

FINANCE POLICY



Wood Bank School

From strong roots we grow and blossom


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Signed (Headteacher)	
Signed (Chair of Governors)	

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1. ANTI FRAUD AND CORRUPTION

DEFINITION

The definition of Fraud and Corruption is as follows: -

Fraud - "The intentional distortion of financial statements or other records by persons internal or external to the Council, which is carried out to conceal the misappropriation of assets or otherwise for gain".

Corruption - "The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person".

WHO DOES THE STRATEGY APPLY TO?

The Anti-Fraud and Corruption Strategy will apply to all Members and employees of the Council.

THE NEED FOR A STRATEGY

1. Calderdale Council is a large, complex organisation responsible for looking after millions of pounds of public money. Every year millions of pounds are received by and paid out by the Council through a whole variety of transactions. The Council owns millions of pounds worth of moveable assets, ranging from small items of stationery through to expensive items of plant and equipment.
2. The vast majority of the Council's employees are scrupulously honest. The vast majority of those who receive money from the Council (members of the public, contractors, etc) are also honest citizens. The Council, however, receives and pays out large amounts of money, which involves an enormous number of supporting transactions. This makes the Council susceptible to the risk of dishonest people defrauding monies to which they are not entitled.
3. The Audit Commission has identified the following areas as being particularly vulnerable to fraud: -
 - a. Housing Benefit Claims
 - b. Student Grant Claims
 - c. Grants for Renovating Houses
4. These examples involve fraud by members of the public and contractors. There are also risks that money and assets will be misappropriated by dishonest Council employees - acting either alone or in collusion with others outside the Council. Dishonesty has many forms, ranging from taking money due to the Council, misusing, or misappropriating assets, or putting in false claims for money payments.
5. In recent years there have been examples in Calderdale of all these kinds of fraud. The need to be alert to the possibility of dishonest behaviour requires the Council to develop a strategy aimed at preventing, detecting, and investigating dishonest and fraudulent conduct which could cost the Council money. Every pound that is misappropriated means one pound less to spend on providing services to those people who genuinely need help from the Council.

OVERALL COUNCIL POLICY

1. Calderdale Council is committed to having an effective Anti-Fraud and Corruption Strategy. The details of the strategy are set out in the following sections of this document entitled:-
 - i. Prevention Detection Investigation
2. Council employees should report any concerns they may have regarding fraud and corruption, whether it relates to dishonest behaviour by Council employees or by others. The Council has set up a confidential fraud hotline (telephone 01422 393566) which is manned by the Internal Audit Section of the Directorate of Finance. Internal Audit staff will investigate all reports of suspected fraud and corruption made by employees.
3. Employees should be left in no doubt of the consequences, should they deviate from the standards expected and that the Council's Disciplinary Code clearly identifies the following as Gross Misconduct: -
 - i. Theft and Unauthorised Borrowing Fraud
 - ii. Dishonesty
 - iii. A Chief Officer (or other senior nominated officer where authorised) may dismiss an employee on the grounds of gross misconduct after following the recognised procedure.
4. In some instances, the Council may decide to refer allegations of fraud and corruption to the Police. The decision to refer cases to the Police will be taken by the Director of Finance's Principal Assistant (Audit).
5. Calderdale Council will do all it can to recover monies or assets misappropriated by employees or others as a result of dishonest behaviour. (See Section 8 on "Recovery of Losses").
6. In order to protect the public purse all Calderdale Council employees need to know about:-
 - i. those activities where experience has shown there are significant risks of fraud and corruption.
 - ii. what individual employees can do to prevent fraud and corruption.
 - iii. what employees should do if they have suspicions that fraud or corruption is going on.

PREVENTION

1. There are many ways of preventing fraud and corruption happening in the first place. The Council has adopted the following preventative measures:-
 - a. The Council's Recruitment and Selection procedures require that references should always be taken up when recruiting posts within the Council. This is intended to prevent people with a history of dishonest behaviour being employed by the Council in positions of trust.

- b. The Council's Code of Conduct for Council Employees makes it clear that the conduct of its employees should be of the highest possible standard and that dishonest behaviour by employees will not be tolerated by the Council.
2. High standards of financial administration are a key element in the prevention and detection of fraudulent activities. This can only be achieved if there is a strict control environment which is adhered to by both Officers and Management.
3. The Control Environment as a whole, relies on other mechanisms within the Council such as:-
 - a. Contract Procedure Rules Financial Procedure Rules Section 151 Standards Code of Conduct
4. Council Rules govern the way in which the Council operates whilst the Section 151 Standards identify the financial controls that should be in place within all systems and all Services of the Council.
5. The Section 151 Standards must be complied with by Leaders, as it is the basis upon which Internal Audit will review, evaluate and test those financial systems throughout all Services of the Council.
6. It is the responsibility of each Chief Officer to ensure that their Service complies with all these rules and that sound financial controls do exist within their financial systems and procedures.
7. The Internal Audit Section will carry out cyclical tests to ensure that all issues relating to the Control Environment are in place and are being operated correctly.
8. The Council's overall arrangements for the prevention of fraud and corruption are reviewed annually by the External Auditor, who reports to the Council by way of a Management Letter.

