



Working together to promote & celebrate achievement

## **Finance Policy**

**Revised and applicable from 25<sup>th</sup> February 2020**

Signed: 

**Chair of Governors**

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## **Introduction**

This document sets out the financial arrangements within the school, including the roles and responsibilities of management and staff.

The aims of the policy are to ensure:

- The allocation of resources promotes the aims and values of the school;
- Resources are targeted on raising achievement and improving the quality of provision for students;
- Resources are used to support the educational needs of all students;
- The principles of Best Value are applied in the allocation and management of resources.

The school follows the guidelines for financial control and accounting as shown in the Newham Scheme for Financing Schools (September 2019) and with financial standards as set by the DfE and the Audit Commission.

The Governing Board controls this Finance Policy and it will be reviewed annually. A timetable of events is given in **Appendix 1**.

## **1 The Governing Board**

The Governing Board has a strategic responsibility for setting the school's educational and financial priorities and for ensuring effective management of the budget. This includes a legal requirement to agree the school's annual budget plan. The educational and financial priorities for the school will be identified as part of the process of producing the School Improvement Plan. The Governing Board cannot approve a deficit budget, but must submit this to the Local Authority for approval.

The Governing Board shall establish proper financial management arrangements and accounting procedures and maintain sound systems of internal control including safeguards against fraud in compliance with the Financial Regulations contained in this document. These arrangements should be reviewed on a regular basis to ensure they are adequate and are being complied with.

The Governing Board and school staff have a responsibility to avoid any conflict between their business and personal interests and the affairs and interests of the school.

In terms of financial responsibilities, the role of the Governing Board is to:

- Ensure the delegated budget is used effectively and efficiently for the education purposes of the school;
- Set controls for both the financial and operational aspects of the school that are consistent with Best Practice and Statute as defined by the Financial Regulations for Schools;

- Maintain a register which lists for each member of the Governing Board and the Head Teacher:
  - any business interests they or their immediate family have
  - details of any other educational establishments that they govern
  - any relationships between school staff and members of the Governing Board
- Take responsibility for ensuring the safe custody of all assets and other property held by and at the school;
- Monitor the actual income and expenditure and forecasts against the agreed budget;
- Ensure roles and responsibilities of the Governing Board, Sub-Committees, Head Teacher and school staff are clearly defined and allocated;
- Receive and evaluate reports from the Finance Committee on finance;
- Review the delegated responsibilities annually;
- Take responsibility for the proper arrangements for dealing with VAT in connection to income;
- Ensure that any arrangement for the provision of payroll services by a third party (i.e. not LBN), is varied to require that organisation to supply salary, service and pensions data to the Authority

*The Local Authority may suspend a school's right to a delegated budget if the provisions of the Authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Education Act 2002).*

The Governing Board delegates some of its powers within a committee structure as well as to the Head Teacher. The Governing Board meets each term. Members and terms of reference of Governing Board Committees are reviewed annually.

## **2 The Finance Committee**

In terms of financial responsibilities, the role of the Finance Committee is to:

- Review drafts of the annual budget and recommend the annual budget for the Governing Board to endorse;
- Monitor the actual income and expenditure and forecasts against the agreed budget;
- Maintain the Scheme of Delegation, recommending any required changes to the Governing Board;
- Review reports from Internal Audit and other external officers.

The full terms of reference of this committee is given in **Appendix 2**.

### **3 The Head Teacher**

In terms of financial responsibilities, the role of the Head Teacher is to:

- Advise the Finance Committee and/or the Governing Board on the position of the school budget;
- Ensure the Finance Committee and/or the Governing Board are provided with relevant and timely information for them to discharge their duties;
- Ensure the requirements of the Finance Committee and/or the Governing Board are carried out;
- Alert or inform the Finance Committee and/or the Governing Board of any matters considered relevant;
- Ensure all financial matters are undertaken in compliance with DfE guidelines and the Financial Guidance to Schools;
- Manage the day to day budget in line with the expectations of the Finance Committee and/or the Governing Board;
- Ensure all financial returns are completed and submitted within the required time scales.
- Inform the Authority of any circumstances in which financial irregularity is suspected.

The Head Teacher delegates the day-to-day activities of financial management to the School Business Manager (SBM) and other key personnel within the school.

