

## ***Financial Regulations for Schools with Delegated Budgets***

***March 2014 – Effective from 1<sup>st</sup> April 2014***

| <b>Index Point</b> | <b>Description</b>   |
|--------------------|--|
| 1                  | Status of Financial Regulations  |
| 2                  | Responsibilities   |
| 3                  | Financial Planning   |
| 4                  | Accounting Systems, Financial Records and Returns  |
| 5                  | Financial Training and Segregation of Duties   |
| 6                  | Financial Management and Control   |
| 7                  | Capital Expenditure  |
| 8                  | Taxation and Leasing   |
| 9                  | Authorised Signatories and Controlled Stationery   |
| 10                 | Internal Audit   |
| 11                 | Access to Financial Records by External Parties  |
| 12                 | Public Accountability – Responsibilities   |
| 13                 | Information Security   |
| 14                 | Risk Management  |
| 15                 | Purchasing Arrangements<br>Works/Goods/Services – Requisitions, Authorisation, Goods Received and Payments |
| 16                 | Government Procurement Card (GPC)  |
| 17                 | Income and Debtors   |
| 18                 | Banking Arrangements   |
| 19                 | Employment Matters and Payments to Employees   |
| 20                 | Travel & Subsistence   |
| 21                 | Imprests   |
| 22                 | Insurance  |
| 23                 | Security and Control of Assets   |
| 24                 | Unofficial and Voluntary Funds   |

## **1. Status of Financial Regulations**

- 1.1 These Financial Regulations cover all schools with delegated budgets.
- 1.2 Financial Regulations are part of the Council's control environment providing a framework for managing the authority's including schools financial affairs and contributing to good corporate governance, internal control and the management of risks.
- 1.3 The Financial Regulations apply to all Governors, Headteachers and staff (teaching and non-teaching). It is the responsibility of Governors and Headteachers to ensure that all staff in their schools are aware of their responsibilities according to the Financial Regulations and other internal regulatory documents (e.g. Anti-Fraud & Corruption Policy and the Speak Up Policy) and comply with them.
- 1.4 Specific positions and/or employees are named in the regulations and it is their responsibility to ensure compliance. However, named employees can delegate their authority to another appropriate employee as long as this delegation has been agreed by the Headteacher or Governing body and recorded.
- 1.5 All staff and Governors have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.
- 1.6 In order to assist schools, the Financial Regulations are set out in self-contained sections, each covering a specific area of control. Each section provides a contact point for further information or clarification. Where appropriate the Regulations are supported by detailed procedure notes which can be accessed through the named contacts.
- 1.7 Failure to comply with Financial Regulations, or procedures issued under them, will lead to disciplinary action.

## **2. Responsibilities**

- 2.1 Section 151 of the Local Government Act (LGA) 1972 places a duty on the Council to make arrangements for the proper administration of its financial affairs, including the appointment of a Chief Finance Officer.
- 2.2 Section 114 of the Local Government Finance Act (LGFA) 1988 requires the Chief Financial Officer to report to the Council if the authority, one of its committees, the Leader and Cabinet Executive or one of its officers:
  - Has made – or is about to make – a decision which has or would result in unlawful expenditure;
  - Has taken, or is about to take, an unlawful action which has or would result in a loss or deficiency to the authority; or
  - Is about to make an unlawful entry in the Council's accounts.

Section 114 of the LGFA 1988 also requires the Chief Financial Officer to nominate a properly qualified member of staff to deputise, should the Chief Financial Officer be unable to perform the duties under Section 114 personally.

\* **The Council** – means the full Council who provide the political and strategic direction of the authority. They approve the policies of the authority, including relevant strategies and the budget.

\* **The Leader and Cabinet Executive** – means the Leader of the Council and the Cabinet members, who propose to Council policy and budget strategies.

\* **Chief Financial Officer (CFO) Responsibilities (s151/s114)** – these have been allocated to the Assistant Director: Finance, Audit & Information Governance and include:

- provision of financial advice for service delivery, strategic planning and policy making across the authority;
- provision of advice on the optimum use of available resources on the management of capital and revenue budgets;
- provision of financial management information;
- preparation of statutory and other accounts, associated grant claims and supporting records;
- provision of an effective internal audit function and assistance to management in providing safe and efficient financial arrangements;
- provision of effective financial management systems and procedures
- provision of effective income collection and payments systems;
- advising on treasury, investment and cash-flow management; and
- advising on the safe custody of assets and insurance.

\* **The Assistant Director Finance, Audit and Information Governance** has delegated responsibility under the Accounts and Audit (England) Regulations 2011 to maintain an adequate and effective Internal Audit service. The Assistant Director Finance, Audit and Information Governance has the ability to report directly, without fear or favour, to any level within the organisation or to the External Auditor.

\* **Senior Management Team (SMT) (Managing Director, Directors and Assistant Directors)** are responsible for ensuring that Assistant Directors provide services that meet the Council's overall policy objectives. This includes ensuring compliance by Assistant Directors with the Council's governance arrangements including Financial Regulations and Contract Procedure Rules.

\* **The Managing Director** is responsible for leading on corporate governance issues throughout the Council.

\* **The Finance Managers** will act as deputy Section 151 Officer

\* **Assistant Directors** are responsible for ensuring the delivery of services by their respective Delivery Units. This includes ensuring compliance by Delivery Managers with Financial Regulations and Contract Procedure Rules within their service areas.

\* **Business Managers/Headteachers** are responsible for the day to day provision of services and the management of the associated budget. This includes ensuring that all staff comply with Financial Regulations in performance of their duties. In particular, together with their school's Governing Body, Headteachers are responsible for the management of their school's financial position at a strategic and operational level, together with the management of effective systems of internal control. This includes ensuring that employees comply with Financial Regulations in undertaking their work.

**Note:** “Business Managers” also includes school staff with budget and staff responsibilities.

\* **Governing bodies** are responsible for ensuring that any funding from the LA or from any unofficial or voluntary funds is used only in accordance with the terms of the Schools Standards Framework (SSAF) Act 1998 and subsequent legislation. The governing body shall provide such information as the LA may reasonably require in order that it may be satisfied that the financial management and organisation of the governing body are such as to enable it to fulfil these obligations.

### **3. Financial Planning**

3.1 The Department for Education (DfE) provide funding for schools via Dedicated Schools Grant (DSG) allocations to local authorities. Local authorities then allocate DSG funds to schools via the local funding formula, which has to comply with current DfE regulations. The Finance Manager (Schools & Care Services) is responsible for providing schools with budget allocations each year.

