

# Finance Management Policy 2019

## (Incorporating: Debit Card Policy and Anti Fraud Policy)

This policy has been drafted in line with the London Borough of Barnet's **Scheme for Financing Schools**. Practices described arise out of the implementation of Fair Funding employed here since April 1999 under Section 48 of the School Standards and Framework Act 1998, and that it conforms to Contract Standing Orders.

The Governing body will convene at least once a term. The Governing Body will apply the principles of value for money to all financial and school dealings: to ensure the most effective, economic and efficient means available are achieved, using the following method:

- **challenge** how and why a service is provided (including consideration of alternative providers)
- **comparison** of performance against other schools taking into account the views of parents and pupils
- **consultation** with stakeholders especially parents and children
- **competition** to secure efficient and effective services

### Contents

1. Financial Objectives
2. Responsibility and accountability
3. Internal Financial Control
4. Insurance
5. Information and Data Management
6. Purchasing and payments processing
7. HR and Payroll
8. Security of premises and control of assets
9. Income
10. Lettings
11. Banking Arrangements
12. Petty Cash
13. Tendering & Quotations -Contract Standing Orders for Schools
14. Voluntary / Unofficial Funds
15. Debit Card Policy
16. Anti-Fraud and Corruption Policy

## 1. Financial Objectives

That the responsibilities of the Governing Body, their committees, the Headteacher and the staff should be clearly defined, and the limits of delegated authority be clearly established.

1. The Governing body is responsible for ensuring that any grant from the Secretary of State is used only in accordance with the terms set down by the DfE
2. The budget reflects the schools' priorities and educational objectives, and is subject to regular and effective monitoring.
3. Best value for money is sought when securing the use of resources and services
4. The budget should not result in a deficit position. Deficit budget procedures will be followed if this occurs.
5. Sound internal controls ensure the reliability and accuracy of their financial transactions.
6. The school is adequately insured against exposure to risks.
7. Assets are recorded, inventoried and adequately safeguarded against loss and theft.
8. All income is identified, recorded and banked promptly.
9. There is a policy for the prevention and detection of fraud.
10. Robust controls and procedures of school bank accounts are in place; bank accounts will be reconciled on a monthly basis in line with local authority guidelines and accounting records must be maintained in accordance with CIPFA and Local Authority guidance..
11. The use of Petty Cash is controlled in accordance with section 12.
12. The school does not operate a Voluntary Funds account ( see section 14)

## 2. Responsibility and accountability

### 2.1 Role of the Governing Body

1. Overall financial management of the school.
2. Ensure the requirements of The Scheme and associated guidance are met.
3. Plan, approve, ratify and manage the school budget and delegate responsibility to budget holders.
4. Approve the school's annual staffing structure
5. Ratify policies drawn up by the relevant committees.
6. Demonstrate compliance with the the School Financial Value Standard (SFVS). Complete the assessment on annual basis and submit a copy, signed by the Chair, to the local authority finance department
7. Ensure the school provides the LA with timely monthly, quarterly and annual financial returns in accordance with Schools Financial Returns Guidance 2018/19 (see appendix)
8. Authorise virements in excess of £5,000 for individual budget headings.
9. Approve expenditure of capital projects
10. Authorise write-offs and disposals
11. Ensure a register of pecuniary interests is put in place and all governors to provide details on an annual basis.
12. Approve variations in planned spending.
13. Publish a termly Chairs Finance Report

14. Signing the school's annual accounts, ensuring they are properly presented and ensure records relating to the accounts are maintained
15. Review annually the Governors Terms of Reference
16. Review annually the Register of Governors' Business Interests
17. Maintain minutes of meetings and ensure confidential 'part 2' minutes have limited access.

## **2.2 Role of the Finance and Personnel Committee (inc. Staffing & Pay)**

1. Approve original budgets for consideration by the main Governing Body.
2. Review personnel to ensure staffing reflect the needs of the school
3. Monitor the provision of resources and contracts for services in line with development plans.
4. Prepare and review required policies
5. Monitor income and expenditure and report to the Governing Body on a termly basis.
6. Agree levels of delegation to the Headteacher for the day to day running of the school
7. Approve the list of Authorised Signatories for :
  - i. Signing bank transfers and cheques
  - ii. BACS payments
  - iii. Certifying invoices and petty cash payments
  - iv. Approving orders for supplies, works and services
  - v. Approving salaries and wages
  - vi. Approving budget virements and period end returns
8. Ensure any private funds are audited (if operated under section 14) and presented to the Governing Body for approval annually.
9. Produce and review the Financial Management Policy on an annual basis.
10. Submit four annual forecasts in July, September, December and March (year end)

## **2.3 Staffing & Pay**

1. Review annually the Committee Terms of Reference
2. Maintain and review on an annual basis personnel policies in accordance with national legislation and good practice.
3. Produce and review the Pay Policy on an annual basis.
4. Oversee the school's Performance Management scheme:
5. Review the staff salaries on annual basis in line with legislation and make recommendations to the Governing Body.
6. Set and review performance targets for the Headteacher
7. Ensure that staff are correctly and fairly appointed in line with appropriate policies and procedures
8. Ensure that selection panels are available for appointments
9. To be actively involved in any disciplinary action.

## **2.4 Role of the Premises and Safety Committee (Financial Matter)**

1. Prepare the school's Asset Management Plan
2. Ensure a full schedule maintenance work is carried out
3. Prepare tenders for capital programmes.
4. Monitor and oversee any capital programmes
5. Review existing contracts on an annual basis;.
6. Review Policy and procedures for Health and Safety annually and ensure health and safety training is up to date and implemented.

