 6.1 Testing the market

The governing body undertakes to pursue the four principles of “Best Value” in its purchasing procedures. These principles involve evaluation of the processes by asking critical questions for each of the principles as follows:

#### **Challenge:**

- Why are we doing this?
- What do we need to achieve?
- Is this method the most economical, efficient and effective?
- What is in the best interests of our stakeholders?
- What is the evidence about levels of need?
- Are there better ways of achieving the desired results?
- Could another organisation do this for us more effectively and economically?
- Are our procedures competitive compared with possible alternatives?

#### **Compare:**

- What are we achieving?
- How does this compare with what we should be achieving?
- What standards are similar schools achieving?
- How do our standards compare with theirs?
- Are we a relatively high performer?
- Are all subjects and classes performing consistently well?
- Do we cost more or less than similar schools? Why?
- What can we do to bring us up to or keep us at the level of the best?

#### **Compete:**

- Is our provision at the right price?
- Could we provide it at a better price?
- If we are buying services, could these be obtained at a better price?
- How do we make sure we receive the most economical, efficient and effective service from suppliers?
- Do we have proper financial administration procedures, including competitive tendering for significant expenditure?
- Is purchasing on a fair and open basis or through personal connection?
- Is one supplier used regardless of price?

#### **Consult:**

- Have we sought the views of the relevant stakeholders about the services the school provides, e.g. pupils, parents, governors, teaching and support staff, neighbouring schools, suppliers etc?

### 6.2 Procedures for obtaining quotations.

#### **a) For Contracts valued between £2,000 - £35,000**

- For any item of expenditure between £2,000 and £10,000 two quotations must be obtained before an official purchase order is placed.
- For any item of expenditure or a series of items where their combined value is between the values of £10,000 and £35,000, three written quotations must be obtained before an official order is placed. The exceptions to this requirement are:

- i) Where the purchases are required in an emergency when, if possible, oral quotations shall be sought which shall be recorded in writing.
- ii) Where it is not in the school's financial interests, or is impossible to obtain written or oral quotations.
- iii) ESPO is used as a baseline for all purchases

**b) For contracts valued over £10,000**

- For any item of expenditure exceeding £10,000, (or a series of items where their combined value would exceed this amount), tenders will be invited by the Committee.
- No contract exceeding £35,000 in value shall be awarded unless competitive tenders have been obtained in accordance with the tendering provisions of the LA's Finance and Contract Procedure Rules.
- Before authorising the invitation of tenders for a contract of the value of £35,000 or more the Chair of the Finance Committee, with the support of the Headteacher, will prepare a written estimate of the probable expenditure for presentation to that committee.
- These tendering arrangements shall not apply to:
  - i) The supply of goods, materials or services purchased via the LA's central purchasing scheme (ESPO)
  - ii) Contracts for goods, materials and services which are sold only at a fixed and uniform price, or if for other reasons, there would be no competition.
  - iii) A contract for goods purchased at a public auction or at a public market or fair.
- Where it is felt that a contract falls into a) or b) below, and work is needed to be contracted with a specific supplier, the Headteacher shall request approval to waive the tendering procedures from the Finance Committee. Where circumstances are such that this cannot wait until the next meeting of that Committee, the Headteacher shall request written authority from the Chair of Governors and the Chair of the Finance Committee to waive the tendering procedure. Any such instances must be reported to the next Finance Committee.
  - a) A contract for goods or any acceptable substitute, which are only available from one contractor.
  - b) A contract for works which can only be carried out by a limited number of contractors provided that an invitation to submit a tender for the contract has been sent to all the contractors believed to be capable of carrying out the works.

**c) For Contacts valued over £60,000**

The school will secure the counter signature of an appropriate LA officer where the value of a contract for goods or services exceeds a value of £60,000 or above in any one year.

**d) European Public Procurement rules.**

- The school will be mindful of the European Public Procurement rules when they let a contract. Advice on whether these rules apply can be obtained from the LA.
- Whenever the European Public Procurement rules apply to contract, no less than five qualified bidders will be invited to tender.