3.2 In addition to the submission of the annual budget by 31<sup>st</sup> May each year, the LA may require schools to submit a financial forecast covering a multi-year period. The LA may use the forecast to:

- Confirm that schools are undertaking effective financial planning
- As evidence to support the schools adherence to the Schools Financial Values Standards
- To support the LA’s balance control mechanism

3.3 In the event that a school is applying for a licensed deficit, the school will be required to agree with the LA a multi-year budget plan which demonstrates that the school will repay the deficit within a specified time period.

#### **CONTACT: Finance Manager (Schools & Care Services)**

### **4. Accounting Systems, Financial Records and Returns**

4.1 Proper accounting records are one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare annual accounts which are subject to internal and external audit.

4.2 The Chief Financial Officer should ensure that there is a proper retention policy for financial documents which all Headteachers/Business Managers must follow.

4.3 The CFO is responsible for determining the accounting systems and procedures adopted by the Council. No variations shall be made to accounting records and procedures without the written agreement of the CFO. In particular Headteachers and governing bodies should confer with the CFO before introducing or amending any books, forms, records, administrative procedures or computerised systems used in conjunction with accounting for cash, income, expenditure, stores and financial transactions generally.

4.4 Schools’ accounts for any financial year shall be kept on an “income and Expenditure” basis. For this purpose “income” means sums due for goods or services supplied by the school during that year and “expenditure” means the liability to pay for goods and services received by the school during that year. This will also be in line with the Consistent Financial reporting (CFR) framework

- 4.5 Headteachers are responsible for ensuring the completion and submission of Grant applications and financial returns. The Chief Financial Officer/Managing Director/Director of Children's Services/Audit & IG Manager should have adequate notice to request appropriate explanations or information from school and Council employees and/or school governing bodies as may be required prior to signing and the Headteacher forwarding to the relevant government department or agency.

**CONTACT: Finance Manager (Schools & Care Services)**

**5. Financial Training and Segregation of Duties**

- 5.1 Whilst the Headteacher has overall executive responsibility for the school's activities, the governing body must ensure that staff are appropriately trained and supported to undertake the finance function.
- 5.2 The governing body should issue clear directions to the Headteacher and any financial staff on their respective responsibilities for financial affairs. This is essential for sound financial control and should take the form of written directions.
- 5.3 Schools must comply with the requirements of the Schools Financial Values Standard. Governors should be competent to meet these standards. If training needs are identified the Governing body should ensure that action plans are put in place to address these. The School Governance Section will advise Governing bodies of all Training Courses that are available for Governors.
- 5.4 The governing body must ensure that staff dealing with financial matters:
- Have sufficient resources to undertake the function
  - Are not subject to time constraints which may affect their ability to discharge their financial responsibilities effectively.
- 5.5 Duties should be properly segregated between individuals. One of the prime means of control is the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction. Segregation of duties reduces the risk of error or intentional manipulation through checks built into the routine.
- 5.6 Functions that should be separated include those of: -
- the placing and authorisation of a transaction such as a purchase order or a payment
  - the placing of an order and receiving of goods and services
  - charging and receipt of a fee
  - receiving and banking of cash
- In most cases it is not necessary to separate the functions between more than two or three staff.
- 5.7 In all schools the finance function is only a small part of the school's overall activities. Nevertheless, schools are funded at a level comparable with the income of a medium-sized business and given their use of public money, must operate sound financial controls. Therefore, even where it is not possible to have full separation of all duties, the Governing Body must satisfy itself that there are adequate checks and segregation to ensure that the risk of error or fraud is minimised.

- 5.8 Audit Services will review segregation of duties as part of their audit procedures and will advise schools accordingly if alterations to the financial systems or procedures are required. Audit Services will also provide advice and support to Headteachers and governing bodies on any of these issues on request.

## **CONTACT: Audit & Information Governance Manager**

### **6. Financial Management and Control**

#### **6.1 Background**

- 6.1.1 The main source of schools funding is the ring fenced Dedicated Schools Grant (DSG). The Grant is paid by the DfE to Local Authorities as a ring-fenced specific grant and must be used in support of the Schools Budget as defined in the School Finance (England) Regulations 2008 and subsequent legislation, as follows:-

(a) expenditure on the provision and maintenance of maintained schools and academies and on the education of pupils registered at maintained schools;

(b) expenditure on the education of pupils at independent schools, non-maintained special schools, pupil referral units, at home or in hospital, and on any other arrangements for the provision of primary and secondary education for pupils otherwise than at schools maintained by a local education authority; and

(c) expenditure on the education of eligible 2, 3 and 4 year old pupils in maintained and private, voluntary and independent (PVI) providers

(d) all other expenditure incurred in connection with the authority's functions in relation to the provision of early years, primary and secondary education, including high needs.

- 6.1.2 DSG is paid in three non ring fenced blocks: the schools block, the early years block and the high needs block. The 3 blocks make up the Schools Budget.

#### **6.2 Annual Budget Setting Process**

- 6.2.1 The LA is required to consult with the Schools Forum on the annual Schools Budget. The Forum has specific powers to approve or not approve central expenditure from the Schools and Early Years blocks. If approval for proposed central expenditure is not provided, the LA cannot proceed with its budget plans without approval of the Secretary of State.

#### **6.3 Budget Notification & Preparation**

- 6.3.1 The Council shall allocate budgets to each school covered by the scheme in accordance with sections 45-53 of the School Standards and Framework (SSAF) Act 1998.

- 6.3.2 Schools with delegated budgets will be advised of the indicative amount available to them for a financial year no later than the end of February of the previous financial year – refer to Scheme for Financing Schools Section 2.3 (for this purpose the financial year shall run from 1 April in any year to 31 March the following year).

- 6.3.3 Each Headteacher and Governing Body shall prepare a detailed allocation of its budget total to cover the anticipated expenditure (including increases in pay and prices) in the forthcoming year and take such action as is necessary to manage within that total. Budgets should include provision for inflation and some contingency provision for unforeseen

emergencies. Schools should take account of estimated surpluses/deficits at the previous 31st March in their initial budget plan.

