



**Bradford Girls' Grammar School Trust (Free School)**  
**Scheme of Delegation**  
**September 2020**

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**1. Introduction**

- 1.1** Bradford Girls' Grammar School Trust, being known as Bradford Girls' Grammar School is referred to throughout this document as "the school". The purpose of this manual is to ensure that the school maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to manage our resources effectively and meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.2** The school must comply with the principles of financial control outlined in the academies guidance published by the DfE. This manual is based on the principles and provides detailed information on the school's accounting procedures. The manual should be read by all staff involved with financial systems.

**2. Organisation**

- 2.1** The school has defined the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

## The Governing Body

- 2.2** The governing body has overall responsibility for the administration of the school's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the school and the DfE and in the school's scheme of government. The main responsibilities include:

### **Budgets/Budgetary Control**

- a) Have sight of the draft annual school's budget at least two months prior to the start of each financial year. The final version formally approved at the September meeting.
- b) Consider actual versus budget reports from the Finance Committee at every meeting, with relevant explanations and documentation where required.
- c) Authorise all virements in excess of £30,000 between budget headings. Details of all virements approved and authorised by the Finance Committee are to be formally notified to the Governing Body.

### **Purchasing**

- d) Maintenance of a Register of Business Interests for all governors and Free School staff with financial responsibilities.
- e) Authorisation of the advertising of tenders above £100,000, and authorising the award of such tenders.
- f) Tenders other than the most financially favourable, or late tenders, can only be accepted by the Board of Governors who shall minute the reasons for their decision.

### **Income**

- g) Authorisation of the write off of debts not collectable (the Company Secretary of State's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

### **Security of Assets**

- h) Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value in excess of £5,000.

### **Accounts and Audit**

- i) Appointment of external auditors.
- j) Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to submission to the Secretary of State by 31 December each year.
- k) Receiving the reports of the external auditor.

- l) Receiving the reports of the Reviewer on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- m) Informing the DfE if it suspects any irregularity affecting resources.
- n) Operate within the terms of the school's Code of Practice, which may be amended from time to time by the Board.

## The Finance Committee

- 2.3** The Finance & General Purposes Committee is a committee of the governing body. The Finance Committee meets at least once a term, typically 4 times per year but more frequent meetings can be arranged if necessary.
- 2.4** The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the governing body. The main financial responsibilities include:
- the initial review and authorisation of the annual budget;
  - the regular monitoring of actual expenditure and income against budget;
  - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, FRS102, Charities SORP and the DfE guidance issued to academies;
  - authorising orders and the award of contracts over £30,000;
  - authorising changes to the school personnel establishment and
  - reviewing the reports of the Reviewer on the effectiveness of the financial procedures and controls.

These reports must also be reported to the full governing body.

## The Principal

- 2.5** Within the framework of the school development plan as approved by the governing body the Principal has overall executive responsibility for the school's activities including financial activities. Much of the financial responsibility has been delegated to the Finance Director but the Principal still retains responsibility for:
- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
  - budget virement of £15,000 to £30,000;
  - authorising orders and contracts between £15,000 and £30,000 in conjunction with the Finance Director;
  - signing cheques and BACs payments in conjunction with the Finance Director or other authorised signatories.

## The Finance Director

**2.6** The Finance Director works in close collaboration with the Principal through whom he or she is responsible to the governors. The Finance Director also has direct access to the governors via the Finance Committee. The main responsibilities of the Finance Director are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the school financial position at a strategic and operational level within the framework for financial control determined by the governing body and Principal;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the school;
- the preparation of monthly management accounts;
- authorising orders and contracts of £15,000 or less in conjunction with budget holders;
- signing cheques and BACs payments in conjunction with the Principal or other authorised signatories;
- ensuring all external forms and returns are sent to the DFE or other appropriate body in line with the timetable in the DFE guidance or other guidance.