DETECTION

Despite the best efforts of leaders and the Internal Audit Section and the existence of internal controls within all the systems of the Council, the determined perpetrator will invariably identify an area of weakness and attempt to exploit it.

In order that Leaders can be clear on what fraud and corruption is, and how to identify it, the Council has produced a document called "Fraud and Corruption - Advice and Guidance to Leaders". This gives clear advice and guidance on the highest risk areas, examples of what to look for, and guidance on what action to take having discovered a potential problem.

The Council has also produced a leaflet called "What to do if you suspect Fraud or Dishonesty" which is to be issued to all employees. This leaflet gives guidance to employees on what they should do if they have any suspicion of Fraud or Dishonesty.

In an attempt to eliminate fraud and corruption, the Council will continue to seek cost effective ways of identifying fraud and corruption and will act on all information and allegations received. This could include any of the following: -

- Tip offs from members of the public.
- Information received from companies and other agencies.
- Referrals from Service Management.
- Information derived as a result of Internal Audit work.
- Concerns expressed by employees via the Fraud Hotline (See below).
- Data Matching (see below).

Fraud Hotline

The Fraud Hotline is a confidential telephone answering service based within the Internal Audit Section. This allows Council staff to raise any concerns they may have, anonymously should they so wish.

Data Matching

There has been a growth in recent years in the use of Information Technology to detect fraud. This invariably involves the comparison of information across different databases. This can be done internally within the Council or between any number of other Councils. Calderdale has already taken part in data matching initiatives and where it is felt to be beneficial will do so in the future.

INVESTIGATION

Each and every fraud investigation has different characteristics, and as such makes the imposition of a fixed system of investigation difficult or impossible. In general terms, however, investigations can be categorised as involving:-

- Claimants (e.g. Housing Benefits, Student Awards, Renovation Grants).
- Employees or Members of the Council.
- Third Parties (e.g. external suppliers or contractors).

Claimant Based Investigations

In view of the potential for high levels of Housing Benefit Fraud and Council Tax Benefit Fraud, the Council employs three Housing Benefit Investigations Officers. They have the benefit of specialist knowledge of the Housing Benefit rules and regulations and are specifically employed to detect and investigate potential Housing Benefit Fraud cases. This covers both reactive work and proactive exercises.

All suspicions of Housing Benefit Fraud and Council Tax Benefit Fraud should be referred directly to the Housing Benefit Investigation Officers, who will undertake the investigation and take the appropriate action once the facts of the situation have been established.

All Other Investigations

All other cases involving claimants, employees, Elected Members of the Council and third parties should be referred to the Internal Audit Section, who have a designated Specialist Auditor (Management Auditor - Investigations).

These investigations can range from those that are relatively simple to those which are extremely complex. The procedures to be followed in these cases are as follows: -

- All cases of potential fraud should be immediately notified to the Internal Audit Section, who will record the referral.
- The Internal Audit Section and Service Management will discuss and agree the way in which the case will be progressed.

- The Principal Assistant (Audit) will decide whether the Internal Audit Section will be directly involved in the investigation or whether the Service Management should investigate the case.
- Where cases are to be investigated by Service Management, the Internal Audit Section will continue to monitor progress and record the ultimate outcome of the case and will always be available for the giving of professional advice and guidance throughout the investigation.
- All investigations will be carried out in complete confidentiality, with professional standards being strictly observed in the gathering and recording of evidence and the putting together of a case file, in order to comply with the provisions of the Police and Criminal Evidence Act of 1994.
- In cases of potential major fraud, the Principal Assistant (Audit) and Chief Officer of the Service concerned will, where deemed appropriate, report the matter to the Chief Executive and the Council.
- In instances where disciplinary action is deemed to be appropriate, the final decision will ultimately be made by the Service Chief Officer, who will then have to comply with the rules and regulations on Disciplinary Procedures. In these instances, the appropriateness of the employee being suspended should be considered at an early stage.
- If a case involves action against a third party, any action to be taken will be agreed between the Chief Officer, the Internal Audit Section, and where necessary the Law and Administration Service.
- In all cases where employees are suspected of fraud, corruption, theft or unauthorised borrowing, and there is sufficient evidence to support a criminal prosecution, serious consideration will be given to referring the case to the Police for further investigation.
- In such cases the decision to refer to the Police is ultimately the responsibility of the Principal Assistant (Audit) who will make that decision after consultation with the Chief Officer concerned.
- All cases involving the loss of third-party monies (e.g. home care client) will be referred to the Police at the earliest opportunity under existing arrangements with West Yorkshire Police.
- All liaisons with the Police will be undertaken by the Management Auditor (investigations) on the basis that he has direct contact with a named Police Liaison Officer from whom early advice and guidance on case progression can be sought where necessary.

RECOVERY OF LOSSES

The Council's policy is that it will always seek to recover the losses incurred, as a result of fraud and corruption.