- 6.3.4 The budget shall be set (approved) by the governing body of the school, or a committee of the governing body to whom the full governing body have provided delegated powers for budget approval. The budget plan must be in the format prescribed by the LA.
- 6.3.5 Governing Bodies of schools with delegated budgets shall make proper arrangements for the administration and management of those budgets and shall seek advice, where necessary, from the Finance Manager (Schools & Care Services). In particular, care should be taken to ensure that, where the governing body proposes to delegate powers to the Headteacher or to a committee of the governing body, thresholds of authority to act are commensurate with both the smooth operation of the school and effective control of the budget.
- 6.3.6 Variations within a delegated budget (virement and allocations from contingencies) shall be made in accordance with arrangements agreed by the governing body.
- 6.3.7 Other sums may be available to schools from non DSG funds. These will be in the form of allocations, which are additional to and separate from the schools' budget shares, for example pupil premium. Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used and these conditions need not preclude virement (except where stated in the conditions of grant). Such funding does not form part of the school budget share and must be accounted for separately. Schools using the authority's Financial Management system will be advised as to the appropriate account codes to be used.
- 6.3.8 School will be subject to external audit inspection to demonstrate that specifically allocated funding has been spent for the defined purpose.

**CONTACT:** Finance Manager (Schools & Care Services)

#### **6.4 Budgetary Control**

- 6.4.1 Schools must ensure that they maintain control of their budget during the financial year. The school must ensure that the budget remains realistic and affordable in relation to available resources and consistent with longer term financial plans (including recovery of deficits or saving up for future developments).
- 6.4.2 The school budget should also reflect the school development plan.
- 6.4.3 The Governing Body or designated Committee should receive a budget update on at least a termly basis (good practice is every half-term). The update should provide sufficient information to enable governors to understand how the school's financial position differs from the original budget and to form a view on the appropriate action to taken in the remainder of the financial year / future years.
- 6.4.4 Revisions to the school's budget should be approved in accordance with the school's scheme of delegation.

- 6.4.5 All maintained schools are required to provide the Authority with details of expected and actual expenditure and income on a termly basis. Information may be required more frequently if the LA considers that the school's financial position warrants more frequent submission.
- 6.4.6 Whilst ensuring that the school does not incur budgetary deficits, Headteachers and Governors should also avoid accumulating 'excessive' school balances (i.e. above 5% of the school budget for secondary schools and above 8% for other schools). Schools will be required to provide annual justification for balances above these levels. Should the LA consider such justifications inadequate the resultant excess above 5% / 8% will be clawed back and recycled within the overall Schools Budget.

## 6.5 LA Reserve Powers

- 6.5.1 The LA will endeavour to support schools to enable them to manage their finances on a sound basis. However, if the LA considers that it is necessary, it may issue a 'Notice of Concern' as described in the Scheme for Financing Schools. This may place on the governing body restrictions, limitations or prohibitions in relation to the funds delegated to it. Such measures could include requiring a governing body to buy in to the local authority's financial management systems and support.
- 6.5.2 If a school fails to comply with a Notice of Concern, the LA may suspend the school's right to a delegated budget.

**CONTACT:** Finance Manager (Schools & Care Services)

## 7 Capital Expenditure

- 7.1 Capital expenditure will normally be determined and financed by the Council, and this expenditure will not form part of schools' budgets apart from Standards Fund Devolved Formula Capital grant where decisions on the use of this grant should be made by schools in partnership with the LA. It will, therefore, be subject to the requirements of the Council's main Financial Regulations and Standing Orders.
- 7.2 Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work that is their responsibility under para 3 of Schedule 3 of the School Standards and Framework (SSAF) Act 1998.
- 7.3 Where the premises are owned by the LA then the governing body shall seek the consent of the LA to the proposed works.
- 7.4 If the expected capital expenditure from the budget share in any one year will exceed £12,000 the governing body must notify the LA and take into account any advice from the Director: Children and Family Services.

**CONTACT:** Finance Manager (Schools & Care Services) or Facilities Management & Cleaning Service Delivery Manager

## 8. Taxation and Leasing

### Taxation

- 8.1 Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for Headteachers and Governors to be aware of their roles and responsibilities.
- 8.2 It is the responsibility of Headteachers to ensure compliance with all tax regulations relating to their Delivery Units. This will include Income Tax, National Insurance and V.A.T. If in doubt, Headteachers should consult with the CFO. **Schools will be liable for any costs, including any penalties and interest charged for incorrect tax treatment.**
- 8.3 Each year the Council has to demonstrate that it has not breached the partially exempt VAT threshold. If the threshold is exceeded there are significant financial implications for the Council which include having to repay VAT previously claimed back from Revenues & Customs. It is therefore important that the tax implications of business decisions are fully understood and Headteachers must ensure that taxation is considered as part of their every day operations and in particular when service changes are proposed.
- 8.4 Headteachers must check the employment status of anyone engaged in their School to ensure that tax is correctly calculated. This is particularly relevant to self-employed consultants or “contractors”. Where an individual is deemed to be an employee of the School/Council they must be paid through payroll.
- 8.5 All Headteachers have a responsibility to ensure that tax is correctly accounted for so that the risk of financial penalty is minimised and tax paid to Revenues & Customs is correct.
- 8.6 The Council’s Taxation Officer will provide guidance in relation to taxation.

### Leasing

- 8.7 Leasing is a method of financing the acquisition of certain types of capital assets and allows the cost to be spread over several financial years through annual rentals. It is a specialised area of finance with complex legal and financial agreements. Leasing arrangements may only therefore, be entered into by the CFO or his designated officer. Normal contract procedures should be followed in relation to leasing arrangements.
- 8.8 Schools with delegated budgets may choose to enter into individual leasing agreements for the purchase of capital items. The authority strongly recommends however, that schools’ leasing arrangements be conducted through the Council’s Corporate Finance team. There are several legal issues that could create additional liabilities for schools if they are not correctly treated. The authority maybe able to obtain leasing rates that are lower than those which could be obtained by an individual school.
- 8.9 The Corporate Finance team can arrange leasing agreements through a specialised broker, which should ensure that a very competitive deal is obtained. Schools must ensure that where the total lease cost is above the Head teacher’s delegated financial limit that the Governors approval is obtained and recorded.