### **4 The Scheme of Delegation**

The Scheme of Delegation lists the financial responsibilities of the staff and governors.

The Head Teacher and the Finance Committee review the scheme annually ensuring that the correct levels of delegated powers are given to individuals or committees. The Governing Board endorses the review before any changes are exercised.

Delegated powers include both financial and non-financial functions

The scheme sets out the delegated powers that come with the responsibility of a particular role. It assumes that the delegated power transfers to the new post holder if the original post holder leaves the school before the annual review of delegation. However, whenever such a change occurs the scheme is updated to include the name of the new responsible member of staff.

The scheme ensures that no one individual has the authority to perform an entire process where school delegated funds are involved. All staff are made aware of the delegated powers that they have been given.

The full list of delegations can be found in **Appendix 3**, this is communicated to all staff and governors at least annually.

## **5 Pecuniary Interests**

It is the responsibility of the Head Teacher and the Governing Board to ensure that staff and governors do not directly or indirectly benefit financially when spending public money.

To control this conflict of interest, the school has established a register of pecuniary interests of governors and staff with financial responsibilities. Additionally, they are asked to disclose any links they have with local firms (or national firms if relevant) that provide services to schools.

Governors and staff are required to disclose any interest as soon as they are aware of the link and complete the declaration at least annually in the Autumn Term.

The Register of Pecuniary Interests, individual declaration forms and the Authority's guidance to the scheme, which is followed by the school, are held by the SBM.

A blank copy of the register and declaration form can be found in **Appendix 4** for information.

## **6 School Improvement Plans & Budgets**

The Leadership Team (LT) of the school produces an annual School Improvement Plan (SIP). The aim of this plan is to develop a strategy for improvement in all aspects of the school.

The SIP covers a long and medium term strategy but is linked to the annual budget. The Head Teacher and the Governing Board review the budget implications each year prior to setting the budget for the next financial year.

The school aims to complete the annual budget process before the start of the new financial year. However, the school is guided by the deadlines set by the LA as documented in the "Schools Support System" produced each Spring Term by the LA.

The school management and the Governing Board also abide by the processes and procedures within this document. Budget reports are sent to the LA via the Governing Board section and copied to the Learning and School Finance section of the authority.

The school always aims to produce a balanced budget with the approval of the Governing Board.

## **7 Budget Monitoring and Adjustments**

The SBM monitors expenditure against the budget on a monthly basis. He will present a report on the budget position to the Head Teacher and the Finance Committee each

term. The meetings of this committee are timed to support the planning processes as shown on the timetable in **Appendix 1**.

Any material variances (over £10,000) in expenditure are reported to the Head Teacher and the Chair of Finance Committee on a termly basis.

In the management of the budget there is, on occasion, a need to transfer budgets with changing priorities. All such budget virements or adjustments are recorded and must be authorised before being exercised.

Further details of budget virements, adjustments and authorisation are in the Scheme of Delegation in **Appendix 3**.

## **8 Internal Financial Control and Data Security**

All duties and financial procedures are in line with the LA regulations as documented in the Financial Guidance for Schools.

The LA conducts the programme of Internal Audit using LA and external audit services. These audits cover the use of public funds.

Staff members are properly trained in the financial systems and procedures. The Head Teacher or her delegated manager undertakes regular reviews of training needs.

There are cover arrangements in place for key financial staff and management. These arrangements include the performance of key tasks and the transfer of responsibility during the period of cover.

Transactional control is supported by systems that include segregation of duties wherever possible:

- At least two people are involved in the ordering of goods and that one provides a check for the other.
- Where possible, the duty of calculating, checking and recording of money is separated from duty of collecting and paying out money.
- Any alterations to original documents (such as cheques, invoices and orders) are made in permanent form. The use of correcting fluid and the erasure of information is not acceptable. Any alterations are properly and clearly initialled and dated. Where alterations are made early in the cycle of duty, all authorisations after the alteration must confirm note of the alteration.
- The BACS payments system has been set up to provide segregation of duties. Thus, the initiator of the BACS payments and the checker of the BACS payments (personnel within the Finance Office) are not enabled to authorise the BACS payments (the Head Teacher or SBM).