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### **6.3 Limits of authority.**

The Finance Committee shall review all quotations above the sum of £5,000, in accordance with the levels of delegated authority shown in Section 1.2.

### **6.4 Procedures for accepting quotations**

Should a quotation, other than the lowest, be accepted, the decision will be reported at a meeting of the Finance Committee along with the reasons for that decision. Such a report will be recorded in the minutes.

### **6.5 Procedures for tendering.**

- The school will adhere to the tendering procedures as outlined in Annex E (Purchasing, tendering and contracting arrangements of the most up to date “Scheme for Financing Schools” document published by the LA.

### **6.6 Written orders to be used.**

- Pre-numbered orders are issued, via the SIMS system, for the procurement of goods and services at all times.
- Verbal orders **MUST** be confirmed with written orders at the earliest possible opportunity, but no later than 2 working days after the verbal order was placed.
- Any goods procured by other means risk being returned to suppliers as unauthorised purchases.

### **6.7 Official order forms used.**

Only official order forms are to be used. The issue of official order forms is strictly limited to finance staff.

### **6.8 Internet Purchasing Policy**

- Internet purchasing shall only be used where goods or services cannot be purchased the Internet Purchasing Guidance set out in Annex 1 of this document must be followed through the normal ordering channels (i.e. ESPO) or where there are demonstrable financial savings compared with ESPO.
- Where internet purchasing is undertaken by staff,

### **6.9 Use of Debit or Purchasing Card**

The School does not currently hold a debit or purchasing card. However, if the school obtains a debit or purchasing card, the Headteacher shall ensure that:

- The card is issued in the name of the school;
- The officers authorised to use the card are clearly defined;
- The purpose and type of transactions for which the card should be used are clearly defined;
- The maximum spending limits are defined and clearly documented;

- Appropriate procedures will be in place to ensure access to the card is restricted.

#### **6.10 Reimbursement of expenses**

- Reimbursements of expenses incurred by staff shall be made upon production of valid invoices or receipts.
- A cheque reimbursement form (See Annex 2) shall be completed for each reimbursement made to staff.
- The form shall be signed by the claimant and authorized by the Headteacher prior to the raising of the cheque from SIMS.

#### **6.11 Procurement of goods or services for private or personal use.**

- Under no circumstances are individuals or other organisations allowed to use the official order system to obtain goods or services for their private or personal use.

#### **6.12 Proper completion of order forms**

- Official order forms are properly completed by virtue of the fact that they are produced electronically.
- All manual alterations will automatically render an official order form invalid.

#### **6.13 Responsibilities of signatories**

- Signatories to an order must ensure that the order is appropriate, needed and can be afforded within the relevant budget. They are also responsible for ensuring requisite quotes or tenders have been obtained where necessary.

#### **6.14 Recording committed expenditure.**

Committed expenditure is automatically recorded by virtue of the use of the SIMS system for the procurement of goods and services. The Bursar ensures that other commitments, such as salary costs, are included within the SIMS system.

#### **6.15 Goods and Services received.**

- All goods that are delivered to Granby Primary School are checked against incoming delivery notes as soon as practically possible. The Senior Admin Officer and the Site Manager working in tandem perform the checks.
- The checks are completed by reference to the official order form.
- Any discrepancies are reported to the supplier upon completion of the checks.
- Any services received e.g. from contractors are annotated as being satisfactory by the relevant member of staff.

### **6.16 Payment procedures.**

- Payment is only made against original invoices provided by the supplier. Checks are made as follows:
  - a) The invoice is correctly addressed to Granby Primary School.
  - b) The invoice has not previously been passed onto the SIMS system for payment;
  - c) The tax point is correctly identified;
  - d) The official order number is quoted, where appropriate;
  - e) The arithmetic of the charge is correct;
  - f) The Construction Industry Tax Scheme regulations have been followed, where appropriate;
  - g) That VAT has been properly calculated; and
  - h) That discounts have been taken where ever possible.
  