## The Reviewer

**2.7** The trust notes the Financial Reporting Council's revised Ethical Standard and as such have appointed from September 2020 an internal auditor separate to the external auditor. This is in order to minimise threats to objectivity and independence in the internal scrutiny of the trust.

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained;
- financial considerations are fully taken into account in reaching decisions.

**2.8** The Reviewer will undertake a rolling programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Finance Committee and to the Full Governors meeting.

## Other Staff

**2.9** Other members of staff, primarily the School Accountant and Finance Assistants and budget holders, will have some financial responsibilities and these are detailed either in the following sections of this manual or appropriate Job Descriptions. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures. All staff responsibilities are detailed in the Employee Handbook.

## Register of Business Interests

**2.10** It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all school governors, Principal & Finance Director are required to declare any financial interests they have in companies or individuals from whom the school may purchase goods or services.

- 2.11** The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 2.12** The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

### **3. Accounting system**

- 3.1** All the financial transactions of the school must be recorded on the SAGE accounting system. The school payroll is outsourced to Dataplan Educational Payroll Systems.

#### System Access

- 3.2** Access to SAGE is controlled by a password system.

#### Back-up Procedures

- 3.3** The SAGE system is automatically covered by the whole School ICT backup policy and procedures which are detailed separately.
- 3.4** The payroll system is outsourced to Dataplan Educational Payroll Systems.
- 3.5** A hard copy of financial management reports are printed each month and should be stored separately from the accounting system.
- 3.6** There is a disaster recovery plan in the event of loss of accounting facilities or financial data. This links in with the annual assessment made by governors of the major risks to which the school is exposed and the systems that have been put in place to mitigate those risks.

#### Transaction Processing

- 3.7** All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal transfers must be recorded in the journal book and authorised by the Finance Director. Bank transactions input by the Finance Assistants should be cross checked and reconciled with each other whilst carrying out the monthly reconciliation.
- 3.8** Detailed information on the operation of SAGE can be found in the user manuals held in the Finance Office and online to the software.

## Transaction Reports

- 3.9** The Finance Director will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system. The reports reviewed will include:
- audit trail reports;
  - management accounts summarising expenditure and income against budget at budget holder level.

## Reconciliations

- 3.10** The designated School Accountant is responsible for ensuring the following are reconciled each month:
- sales ledger control account;
  - purchase ledger control account;
  - bank balances per the cash book to the bank statements.
- 3.11** Any unusual or long outstanding reconciling items must be brought to the attention of the Finance Director. The Finance Director will review and sign all reconciliations as evidence of review.
- 3.12** Other balance sheet accounts should be reconciled at least once a year

## 4. Financial planning

- 4.1** The school prepares both medium term and short term financial plans.
- 4.2** The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the school's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.3** The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.
- 4.4** The development planning process and the budgetary process are described in more detail below.

## Development Plan

- 4.5** The development plan is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.6** The form and content of the development plan are matters for the school to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DFE.
- 4.7** Each year the Principal will propose a planning cycle and timetable to the governing body which allows for:

- a review of past activities, aims and objectives - “did we get it right?”;
- definition or redefinition of aims and objectives – “are the aims still relevant?”;
- development of the plan and associated budgets – “how do we go forward?”;
- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course”;
- feedback into the next planning cycle – “what worked successfully and how can we improve?”.

- 4.8** The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principal
- 4.9** The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 4.10** For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the School Leadership Team (SLT). The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a termly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

#### Annual Budget

- 4.11** The Finance Director is responsible for preparing, on behalf of the Principal, the annual budget. The budget must be approved by the Principal, Finance Committee and the Full Governing body.
- 4.12** The approved budget must be submitted to the DfE by 31<sup>st</sup> July each year and the Finance Director is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 4.13** The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 4.14** The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
  - review of other income sources available to the school to assess likely level of receipts;
  - review of past performance against budgets to promote an understanding of the school cost base;
  - identification of potential efficiency savings;
  - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

## Balancing the Budget

- 4.15** Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

## Approving the Budget

- 4.16** Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Director for approval by the Principal, the Finance Committee and the governing body. Later, a final budget should be approved in the same way. The final budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