7. Ensure works are completed as per Health and Safety requirements;
8. Review the Critical Incident Plan annually

## **2.5 Role of Headteacher**

1. Prepare provisional budget proposal for consideration by the Finance Committee
2. Ensure ratified budgets are presented to the LA by the required deadline;
3. Advise the Finance Committee on spending priorities ensuring expenditure reflects priorities in the development plans
4. Authorising expenditure in line with the school's budgets.
5. Monitor the budget monthly
6. Submit termly reports (BvAvC) to the Governing Body detailing income, expenditure and commitments
7. Ensure all transactions are processed in line with the Notice Of Authorised Signatories
8. Implement audit report recommendations in a timely and effective manner.
9. Approve all official orders before they are processed (white order forms)
10. Monitor funding, grants and other income to ensure all expenditure eligibility criteria are met
11. Authorise payroll amendments;
12. Implement the school personnel and disciplinary procedures as appropriate;
13. Ensure the responsibilities of financial administration are distributed so that a separation of duties occurs and at least two people are involved in each transaction
14. Arrange for any private funds, authorised as per section 14, to be audited.
15. Authorise overtime/extra duties/supply claim forms, or to delegate responsibility for doing so to authorised members of the Senior Leadership Team
16. Review salary expenditure reports submitted by School Business Manager
17. Verify the accuracy of payroll reports on a monthly basis.
18. Ensure that all staff are made aware of the LA's 'Whistle-Blowing ' Policy;
19. Ensure that the financial competencies of relevant staff are reviewed regularly and appropriate training needs met;
20. Ensure procedures for GDPR and registration for Data Protection are in place.
21. Ensure an Inventory of all items above the value of £250 is maintained and an annual check is carried out
22. Ensure all staff are DBS checked and records kept up to date on the Single Central Record.

## **2.6 Budget holders / Subject and Aspect Leaders**

1. Budget holders will submit to the Headteacher the requirements for their area of responsibility on an annual basis through the School Development Plan. The Governing Body will then approve these budgets
2. Approval for additional expenditure will be required from the Headteacher before proceeding.

## **2.7 Office Staff**

1. Process purchase ordering on Z orders in accordance with procedures
  - a. Z orders to be signed in accordance with the authorised signatories list
  - b. Expenditure to be correctly coded

- c. Designated office administrator to check off all deliveries against delivery notes and sign these off before distributing good to budget holder
- d. Follow up any queries relating to orders or deliveries
- e. Ensure items over £250 are considered for the inventory

## **2.8 School Business Manager (LA)**

1. Assist the Headteacher with management and monitoring of budgets, finance, HR, contracts and lettings
2. Assist the Headteacher with the preparation of the annual budget
3. Prepare July, September, December and March forecasts and 3 year plans for submission to the Finance Committee for approval
4. Monitor the annual budget and present regular management accounts (BvAvC) on a monthly basis (minimum) for review
5. Monitor income and expenditure
6. Monitor and check staff pay details against payroll reports raising any variances promptly with the Headteacher
7. Monitor salary expenditure via the LA Statement of Accounts.
8. Attend Finance Committee meetings
9. Ensure school's accounts reconcile to LA accounts, investigating variances promptly
10. Preparation of year end returns and accounts in line with LA procedures.

## **2. 9 Role of the LB Barnet/Capita Schools Finance Assistant**

### **1. Orders**

- a. Process orders on RM Finance accounting package.

### **2. Payments**

- b. Process invoices for prompt payment by BACS or cheque
- c. Process weekly BACS run for School Business Manager to verify.
- d. Maintain up to date and accurate accounting records.
- e. Weekly reconciliation of income received via cashless system using reports provided by the Office Manager from "School Money"
- f. Produce monthly bank reconciliations and management reports for signature by the Headteacher in line with Local Authority month end procedures
- g. Produce monthly VAT claims

### **3. Reports**

- h. Produce finance reports for the Headteacher and Governors as required.
- i. Provide monthly reports to Headteacher to sign and then submit to the LA/Capita on income and expenditure, VAT and bank reconciliation.

### **4. Budgets**

- j. Ensure correct coding is applied to income and expenditure and to ensure the overall budget limits are not exceeded.
- k. Reconcile budget to the LA/Capita accounts on a quarterly basis.
- l. Bank Account - the official funds bank account will not become overdrawn.

### **3. Internal Financial Control**

1. The Headteacher can only authorise virements up to £5000. All other virement over this amount must be authorised by the finance committee.
2. Documents relating to finance are kept for a period of six years, plus the current year.
3. All accounting records are all kept in secure storage
4. The cheque books, printed cheques, receipt books and unused official orders are securely stored after use.

### **4. Insurance**

1. The schools' premises and contents are insured through London Borough of Barnet. Schedules of cover are issued annually.
2. Staff long-term sickness and maternity cover is currently arranged through the Local Authority Long term sickness and Maternity pool.
3. School property, such as musical instruments and computers are covered when they are taken off the premises.
4. School journeys insured before the journey occurs.
5. Insurance incidents are logged by the school office.

### **5 Information and Data Management**

1. The schools are registered in accordance with the Data Protection Act 1998.
2. The school uses secure cloud based integrated management systems for all accounting and personal data

### **6 Purchasing and payments processing**

1. A separation of duties is required for each financial process
2. Individuals are required to provide a unique tax reference number (UTR) when invoicing for services rendered unless the invoice is for goods only
3. The schools will adhere to the Construction Industry Scheme as per the procedures
4. In general terms, official purchase orders (Z orders) are to be used for all purchases of goods and services. However it is impractical in certain circumstances to issue Purchase Orders and the following exceptions are considered reasonable, although the school must have sufficient documentation to safeguard its legal and financial position.