- Granby Primary School shall ensure that any payments to third parties are in accordance with contracts agreed and that the goods or services have been actually received in advance of any payments being made. Exceptions to this are likely to be restricted to conferences and courses with reputable providers, payments linked to the supply of materials allied to a specific building contract, or as authorised by the Governing Body

### **6.17 Marking invoices “paid”**

- All paid invoices shall be attached to the office copy of the remittance advice.
  
- All paid invoices shall be grid stamped and the relevant fields of the grid stamp shall be completed to confirm that the invoice has been checked against the goods received and the purchase order. The SIMS receipt is attached.
  
- All invoices shall be certified by authorised officers appointed by the Governing Body prior to payment being made. The Headteacher is currently responsible for certifying invoices for payment.
  
- The Headteacher shall ensure that all invoices are annotated with both ledger codes and cost centre codes into which it has been paid.

### **6.18 Rules for photocopying of invoices**

- The school will not make payment on a copy, photocopy or fax copy of an invoice.
  
- Exceptionally, where it has been proven that the copy has not been previously processed for payment, a payment will be made after the copy has been certified by both the Headteacher and the Chair of Finance.

## SECTION 7. PERSONNEL

### 7.1 Procedures for personnel matters

- The governing body has determined the following division, amongst other, in the duties and responsibilities of respective sub-committees.

#### **a) Personnel Sub-Committee**

The Governing Body has delegated the following duties to the Personnel Committee. The Personnel Committee shall report back to the Governing Body on the matters discussed and key decisions made in relation to the level of delegation. The Governing Body shall ratify such decisions.

- i) The appointment of employees;
- ii) The termination of employee's contracts;
- iii) Variations to an employee's contract including promotion, demotion and amendments to hours.
- iv) Job evaluation including variation to job description and person specification.

#### **b) Finance & Personnel Sub-Committee**

The Governing Body has delegated the following duties in relation to personnel matters to the Finance Committee. The Finance Committee shall report back to the Governing Body on the matters discussed and key decisions made in relation to the level of delegation. The Governing Body shall then ratify such decisions.

- i) Processing of pay claims
- ii) Issuing contractual information to the LA Personnel and Payroll departments.
- iii) Payment of employee related expenses.
- iv) Reconciliation of school payroll records to those produced by the LA.

### 7.2 Procedures for administration.

- The Headteacher will inform the Office Manager in writing of any appointments, resignations, dismissals or amendments to pay scales for members of the teaching staff. and support staff.
- Upon receipt of such information the Office Manager will prepare without delay the relevant form E106X, E106R, T1 or T1 (SEN) and T1R. These forms will then be passed to the Headteacher for their signature and immediate dispatch to the LA. In the case of absence of either the Headteacher the Deputy Headteacher may assume the responsibility.
- Claims for casual pay, additional pay, overtime or lunch duties are to be authorised as follows:

<b>Post Category</b>	<b>Post holder to authorise</b>
Premises Officers, Cleaners	Headteacher/Deputy Headteacher
All other support staff (inc teachers acting as mid-day supervisors)	Headteacher/Deputy Headteacher
Supply teaching staff	Headteacher/Deputy Headteacher
Supply support staff	Headteacher/Deputy Headteacher

- All travel claims shall be authorised by the Headteacher
- The Assistant Headteacher shall be responsible for ensuring that the reconciliation of all claims and basic pay with the tabulated accounts provided by the LA is undertaken. There shall be evidence on the copies of each claim and the tabulated accounts that reconciliation has actually taken place.

### **7.3 Security of Personnel records.**

- The Headteacher will keep personnel records in a locked cabinet. The Headteacher will also keep copies of claims, in a secure environment.
- All records held, whether on computer or manual files, comply with the Data Protection Acts.

### **7.4 Payroll transactions.**

- All salary transactions will only be processed through payroll. Under no circumstances will the school issue advances of pay from its own bank account.

### **7.5 Regular payroll checks.**

- The Headteacher will receive, at least monthly, a copy of the tabulated payroll records for reconciliation with the school records.
- The Bursar will reconcile the tabulated payroll reports with the schools records on a monthly basis. Any irregularities will be reported, in writing, directly to the Chair of the Finance Committee.