**CONTACT: Finance Manager (Corporate Finance & Customer Services)**

## **9. Authorised Levels and Controlled Stationery**

- 9.1 The Governing body will set delegated authorisation levels for the Headteacher and other school employees in respect to expenditure. The headteacher is responsible for maintaining a register of authorised signatories in the form prescribed by the CFO. All staff on the signatories list must be appropriately authorised. The headteacher is responsible for informing the CFO of any changes to authorised signatories and changes to authorised signatories for the Council's financial management system should be notified through the IT helpdesk. Levels in respect to the Council's financial management system will be as prescribed by the CFO.
- 9.2 For schools using the Council's bank account all cheques and other controlled stationery, including receipt books, invoices, and Electronic Fund Transfer (E.F.T.) forms may only be ordered by the CFO or an authorised representative who shall make proper arrangements for their safekeeping.
- 9.3 For schools that operate their own bank accounts section 9.2 above does not apply. For such schools all cheques and other controlled stationery, including order books, receipt books, invoices, travel vouchers and CHAPS (Clearance House Automatic Payments System) forms and EFT forms may only be ordered by the governing body or an authorised representative who shall make proper arrangements for their safekeeping. Schools will be responsible for any additional costs associated with these arrangements.
- 9.4 Only authorised signatories may commit the School/Council to expenditure, including electronically, in line with relevant procedure notes by:
- Authorising Orders
  - Certifying expenses claims
  - Authorising petty cash purchase
  - Certifying timesheets and overtime claims
  - Signing and awarding contracts
  - The governing body being involved in the authorising process where amounts are above delegated limits.

### **CONTACT: Finance Manager (Schools & Care Services)**

## **10. Internal Audit**

- 10.1 The Chief Financial Officer (CFO) under section 114 of the LGFA 1988 and the Accounts and Audit (England) Regulations 2011 has a statutory responsibility for the overall financial administration of the Council's affairs. Section 6 of the Accounts and Audit (England) Regulations 2011, says that the authority "*must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.*"..The Chief Financial Officer shall, therefore, in accordance with relevant legislation arrange for a continuous and current internal audit of all areas of Council activities.
- 10.2 The relevant Internal Audit Standard setters for Local Government are CIPFA and they have endorsed the UK Public Sector Internal Audit Standards (The Public Sector Internal Audit Standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework. Internal Audit will operate

to these Standards and any other relevant guidance. The definition of Internal Auditing within the Standards is:

*Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*

- 10.3 As the definition outlines Internal Audit has a key role to play in independently reviewing the effectiveness of the Council's entire control environment including schools in respect to the processes for governance, risk management and control. It contributes an objective opinion to the Council's Annual Governance Statement.
- 10.4 The existence of a continuous internal audit service does not in any way diminish the responsibility of Headteachers for the management of the Schools under their control and their responsibilities in respect to risk management and the systems of internal control.
- 10.5 It is the responsibility of Audit & IG to review, evaluate and report
- upon the soundness and adequacy of financial and other records and the processes for governance, risk management and control within the Council/school to provide their assurance for the Annual Governance Statement;
  - the extent to which the Council's/Schools assets and interests are accounted for and safeguarded from losses of all kinds arising from:
    - fraud and other offences
    - waste and inefficient administration, poor value for money or other cause
    - the suitability and reliability of financial and other management data developed within the organisation.
  - The soundness and adequacy of the data quality systems operating to collect and report on performance information
- 10.6 The Chief Finance Officer's authorised Audit & IG representatives shall be empowered to:
- enter at all reasonable times any Council/school premises or land
  - have access to all Council, school and partner records (includes business e-mail and internet records), documentation and correspondence relating to any financial and/or other transactions or other business of the Council, schools, its employees or governors, as considered necessary by the CFO, Monitoring Officer or Audit & IG Manager.
  - have access to records belonging to third parties such as contractors or partners when required
  - require and receive such explanations as are regarded necessary concerning any matter under examination from any headteacher, governing body, employee, partner or third party.

- require any employee or governor of the school/Council or any partner/third party to account for cash, stores or any other school/Council property which is under his/her control or possession on behalf of the Council.
- 10.7 All work carried out shall have due regard for the requirements of the access to information legislation (e.g. Data Protection Act 1998, Freedom of Information Act 2000, etc.) and the Human Rights Act 1998, together with any other relevant legislation current at the time of the audit.
- 10.8 Headteachers should agree the draft report and indicate the actions they propose within a maximum of one month of receipt of the draft report. Headteachers and the governing body are responsible for implementing the agreed recommendations within Audit & IG reports within an appropriate timescale.
- 10.9 Failure to implement statutory, policy or financial regulation recommendations within the agreed timetables may be referred to the Chief Finance Officer and/or Assistant Director (Education & Corporate Parenting) and the appropriate members, following consultation with the appropriate Headteacher.
- 10.10 Internal Audit has specific fraud related responsibilities which are set out in the corporate Anti-Fraud & Corruption Policy. It is the duty of any Headteacher, school employee, officer or governor to follow the corporate Anti-Fraud and Corruption Policy. Any Headteacher, school employee, officer or governor who suspects that an irregularity involving cash, materials or any other property of the Council may have occurred must inform the Assistant Director Education & Corporate Parenting or report the matter directly to the Audit & IG Manager or Section 151 Officer. Confidentiality, wherever possible, will be respected in any dealings on such matters. The Section 151 Officer shall report to the Managing Director, the relevant Assistant Director, Director and Cabinet or a specific member of the Cabinet and the Leader, if appropriate, any matter of a significant nature.
- 10.11 Any decision to refer a matter as outlined in paragraph 10.10 to the Police is to be taken by the Headteacher/Chair of Governors but they should inform the Council's Audit & IG Manager, Section 151 Officer, Assistant Director Education & Corporate Parenting or their representative. Where Police advice is sought but it is not intended that any criminal prosecution shall take place, the Headteacher shall ensure that the anonymity of the individual(s) concerned shall be maintained at all times.
- 10.12 Internal Audit will define and manage consultancy assignments as set out in the PSIAS.
- 10.13 The Audit & IG Manager reports to the Audit Committee as defined in their terms of reference. This includes the following information:
- a) the Internal Audit plan and Charter;
  - b) quarterly reports summarising the internal audit work undertaken and any key findings; and
  - c) an Annual Report which provides Internal Audit assurance for the Annual Governance Statement.
- 10.14 The Audit & IG Manager and CFO have the authority to report, as appropriate, on any matter, without fear or favour, to all levels of the Council. This can include reporting directly to the Managing Director, Leader or any Cabinet Executive (including the lead Member for

Governance), Chairman of the Audit Committee, SMT, the Monitoring Officer or the Council's External Auditors.

**CONTACT:** Audit & IG Manager

## **11. Access to Financial Records by External Parties**

11.1 A number of external organisations have rights of access to certain financial information within schools, subject to appropriate identification for example (but not limited to):

- The Council's External Auditor
- The Inland Revenue
- Customs and Excise
- Department of Works & pensions (DWP)
- OFSTED
- Department for Education
- Parents
- Police

**CONTACT:** Audit & IG Manager

## **12. Public Accountability – Responsibilities**

### **12.1 General**

12.1.1 Employees should ensure that they follow the Professional Code of Conduct for staff working within schools and the Telford & Wrekin Employee Code of Conduct.