#### Goods

- Lease agreements for photocopiers, ICT equipment, etc.

#### Services

- Maintenance services – buildings and grounds
- Building cleaning service
- Providers of sports, music tuition etc.
- Traded services with the Council (including Capita services) - the Buyback agreement form constitutes a purchase order.
- Utilities (gas, electricity, telecoms, etc.) – the agreement with the service provider, must include the unit price or tariff.

## Woodcroft Primary School: Finance Management Policy

- Agency staff - schools must have an agreement with the agency company which sets out the terms & conditions against which agency staff can be requested and paid for.

### Debit Card

- Debit card purchases for any single item under £250
- Where individual purchase orders are not applicable for a service; schools must have a contract or agreement with the provider

### **Ordering Procedures**

1. Official purchase orders (Z orders) are ruled off below the last item recorded. The white top copy is given to the supplier, the green copy is passed to the LB Barnet / Capita finance assistant for processing, the yellow copy is given to the budget holder
2. All orders are signed in accordance with the authorised signatory list prior to being processed.
3. Staff are designated to sign for goods received and services completed, and to note on the delivery note if the goods/services have been signed for unchecked
4. The delivery note is checked against the goods delivered and the original purchase order by the designated office staff
5. The goods are distributed by designated personnel to the budget holders promptly after checking
6. Individual moveable asset items with a value in excess of £250 are to be listed in the inventory
7. Payment is only made when an invoice has been received, checked, coded and certified for payment.
8. Invoices can only be certified by the staff authorised to do so under the authorised signatory list
9. When invoices have been paid and authorised, they are filed in cheque / BACs number order.

## **7 HR and Payroll**

1. The schools are contracted with EPM for HR and Payroll services
2. The Headteacher is responsible for all starters, leavers, changes to pay and contract
3. The Headteacher and Office Manager process new starters, leavers and changes to pay and contracted hours together with additional hours and overtime on My View
4. EPM sends contracts and letters via the Headteacher Manager to staff to reflect new appointments and changes to contracts
5. EPM sends payroll information to the schools on a monthly basis, and this is monitored on a monthly basis by the LB Barnet Schools Accountancy team.
6. Any errors or omissions are reported to EPM for correction.

## **8 Security of premises and control of assets**

1. Key holders of the premises are as follow:
  - a. The Headteacher
  - b. Caretaker
  - c. Premises Manager
  - d. After-School Club Coordinators

2. An Inventory / asset register is maintained and details moveable items with a value in excess of £250. This maintained by the Network Manager
3. Surplus or obsolete inventory or stock items may only be disposed of with approval of the Governing body and in a way which provides value for money for the school.
4. The school safe is kept locked at all times. The Office Manager retains the keys

## **9 Income**

1. The Governors have a charging policy in place. The policy covers parental contributions for instrumental tuition, trips and other school activities.
2. Income is collected from parents via Eduspot's "School Money" cashless system. This is a web based service used to collect payments from parents and staff securely on-line either by credit or debit card or to pay by cash at local stores through the PayPoint network. It enables the school to collect all income for trips, music lessons, dinner money, clubs and uniform sales and to record all income from online cards, PayPoint network. School Money manages all income - reporting, reconciliation, auditing and banking.
3. The school does not accept any cash with the exception of occasional charity collections which are banked securely using LBB security collection service on an ad hoc basis.

## **10 Lettings**

1. Lettings may be authorised by the Governing Body or a Committee of it in accordance with the Lettings Policy.
2. Where authorised under the policy, lettings will be:
  - a. Administered by the School Business Manager
  - b. Invoiced and booked on official school headed paper
  - c. Paid for in advance
3. All lettings income is paid into the School's budget share account
4. An indemnity deposit will be taken on one-off lettings and paid into the official funds.
5. Indemnity deposits will be paid back to the hirer when the satisfactory report is received by the School Business Manager / Caretaker.

## **11 Banking Arrangements**

### **1 Cheques**

1. Authorised cheque signatories are: The Headteacher, Deputy Headteacher and Assistant Headteachers.
2. Cheques are written for the categories of expenditure detailed on the school budget
3. Two signatures are required on cheques above the value of £500
4. The Finance Committee must approve individual purchases above £10,000
5. Cheques are not to be pre-signed
6. When not in use, cheque books and printed cheques are securely kept in the school safe



7. Bank statements are received monthly and reconciled with accounting records
8. All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (eg stamped paying-in slip.)

## **2 BACS/FASTER PAYMENTS**

9. BACS is the preferred payment method. It is more secure, represents time saving efficiencies and saves postal costs.
10. BACS/FasterPayment can only be approved by senior staff on the authorised signatory list.
11. BACS/FasterPayment are authorised up to £1000 by one signatory.
12. BACS/FasterPayment are authorised up to £1000 by one signatory.
13. BACS cards, PIN numbers and passwords are known only to the authorised user
14. All cards and card readers are kept in a locked tin in the strong room
15. All bank details are verified with suppliers prior to issuing any payments
16. On receipt notification of change to bank, the change must be independently verified by phone call to the finance department of the relevant supplier. The telephone number must be independently checked prior to making contact with the finance department. The bank details must be verified with an employee that did not initiate the original instruction to guard against fraud. This check is to be carried out for all new suppliers and for any payment changes prior to issuing payment.