## **SECTION 8. THE SECURITY OF STOCKS AND OTHER PROPERTY.**

### **8.1 Responsibility for cash and property.**

- The Headteacher is responsible to the Governing Body for the safe custody of cash and property belonging to the school.

### **8.2 Maintenance of stock levels.**

- The Deputy Headteacher, Office Manager and Office staff should ensure stocks (where applicable) are maintained at reasonable levels and are subject to regular checks.

### **8.3 Maintenance of inventories.**

- All portable items with a value in excess of **£250** shall be kept on an inventory and identified with security markings. All computers, printers and mobile phones within the school must be recorded on the inventory, regardless of value.
- Office Manager is responsible for co-coordinating the upkeep of the inventory.
- The Senior Admin Officer will assist in the upkeep of the inventory.
- The inventory will contain, wherever possible:
  - a) The make of the item;
  - b) The model of the item;
  - c) The serial number of the item;
  - d) The LCC identification code (if appropriate)
  - e) The School identification code;
  - f) The supplier of the item;
  - g) The date of acquisition of the item;
  - h) The cost or approximate value of the item; and
  - i) The whereabouts of the item.
  - j) The date of disposal if applicable

### **8.4 Checking inventories.**

- The Governing Body will appoint an individual or individuals to check the inventory against physical items at least once a year.
- The Headteacher will ensure that an annual report of the result of the inventory check is received by the Governing Body. The Governing Body will; approve any amendments made to the inventory as a result of the check.

### **8.5 Procedures for Taking Property Off site.**

- Two Senior Managers will be notified if property is taken off site. A register shall be maintained of school property taken off site. A proper system of control must be in place where staff takes portable IT equipment home to complete work outside of office hours.



## **8.6 Authorisation of write offs and disposals**

- The Governing Body shall authorise the write off or disposal of any item that appears on the inventory. The Business Manager shall be responsible for ensuring such disposals or write offs are recorded on the inventory.
- Where an item is deemed surplus to requirements, all interested parties, including staff, should be invited to make a sealed bid for the item concerned. The Chair of the Finance Committee and the Headteacher should open these bids, and the asset disposed of to the person making the best bid.
- Where no bids are received, options for alternative disposal should be brought to the Finance Committee for consideration. The Governing Body shall approve the final decision.

## **8.7 Security of safes and keys.**

- Nominated finance staff will retain the keys for safes that are used for the storing of cash and financial records. The Headteacher will be responsible for the issuing of all such keys. Keys will be removed from the premises each evening.
- The loss of any such keys will be reported immediately to the Headteacher, who will determine what action, if any, to take. The effects, if any, of such a loss will be reported to the Headteacher.

## **SECTION 9. INCOME**

### **9.1 Governor's charging policy.**

- The Governing Body shall determine the charging policy and the school lettings policy, on an annual basis, during each summer term.
- Currently the school is only used for school funded activities.

### **9.2 Separation of duties.**

- The Headteacher will be responsible for advising the Senior Admin Officer/Business Manager of all monies due to the school. They will be responsible for ensuring collection and banking of such sums.

### **9.3 Prompt issue of invoices.**

- All monies due to the school from external sources will be collected via the debtors system on SIMS.
- The Senior Admin Officer will issue invoices within five working days of the receipt of information from the Headteacher that a sum is due.
- Debtor invoices must show the VAT registration number, which is 115 3370 04 and the words "Leicester City Council".
- Invoices will be serially numbered to enable them all to be accounted for.
- A copy of each debtor invoice issued is retained.

### **9.4 Issue of official receipts.**

- Official LA receipts shall be issued for all income received in respect of debtors' invoices and external sources. Receipts will not be issued to the LA in respect of monies received from them.
- Internally produced receipts using Tucasi software shall be issued for all income received in respect of school-generated activities such as excursions.

### **9.5 Transfer of money between staff.**

- Both parties must sign for transfer of monies between staff.

### **9.6 Secure records of income.**

- All records of income are retained for the required amount of time, as per section 3.6 of these standards.

### **9.7 Security of monies.**

- All cash and cheques are locked away immediately upon receipt to safeguard against loss or theft.