12.1.2 The Corporate Anti-Fraud and Corruption Policy applies to all employees of the Council and they should be aware of its contents whilst representing and working for the Council including the registration of employee's and governors interests.

12.1.3 A member of the governing body or an employee of a school must not, in respect of his/her position or office of employment, accept any fee or reward, other than his/her proper remuneration without the express permission of the Director Children & family Services or the Governing body. (Where a member of staff receives payment as an OFSTED inspector, exemption from this provision is granted provided the financial arrangement is agreed by the governing body).

12.1.4 A member of the governing body or an employee of a school must not accept any bribe or personal inducement in connection with the school's or Council's business.

12.1.5 A member of the governing body or an employee of a school must not use school/Council property, assets or materials for other than the purposes of the school / Council.

12.1.6 A member of the governing body or employees of a school must not subordinate his/her duty to the school / Council to his/her private interest or put himself/herself in a position where his/her duty and private interests conflict.

12.1.7 Headteachers should ensure that all school employees have access to appropriate procedure notes.

12.1.8 School employees must ensure that they declare any private interest they may have in any of the school's activities. Such a declaration should be made where the employee could benefit in the form of a financial or other pecuniary gain. The interest should be notified to the Headteacher and held in the school's Register of Interests.

## **12.2 The Cashing of Cheques**

12.2.1 The cashing of any personal cheques from any funds held by the school is prohibited.

12.2.2 The cashing of Imprest cheques – this is only permitted provided that the procedures specified by the CFO are followed.

## **12.3 Gifts**

12.3.1 Schools should follow the advice given in the guidance note on gifts and hospitality available from Audit Services. The receipt of personal gifts should be discouraged. If a member of staff, during the course of, or as a result of, official duties, receives or is offered any personal gift by a supplier/contractor, the matter must be reported to the Headteacher or the Governing Body if the Headteacher. The Headteacher/Governing Body will decide if the item is to be returned, or forwarded to some charitable cause. The Headteacher should inform the donor of what has happened to the gift, and explain the reason why gifts should not be sent in the future.

12.3.2 Governors should take equal care in receiving gifts whilst holding the position of Governor.

12.3.3 Each school must maintain a record of all gifts offered or received and actions taken including where they have been returned.

## **12.4 Hospitality**

12.4.1 School employees' should follow the advice given in the guidance gifts & hospitality (see 12.3.1 above. Hospitality must only be given or accepted when it is on a scale appropriate to the circumstances, reasonably incidental to the occasion, not extravagant and justifiable as in the public interest. It must be apparent that no cause could reasonably arise for adverse criticism or suggestions of improper influence about the accepting of the hospitality. The circumstances and the type of hospitality should be agreed by the Headteacher/Governing Body, who shall ensure that a record is kept of all hospitality given or accepted.

12.4.2 Governors and school employees should not accept services. Any approach should be politely but firmly refused and if required an explanation made. The offer and rejection should also be recorded.

## **12.5 Relations with Clients and Contractors**

12.5.1 School employees, who are, in accordance with the conditions of service and the procedure note, (see 12.5.3 below) permitted to carry out private or other paid work must not do so during Council time. School employees must declare to their Headteacher in writing the nature and duration of such private work (including any arrangements with OFSTED). The Headteacher should inform the Governing Body of any such notification.

12.5.2 School employees must not use any school (or Council) premises, resources or facilities for the execution of such work. No stationery or publicity material is to indicate that the person

is a school/Council employee nor should the address or any telephone number of the school /Council be stated.

- 12.5.3 School employees must not work for any current or prospective supplier or contractor to the Council (except for OFSTED following agreement with the Headteacher or Governing Body).
- 12.5.4 Detailed guidance on Business Activities and Private Work is available from Audit Services. Any School employees or member of the governing Body who have any financial interests in any supply or contract to the school must inform the Headteacher who must, in turn, inform the Governing Body. An official record should be made of this interest in the Register of Business Interest.
- 12.5.5 If the Headteacher has any financial interests in any supply or contract to the school they must declare this to the Governing Body and record in the Register of Business Interests.
- 12.5.6 Governors and school employees must respect the confidentiality of information and must not use information received for personal gain.
- 12.5.7 Governors and school employees should avoid any arrangements which might prevent fair competition.

**CONTACT:** Audit & IG Manager and People Services

### **13. Information Security**

- 13.1 The Headteacher and Governing Body are responsible for ensuring that there is a proper information governance framework in place.
- 13.2 Headteachers are the owners of the information within their schools and this information encompasses information stored on computers, transmitted across networks including the internet, printed out or written down or spoken in conversation.
- 13.3 Headteachers must ensure compliance with the Corporate Information Security Policy to ensure:
- Confidentiality of information
  - Integrity of information
  - Availability of information
  - Proper retention of information
  - All software installed is appropriate for business use and is properly licensed.

In order to achieve the above Headteachers must ensure that all staff understand and comply with this policy.

- 13.4 Headteachers must ensure appropriate Data Protection Registrations are in place for their school. This includes compliance with the regulation of information relating to individuals including obtaining, holding, using and the disclosure of individual's information.

### **14. Risk Management**

- 14.1 The Headteacher and Governing Body are the leads and responsible for the management of risk in the school at a strategic and operational level.

- 14.2 The Headteacher is responsible for the development, co-ordination and maintenance of the School's Risk management processes. However it is the responsibility of all school employees and governors to ensure that the School's risks are properly managed.
- 14.3 The Audit & IG Manager will keep Headteacher and Chair of Governors informed of any issues arising from the risk management activities of the school identified during the audit process.
- 14.4 The Headteacher is responsible for the management of risks within any projects and changes to services/procedures within the school and that where required controls are implemented or revised to manage any new/revised risks.

## **15. Purchasing Arrangements**

### ***General:***

- 15.1 These Financial Regulations should be considered in conjunction with the relevant parts of the Council Contract Procedure Rules. Head teachers must ensure that any purchasing contracts comply with Contract Procedure Rules, related guidance, statutory requirements and European directives.

### ***Financial Thresholds & Limits***

- 15.2 All contracts must adhere to the contract thresholds set out in the Contract Procedure Rules in Conducting a Purchase.