## **12 Petty Cash**

The Headteacher and Finance Committee may together agree to operate a petty cash system

The level of petty cash held on site at any-one time will be £100

1. Authorised signatures will be as per the authorised signatory list
2. The Headteacher and the Office Manager will have access to petty cash
3. Petty Cash will be kept securely. This will be kept in the office during normal office hours and in the school safe at all other times
4. No payment will be made without a valid receipt identifying VAT when applicable
5. A petty cash voucher will be prepared for all transactions
6. Petty cash will be reconciled monthly on RM Finance

## **13 Tendering & Quotations -Contract Standing Orders for Schools**

**13.1** Procurement decisions are among the most important decisions governors and school staff will make because the money involved is public money and the Council and Governing Bodies are concerned to ensure that high quality supplies, works and services are provided. Efficient use of resources in order to achieve best value is therefore an imperative. The school's reputation is equally important and should be safeguarded from any imputation of dishonesty or corruption.

For these reasons it is an offence to fail to comply with Contract Standing Orders for Schools and follow the guidance set out in the Financial Guide for Schools when letting contracts. School employees have a duty to report breaches of Contract Standing Orders under the school's Whistle-blowing Policy to the Headteacher and/or the Council's Head of Internal Audit.

The Contract Standing Orders provide the framework within which schools may procure works, supplies and services. The aim of these rules is:

- To ensure value for money and propriety in the spending of public money; and  
to ensure that the council and schools are not exposed to unnecessary risk and likelihood of challenge arising from non-compliant tendering activity
- To ensure the continued effectiveness of the Contract Standing Orders, the Council may, from time to time, amend the thresholds set out below

### **13.2 Application and Interpretation**

- The Contract Standing Orders shall apply to all contracts entered into by or on behalf of the schools maintained by Barnet Council. Exceptions to the Contract Standing Orders can be approved by the Governing Body in accordance with 5.6 and 6.4.
- Where the Council is entering into a contract as an agent and/or collaboration with another public body or government department, these Contract Standing Orders apply only in so far as they are consistent with the requirements of the body concerned. Where the Council is acting as principal the Council's Contract Procedure Rules will take precedence.
- Unless the context otherwise requires, terms used in these Contract Procedure Rules shall have the meanings ascribed to them as set out in the Glossary of Terms to be found at Section 10.

### **13.3 Calculation of Contract Values**

Unless otherwise specifically provided, where a value or an estimated value is given in these Contract Standing Orders, it means the aggregate value payable in pounds sterling exclusive of Value Added Tax over the entire contract period, including any form of option and any renewals of the contract.

For contracts over £10,000, Headteachers must ensure that a pre-tender estimate of anticipated costs is prepared, is in the budget and recorded in writing. Where EU Public Procurement rules apply, Headteachers must also ascertain the value of a contract in accordance with those rules.

Contracts cannot be artificially under or overestimated or divided into two or more separate contracts where the effect is to avoid the application of Contract Standing Orders/EU Regulations and UK legislation.

### **13.4 Responsibilities of Governing Bodies and Headteachers**

Governing Bodies and Headteachers, are responsible for all contracts tendered and let by their schools. Their duties in relation to contract letting and management are:

1. to ensure compliance with English Law, UK and EU legislation and Council policy
2. to ensure value for money and be risk averse in all procurement matters
3. to ensure compliance with the Contract Standing Orders and the Financial Guide for Schools
4. to maintain a scheme of delegation within the school, as required by the Scheme for Financing Schools
5. to ensure that all relevant staff are familiar with the provisions of the Contract Standing Orders and the guidance contained in the Financial Guide for Schools and that they receive adequate training on their operation
6. to take immediate action in the event of a breach of the Contract Standing Orders or the Financial Guide for Schools within their school
7. to ensure that all existing and new contracts anticipated during the forthcoming financial year are clearly itemised in the Budget supporting documentation
8. to ensure proper records, of all contracts, tenders etc. including minutes of tender evaluation panels and other meetings are kept which may be inspected by a member of the Governing Body or a representative of the Council's Chief Financial Officer at any time during school hours
9. to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the tendering process; to ensure original contract documents required for sealing are forwarded to the LB Barnet Head of Legal for safekeeping
10. to ensure a register of contracts over £10,000 is kept, which may be inspected by a member of the Governing Body or persons nominated by the Chief Finance Officer at any time in school hours
11. to ensure effective contract management, contract reviews and monitoring during the lifetime of all contracts
12. to seek and act upon advice from the Council's Commercial Director and the Chief Finance Officer where necessary to ensure compliance with these responsibilities; to seek legal advice from the Head of Legal or other suitably qualified source
13. to keep records of waivers of any provision of these Contract Standing Orders and record in the school's register of contracts.

## 13.5 Authorisation & Acceptance Procedures

### Authorisation Principles

**“Authorisation”** is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with 3.2.

Any contract, including additions, extensions and variations, under £173,934, which has been included in the school’s approved annual Budget and supporting plans is deemed as authorised irrespective of value.

Any contract which has not been authorised must be authorised in accordance with 3.2 and as set out in Table 5.1.

### Acceptance Principles

**“Acceptance”** is the approval to proceed with the purchase of supplies, services or works and enter into a contract.

The aim is to speed up the process by allowing, where possible, the acceptance of tenders to be delegated to a level of authority lower than that required for Authorisation. This recognises that in most instances, the influencing decision is at the Authorisation stage, not at the point of Acceptance.