- All financial transactions are traceable from the original documentation to accounting records both at school and local authority level and vice versa with all checks being carried out on documents being recorded.
- Financial records are kept properly and securely in accordance with the requirements of the LA regulations.

## **9 Computer Systems**

Control and security of data is maintained within the parameters of the Data Protection Act as well as the Freedom of Information Act.

As such, access to financial and operational systems is carefully controlled. The Access rights on the SIMS financial systems are shown in **Appendix 5**. These access rights also support the Scheme of Delegation.

The Head Teacher ensures that adequate separation of duties between personnel entering and authorising data on the computer system is in place.

The school's ICT support provider ensures, under the terms of their Service Level Agreement, only authorised software is used in order to prevent the importing of computer viruses. Virus checking software is also used.

Passwords are changed regularly and only known to the password holders. The ICT Technicians have access rights to reset passwords for staff. Back-ups are taken daily and held securely.

## **10 Purchasing**

The school follows the purchasing guidelines as documented in the Financial Guidance to Schools and any capital expenditure follows these guidelines (see **Appendix 6**).

Significant value purchases of goods, services or works will fall under the school's **Procurement Policy**. This policy warrants that procurement is carried out in a safe and responsible manner. The policy will ensure that regulations are adhered to, best value achieved, sufficient authority obtained and that appropriate expertise is enlisted.



## **11 Income Management and Banking**

Other than the delegated budget, the school collects income from the following sources:

Students	- for school trips/activities
Students	- as funding-raising donations
Customers	- for hire of school premises

All income collection is accounted for within the school office.

A record is kept for each type of income and where required (lettings) an invoice is presented to the hirer.

Monies collected are banked via a secure collection facility (BDI) arranged via the Local Authority and Lloyds Bank.

The school operates two bank accounts with Lloyds Bank; a petty cash bank account and a main current account. No funds are held with any other organisation.

Reconciliation of bank accounts to SIMS (FMS) is carried out monthly, termly and annually. Copies of the reconciliations are sent to the Authority.

## **12 Petty Cash**

The school uses petty cash to pay for items purchased by staff on behalf of the school up to £35. Items over this amount are paid by Cheque or BACS. The school operates an impress system.

## **13 Lettings**

The school sometimes lets part of its facilities to the public outside school hours, and has a Lettings Policy.

A charging scheme is operated that also outlines the facilities available for hire and the terms and conditions of hire.

The insurance and security arrangements are also reviewed annually to ensure there is adequate protection for both the school and the hirer.

## **14 Inventory and Assets**

The school maintains an Inventory Register based on the Inventory Control Policy as documented in **Appendix 7**. The register is recorded in electronic format.

The SBM is responsible for the maintenance of this register.

Valuable assets are security marked using Ultra Violet Pens or Security Etching. The security marking is noted on the Inventory Register.

The Inventory is reviewed and checked annually. The findings of this annual inventory check are reported to the Finance Committee highlighting the condition of assets and missing items.

## **15 Personnel, Salaries and Wages**

The school currently contracts with 'The Education Space', part of the Newham Partnership Working Group (NPW) for payroll services. NPW currently contracts the payroll processing to Prospects Group utilising I-Trent payroll software.

All information regarding staffing is provided to the service to ensure the correct processing of individual pay.

The SBM reconciles the payments from the Payroll Service to the payment records to individual members of staff on a regular basis.

Authorisation of additional payments outside normal contractual payments is made in accordance with delegated powers.

Payment of incidental expenses are made in line with the guidelines set by the LA and as documented in the Financial Guidance to Schools.

## **16 Insurance**

The Head Teacher ensures that the school's insurance cover is commensurate with the risks associated with the school and will notify the Finance Committee immediately if there are any material risks which are not covered by the Authority. The Authority currently acts as the Broker for insurance for all the schools in Newham.

The Head Teacher is responsible for:

- Notifying the insurers/LA of any new risks (new property, equipment).
- Ensuring that the indemnity is not given to any third party without the written consent of the insurers.

- Informing the insurers immediately of all relevant matters (losses or other incidents).
- Ensuring that cover includes school property (such as musical instruments and computers) when off the premises.
- Maintaining a check to ensure that claims are processed within the required period.
- Ensuring that the police are informed of all claims where this is a requirement of the insurance.