As soon as the full extent of the loss has been established notification should be sent to the Council's Insurance Officer giving details of the case indicating that recovery is to be attempted in the first instance.

A Sundry Debtor Account should then be raised to ensure that:-

- The recovery attempt is not overlooked.
- All sums withheld or subsequently received byways of recovery/restitution are appropriately credited.
- Any balance of loss outstanding is dealt with through existing procedures (ie insurance claim or write off as appropriate).

Recovery of losses from employees can be pursued in a number of ways as follows:-

- From payments due to the employee (eg car allowance, travel and other expense claims) - (where the employee gives permission).
- From salary/wages still due to be paid (with employees' permission).
- From the employees' superannuation entitlement. (Where the Council has suffered direct financial loss by reason of the offence).
- By way of written agreement with the employee to repay in one lump sum, or by an acceptable offer to pay by instalments.

It should be made clear that any monies offered will be accepted "without prejudice to any other action the Council may wish to take", and that acceptance is only in respect of losses identified to date and that the Council reserves the right to seek recovery of any further losses that may come to light in the future.

Claims under the Council's insurance arrangements in fraud and corruption cases should be regarded as a "last resort" and will only be instigated once all other avenues of recovery have been fully explored.

2. BEST VALUE STATEMENT

INTRODUCTION

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

WHAT IS BEST VALUE?

Governors will apply the four principles of best value:

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?

- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- Consult - How does the school seek the views of stakeholders about the services the school provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors of Wood Bank School are committed to achieving Best Value in all the decisions we make. The principles of Best Value are applied to ensure that we secure continuous improvement for our school and as such we will:

- Regularly review the functions of the school, challenging how and why services are provided, set targets and performance indicators for improvement
- Monitor outcomes and compare performance with schools that have pupils with similar needs through benchmarking projects
- Consult with our stakeholders when making major decisions
- Promote fair competition through obtaining quotations and using tendering to ensure that goods and services are secured in the most economic, efficient and effective way.

THE GOVERNORS' APPROACH

The Governors and school leaders will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school leaders, will:

- make comparisons with other/similar schools using data provided by the LA, Central Government and by participating in specific benchmarking projects e.g. quality of teaching & learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost
- through our Service Level Agreement with Calderdale's Buildings, Design and Maintenance Team require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, etc.
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers

This will apply in particular to:

- staffing
- use of premises

- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

Governors and school leaders:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract leadership from more important or valuable areas.

Staffing

Governors and school leaders will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and school leaders will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, etc.

Use of Resources

Governors and school leaders will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Governors and school leaders will review the quality of curriculum provision and quality of teaching, to provide parents and children with:

- a curriculum which meets the requirements of curriculum entitlement and special needs of our children
- teaching which builds on previous learning and has high expectations of children's achievement.

Learning

Governors and school leaders will review the quality of children's learning, by cohort and individuals to provide teaching which enables children to achieve appropriate levels of progress, in line with their EHC plans.

Purchasing

Governors and school leaders will develop procedures for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' Welfare

Governors and school leaders will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Governors and school leaders will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Safeguarding

Governors and school leaders will review the quality of the school environment, safe recruitment of staff and volunteers, strategies and procedures to provide a learning environment where all children are safe.

Monitoring

These areas will be monitored for best value by:

- In-house monitoring by the Leadership Team and e.g. classroom practice, work sampling, monitoring of curriculum planning and individual plans
- Annual Reviews and Termly target setting for individual children
- Annual Performance Management
- Annual Budget Planning
- Financial reviews
- Monitoring for our School Improvement Partner
- Financial monitoring by our school bursar
- Tri-annual audits by the local authority
- Analysis of school and pupil performance data
- Ofsted Inspection reports
- Quality of Teaching monitoring cycle led by Senior Leadership Team
- Governors' full meetings
- Governors' Annual Finance Review
- School Development Plan

3. BUDGET CONTROL

INTRODUCTION

The Governors of Wood Bank School have delegated the responsibility for the day-to-day management of budgets under their control to the Headteacher, with the exception that no order of more than £15,000 shall be placed without their prior permission. Any purchase over this amount shall be approved by the Governing Board.

REGISTER OF PECUNIARY INTEREST

Upon their appointment to the Governing body and at the first subsequent meeting of each academic year, Governors will sign a declaration of Pecuniary Interest. Such a declaration will also be signed at the beginning of each academic year.

BUDGET MANAGEMENT

Allocations of money to the various budget headings will be made by the Governing Body after discussion with the Senior Leadership Team and the Bursar.

The Budget will be agreed by the Governors at the first meeting after the money delegated to them by the LA has been notified, although a draft budget may be prepared prior to this with reference to the School Development Plan (SDP).

The approved budget is to be entered onto the finance system at the commencement of the new financial year.

Returns must be made to Local Authority as required by beginning of May.

Reports to full governors' to be in a format required by the governors and to satisfy CFR criteria, on a termly basis.

Headteacher to receive interim reports.

Budget holders to receive half-termly reports on expenditure for their relevant budget.

School Bursar to monitor expenditure to ensure it is in line with budget plan and that it does not exceed income.