This table sets out who can authorise and accept proposed contracts at the various thresholds for works, supplies and services contracts:

	Contract Value*					
	less than £10k	£10k up to £75k	£75,001 up to £173,934*	£174k up to £499,999k*	£500k and up to £4.3m*	£4.3m* and over
<b>Authorisation</b>	None if budgetary provision; otherwise Head-teacher or Deputy Head	None where governors have authorised by Budget and supporting plans; otherwise Governing Body	None where governors have authorised by Budget and supporting plans; otherwise Governing Body	Governing Body		
<b>Acceptance</b>	Officers nominated by the Governing Body	Headteacher or nominated Deputy, Asst Head or “bursar/business manager”	Finance Committee or Governing Body	Governing Body and sealed on behalf of Council		

\*Please check with CPT for the latest threshold set out by EU Regulations as these figures are subject to change.

### **13.6 Acceptance Parameters for Contract Additions, Extensions and Variations**

The Acceptance thresholds for contract extensions and variations are as set out in Table 5. 1 above and also subject to the following:

In the case of an extension to a contract:

- The initial contract was based on a competitive tender or quotations;
- The initial contract has not been extended before; and
- The value of the extension is less than half the cost of the existing contract without the extension and has a budget allocation

In the case of a contract variation, and in accordance with the terms and conditions of that contract:

- The variation is notified and agreed in writing to the contractor;
- Any additional expenditure necessarily incurred is agreed in writing and does not exceed 20% of the initial contract.

### **13.7 Emergency/Urgency Procedures & Waiver of Contract Standing Orders**

For all contracts below £75,000 the Headteacher may take decisions in conjunction with the Chair of Governors on urgent matters providing they report afterwards to the governing body setting out the reason for the emergency. Such decisions include a waiver of the Contract Standing Orders where this is justified on the basis of emergency and one or more of the matters set out in 5.6 below.

Except in situations of emergency the Contract Standing Orders may only be waived on the decision of the Governing Body and only where the Governing Body is satisfied, after considering a written report by the Headteacher, that the waiver is justified because:

- a) the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Standing Orders is justifiable; or
- b) the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- c) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English Law); or
- d) there are other circumstances which are genuinely exceptional

### 13.8 Selecting Contractors

#### Barnet schools' quotation and tender procedures

For those contracts not subject to EU procurement regulations, tendering should follow guidance set out in the Financial Guide for Schools.

#### Quotation and tendering thresholds for works, supplies and services

	Contract Value*					
	less than £10k	£10,000 up to £75k	£75,001 up to £173,934*	£174k up to £499,999*	£500k and up to £4.3m*	£4.3m* and over
<b>Supplies and Services Contracts</b>	No special rules but reasonable means of selection	<b>Written Quotations</b> - Request two (2) or more written competitive quotations but must have minimum 2 returned. Less than 2 bids returned then repeat competition	<b>Quotation Process</b> Request three (3) or more written competitive quotations but must have minimum 2 returned. Less than 2 bids returned then repeat competition	<b>EU Tendering process</b> As required by Council's Commercial Director and Head of Legal. May be subject to EU legislation		
<b>Works Contracts</b>	No special rules but reasonable means of selection	<b>Written Quotations</b> Request two (2) or more written competitive quotations but must have minimum 2 returned. Less than 2 bids returned then repeat competition	<b>Quotation Process</b> Request three (3) or more written competitive quotations but must have minimum 2 returned. Less than 2 bids returned then repeat competition	<b>Tendering Process (details as advised by CPO)</b> Request five (5) or more written competitive quotations but must have minimum 2 returned. Less than 2 bids returned then repeat competition	<b>Tendering process</b> subject to EU legislation as required by Council's Commercial Director	

\*Please check with CPT for the latest threshold set out by EU Regulations as these figures are subject to change.

### 13.9 Using Consortia and Corporate Purchasing Arrangements

The Council enters into a range of consortia and corporate purchasing arrangements to achieve value for money and other benefits specified in section 1, schools are required to utilise those arrangements unless the Headteacher reports to the governing body the reason (s) such arrangements do not meet the needs of the school and the governing body accepts those reason(s). The school must adhere to Best Value principles.

### 13.10 Framework Agreements

Where the service, work, supply or utility provision can be purchased through a new or pre-existing framework agreement held by the Council or local consortium or other public body and the Headteacher considers that such an approach represents the most economically advantageous solution and with regard to the relevant EU Rules on the use

of such arrangements, the Headteacher shall also be satisfied before entering into a Framework agreement that;

1. the term of the arrangement shall be or is for a period of no longer than four years duration;
2. the terms and conditions of the arrangement do not compromise the requirements of the Contract Standing Orders for Schools;
3. the parties to the arrangement are recognised public bodies or providers from the private sector with relevant experience in this regard;
4. full, open and proper competition in respect of the creation of the framework or consortium arrangement has taken or will take place in accordance with the Relevant EU Rules and/or Relevant Contract Procedure Rules.

Preference should be given to use of the government procurement schemes for example OGC Buying Solutions Catalist.

Where there is any uncertainty in relation to the above the Headteacher shall consult with the Council's Procurement Team and/or take legal advice prior to entering into the framework agreement.

### **13.11 Single source suppliers**

Where the Headteacher is satisfied, following the making of suitable investigations, that there is only one supplier in the market for the required supplies/services/works, the competitive tendering provisions will not apply provided that the Headteacher reports to the governing body the reason (s) why only a single supplier can meet the needs of the school and the governing body accepts those reason(s) and the contract is still subject to the Authorisation and Acceptance procedures.