## **17 Conduct, Bribery and Corruption**

All staff, governors, pupils and parents are encouraged to report any acts they consider improper and/or illegal.

The Plashet School's whistleblowing policy is used as the vehicle for reporting such acts or actions.

## **18 Review Process**

The Finance Committee reviews the contents of this policy annually and usually in the Summer Term.

The review considers any changes to associated publications such as the Newham Scheme for Financing Schools issued by the Authority and ensures the policy complies with any such changes.

The review considers changes to the structure and members of the Governing Board and the school staff.

Any changes in responsibilities are also recorded and updated in the policy or related procedures.

Where elements of policy no longer apply, these are removed from the documentation.

The Finance Committee then recommends the adaptation of the revised policy to the full Governing Board.

## Appendix 1 – Timetable of Events

	<b>Finance Committee</b>	<b>Full Governing Board</b>
<b>Autumn Term</b>	Budget Monitoring Performance Management Report on Asset / Inventory	Review of pecuniary interests Report on Budget Monitoring
<b>Spring Term</b>	Report on School Census Review of SFVS Budget Monitoring	Report on School Census Report on SFVS Report on Budget Monitoring
<b>Summer Term</b>	Budget Monitoring Set New Budget Review of Finance Policy	Set new Budget Report on Budget Monitoring Approval of Budget Approval of Finance Policy

## Appendix 2 – Terms of Reference for the Finance Committee

The role of the Finance Committee is to support the Governing Board in all aspects of financial decision-making and strategic development of the school.

As such, the Finance Committee responsibilities are as follows:

- To review the financial implications of the schools aims and objectives and make recommendations to the Governing Board.
- To review the implementation of the school's finance policy and make recommendations to the Governing Board.
- To review the financial implications of the school development plan and to make recommendations to the Governing Board.
- To receive estimates of income and expenditure and to receive a draft budget (that enables the aims and objectives of the school to be met) at the start of each financial year for approval by the Governing Board.
- To monitor the school's budget projections in terms of funded pupil numbers and to develop risk management strategies and financial modelling for increases and decreases in numbers.
- To monitor the school budget at least once each term to ensure that monies are being spent in line with the budget and to support the aims and objectives of the school.

- To monitor the fabric and condition of the school site and to make recommendations to the Governing Board for priorities for maintenance and improvement works.
- To seek opportunities for attracting sources of material and financial sponsorship/funding to the school.
- To review any proposals from the school to seek external funding and to monitor financial risks associated with the funding.
- Ensure that for at least four committee members attend each meeting if any decision making is required.

### **Appendix 3 – Scheme of Delegation**

The Governing Board delegates its responsibilities to the staff to manage the day-to-day financial activities of the school.

The scheme of delegation covers the following areas:

- Cheque Signatories and Payments (including BACS)
- Petty Cash
- Ordering of Goods and Services
- Receiving Goods and Services
- Invoices
- Lease Agreements
- Budget Virements and Adjustments
- Write off of Bad Debts
- Disposal of Assets
- Staff Expenses

#### **Cheque Signatories and Payments**

The persons authorised to sign cheques relating to all the school bank accounts including School Fund Account are as follows:

Head Teacher  
Deputy Head Teachers (3)  
SBM

Two of the above signs all cheques.

As best practice, the first signatory should be the Head Teacher. The Head Teacher must always sign cheques above £10,000.

If the goods/service have been ordered by any of the signatories, they will not sign the cheque.

Direct debits or standing orders are not generally used.

## **BACS**

The persons who are able to authorise BACS payments are as follows:

Head Teacher:  
Deputy Head Teachers (3)  
SBM

All BACS authorisations are signed by two of the authorisers and will always include the Head Teacher.

## **Petty Cash**

The school operates a petty cash float for any incidental payments up to £50. This is carried out as an impress system having a float limit of £1000.

## **Ordering of Goods and Services**

The table below shows the staff able to order goods and services. Overspending on budgets is not allowed.

Heads of Department can order goods and services only for their own departmental budget / cost centres. The Head Teacher can order goods and services from any budget / cost centre.

All orders are generally approved by the SBM or in case of absence by the Head Teacher or a Deputy Head Teacher.