### **9.8 Banking arrangements**

- All collections, in their entirety, are paid promptly into the school bank account, namely : Account Name Granby Primary School LEA Account
- Dinner monies – signed and sealed into and collected and receipted by an LCC approved contractor on a Tuesday

### **9.9 Avoiding unofficial payments**

- Income collections must not be used for the encashment of personnel cheques or for any other payments.

### **9.10 Reconciling income and deposits**

- The Senior Admin Officer shall be responsible for reconciling sums collected to amounts deposited at the bank.
- Bank paying in slips will show the split between cash and cheques. Cheques will be clearly listed on the reverse of the paying in slip with the name of the drawer being evident.
- Both cash and cheques will be identifiable by reference to receipt numbers. The recent implementation of the Tucasi software cash system, will also assist with the clarification of reconciliation

### **9.11 Writing off debts.**

- The school will take all reasonable steps to ensure that invoices are paid promptly by debtors. This includes the following measures:
  - Issuing reminders after 2 months
  - Requiring payment before delivery of service
  - Withdrawal of credit from previous bad payers
  - Small claims court
- The Governing Body can only write off debts up to and including £250 per debtor.
- In the case of larger debts, the school must lodge a request for write off with the Corporate Director of Children and Young People's Services and the Town Clerk. The current limits for guidance are:

<b>Limits of Debt to be written off</b>	<b>Level of Authorisation Required</b>
Amounts between £250 to £2,000	Approval by the Corporate Director of Children and Young People's Services upon referral
Amounts exceeding £2,000	Approval by the Town Clerk upon referral

## **SECTION 10. BANKING ARRANGEMENTS**

### **10.1 Guidelines for the use of cheque books.**

- All school bank accounts should include “Leicester City Council” in their title.
- Cheques must not be pre-signed. Only manuscript signatures shall be used.
- Cheques shall be kept in the school safe or locked filing cabinet.
- The school bank account will not be used for the payment of salaries and wages, particularly the advance of salaries and wages, unless the school has opted out of LA payroll provision and has contracted to receive payroll services from an external supplier.
- All cheques are to be crossed “A/C payee”
- Authorised cheque signatories for the Official Fund and Voluntary & Private fund accounts shall be the officers as named in sections 1.2 and 12.3 of this document.
- Granby Primary School shall keep an up to date copy of the bank mandate for each of the bank accounts held in respect of the official fund and the voluntary fund activities.
- A copy of the bank mandate for the official fund account shall be made available to the LA for countersigning where amendments are made to the authorised cheque signatories.

### **10.2 Regular statements and reconciliations.**

- Bank statements shall be reconciled within a week following their receipt by the Bursar.
- Each month the Headteacher and Bursar shall ensure that the school submits to the LA, a BA2 return detailing the movements on the bank account. This return calls for the reconciliation of the bank statements contained in SIMS.

### **10.3 Separation of duties**

- The Bursar is responsible for ensuring the reconciliation of the bank account is completed within the agreed timescales. The Senior Admin Officer is responsible for the processing of receipts and payments.

### **10.4 Surplus funds**

- Surplus funds are retained in the extended bank account.

### **10.5 Use of Private bank Accounts**

- Individuals are positively discouraged from using their private bank accounts, cash, debit or credit cards for purchase of items relating to the school budget. An exception to this would be where it was necessary to purchase goods via the

Internet or when it is most effective. Under these circumstances, providing such a method of purchase has been agreed with the Headteacher, the use of personal debit or credit cards would be permitted.

## **10.6 Borrowing**

- The school may apply to the LCC for a licensed deficit.
- The school may bid for additional funds from the LCC, who shall provide a loan arrangement to finance an approved scheme on condition that a corresponding sum is repaid from future budget shares.
- The school may borrow money, only with the written permission of the Secretary of State for Education. The governing body will provide assurances, as requested, regarding the purpose of the loan and the ability to afford the repayments. The governing body will then request the LA to seek approval for a loan from the Secretary of State on their behalf. It shall be noted that loan arrangements are usually only considered where the loan is a non interest bearing loan which addresses key issues arising from the school development plan or the asset management plan.