School Bursar to ensure all income and reimbursements are collected promptly.

School Bursar to immediately alert headteacher of any variances to the budget plan.

Any Budget virement is delegated to the Headteacher who reports to the Governors Any virement proposals are presented by the Headteacher and taken to the Full Governing Body for approval.

EXPENDITURE DECISIONS

Spending from budget headings will be determined by allocated staff as agreed annually by the Leadership Team. All other expenditure from budgets delegated to the Governors will be decided by the Headteacher.

ORDERING OF GOODS & SERVICES

Quotations, not estimates, for goods and services shall be obtained wherever possible and the best value accepted. The Calderdale Contract procedure rules have been adopted by the Governors. However, the school would only require 3 quotations from £15,000 to £59,999 with formal tendering for goods above £60,000.

BANK ACCOUNTS

The main school account and the school fund account are with Lloyds Bank plc.

All payments require two signatories to countersign, one of which must be the Headteacher. Existing signatories are the Headteacher, Director of People and Deputy Headteacher.

There must be a segregation of duties between the authorisation, preparation, and issue of cheques. No one who prepares and issues the cheque may also sign it, without a second signatory who has not been involved in the cheque's preparation and issue.

Similar controls over segregation of duties are applied to BACS and electronic banking.

Online banking

Below is a summary of the staff roles with access to the school bank accounts online and what they have access to.

Main account

Staff role	View balances/ transactions	Upload BACS file	Approve online BACS payments	Administrator (set up users/access)
Headteacher	✓	x	✓	✓
Director of People	✓	x	✓	x
Deputy Headteacher	x	x	✓	x
School Administrators	✓	✓	x	✓
Administration Manager	✓	✓	x	✓
Bursar	x	x	x	x

School fund account

Staff role	View balances and transactions
Headteacher	✓
Director of People	x
Deputy Headteacher	x
School Administrators	✓
Administration Manager	✓
Bursar	x

CASH FLOW

As school bank accounts cannot overdraw, cash flow will be closely monitored by the Bursar.

The School Administrator in charge of finance will regularly check the status of the account and be aware of extra-large payments going through, which could cause problems.

The Headteacher will inform the Local Authority if they anticipate a temporary problem, explaining the reason, and request an advance.

INFORMATION MANAGEMENT SYSTEM

Security

The FMS in school is an integrated programme and database, storing information on pupils, attendance etc. As such, security must be uniform for all the various programmes within the package. There are implications under the Data Protection Act and The Human Rights Act if the school does not manage the system in a secure manner.

A user's FMS Protocol must be signed by all staff authorised to access the IMS. They must be aware that infringement of the agreement can be a disciplinary matter.

The School Bursar is responsible for setting up new users in the school office, giving them appropriate access levels to the various programmes. The ICT Technician employed through the council is responsible for setting up new users on the Pupil / staff network system.

The financial software should only appear on the screens of those who are authorised users.

User access can vary from read only, to full access. To ensure probity and segregation of duties, users are only given the access rights relevant to their post and responsibilities.

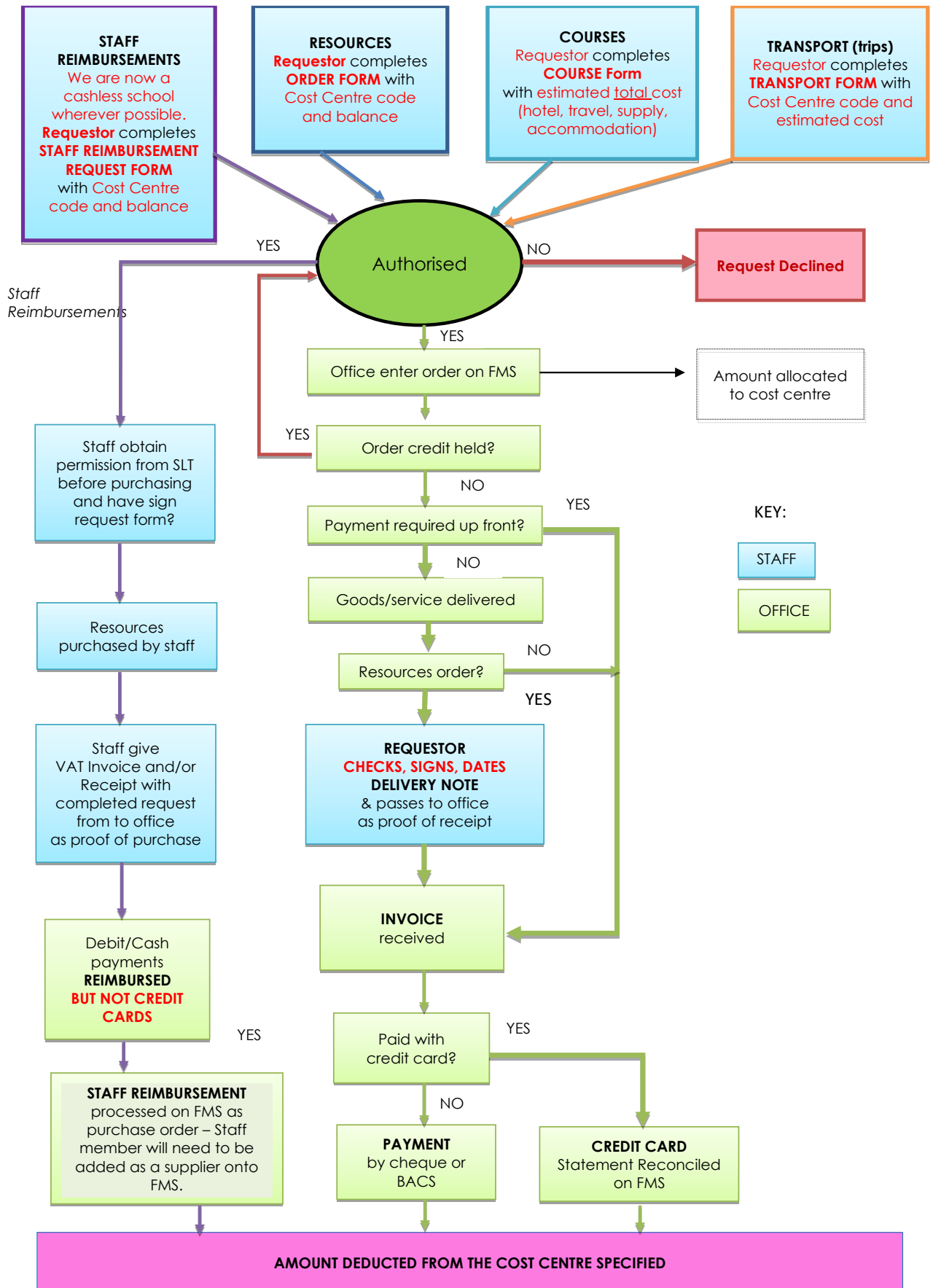
Passwords must be individual, not obvious (not contain any part of the username or first name), confidential with a set secure format.