## **Receipt of Goods and Services**

All goods delivered to the school are checked on receipt. The Finance Office signs the delivery note as not checked on delivery.

It is the responsibility of those who ordered the goods to confirm this check and report any discrepancies to the Finance Office immediately.

In terms of Services of Supply and Temporary staff, a timesheet is signed by the person in charge of cover to confirm the hours.

## **Invoices**

All invoices are matched with the relevant purchase orders and delivery notes.

Where there is a discrepancy between invoice /order /delivery, the approval of the budget holder and the SBM or Head Teacher is sought before payment processing.

No one person can order goods / services and sign the cheque for the payment of that order.

The payment of the invoices is in accordance with the cheque signatory limits.

## **Lease Agreements**

Any equipment to be acquired under a leasing arrangement is to be approved by the Finance Personnel Committee and notified to the Governing Board.

### **Budget Virements and Adjustments**

The Head Teacher approves all budget virements within cost centre groups up to a limit of £20,000. The Finance Committee or the Governing Board approves any virements over this limit or between cost centre groups.

Any adjustments made to the budget are subject to approval by the Finance Committee and notified to the Governing Board.

The school maintains a record of all budget virements and adjustments. These are recorded in an excel spreadsheet in one of two ways:

- Virements made between budget lines of income / expenditure
- Virements made between cost centres

A hard copy of the schedule is signed by the Head Teacher and held with any supporting documentation by the SBM. The schedule is also presented to the Finance Committee for approval.

### **System Processing**

It is the aim of the school to ensure that staff who process financial transactions are not involved in the approval process.

### **Bad Debts**

In the rare event of incurring Bad Debts, the Head Teacher can approve the write off of bad debts up to the value of £250. Any write-offs up above this value are referred to the Finance Committee for approval.

### **Disposal of Assets**

The school has a policy for the disposal of assets (see Appendix 7).

### **Approval of Staff Expenses**

The Head Teacher approves all staff expenses before payment via the school budget.

Expenses incurred by the Head Teacher are reported to the Chair of the Finance Committee for approval, even if a nil return.

## Appendix 4 – Register of Pecuniary Interest

The following register lists the persons who have been asked to complete a declaration of pecuniary and related business interests. The register is reviewed annually and Governors and Staff are asked to sign an up to date declaration.

<b>Name</b>	<b>Position</b>	<b>Declaration Submitted (Date)</b>	<b>Declared Interests</b>	<b>Actions Taken</b>
Irene Papadopoulos	Chair of Governors			
Dona Henriques	Vice Chair of Governors			
Meg Khan	Vice Chair of FSP Committee			
Riaz Mirza	Governor & Local Councillor			
Jo Sell	Co-opted Governor			
Jawad Khan	Parent Governor			
Rachel McGowan	Head Teacher			
Louise Bauer	Co-opted Governor			
Lucy Still	Staff Governor			
Maria Kashif-Saeed	Parent Governor			
Marion Bates	Co-opted Governor			
Pat Moran	Staff Governor			
Saira Makardam	Parent Governor			
Saquat Ali	Co-opted Governor			
Shireesha Devraj	Associate Governor			
Tom O'Brien	Staff Governor			
Iman Abdul-Khaliq	Co-opted Governor			
Tomas O Donnell	Deputy Head Teacher			
Sarah Heath	Deputy Head Teacher			



Stephanie George	Deputy Head Teacher			
Kalash Thakor	Assistant Head Teacher			
Louisa Sanderson	Assistant Head Teacher			
Sohal Gachi	Assistant Head Teacher			
Steve Heys	School Business Manager			
Susan Shallow	Finance Manager			
Ripa Begum	Finance Officer			

**NEWHAM EDUCATION SERVICE  
SCHOOL GOVERNING BOARD  
REGISTER OF PECUNIARY INTERESTS**

TO BE COMPLETED BY ALL GOVERNORS & SENIOR SCHOOL STAFF

**1. PERSONAL DETAILS**

YOUR NAME

YOUR SCHOOL/GOVERNING BOARD

**2. EMPLOYMENT, OFFICE, TRADE, PROFESSION OR VOCATION**

Please complete this section if you are in paid employment, or you are self-employed.