## **SECTION 11. PETTY CASH**

### **11.1 Amount of Petty Cash**

- A maximum of £300 shall be held for Petty Cash purposes.

### **11.2 Access to Petty Cash**

- The Senior Admin Officer shall be the administrator for the Petty Cash Fund
- Access to the Petty Cash float shall be restricted to the Senior Admin Officer and the Office Manager only.
- A maximum of £50 shall be issued in respect of one item or series of items. Repayments for sums in excess of this shall be made by cheque via the SIMS system.

### **11.3 Responsibilities of Petty Cash Holders.**

- Persons in receipt of petty cash advances shall take responsibility for ensuring that proper vouchers and receipts are received for all payments made and that any unspent advance is returned to the finance office upon return to the school.
- All persons requesting a petty cash advance will sign an acknowledgement at the time of collection, which identifies that any short fall in receipts or cash upon return to the school will be reclaimed from the individual responsible for the safe keeping of the advance. This would not be enforced under exceptional circumstances (i.e. loss due to theft).
- Cash will be kept in locked in the appropriate safe.

### **11.4 Personal Cheques.**

- Personal cheques from any source will not be encashed under any circumstances.

### **11.5 Checking Petty Cash.**

- The Senior Admin Officer and the Business Manager undertake to periodically check the contents of the Petty Cash float to the records contained in SIMS.
- Where the Petty Cash is handed to another member of the finance staff, (e.g. where the person normally responsible will be on holiday), both parties are to check and sign for the value of cash and receipts held in the float.

### **11.6 Timely submission of Petty Cash claims**

- All persons wishing to make a claim for re-imbusement must do so within a period of twenty (20) working days of the funds being expended. Any claims outside of this period will be referred to the Headteacher, who may approve them providing that a reasonable explanation is giving for the delay.

## **SECTION 12. SCHOOL PRIVATE FUNDS - ACCOUNTING AND AUDITING REQUIREMENTS**

### **12.1 Purpose of the Fund**

The school fund exists to provide additional materials and opportunities to enhance the learning experiences of children. The fund is used to provide items over and above those provided for through the school's delegated budget.

### **12.2 Examples of Uses**

Expenditure may be used for the following purposes:

- subsidy of school educational visits
- refreshments for children's parties
- fund raising activities (e.g. raffles)
- classroom materials and equipment
- lunchtime games/toys, children's disco and entertainment
- sale of sweatshirts
- school tuck shop

### **12.3 Administration**

- The official title of the school fund is Granby Primary School Fund.
- The fund is administered by Geraldine Murphy who holds the position of Deputy Headteacher at the school.
- The day-to-day management of the fund is the responsibility of the Headteacher although overall responsibility for the fund lies with the Governing Body.
- A Fund Committee exists, comprising the Headteacher, senior staff, the Finance Governor and a Parent Governor, to decide on spending priorities and fund raising needs. This Committee meets on a termly basis.
- The voluntary/private fund is used solely for holding and paying charity donations.
- The voluntary and Private fund is banked with Lloyds TSB Bank under the account name Granby Primary School.
- Cheque issued from the Voluntary and Private fund account shall bear at least two authorised signatories as shown on the bank mandate. The authorised cheque signatories for the Voluntary and Private fund account are as follows:

a) The Headteacher	P Fowler
b) Deputy Headteacher	G Murphy
c) Senior Manager	S Brazier

### **12.4 Independent Examination or Audit Arrangements**

- The fund has a financial year end of 31<sup>st</sup> March. Annually, a summary of income and expenditure, and a statement of balances, is prepared by the Senior Admin Officer.
- Each year the financial statements pertaining to the fund shall be independently examined or audited by the Bursar. The Governing Body considers the Bursar to be a

suitable person with the requisite knowledge to examine or audit the fund, having regard to its nature and complexity.

- Audited accounts are presented to the Governing Body each year for formal approval, in accordance with the LMS Scheme of Delegation.

Annex 1: Finance Committee Terms of Reference

Annex 2: Internal Audit Guidance Internet Purchasing for Schools

Annex 3: Cheque Reimbursement Form