Passwords should be changed regularly.

Back-Up

The school's curriculum and admin files are centrally backed up by Calderdale IT section on a daily basis.

PROCEDURE FOR ORDERING RESOURCES



Orders must always be authorised by the Headteacher or in her absence another member of SLT. Orders will be authorised by a different person than the one who placed the order.

- Staff complete a requisition order form giving the supplier's name, code and description of product, cost centre and budget heading to be used. The school administration team enters the budget balance and submits to Headteacher for authorisation and signature. There must be sufficient money in the relevant budget to cover the cost of the proposed purchase
- The school will only order items for school use; all items officially ordered belong to the school.
- Approved requisition forms are passed to the School Administration Team or for processing.
- The School Administration Team will check prices, terms and conditions and delivery date. It is their duty to ensure that best value is obtained.
- The School Administration Team will commit the order to the finance system and produce a printed order, with an official order number.
- The printed purchase order is passed to the Headteacher to sign
- The order is placed by telephone, email or website. Other than exceptional circumstances and with prior agreement, staff cannot order purchase items without an official order number.
- Staff members will be asked to sign invoices and delivery notes for items received in school without an order number (for example the Premises Manager arranging works in the school holidays). They will be reminded that orders should not be placed without an official order number.
- In the case of emergency building repairs, e.g. following a break-in, the Premises Manager shall be permitted to contact a trades person on the approved list to order such repairs as may be necessary to ensure the security of the building, e.g. the boarding up of broken windows.
- Regular utility bills and Supply agency fees do not require a purchase order for each invoice
- Staff must not under any circumstances use official orders for personal purchases.
- Staff must not route any school income or expenditure through their own personal bank accounts.

RECEIPT OF GOODS/SERVICES

- Goods received will be checked by the person who initiated the order against the delivery note and the original order, and the delivery note will be signed and dated, within a week of delivery.

- Any discrepancy or damages must be notified to the School Administration Team as soon as possible, who will then notify the supplier.
- The School Administration Team checks the delivery note to the original order and then files it with the original order as proof of delivery and evidence for payment. Any enclosed invoices must also be passed to the School Administration Team. Payment is never made on a delivery note.
- Building, maintenance or repair work done in school shall be checked by the Premises Manager upon its completion

RETURNED GOODS

- Deliveries must be checked promptly to identify the quantity and quality of the items.
- Any discrepancies must be brought to the attention of the School Administration Team who will contact the supplier and arrange for the items to be collected/exchanged/replaced.
- Items to be returned must be safely parcelled and clearly marked, including the "returns number" if one has been issued by the supplier.
- On collection of the items, the person dealing with the transaction will sign and retain a copy of the returned goods note from the carrier and this must be attached to the relevant copy order.
- The School Administration Team will be aware of credit notes due because of returned goods and discrepancies.

INVOICE PROCESSING

Payments must only be made on invoices. Delivery notes and handwritten notes are not acceptable. If the original invoice has been lost, the copy invoice must be clearly marked 'copy'.

VAT can only be claimed on VAT invoices.

All invoices go to the School Administration Team who cross references invoice with commitment, where an order number is quoted.