ARE YOU SELF EMPLOYED YES/NO\*

MY EMPLOYER IS

THEIR/ MY BUSINESS IS

MY JOB IS

If you are employed as the Head or Deputy Head Teacher at the school, and have other interests for which you receive remuneration please detail these interests below.

**3. CONTRACTS**

IS THERE A CONTRACT, EITHER EXISTING OR PROPOSED, BETWEEN YOU, AN ORGANISATION/ SOCIETY/CLUB OF WHICH YOU ARE A MEMBER, OR YOUR EMPLOYER, AND THE SCHOOL WHERE YOU ARE A GOVERNOR OR AN EMPLOYEE? YES/NO\*

ARE YOU A PARTNER OR DIRECTOR IN A COMPANY OR A BODY CORPORATE? YES/NO\*

If you have answered yes to the first question in this section, please provide details of any contracts that have been made, or that are proposed to be made, in the space provided below. Please indicate the duration of the contract, the goods and services that are to be provided, and/or the works that are to be executed. If you have answered yes to the second question but there is no contract, proposed or otherwise, please write "Not Applicable" below.

**4. INTEREST IN SECURITIES**

DO YOU HOLD ANY SECURITIES IN ANY COMPANY OR BODY CORPORATE? YES/NO\*

If you have answered yes, please provide the name of the Company or Body Corporate below, and the nature of their business

**5. DECLARATION**

I declare that to the best of my knowledge, the foregoing is accurate, and I am aware that the above information is open to inspection in accordance with the scheme.

**Signature ..... Date .....**

**ONCE YOU HAVE COMPLETED THIS FORM, PLEASE RETURN IT TO THE SCHOOL WHERE YOU ARE A GOVERNOR OR AN EMPLOYEE.**

**PLEASE REMEMBER YOU NEED TO DECLARE AN INTEREST IF YOUR SPOUSE (WHO MAY NOT BE A GOVERNOR) WOULD BE CONSIDERED TO HAVE AN INTEREST IN ANY ITEM DISCUSSED AT A MEETING.**

## Appendix 5 – SIMS Access and Control (Finance Modules Only)

Access rights are divided into categories that follow the tasks performed on the system. The level of access to the system granted to staff is based on the tasks each of them need to perform.

The school aims to segregate system duties to prevent a single person performing entries and authorising and initiating payments. However, there are some occasions where this is not possible.

The Table below shows the access rights of all members of staff that use SIMS (Finance Modules Only)

The Finance and Systems Manager controls access to FMS.

<b>Level of Access</b>	<b>Position</b>
Manager Level	NPW MIS Support
Manager Level	School Business Manager
Supervisory Level	Finance Manager

## Appendix 6 – Purchasing - Expenditure Limits

Value	Procedure	Decision By
Less than £4999	<b>One quote (record in writing)</b>	Head Teacher or staff member with appropriate authority.
£5,000 - £24,999	<b>Two quotes (record in writing)</b>	Head Teacher or staff member with appropriate authority.
£25,000 - £99,999	<b>Three written quotes</b>	Two post holders with appropriate authority, one being at least the Head Teacher. This is undertaken at committee level.
£100,000 - £189,330	<b>Mini Tender -  1-Stage</b> competitive tender without prior advert against written specification of requirements  3 Tenders	Head Teacher & Chair of Governors at full Governing Board meeting.
Above £189,330 and EU rules apply	<b>Full EU advertised competitive tender process</b>  3 Tenders	A Project team reporting to the Chair of Governors at Full Governing Board and including appropriate specialists e.g. legal finance, procurement, health & safety.
Above £189,330 and EU rules do <b>not</b> apply	<b>Full advertised 2-stage competitive process</b>  3 Tenders	A Project team reporting to the Chair of Governors at Full Governing Board and including appropriate specialists e.g. legal, finance, procurement, health & safety.