### ***Works/Goods/Services***

#### **Requisitions, Authorisation, Goods Received, Payments**

- 15.3 Every school employee and governor has a responsibility to declare any links or personal interests which they may have with purchasers or suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the school. Employees should declare any such interest to their Headteacher as soon as they become aware of such an interest. Governors are responsible for entering and amending their own entries in the schools Register of Interests as soon as they become aware of such an interest.
- 15.4 Official Purchase Orders are to be issued only by officers authorised by headteacher. Authorised officers are responsible for authorising orders within their control and in particular for ensuring that the expenditure is necessary, legal and within the approved estimates or covered by a special financial provision.
- 15.5 The CFO should be notified of all officers authorised by Headteachers to authorise official orders.
- 15.6 Official Purchase orders shall be issued for all work, goods or services to be supplied to the school; this must be in the form of an electronic order generated by the approved Corporate Procurement System, unless the Government Procurement card is used (see section 16 below). Authorising officers must be able to demonstrate that the work, goods or services are required in order to support the services/activities of the school. Orders should not be raised for supplies of utilities, periodic payments such as rent or rates, or for purchases made through imprest accounts. When ordering from an individual their status must be

confirmed using the HMRC Employment status toolkit prior to raising the order. Suppliers must be set up on the purchasing system as per the agreed procedure

- 15.7 Telephone orders may be used in exceptional circumstances but when this happens they must be confirmed using an electronic order.
- 15.8 All orders must be governed by the Council's standard terms and conditions; these must not be varied without the prior approval of the Assistant Director: Law, Democracy & People Services.
- 15.9 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of school/Council contracts.
- 15.10 The headteacher shall separate the responsibilities for raising requisitions, authorisation of requisitions and receipt of goods, so that 2 different employees are involved except where the expenditure is over £100 and the Council's financial management system is being used.
- 15.11 Goods and services should be checked on receipt to ensure they are in accordance with the order and a Goods Receipt Note raised on the FMS system. Discrepancies should be dealt with as agreed procedures.
- 15.12 All payments, apart from the authorised use of imprest accounts (see Financial Regulation 21); due from schools and chargeable against their budgets shall be made in such manner as outlined by the CFO. Apart from payments from cheque imprest accounts the normal method of payment of money due from the school/Council shall be by BACS or other instrument drawn on the schools bank account or the Council's bank account by the CFO. The use of direct debit and credit shall require the prior agreement of the headteacher/CFO as appropriate (i.e. if the school have their own bank account or use the Council's).
- 15.13 All invoices will be received by the Purchase Ledger team unless otherwise agreed. Once received the invoices will be scanned into the system and matched to the order and goods received note, where they exist. Mismatches will be resolved as per the agreed procedures.
- 15.14 Payments to construction contractors on account of contracts shall be made only on a certificate issued by a relevant employee or external consultant nominated in writing for this purpose. This certificate shall show the total amount of the contract, the value of the work executed to date, retention money, amount paid to date and the amount now certified.
- 15.15 Any interest charged to the school/Council in respect of late payment under the Late Payment of Commercial Debts (Interest) Act 1998 will be passed on to the school.
- 15.16 The Audit & IG Manager and Employment Services Manager shall examine accounts to the extent considered necessary and shall be entitled to make such enquiries and to receive such explanations as may be required.
- 15.17 Detailed guidance on Requisitions, authorisation, orders, good received notes and payments can be found within specific procedure notes on the Intranet.

**CONTACT: Strategic Procurement Manager or Employment Services Manager**

## **16. Government Procurement Card (GPC)**

- 16.1 The usage of GPC is subject to the processes operated by the Purchase Ledger and the Corporate Procurement Team.
- 16.2 GPC – the GPC process is in place to enable purchases by telephone, face-to-face or via the internet to streamline the procurement of low value, high volume transactions. Users will be authorised by their headteacher or AD Education & Corporate Parenting (for the headteacher) and the process controlled by the GPC coordinator in the Corporate Procurement Team. Each card will have set limits for expenditure which must not be exceeded. Each user receives specific guidance on usage and their responsibilities. The GPC process negates the need for a traditional order; instead the user maintains a monthly log of expenditure, which is validated against the statement issued by the supplying bank. The cardholder is responsible for all expenditure on their card, which is set out in an acceptable use policy. The account will be settled by Direct Debit on a monthly basis.
- 16.3 Under no circumstances should the GPC used to purchase Governor or staff birthday gifts or leaving presents.

**CONTACT:** Corporate Procurement Team

## **17. Income and debtors**

- 17.1 Headteachers and schools Business Managers must ensure that all income due to the school/Council is identified, collected, receipted (and recorded and securely retained prior to banking) and properly banked. They should, wherever possible seek pre-payment for goods and services; otherwise income collection should be by the most cost effective procedures.
- 17.2 Schools shall be responsible for the receipting of all income due to the school/Council on an official receipt in a form approved by the CFO.
- 17.3 All income due to the school shall be collected and banked in accordance with arrangements approved by the CFO. Schools are responsible for clearly identifying school/Council income from Private School Fund Income.
- 17.4 Schools shall be responsible for the security of all income they receive having due regard to the limits as to both time and amount which the schools/Council's insurers may impose periodically. Where schools have safes they should ensure that the safe guidelines are being complied with.
- 17.5 All money received by schools and due to the Council shall be paid in without delay to such bank as directed by the CFO. No deductions may be made from such money other than as may be approved by the CFO. When money is banked information as to the reason for its receipt, or its origin, shall be supplied.
- 17.6 Head teachers must monitor outstanding debt on a regular basis and, as far as possible, ensure transparent separation between those responsible for the identification of debt and those responsible for its collection. If schools use the Council's financial management system to raise invoices then this separation is achieved and debt recovery is undertaken through the system.

- 17.7 Where an account has been raised for an amount due to the school and it remains unpaid either in whole or in part the governing body shall be responsible for writing off the debt so long as the sum involved does not exceed **£500**. The governing body must be satisfied that appropriate action to attempt to recover the debt has been made and there is no reasonable prospect of the account being paid and the CFO recommends that recovery is not legally or economically possible. The decision to write off such sums shall be formally recorded in the minutes of the governing body. For the write off of amounts over £500 the Finance Manager Schools and Care Services can authorise up to £10,000 having been provided with a full justification from the Head teacher and Governing Body and following consultation with the CFO. Write off of amounts over £10,000 should be referred to the CFO.
- 17.8 All receipts, tickets and other acknowledgements for payment shall be available for inspection, at any reasonable time, by Internal Audit.
- 17.9 Head teachers are responsible for ensuring that there are proper refund procedures and that appropriate approval is recorded.
- 17.10 Money held on behalf of the school shall not be used to cash cheques for employees, governors or third parties.
- 17.11 Governors shall review charges made for services under their control at least annually, in consultation with their Finance officer and all charges should be approved by the Full Governing Body.