If there is no official order number, the invoice is date stamped and the School Administration Team confirms receipt with the member of staff who placed the order.

The invoice is checked against the order. If a signed delivery note is attached or the order states that the goods have been received, no further check is done.

If there is no delivery note and the order does not confirm receipt of the goods, the invoice is checked with the member of staff for authorisation and confirmation of receipt of goods. A signature on the invoice must be obtained.

The School Administration Team checks the prices of the invoice with original commitment, if variances between the two, queries to be made to the supplier / budget holder as soon as possible.

Relevant items are to be entered into the inventory.

Invoices are processed on a regular basis by the School Administration Team, with careful account made to VAT, delivery costs, prompt payment discounts and other discounts.

Invoices must relate to official purchase orders, unless special dispensation has been made to the staff who ordered the items.

The BACS listing is printed out and the bank balance is written on. The Headteacher and Director of People and/or Deputy Headteacher sign the last page of the print.

Paid invoices are filed in cheque number order and are stamped as paid.

All cheques from the school budget account will be "payee only" except for cash cheques for reimbursing Petty Cash. Only manuscript signatures on cheques will be used. A minimum of two signatories must authorise all cheque payments, one being the Headteacher.

Spoilt cheques are marked as such and kept in the cheque files in sequential numerical order.

If a cheque is cancelled this is entered on the FMS system and then filed in sequential order, together with the letter from the bank confirming this, and the reason for cancellation.

Pre-printed cheque numbers are recorded on the FMS system and stored securely in a locked cupboard.

Payments by BACS will be processed on FMS and a report produced for signoff. The Headteacher countersigns each invoice and authorises on the report the total BACS amount to be paid.

The School Administration Team uploads the FMS file to the online school bank account and submits it for authorising.

Two signatories (one of which must be the Headteacher) must then individually access the online bank account, verify the total BACS amount against the authorised report total, and authorise the BACS payment. **This must be done before 5.00pm on the day the file is uploaded.** The individual bank cards and card readers are stored securely in the safe. Each signatory must follow individual secure access procedures for online banking with their own named reader and card.

Invoices are filed in cheque number order with all relevant paperwork (order request and authorisation, delivery notes, invoice). If paid by BACS these are filed in date order with corresponding BACS summary report.

Credit notes are processed like negative invoices, their value is offset against an invoice and the relevant cost centre.

FUEL & WATER INVOICES

Meter readings are checked against the invoiced reading.

If there is a large discrepancy between the readings the supplier should be informed of the correct reading.

The school should not accept more than two consecutive estimated invoices.

INTER-ACCOUNT TRANSFERS

Where goods are ordered through the School Budget but paid for by the school fund, therefore avoiding the payment of VAT:

Authorisation from the School Fund signatories must be sought before any item is ordered. When the invoice is received, a cheque for the total amount less VAT must be raised from the School Fund and paid into the School Budget. A record of all transactions and payments is kept by the School Administrator and Administration Manager on an Excel spreadsheet.

RESOURCES

Back up of the Finance system is automated.

Blank cheques will not be signed.

All monies held in school will be clearly recorded (ie amount where it has come from and where it is going) and then locked in the school safe. A record of monies in the safe at any one time is kept. Monies are banked regularly.

Only the Headteacher & Administration Manager hold a key to this safe.

STAFF REIMBURSEMENTS

All payments are now made through the Purchasing and BACS procedure. Should the school need to use Petty Cash in the future the School Administration Team would be responsible for its accountancy as follows:

Payments can only be made on receipt of a completed and authorised Staff Reimbursement or Petty Cash Request form, attached to a receipt/invoice

Regular reconciliations are made, usually half-termly by the School Administrator, and a Petty Cash transaction report is produced from the FMS system.

POSTAGE

Any items requiring postage are given to the School Administration team, for postage to be purchased online from the Royal Mail via the school credit card.

INSURANCE PROCEDURES

The decision as to which insurance policies are to be taken out will be made by the Governors at the time of the budget approval, and such decisions will be minuted.

PAYROLL PROCEDURES

The Headteacher/Director of People will be responsible for informing Calderdale Education Personnel and Payroll Departments of any additions/deletions to staff and of their salary grades and scale points by authorising the Notification of Appointments, Leavers and Change to Contract forms which are sent to HR by the School Administrator via secure intranet.

Monthly time sheets and supply staff claim forms will be authorised by one of the authorised signatories and are then processed by the Administration Manager on the HR Payroll system iTrent on a monthly basis, together with any unpaid leave of absence forms.

RECONCILIATION

Salaries/wages of staff and supply staff will be monitored from the computer sheet produced by the Authority each month.

ACCOUNTABILITY

All persons involved in financial matters - including the Governors - are accountable to the LA and must adhere to LA Financial Procedures.

The Governing Body shall ensure that expenditure for each financial year does not exceed the budget or planned deficit.

The Head is accountable to the Governors on all matters concerning Budgetary Control.

INVENTORY

Any item which has a value exceeding £250 will be entered in the Inventory.