## Monitoring and Review

- 4.17** Monthly reports will be prepared by the Finance Director and School Accountant. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Principal and the Finance Committee.
- 4.18** Any potential overspend against the budget must in the first instance be discussed between the Principal & the Finance Director.
- 4.19** The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

## 5. Payroll

### Staff Appointments

- 5.1** The Principal has authority to appoint staff within the authorised plan except for the Deputy Head and the Finance Director whose appointments must be agreed with the governors. The Finance Director maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the Finance Director immediately to process payroll adjustments.

### Payroll Administration

- 5.2** The Finance Director prepares the monthly salaries and passes to Dataplan. The Principal will sign off the BACS report from Dataplan. A monthly variance sheet is produced to identify any anomalies immediately of plus or minus to an individual salary.
- 5.3** Dataplan is responsible for payment to HMRC on due dates. Dataplan is responsible for payment to the various pension schemes on due dates and any other deductions taken from employees' pay. The Finance Director is responsible for making sure the above takes place.

- 5.4** On an annual basis the Finance Director must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file of the individual.

## **6. Purchasing**

- 6.1** The school wants to achieve the best value for money from all purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school;

Accountability, the school is publicly accountable for its expenditure and the conduct of its affairs;

Fairness, that all those dealt with by the school are dealt with on a fair and equitable basis.

Routine Purchasing of £5,000 or less

- 6.2** Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A printout detailing actual expenditure against budget will be supplied to each budget holder each month and budget holders must keep their own records of orders placed but not paid for.
- 6.3** A quote or price must always be obtained before any order is placed. Budget holders and the Finance Office should ensure that the lowest cost price is achieved for the required quality of product or service.
- 6.4** All orders must be prepared using an official order form or prior authorisation from the Finance Director if an order form is not appropriate. Orders must be sent by the budget holder to the Finance Office. Orders will only be processed if there is adequate budget provision for the department. The Finance Director will countersign all orders up to £15,000. The Principal will further countersign orders over £15,000 up to £30,000.
- 6.5** All orders are recorded in the SAGE system, allocated a reference number and dispatched to the supplier by the Finance Department.
- 6.6** The finance office should wherever possible make appropriate arrangements for the delivery of goods to the school. On receipt the budget holder must be notified, undertake a detailed check of the goods received against the goods received note (GRN) – often referred to as a “Delivery Note”- and make a record of any discrepancies between the goods delivered and the GRN. All GRN should be initialled (with comments if appropriate) and passed to the finance office for reconciliation with the order and to trigger payment when due.
- 6.7** If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the budget holder should inform the finance office who will record this.
- 6.8** All invoices should be sent to the Finance Office. The invoice will be recorded by the Finance staff in the purchase ledger. The Finance staff will evidence the following:-

- invoice arithmetically correct;
- goods/ services received;
- goods/services as ordered;
- prices correct;
- invoice posted to purchase ledger;
- invoice authorised for payment.

- 6.9** If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.10** Every month the School Accountant will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the Finance Director.
- 6.11** The School Accountant will input details of payments to be made to the purchase ledger and generate the BACs payments or cheques required. The BACs payments or cheques must be signed by two of the nominated bank signatories, one of which should be either the Finance Director or Principal
- 6.12** The majority of payments is made by BACS and will be notified to suppliers by email and only generated by the Finance Director. Some cheques may be dispatched to suppliers if necessary.
- 6.13** Non-order purchases must have the prior approval of the Finance Director. Non- order purchases must be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The Catering Manager & Maintenance Manager are authorised to make non-order purchases for small consumable supplies.

For orders over £5,000 and up to £30,000

- 6.14** At least three written quotations should be obtained for all orders over £5,000 and up to £30,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared by budget holders and attached to orders passed to the Finance Department. This is for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.
- 6.15** The Principal will countersign orders for goods between £15,000 and £30,000 the Finance Director will countersign orders for goods up to £15,000.