### **13.12 Receipt and Opening of Tenders**

Non- electronic Tender Process

1. Contractors must be informed when tenders are invited that their tender will only be considered if:
2. it is contained in a plain inner envelope, securely sealed and self-addressed by the tenderer;
3. the inner envelope is contained in a plain outer envelope. The outer envelope must be securely sealed, bearing the word "tender" followed by the subject matter of the contract, with closing date and time.
4. the outer envelope should not bear any distinguishing matter indicating the identity of the sender;
5. the outer envelope is addressed impersonally to:
6. The Headteacher, Name of school, Full school address
7. and, it is delivered by the time stated in the tender invitation.

Tenders which do not meet the above requirements may only be considered if the other tenders have not yet been opened and:

- failure to comply is the school's fault; or
- a tender is late, and it is clear without any contact with the contractor that the tender was sent in such a way that in the normal course of events it would have arrived on time.

Tenders must be kept safe until the time for their opening by an officer given this duty by the Governing Body.

Records of the time and date of receipt of all tenders must be kept by the officer opening tenders.

Tenders for a particular contract must be opened at the same time in the presence of two officers appointed by the Governing Body, who have not been involved in the tendering process and who are responsible for properly recording receipt. On opening the tenders, the officers shall:

1. Number each tender consecutively;
2. If there are priced bills, schedules of rates or the like, date and photocopy each summary sheet indicating the main contract prices;
3. Otherwise, date and photocopy each page of the tender that contains prices; and
4. Complete and sign a schedule or record of tenders received.

The photocopies and schedule or record shall be retained for future inspection.

If a tender is received after the specified time and date then only the outer envelope shall be opened. The inner envelope shall be endorsed with the time and date of receipt, and promptly returned unopened to the tenderer. If there is no suitably addressed inner envelope the tender may be examined but only to the extent necessary to discover the name and address of the tenderer. No details of the tender shall be disclosed and it will be returned promptly to the tenderer.

### **13.13 Post Tender Meetings**

Where the Headteacher considers that pre contract award meetings are required in order to seek tender clarifications, the Chair of Governors, in consultation with the Chair of Finance Committee, may give authority to proceed. A written report of the points of clarification must be presented in confidence by the Headteacher or other nominated officer to the full governing body before the award of the contract.

Clarification of ambiguous tenders does not constitute pre contract award negotiations. Negotiation of tendered prices is not permitted.

Should the Headteacher consider there is a need for further advice s/he should consult with the Council's Commercial Director.

### **13.14 Tender and Contract Details**

#### **Tender Contents**

Each tender must contain:

- i. an undertaking signed by the tenderer that to the best of their knowledge and belief they have complied with all the relevant provisions of the Health and Safety at Work Act 1974 and regulations made under it;
- ii. a statement that the tenderer will comply with the requirement for staff, where relevant, to have criminal record checks.
- iii. a statement that the tenderer will comply with all current, relevant British Standard Specification or Code of Practice or equivalent European Union or international standards offering guarantees of safety, reliability and fitness for purpose;
- iv. a statement by the tenderer that they will not try to obtain or receive by whatever means any information which gives or is intended or likely to give the tenderer or



another party any unfair advantage over any other tenderer (including the Council's own workforce) in relation to the tendering for and award of any works/services contract;

- v. A statement that the school shall not be liable for expenses incurred in the preparation of tenders; nor shall the school be bound to accept the lowest or any tenders submitted; nor shall the school have to give reasons for the rejection of any tender and shall have reserved to them the right to invite fresh tenders should they consider that course desirable.

### **Contract Contents**

Every contract shall contain the following terms:

1. terms specifying the work, services or supplies in question;
2. the price or basis of charge (including discounts); and
3. the time of performance and key performance indicators.
4. transitional arrangements at the end (Exit Strategy) or earlier termination of the contract .e.g. work in progress and costs of transferring ownership of assets, data and records.
5. the contract management and monitoring plan

### **Signing and Sealing of Contracts**

1. Every contract must be in writing and incorporate the Council's Standard Terms & Conditions
2. Contracts whose value exceeds £173,934 must be sealed on behalf of the Council
3. Contracts not made under seal can be signed by the Chair of Governors or any school officer authorised by the Governing Body.

### **Contract Management and Monitoring**

During the life of the contract the Headteacher must ensure that systems are in place to manage and monitor contracts in respect of:

1. contract performance and key performance indicators;
2. compliance with specification and contract;
3. Cost - cross check contract payments to work done or supplies or services supplied;
4. Ensuring continuous improvement and any Best Value requirements;
5. User satisfaction, lessons learned and risk management;
6. Elimination of unlawful discrimination and promoting equalities

### **Contract Payments in Instalments**

This section applies to contracts which provide for payments to be made in instalments against a certificate indicating partial, staged or final performance against a specification (typically, these are building or engineering contracts using the standard forms).

Such payments shall be made on provision of a certificate signed by the Headteacher or other approved officer. All payments to contractors on account of contracts shall be made in accordance with the contract and the Headteacher shall provide the Governing Body with:

1. details of the total amount of the contract;
2. the estimated value of work to date and of materials on site;
3. the amount deducted by way of retention, VAT, liquidated and ascertained damages in respect of unsatisfactory work; and

4. the amounts previously paid and the amount now due for payment as adjusted for taxation purposes; and
5. any sums to be paid after a defects liability period.

## **14 Voluntary / Unofficial Funds**

Currently the school does not operate any voluntary funds. If such fund were required, this would be by agreement between the Headteacher and Finance Committee. Such an agreement will be minuted by the Finance Committee and noted in Governing Body minutes.