The Inventory of each area of the school shall be checked annually by the person responsible for that area, who will sign and date the Inventory to signify that items are accounted for. The School Administrator will coordinate this and ensure completion annually.

A record will be maintained of all school property removed from the premises.

If an item is "written off" then this will be done as outlined in the "Write Off" section and the Inventory will then be amended accordingly by the School Administrator.

SCHOOL FUND

School Fund will be managed by the Administration Manager and monitored by the Headteacher. It will be regularly audited.

Expenditure from the School Fund will require the authorisation of the Headteacher. Cheques will require the signatures of two designated persons. On the occasions that cheques are received, they will be banked by the Administration Manager within one month.

A receipt will be issued for money or cheques received by the School Fund and the procedures followed for the accountancy of such monies.

INCOME

We are now a cashless school. Cash and cheques coming into the school office should be kept to a minimum wherever possible. School lunch money, money donated for trips, telephone calls, income for school budget from other suppliers/organisations should be paid directly into the School Budget account via Bank Transfer or BACS. This should be recorded weekly.

- Make sure that all income is marked as to who it has come from and what it is for.
- All cash should be counted preferably in the presence of more than one person.
- If money is to go to other parts of the school (eg, book club money) this needs to be given to the person dealing with it or to the class involved.
- For money to be paid into School Budget Account, bank slips should be written out and the money secured in a paying-in envelope. Envelopes to be taken to the bank and deposited as soon as is possible after receipt. If income is to be kept on the premises overnight it should be locked in the safe.
- For payments received at the Office counter, a suitable receipt is given.
- All income for school budget should be entered on SIMS FMS system as soon as possible and bank statements reconciled when they arrive.

School Meals

The administration of the school meals system involves:

- Maintaining full and accurate financial records
- Maintaining an accurate and up to date list of pupils who are eligible for free school meals.

The system must be organised to ensure:

A clear audit trail on all monies collected via online banking.

- The expiry dates on Free School Meals approval can be identified.

Free School Meals (FSM)

The benefits office informs the school on a weekly basis using the Schools Intranet system about pupils and their free meal entitlement. The School Administration Team and Administration Manager are all authorised to access the system. The documentation must be kept in the Free School Meals file, filed under the pupil's name. The FSM register is maintained by the Administration Team. On notification of a new entitlement the school meal register is updated on SIMS.net. On notification of removal of entitlement, SIMS.net is updated and no further meals are allowed.

No free school meals are to be given before written confirmation is received from the Benefits Section at Calderdale. The parent must pay for any meals and the school will then refund the amount on receipt of entitlement.

Free school meal vouchers are on occasion given to families in unique circumstances where pupils are unable to access our in house meals. These decisions should be

minuted and documented formally in an EHCP meeting and final approval lies with the Headteacher.

Managing School Meals – accounting procedures

The school uses the SIMS.net system to record school meals.
The preferred method of payment is bank transfer.
Money is either paid directly into the school bank account with bank transfer,
Payments can be made for the week, half term or term in advance.

Each Friday the statements/takings are counted and balanced by the School Administrator.

The weekly reports are produced showing money banked during the week and total meals taken by pupils (paid, free, and packed lunches).

Discrepancies in the number of meals taken are investigated by the School Administration Team and School Caterers.

Parents are informed weekly of any amounts owing for school meals.

Meals are not offered to staff.

SALARIES & WAGES

The Headteacher and Director of People are authorised to:

- certify pay documents, time records and changes to contracts (excluding documents relating to themselves).
- certify additional hours timesheets
- certify supply timesheets from supply agencies

INVESTMENT OF BUDGET SURPLUS

Any budget surplus will be invested to gain maximum risk-free return.

DEBT RECOVERY PROCEDURES

1. General requirements

The school will take all reasonable measures to collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will be informed of any individual debt belonging to the school which exceeds £250.
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).

- the school will consider taking legal action to recover debts but will refer any debts which it has not been able to collect to an appropriate debt collection agency (unless a decision to write off the debt has been made by the Governors).

In general, payment for all goods and services supplied by the school should be collected in advance or 'at the point of sale'.

2. Acceptable 'credit period'

The Finance Committee must determine the length of time they deem to be an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Finance Committee may consider that an 'acceptable' credit period may vary between different income generating activities.

- School lettings (in advance)
- School Meals (within 7 days in advance)

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Headteacher and School Administration Team will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance Committee.

The Headteacher/Administration Manager will review the level of outstanding debts every month/term to determine whether this level is acceptable and whether action to recover debts is effective.

4. Debt Recovery Procedures

Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied.

- a. An invoice should be issued for the full amount in order to officially set up the debt; Where invoices are raised they should state the date by which payment is due date/month/year.
- b. In all other cases, such as:
 - correspondence with parents, etc, the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year.
 - Payment for items purchased should be sent to the school office by date/month/year.
 - If payment is not forthcoming the process detailed in 4.1 (a) should be applied.

- c. A record of all goods and services will be maintained detailing:
- type of goods/services supplied
 - value
 - date(s) goods/services supplied; and
 - the identity of the 'debtor', e.g. child, parent, hirer, etc.