For orders over £30,000

- 6.16** All goods/services ordered with a value over £30,000 must be subject to formal tendering procedures.

Purchases over £156,442 (threshold from 01/01/2010) excluding VAT may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook.

Ordering goods which may potentially be over £30,000 must be discussed with the Finance Director prior to any communication with suppliers. This will trigger consultation with appropriate DfE funding agencies to ensure correct procedures are followed from the outset.

## Forms of Tenders

**6.17** There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
  
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders may be appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs,
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements,
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
  
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:
  - the above methods have resulted in either no or unacceptable tenders,
  - only one or very few suppliers are available
  - extreme urgency exists,
  - additional deliveries by the existing supplier are justified.

## Preparation for Tender

**6.18** Full consideration may be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

**6.19** It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

## Invitation to Tender

**6.20** If a restricted tender is to be used then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

- 6.21** An invitation to tender may include the following:
- introduction/background to the project;
  - scope and objectives of the project;
  - technical requirements;
  - implementation of the project;
  - terms and conditions of tender and form of response.

#### Aspects to Consider

##### Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

##### Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

##### Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

#### Tender Acceptance Procedures

- 6.22** The invitation to tender should state the date and time by which the completed tender document should be received by the school. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted and any reason for accepting them should be recorded.

#### Tender Opening Procedures

- 6.23** All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present (either physical or by phone/video conference) for the opening of tenders, either the Finance Director or the Principal, plus a member of the Finance Committee.

- 6.24** A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

#### Tendering Procedures

- 6.25** The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.
- 6.26** Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 6.27** Full records should be kept of all criteria used for evaluation of contracts over £30,000 and a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision.
- 6.28** Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
- 6.29** The accepted tender should be the one that is economically most advantageous to the school. All parties should then be informed of the decision.

#### 7 Income

- 7.1** The main sources of income for the school are the grants from the DfE. The receipt of these sums is monitored directly by the Finance Director who is responsible for ensuring that all grants due to the school are collected.
- 7.2** The school also obtains income from:
- Bradford Council
  - Grants & Awards organisation
  - Students, mainly for trips and catering
  - The public, mainly for use of facilities
  - Lady Castle Nursery, the school's wholly owned subsidiary.

#### Trips

- 7.3** A lead teacher must be appointed for each trip to take overall responsibility for the trip. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Office.
- 7.4** Students should make payments via Parent-Pay or to the Finance Office via the form tutor or trip organiser. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
- 7.5** The Finance Assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding.

## Catering Income

- 7.6** The cash income received daily by the Catering Department is collected via Parent-Pay and if cash is collected it is counted by the Finance staff. Any cash received by Catering Staff is recorded on a cash summary sheet by the catering manager.
- 7.7** The income and summary sheet is then taken to the Finance Department for checking and safe custody prior to banking.
- 7.8** The majority of income is via parent-pay, whereupon parents place money on their child's dining room card via the internet or card at a post office.

## Facilities Income

- 7.9** The School Accountant is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. The Sports Hall Manager will inform the School Accountant on a monthly basis the invoices that need to be produced.
- 7.10** The School Accountant will be responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.
- 7.11** No debts over £500.00 should be written off without the express approval of the Finance Committee (the DfEs prior approval is also required if debts to be written off are above the value set out in the annual funding letter).
- 7.12** Organisations using the sports facilities should be instructed to send all payments to the Finance Office

## Custody

- 7.13** Receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be recorded upon receipt kept in a safe prior to banking.
- 7.14** Monies collected must be banked in their entirety in the appropriate bank account. The School Accountant is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared monthly and be certified by the Finance Director.

## 8 Cash Management

### Bank Accounts

- 8.1** The school has a current account.

### Deposits

- 8.2** Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit
- a reference, such as the number of the receipt or the name of the debtor.