Responsibility for a voluntary fund would be delegated to the Headteacher and spending from the fund would be at the Head's discretion. This would be for matters complimentary to the purposes of the school but not appropriate to be included in the official, delegated budget accounts. For instance, minor gifts/presentations to staff or governors eg flowers for a sick colleague, or refreshments at a leaving do for staff or governors.

Where such a fund is set up the following procedures would apply:

1. Voluntary / unofficial fund accounts are to be audited annually and presented to the Finance Committee within six months of the year end and a copy of the audit report sent to the Governors.
2. The Finance Committee appoints the auditor.
3. Payments will not be made unless an invoice is submitted.
4. The signatories on the accounts would be the Headteacher, Deputy Headteacher and Office Manager.
5. Two signatories are required to sign all cheques.

## **15 Debit Card Policy**

The use of Debit and Credit Cards is governed by the "Scheme for Financing Schools" (paragraph 3.7)

The Governing Body has approved the use of debit cards. LB Barnet have advised schools with a debit card to apply for a credit card also, to enable purchases to be made when LB Barnet's treasury management transfers may temporarily prevent the use of the debit card.

### **15.1 Principles**

From time to time the school may be offered an opportunity to purchase goods or arrange for services for the school from companies that do not accept purchase orders and instead demand a direct payment. To make use of these value for money offers, the school holds a debit card. The Headteacher will ensure that that there is budgetary provision for all purchases, and that there is a sufficient balance available in the bank to cover the expenditure.

The primary method of purchasing remains invoicing by means of raising a purchase order and following receipt of goods, paying the subsequent invoice by BACS or cheque where

payment by BACS is not possible, and this shall generally be used in preference to card purchases where such is offered by the supplier.

## **15.2 Cardholders**

The Finance Committee may authorise the following to be cardholders: Headteacher and Deputy Headteacher

## **15.3 Issuing bank**

The debit and credit cards shall be issued by the school's bankers who are currently Nat West Bank.

## **15.4 Security**

1. Each card is entrusted to cardholder's who have responsibility to ensure a that it is used in accordance with the school debit card policy and is responsible for its safe keeping.
2. The PIN number for each card shall be known only by the cardholder and not disclosed to anyone else or written down.
3. In the event of loss of the pin number the bank will be able to provide the cardholders only with the information.
4. Should the card be lost or stolen the loss shall be reported by the cardholder to the issuing bank, the school business manager and the Headteacher immediately. In addition, the police must be informed in the event of theft
5. Should fraud or misuse be suspected, the bank should be informed immediately so that the appropriate action can be taken.

## **15.5 Limits**

1. The debit card account shall have a spending limit of £2,000 controlled by the bank.
2. Cash withdrawals are not permitted. For control purposes a £10 limit shall be set by the bank on the debit card only.

## **15.6 Authorisation**

1. The debit card transaction should be entered in the accounts as soon as possible with the debit card authorisation number, to ensure the completeness of the accounting records and ready to be reconciled when the bank statement reaches the school.
2. All receipts shall be authorised by either the Headteacher, Chair of Governors or a designated person.
3. The cards shall not be used for personal expenditure under any circumstances.
4. All authorised cardholders shall sign to accept that they have personal responsibility for transactions on "their" card which are not conducted with the approval of the school in accordance with this policy. Refer to Appendix 1 attached.
5. Cardholders shall also authorise the school to recover the cost of any unauthorised transactions and where reimbursement is not received then the school is authorised to make a salary deduction for the unauthorised amount.
6. Cardholders shall be made aware of the action to take in the event of a card being stolen, lost or missing.

### **15.7 Separation of Duties**

Separation of duties is fulfilled by the following:

1. Budget holders must check that there is sufficient budgetary provision and liaise with the card holder to place the order on-line which the card holder will then authorise
4. The Headteacher authorises expenditure made on the Deputy Head's card and the Chair of Governors authorises expenditure made on the Headteacher's card
5. The LB Barnet/Capita Finance Assistant records expenditure on the schools accounting system in the usual way
6. The LB Barnet/Capita Finance Assistant reconciles the direct debit entry on the bank account statement against the credit card statement
7. The LB Barnet/Capita Finance Assistant reconciles the debit entry on the bank statement created via use of the debit card and matches up all the paperwork

### **15.8 Off Site Purchases**

1. Responsibility for the security and safety keeping of school cards is entrusted to the individual card holder.
2. A VAT (if applicable) receipt must be obtained
3. A receipt for goods/services must be provided to the LB Barnet/Capita schools accountancy team

### **15.9 Purchases over £500**

1. Purchases over £500 should be agreed in advance and authorised by a second signatory (from the authorised signatory list) on a white order form.
2. If ordering on-line the order confirmation must be printed out and then correctly coded, authorised and posted as a direct payment onto the accounting system by the LB Barnet/Capita finance assistant or schools accountant
3. A VAT (if applicable) receipt must be obtained
4. The cardholder must provide the receipt for goods/services to the LB Barnet/Capita schools accountancy team
5. All orders must be delivered to the school address.
6. A record of receipt of goods/service must be retained at school, i.e. delivery note

### 15.11 School Credit/Debit Cardholder Consent Form

I consent to be a cardholder on the following credit/debit account held by Woodcroft Primary School

Credit/Debit Card Issuer:

Card Number:

I confirm that I have read Credit/Debit Card Policy and that I will abide by its terms and conditions.