Verbal and Written Reminders

Details of all reminders, whether verbal or in writing, should be maintained. Where a letter/email is issued, a digital copy must be retained on file.

It is therefore important that one invoice, sent 7 days after credit period has expired, and then one reminder is sent after a further 7 days prior to any further action being taken.

Failure to respond to reminders/settle a debt

If a response or payment is not received following the above actions, service will be withdrawn and the debt may be passed to the Finance Committee.

At the discretion of the Finance Committee the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Finance Committee.

Negotiation of repayment terms

If people are unable to pay:

The school may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Finance Committee.

A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The Head teacher / Finance Committee will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt.

This decision and its basis will be recorded and reported where appropriate

WRITE OFF/DISPOSAL PROCEDURES

Items for write off/disposal should be listed on the write off/disposal authorisation form, detailing model and serial number, a brief description of the items and the reason for write off/disposal.

The form should be signed and dated by the member of staff requesting write off/disposal and then passed to the Head Teacher for authorisation. The Head Teacher should be satisfied that the items are to be written off/disposed of and should then enter on the form the method of disposal (eg scrapped, sold/offered via the weekly newsletter, sold by tender (if usable – eg computers).

When authorised, the form should be returned to the administrator for filing with the Inventory. The Inventory and the insurance should be updated accordingly, and the items disposed of as authorised.

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date (where applicable).	Reason for write-off (including brief details of measures taken to secure payment - as appropriate).	Authorisation of write off – name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.

4. CASH HANDLING POLICY

It is important that the school has a clear policy on handling cash in the interests of protecting all staff involved and allowing auditing to be carried out efficiently.

AUDITING

The school welcomes the auditing of all financial systems in operation and cash handling that happens in the school. Calderdale Council's Auditors complete a full audit every 3 years. The school's Administration Team and Headteacher will monitor and check on cash handling systems in the school regularly, and as a minimum on a Termly basis. All staff are expected to co-operate fully with any audit or checking of systems.

REPORTING OF SHORTAGES

The Headteacher should be informed immediately if any cash shortage is discovered.

5. CREDIT CARDS IN SCHOOLS

GOVERNOR AUTHORISATION

Governors should authorise the acquisition of a credit card or additional cards.

Governors should agree the financial institution that the credit card is acquired from – the existing credit card is registered with Lloyds Bank in line with main school bank account.

Governors should agree which member of staff should be the card holder – the existing cardholder is the Headteacher only.

Cards can be restricted so that certain “merchant” categories of goods can be omitted by the bank (e.g. cash, leisure facilities). Individual purchase limits and monthly limits can be put on cards. Governors should determine restrictions on card use and any value limits required.

CARD SECURITY

The Headteacher has control of the school credit card and has the responsibility for the security of the card. The card is to be kept locked in the safe at all times and a record kept of when it is used and what for.

ORDERING OF GOODS AND SERVICES

It is recommended that goods are only purchased using a credit card when the normal system is inappropriate. This may be for purchasing goods off the internet, booking courses online, or booking rail tickets by telephone.

Where a school has one credit card, requests for purchases using the card should be submitted to the card holder on a standard order request form and authorised by the Headteacher. These should be retained by the card holder and stored in the credit card file.

When goods ordered by credit card are received, or the service provided, an invoice must be provided for the credit card reconciliation. VAT can only be reclaimed where a VAT invoice is provided.

INTERNET PURCHASES

Internet purchases should only be used where the school is using a secure browser, such as Microsoft Explorer. A secure browser shows whether or not the web site visited is secure when card details are being entered. Microsoft's Internet Explorer uses a locked padlock to denote a secure site. If the site is not protected, the padlock is open. Goods should only be purchased from secure web sites and preferably sites that are known to the school. Another indication is that the address of secure sites start with https, rather than http.

Where a supplier is unknown to the school, it is advisable to gain some background information before purchasing. It would be sensible to check that the company's

registration details are shown on the homepage and determine if there is any sort of accreditation (eg Which?) on the web site that can be verified.

Where a site requires a username and password, the password should be kept secure.

The delivery/returns policy should be reviewed before making a purchase to ensure that they are acceptable.

Private sellers (eg on eBay) should be avoided as the school's legal rights may not be the same should there be a problem.

PAYMENT OF CREDIT CARD BILLS

The credit card bill is paid monthly by direct debit. An invoice/receipt must be obtained for all credit card purchases. This is tied up with the authorised order request and proof of delivery/service. The School Administration Team reconciles the invoices against the credit card statement and confirms the amounts/cost centres on the FMS system. The cardholder must not complete the reconciliation. Invoices are attached to the credit card statement in order to support the cheque or direct debit payment made to the bank.

Card purchases are recorded on a log that can be compared to the statement when it is received. The credit card is kept securely in the safe at all times.

DIRECT DEBITS

Direct debits are only used for regular payments for services, provided these services are secure (e.g. the telephone services and the credit card payment).

VAT can only be reclaimed provided the supplier submits a VAT invoice.

Direct debits are reconciled monthly by the bursar.