**CONTACT:** CFO

## **18. Banking Arrangements**

- 18.1 All arrangements with the Council's bankers must be made or approved by the CFO who shall be authorised to operate such bank accounts, including giro bank accounts as required.
- 18.2 Schools have the option to establish their own bank account arrangements from a list of approved institutions, subject to the approval of the CFO. Such arrangements may only begin at the start of a new financial year, and are subject to the school providing the CFO with a minimum of four calendar months notice. Schools will not be allowed to open such accounts until any deficit balance being carried is cleared.
- 18.3 All schools requesting their own bank account will be subject to an inception audit, to provide assurance to the governing body and the CFO that appropriate internal controls are in place for the stewardship of public funds.
- 18.4 Cheques drawn on the Council's banking account shall bear the facsimile signature of the Chief Financial Officer or be signed by him/her or such other identified senior officers as he/she may from time to time designate in writing.
- 18.5 The CFO shall maintain a list of identified senior officers who may on his/her behalf give instructions to the Council's banker and countersign cheques. These designated senior officers must countersign cheques for amounts of £50,000 or more.
- 18.6 Standing order and direct debit payments may only be established by the CFO or such other identified senior officers as he/she may from time to time designate in writing.

- 18.7 Where schools operate their own bank accounts, the governing body must ensure that appropriate cheque signatory arrangements are in place. Procedures for giving the school's bankers instructions should be clearly defined; these should include arrangements for standing orders, direct debits and transfers between accounts.

**CONTACT:** Finance Manager (Corporate & Customer Services)

## **19. Employment Matters and Payments to Employees**

- 19.1 Staff costs form the greatest proportion of expenditure for schools. It is therefore important that there should be controls in place to ensure that payments are made only where they are due for services to the school and that payments accord with the individual's conditions of employment.
- 19.2 Governing Bodies of schools with delegated budgets will have a responsibility for approving the number of staff that should work at the school (both teaching and non-teaching). Approval of appointments and changes for all members of staff must be made in accordance with arrangements for delegated authority approved by the governing body (but the governing body must agree any changes in respect to the headteachers remuneration).
- 19.3 Where Personnel and Payroll Services are provided by the Council, schools will be covered by the Council's main Financial Regulations, the Council's People Services Handbook for Schools, guidance relating to required documentation and any other requirements to meet statutory duties.
- 19.4 Where schools make their own arrangements for Personnel and Payroll Services, they must provide the Council with such information as is required for Council to meet its statutory duties.
- 19.5 The governing body may decide that it is appropriate and economic to buy in the services of a payroll bureau. The governing body should ensure, however, that when a payroll bureau is used a contract is signed. The contract should include details on ownership of programs and data files and responsibilities of the bureau and the school. This includes:
- notification of changes to data
  - who may authorise the bureau to make changes to data
  - control and accuracy of data
  - the preparation and submission of year end returns to the Inland Revenue and other bodies as required
  - provides figures on a monthly basis relating to Teachers Pension etc. to assist with the LA pay-overs and year end returns.
  - Provide figures to the LA as required for statutory and regulatory returns
  - backup provision
  - notification of changes to the pay date
  - provision for access to both personal information and payroll analysis by the school's staff and auditors
  - funding dates if the bureau originates payments
  - indemnification in the event of lost or corrupted data
- 19.6 Appointments shall be made only in accordance within the resources available to schools and those involved in the recruitment process must declare any interests/knowledge of

applicants as soon as they become aware and will not take part in the decisions in respect to the appointment.

- 19.7 No payment shall be made to a person deemed to be an employee other than through the normal payroll procedure except for the reimbursement of minor expenditure through petty cash. Headteachers should give careful consideration to the employment status of individuals employed on a 'self-employed consultant or sub-contract' basis as these may well be employees and should be paid via the payroll. Any penalties incurred due to the incorrect treatment of a payment will fall to the school if advice has not been sought.
- 19.8 There shall be frequent reconciliation of payroll expenditure against approved budget. Arrangements shall be made to ensure that appropriate payroll documents are retained and stored for the defined period as detailed in the Retention of Records Procedures (produced by the School Governance Section.)

**CONTACT:** Employment Services Manager or People Services Manager

## **20. Travel & Subsistence**

### **20.1 General**

20.1.1 Headteachers are responsible for the verification of their officers' travel claims. This includes:

- that the costs have been incurred whilst officers were engaged on official school/Council business
- the accuracy of the mileage (supported by VAT receipt);
- the subsistence claimed particularly where not supported by receipts (applies to certain employees terms and conditions only) ;
- the validity of the journeys taken; and
- that the vehicle has business insurance and is legal (i.e. taxed and MOT as appropriate)

Head teachers must ensure compliance with the Council's Mileage and Expenses Reimbursement Procedures, the Car Loan Scheme (details of which are available from Employment Services) and other decisions of the Council that may be deemed appropriate. Standard mileages must be used where given.

- 20.1.2 All claims should be completed in full, appropriately authorised and must be submitted within three months of undertaking the journey, to qualify for reimbursement.
- 20.1.3 Headteachers' mileage and expenses claims should be authorised by a member of the school's senior management team (who has been set up as an appropriate signatory) or AD Education & Corporate Parenting.
- 20.1.4 All foreign travel must be approved in advance by the governing body. Travel arrangements should be in line with the Council's Overseas visits procedure.

### **20.2 Governors' expenses**

- 20.2.1 Only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.
- 20.2.2 Schools are barred from the payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

**CONTACT:** People Services Manager or Employment Services Manager

## **21. Imprests**

- 21.1 The CFO will provide imprest accounts to schools as he considers appropriate for the purpose of defraying petty cash and other minor items of expenditure as may be approved by him.
- 21.2 The CFO reserves the right to withdraw imprest facilities from schools if it is deemed that they are being used inappropriately or the expenditure limit is exceeded, or the facility is rarely used.
- 21.3 The accounts should be maintained on an imprest basis using standard Council imprest stationery and recording procedures for this purpose. All employees should maintain a record of their receipts and payments in a form and manner prescribed by the CFO.
- 21.4 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid into the Council as in section 18 of these regulations.
- 21.5 The imprest account should be continually kept in balance. Reimbursement of expenditure should be performed at regular intervals by processing of the claim through the payment system. A receipted voucher in line with the Councils petty cash procedure note must support payments out of a petty cash imprest.
- 21.6 The member of staff at the school responsible for an imprest account shall, if requested, give the CFO a certificate as to the amount held. Upon leaving the school/Council or at the request of the CFO the responsible employee shall repay to the Council the balance of the imprest held.
- 21.7 In no circumstances shall cheque imprest accounts be allowed to go overdrawn. Schools will be responsible for all bank charges, interest payments and administration charges if this occurs as a result of failure to process reimbursement claims.
- 21.8 Imprest should not be used to pay or reimburse employees or to purchase items from which they will benefit. They should not be used to purchase gifts for the benefit of employees/governors. They should not be used to purchase hospitality for the benefit of employees.
- 21.9 Schools with their own bank accounts will be expected to establish their own imprest accounts and petty cash arrangements
- 21.10 A copy of the Imprest Guidelines are available from Corporate Finance.