1. Values exclude VAT
2. Values are TOTAL values (NOT annual values e.g. 2 years at £10,000 per annum is £20,000, which requires 2 written quotations).
3. Contracts over £100,000 must be executed under seal.
4. Requirements are MINIMUM requirements. E.g. to obtain three written quotes, you may need to seek 5 or 6. In appropriate cases to demonstrate value for money you may consider following the procedure for a higher value contract.
5. Values are to be aggregated e.g. if you have a recurring need on an annual basis for supplies.
6. It is a breach of Contract Procedure Rules to deliberately divide up contracts to avoid these rules.
7. Make a reasonably accurate estimate of the total purchasing requirement/whole life costing/financial implications, e.g. including ongoing maintenance and support costs. If variable factors are such that an accurate estimate cannot be made then further information should be acquired before starting the procurement process.
8. The valuation should include the value of possible contract extensions and possible additional options.
9. You must have adequate budget provision.

## **Appendix 7 – Asset and Inventory Policy**

### **Purpose of an Inventory**

An inventory must be maintained to ensure that the school has a detailed record of all the equipment it has custody of.

The reason for maintaining such a register is to correctly record all items of value held. In addition, in the case of fire or theft, there would be a record showing exactly what has been “lost” together with its cost, identifying serial numbers etc. This would assist in either an insurance claim and/or a Police investigation.

### **Responsibility for keeping inventories**

The Governing Board maintains the responsibility for this Inventory Control Process. Day to day management is delegated to the SBM. The responsible officer is to ensure the policy and procedures are followed and will report to the Governing Board via its Finance Committee on a regular basis as detailed within this policy. The Governing Board must approve any further delegation of the duties covered in this policy.

Responsibilities within the school are shown under each part of the control process detailed in the following sections.

When a responsible officer leaves the school, the responsibilities will automatically transfer to the new post holder. Where there is a gap in recruitment, the Head Teacher will nominate a temporary responsible officer. If the person is not being replaced, the Head Teacher will ensure that the responsibilities are transferred to another member of staff immediately.

### **Process – Purchase of Inventory**

All purchases of inventory must follow the process as documented in the School’s Finance Policy and be consistent with purchasing guidelines in the Financial Guidance to Schools.

Additional approvals if required must be sought in writing before purchase of such items.

Where the purchase of upgraded equipment or replacement items make existing assets redundant or obsolete, the disposal of the old assets follows the guidelines set out in the Disposal of Assets policy.

The SBM holds the responsibility of ensuring the correct process is followed.

The SBM will ensure that all schedules are kept up to date.

### **Items to be recorded**

Generally, items of equipment, tools and furniture with a value over £250 are recorded on the Inventory Register. However, the register contains items below this value that are considered “desirable” and may be open for theft or damage.

Furniture is not generally included in the register.

Detailed recording of tables, desks and chairs are not kept, however a separate record is maintained for the average number of tables, desks, chairs that are in each room for the purposes of insurance.

The responsibility of determining which items should be recorded on the Inventory Register lies with the SBM and the Head Teacher.

### **Details to be recorded**

The inventory may be held as a computer record or manual document. If a manual document is held all entries must be in ink. In either case, the record should be retained in an appropriate place with one copy off-site or retrievable by computer from another site.

Where possible, as much of the following information will be recorded on inventory records:

<b>Details</b>	<b>Costs</b>	<b>Disposal Detail</b>	<b>Inventory Checks</b>
Equipment No	Supplier	Date of Disposal	Date of Check
Description	Unit Cost	Method of Disposal	Condition of Asset
Serial Number	Quantity	Reason for Disposal	Location of Asset
Model	Invoice No	Authority Given	
Category	Invoice Date		
Holder	Net Value		
Location			
Security Marking			
Support Contract			
Insurance Policy Detail			
Anticipated Replacement Date			

### **Inventory Checks**

At least annually, and usually in the month of July or August, a physical check on inventory is conducted.

All items recorded in the register are checked for location and condition.

The check is also used to identify any items that may have been missed off the original register.

Where the condition of assets has deteriorated, this is noted for repair, disposal and/or replacement.

Where assets are no longer used and are considered obsolete, this is reported to the Head Teacher and decisions are made for disposal.

## Security of Assets

All valuable equipment (attractive to thieves or easy to remove) is security marked with the name of the school and postcode, wherever possible in a highly visible manner to deter theft. However, care is taken not to reduce any resale value of the assets. Sticky labels are not sufficient as these can be removed.

All easily removable items, e.g. laptops and audio-visual equipment, are locked away securely when not in use.