#### Payments and withdrawals

- 8.3** All cheques and other instruments authorising withdrawal from school bank accounts must bear the signatures of two authorised signatories in line with the bank mandate. BACS payments are made only by the Finance Director and this is cross-referenced via the bank statements by the School Accountant.

#### Administration

- 8.4** The School Accountant must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank statements are reconciled to SAGE
- reconciliations are prepared by the School Accountant
- reconciliations are subject to a monthly review carried out by the Finance Director
- adjustments arising are dealt with promptly.

#### School Credit/Debit Cards

- 8.5** The School currently has 1 credit card held by the Finance Director. Reconciliation is carried out on a monthly basis when the statement arrives by the School Accountant. The Finance Director allows use of this card by the two Finance Assistants for pre-approved on-line ordering. The visa statement is reconciled and reviewed by the Finance Director.

#### Petty Cash Accounts

- 8.6** The school maintains cash of varying amounts held by the School Accountant, £100 for the Finance Office cash tin and £250 for Junior School Office cash tin.
- 8.7** Total cash held on site over any night must not exceed £4000. Unless exceptional circumstances dictate the Finance Office will conduct banking arrangement to keep less than £1,500 cash on site over any night.

#### Administration

- 8.8** The Finance Office is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Assistant to ensure that the cash balance reconciles to supporting documentation. The Finance Director will sign off all petty cash expenditure over £50 on a monthly basis.

#### Physical Security

- 8.9** Petty cash should be held in a locking cash box which is put in a safe overnight.

#### Cash Flow Forecasts

- 8.10** The Finance Director is responsible for preparing cash flow forecasts to ensure that the school has sufficient funds available to pay for day to day operations.

#### Investments

- 8.11** Investments must be made only in accordance with written procedures approved by the governing body.
- 8.12** All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

### 9 Fixed assets

#### Asset register

- 9.1** Items are capitalised on a judgemental basis and are on the asset register. The asset register should include the following information:
- asset number; asset description; serial number (if available); date of acquisition; asset cost; source of funding (% of original cost funded from DFE grant and % funded from other sources); expected useful economic life; depreciation; current book value; location;
- 9.2** The Asset Register helps:
- ensure that staff take responsibility for the safe custody of assets;
  - enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
  - to manage the effective utilisation of assets and to plan for their replacement;
  - help the external auditors to draw conclusions on the annual accounts and the school's financial system;
  - support insurance claims in the event of fire, theft, vandalism or other disasters.

#### Depreciation

- 9.3** Depreciation on assets is charged on a straightline basis as follows:-
- Freehold Buildings 2% - Straight line
  - Motor Vehicles 25% - Reducing balance
  - Fixtures, fittings and furniture 10% - Reducing balance
  - Equipment 25% - Straight line
  - No depreciation is provided on freehold land. Depreciation on assets in the course of construction is not charged until they are brought into use.

#### Security of assets

- 9.4** Where appropriate, equipment should be secured by means of physical and other security devices.
- 9.5** Some items in the register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Finance Committee. Inventories of school property should be kept up to date and reviewed regularly. Where items are used by the school but do not belong to it this should be noted.

#### Disposals

- 9.6** Asset items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Committee and, where significant, should be sold following competitive tender. The school must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. If disposals within one financial year (September-August) collectively originally attracted grant of more than £20,000 then the school must inform the DfE.
- 9.7** Disposal of equipment directly to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. Staff should be directed to the intermediary disposal agency and bid or purchase the items with public competition. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.
- 9.8** The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested then the school must repay to the DfE a proportion of the sale proceeds.

Temporary loan of assets (this does not apply to assets permanently allocated to staff, e.g. laptops,).

- 9.9** Items of school property must not be removed from school premises without the authority of the Head of Department. A record of the loan must be recorded on a loan of equipment form and booked back into the school when it is returned.
- 9.10** The Head of Department will be asked for a copy of a loan of equipment form, should an item of equipment be missing when a fixed asset audit is undertaken.
- 9.11** If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a "benefit-in-kind" for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the school's auditors.