**CONTACT:** Finance Manager (Corporate and Customer Services)

## **22. Insurance**

- 22.1 If funds for insurance are delegated to any school, the LA will require the school to demonstrate that cover, relevant to the LA's insurable interests under policies arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA.
- 22.2 Where schools have arranged insurance they will be required to produce evidence that cover is in force. Insurance policies should be arranged in the joint names of the school and the LA.
- 22.3 Where any school makes its own arrangements for insurance, the school will be responsible to pay to the LA the policy excess which the LA becomes legally liable to pay. This amount will apply to all outstanding claims and any incurred, but not reported, claims that arise during the period when the school was part of the LA insurance arrangements.
- 22.4 Headteachers are responsible for ensuring that new activities or assets that may introduce a risk to the school/Council are notified to Insurance Team Leader.
- 22.5 Headteachers are responsible for management of risks in their school as set out in section 14 of these regulations.
- 22.6 Headteachers must annually check that the risk financing strategies in place are sufficient for their risk exposures and notify any changes required to the Insurance Team Leader.
- 22.7 As soon as any member of staff becomes aware of any loss, liability or damage-causing event that may give rise to a claim of any kind against the school/Council, they must notify (normally via the Headteacher) the Insurance Team Leader. The Insurance Team Leader will take the appropriate action to safeguard the school's/Council's position.
- 22.8 Members of staff will co-operate at all times with the investigations of the Insurance Team Leader into any claims and will supply all information upon request. The Headteacher will make an annual declaration of any claims or events likely to give claim not yet reported to the CFO.
- 22.9 It is the responsibility of the Headteacher to ensure that all Third parties using the school buildings are appropriately insured. If a school facility is hired out to third parties and they do not have insurance, this cover can be arranged by the Insurance Team Leader on request and included as part of the hire costs.
- 22.10 The procedures for dealing with insurance claims are available from the Insurance Team Leader.

**CONTACT: The Insurance Team. Full contact details are available on the insurance page on the TORCH website.**

## **23. Security and Control of Assets**

### **23.1 Inventories**

- 23.1.1 All schools shall maintain inventories. The CFO shall define the extent to which the assets of the school shall be recorded and the form in which inventories shall be kept.
- 23.1.2 All schools shall maintain inventories for their ICT equipment and as such all items will be clearly identified and labelled.
- 23.1.3 All leased equipment should be clearly identified and labelled. The labelling should indicate that the item should not be disposed of (as it does not belong to the school).
- 23.1.4 Assets shall not be removed from school premises except in accordance with the ordinary course of the school's business unless specifically approved by the Headteacher. Council and school property shall only be used for the Council's / school's purposes unless the Director: Children & Family Services issues specific instructions. The Director: Children & Family Services shall be responsible for ensuring that any such agreements are recorded. Attractive and portable items such as computers, cameras, TVs and video recorders should be identified with security markings as belonging to the school / Council.
- 23.1.5 All disposals will be in line with agreed Council procedures and E.U. directives. Particular attention should be paid to the European Directive 'Waste from Electrical and Electronic Equipment' (WEEE) which has been adopted into UK law. Where electrical equipment is to be disposed of these regulations will apply, and Headteachers must ensure these provisions are observed. Schools may wish to contact the ICT Helpdesk to make arrangements for the disposal of ICT equipment to ensure that they are compliant with the European Directive.
- 23.1.6 In addition, special procedures are in place to deal with the disposal of leased equipment – any queries should be referred to the CFO.
- 23.1.7 Head teachers are responsible for carrying out an inventory check at least once a year and ensuring that all items are accounted for. All significant discrepancies must be reported to the CFO and the Governing Body.

## 23.2 Land and Buildings

- 23.2.1 The Assistant Director Development, Business & Employment shall be responsible for the Asset Management Plan and maintain or make arrangements for the maintenance of a terrier of all properties owned or rented by the Council including education land and assets.
- 23.2.2 The terrier should record:
- the date of acquisition or appropriation
  - Council authority
  - the holding Board
  - purpose for which held
  - location, extent and plan reference
  - purchasing details
  - particulars of nature of interest and rent payable
  - particulars of tenancies granted

## CONTACTS

Inventories - Finance Manager (Schools & Care Services)

Land and Buildings, Assistant Director Development, Business & Employment

## 24. Unofficial and Voluntary Funds

- 24.1 An unofficial or voluntary fund is defined as any fund, other than an official fund for the Council, which is controlled wholly or in part by a member of staff by reason of his or her employment by the Council during normal working time. In the context of schools, it includes Private School Funds (including Breakfast Clubs and After School Clubs operated through the Private School Fund rather than the budget) controlled by the Headteacher. Any trading organisation operated by a school will also be treated under this definition.
- 24.2 The CFO shall maintain a register of all such funds. The register will include the following details for each fund: -
- the name of the member of staff responsible for the day to day running of the fund
  - the accounting period
  - bank account details
  - cheque signatories
- 24.3 Annual accounts audited by suitably qualified auditors as defined by the Council's Guidance Book on Private School Funds (copies of which are available from Audit Services and are on the Learning Platform), must be submitted within six months of the end of the accounting period to the governing body. All costs relating to the audit and preparation of accounts must be born by the Fund being audited. The governing body must submit a copy to the Local Authority (Audit Section) on an annual basis and certify that the accounts have been presented to parents.

| <b>Turnover of the School Fund</b> | <b>Auditor</b>  |
|------------------------------------|---|
| Less than £10,000                  | Independent financial person<br>(e.g. bank or building society official)  |
| Between £10,000 and £30,000        | The LA recommends that a qualified Accountant is appointed as the auditor |
| Over £30,000                       | A qualified Accountant must be appointed as auditor                       |

- 24.4 The CFO or his representative reserves the rights to inspect all documentation relating to unofficial funds and seek such explanations that are necessary to ensure they are being appropriately managed.

**CONTACT:** Finance Manager (Schools & Care Services)