Staff with school equipment on loan must ensure the security and safekeeping of the equipment whilst in their possession and as such accept this responsibility at the time of the loan. Laptops and iPads on loan to staff are recorded on the RM Asset Register.

Any equipment loaned out for personal use is not covered by the school's insurance policy and as such will not be loaned unless adequate insurance cover is provided.

Any leased equipment is not marked without first referring to the leasing contract/company.

All staff are responsible for ensuring equipment used by them is correctly and securely stored when not in use.

## Disposal Policy

Assets are disposed of only if they no longer have any use to the school. Inventory is not generally used to generate a profit by sale. However, sale of redundant assets is carried out.

The table below shows the reasons for disposal and the methods of disposal used by the school:

<b>Reasons For Disposal</b>	<b>Method of Disposal</b>
Obsolete – No longer used	Destroyed
Damaged Beyond Repair	Donation
Upgraded Equipment Purchased	Offered for Sale
Faulty & Uneconomical to repair	Confidential Disposal
Theft	Stolen
Fire Damage	Scrap
Missing (Presumed Lost/Stolen)	Lost / Missing

When items are disposed of, authority to dispose of these items is sought from person who has the appropriate delegation. This is in line with the original purchase price of the asset or its replacement value. The Authority to Dispose / Write Off Inventory Form is used (See Attached).

The authorising manager must have a higher delegated of power than the person who has decided to dispose of an asset.

The authorising manager checks that the asset is disposed of in the most appropriate method.

In the case of disposal of computer equipment that may contain confidential school information, disposal involves the security deletion of data from the memory. This is done prior to disposal by sale or donation. Ideally, such assets are destroyed.



Items sold are to be supported by a Sales VAT Invoice.

When items are either sold or donated to staff members, the Finance Committee is consulted prior to the transaction.

When items of inventory are disposed of, the disposal is recorded on the Current Inventory list.

At least termly, all items disposed of are removed from the current list and recorded on the Disposals list.

The SBM controls the process of disposal and reports all disposals to the Finance Committee at least termly.

## **Inspection**

The inventory must be made available for inspection as required by the Internal Audit Service to Schools.

## **Reporting**

A report is made annually to the Finance Committee, after the inventory check. The report is structured to include the following:

- Missing Inventory
- Condition of Assets and damaged items
- Security of Assets
- Items considered obsolete
- Items for disposal
- Assessment of when items will need replacing

The Head Teacher reviews and signs the report before it is presented to the Finance Committee.

The Governing Board will use the report to plan future Inventory Control.

If assets are damaged, involved in accidents, lost or stolen and are essential for the running of the school, the Head Teacher will contact the Chair of Governors and advise what action is to be taken.

Decisions made in these situations are documented and countersigned by the staff making the decision and the Chair of Governors.

# Authority to Dispose / Write off Inventory

## Requester

Name	Position	Date	Signed

## Asset Details

Equipment No	Description	Serial Number
Purchase Value		Location

## Reason For Disposal

Obsolete	Damaged beyond Repair	Upgraded	Uneconomical to Repair
Theft	Fire Damage	Missing (Lost)	Other (Specify)

Replacement	Insurance
Is this item to be replaced (Y/N)	Is this covered by Insurance (Y/N)
Is Replacement budgeted (Y/N)	If yes, has a claim been lodged (Y.N)
If not Budget how is it being financed?	Claim Reference

## Authority

Name	Position	Date	Signed

The Authoriser must have delegated powers in excess of the value of the asset being disposed.

The Authoriser must hold a more senior position to the requester.

Once authorised, the disposal must be recorded on the Inventory Register.

**Declaration of Inventory Check**

I certify that I have carried out a check and count of inventory as requested by

Name: \_\_\_\_\_

I have used the inventory list given to me and have reported all discrepancies as requested.

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Inventory Sheets are attached.

# Annual Inventory Check Process

## Management Declaration

I certify that the school's inventory has been checked by \_\_\_\_\_

All check lists are attached and I am satisfied that all discrepancies have been investigated.

A report has been presented to the Governing Board / Finance Personnel & Pay Committee for formal approval.

Name: \_\_\_\_\_ (Head Teacher)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Certified By

Name: \_\_\_\_\_ (Governor)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_