In particular, I acknowledge and agree that:

1. I will use the account only to purchase items/services on behalf of the School and not use the account for any personal expenditure
2. I will only purchase items/services in accordance with the Policy
3. I will take care of the card whilst in my possession to avoid its loss or theft
4. I will not disclose to any other person, or write down, the Card PIN number
5. I will only use the Card security number for online purchases where a security number is requested and only on a secure (indicated by padlock symbol) Internet website
6. I will not use the Card to withdraw cash
7. I understand that upon discovery of loss or theft of the Card, I must as soon as possible notify:
  - a. the issuing bank; and
  - b. the School Business Manager and Headteacher; and
  - c. the police (only in the event of theft)
8. I understand that I am personally liable for all charges on the Account which relate to transactions which have not been conducted in accordance with the Policy
9. I accept that I must reimburse the School promptly should I cause the Account to incur any unauthorised charges and in the absence of prompt reimbursement, I authorise the School to recover all unauthorised Charges by deduction from any amounts otherwise owing to me by the School, including but not limited to salary and expenses
10. I agree that, when not required for purchases, I will return the Card for safekeeping in the School safe, to either the Headteacher or the Office Manager
11. I agree that if I cease to be employed by the school I will return the card to the Headteacher

Signed:

Signed:

Name:

Headteacher / Chair of Governors

Date:

Date:

## **16. Anti-Fraud and Corruption Policy**

### **1. Introduction**

The Scheme for Financing Schools includes the following provision, as paragraph 2.22 -

“All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors.”

This policy document assists the Governing Body in meeting its responsibilities.

The Scheme for Financing Schools item 2.11 – Audit General, states the following:

The Council’s Chief Finance Officer must be told immediately about:

1. anything that involves (or is thought to involve) irregularities concerning cash, stores or other property;
2. any other suspected irregularity in the running of the school, and may investigate and report as he/she thinks necessary.

### **2. Fraud, Corruption and Bribery**

Fraud is a criminal offence. The Fraud Act 2006 defines ‘fraud’ as:

1. Deceit, the intention to deceive or secrecy: and
  2. (a) an actual loss or gain;
  - (b) the intent to cause loss to another or expose them to the risk of it;
3. Dishonesty.

Offences of fraud can include abuse of position, making of a false statements, failure to disclose information, obtaining services dishonestly, deception, theft, misappropriation, embezzlement, forgery, corruption, extortion, false accounting, false representation, concealment of material facts, acts of conspiracy, collusion and aiding and abetting any act of dishonesty.

Bribery is a criminal offence and the Bribery Act 2010 introduces a clearer regime for tackling bribery. A definition is – inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

The council has a bribery policy statement and procedure and Fraud policy statement and procedure – which can be referred to for further detail / reference.

### **3. Council Policy**

The London Borough of Barnet is committed to fighting fraud with high ethical and moral standards, and recognises that any fraud perpetrated against the Council including its schools is costly, both in financial terms and reputation.

The Council is therefore committed to a programme of zero tolerance.

The Council is committed to nurturing a strong anti-fraud culture, which is key to the prevention and detection of fraud.

Its Corporate Anti Fraud Team (CAFT) is dedicated to investigating all instances of fraud committed against the London Borough of Barnet and its schools.

### **4. School Policy**

The Governing Body endorses the policy of the Council and is committed to take action to prevent, detect and deter fraud, corruption and bribery in all its activities.

This policy must be read in conjunction with the following policies – Whistle-blowing, financial policies & procedures, including delegation and Safer Recruitment procedures.

The school will ensure probity in administration and governance by taking positive action against all forms of fraud, corruption or bribery affecting school business whether it is from internal or external sources.

#### **Governors**

There is a specific duty expected of the Governors to set an example to the employees of the school and the community by acting with integrity, honesty and in a trustworthy manner befitting the school.

Members of the Governing Body will the standard for the school and therefore give their full support to all systems and controls in place to assure probity. In particular, governors have a personal responsibility to abide by the school's constitution, the Scheme for Financing Schools and Contract Standing Orders for Schools.

The Governing Body a legal responsibility for the school budget and will ensure a sound system of internal control is in place in the use of delegated and other funds given to the school.

#### **Headteacher and senior staff**

The Headteacher and senior members of staff are expected to set high examples of conduct in their day to day work, which are beyond reproach.

The Headteacher, with assistance from the school's School Business Manager or finance officer, bears overall responsibility for systems of financial control and may be liable to be called to account for specific failures.

However all senior staff and other managers are responsible for ensuring an effective system of risk management and internal control exists within their areas of responsibility and that those controls operate effectively. Managers must take a lead in terms of fraud

prevention and will be held accountable for not undertaking this as part of their position of trust and area of responsibility.

The Headteacher is responsible for ensuring the school's policy in relation to fraud is communicated to all staff.

### **All staff**

This policy applies to all employees of the school. It also applies to consultants, temporary staff, contractors and vendors and any other parties with a business relationship with the school

All members of staff are expected to share this commitment to help the school protect the public funds to which it has been entrusted. All staff have a duty to assist the school in the prevention of fraud and are expected to alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of appropriate supervision. All employees are expected to report any cases of suspected fraud, no matter how trivial they may seem.

All staff are expected to be fully accountable during their employment with the school, to follow the school's policies, financial procedures and any relevant professional code and to comply with all laws and regulations applicable to the school's business.

As stewards of public funds, staff must have, and be seen to have, high standards of personal integrity. Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise that integrity.

### **Internal Audit**

Internal Audit will report on the existence and effectiveness of control systems and as part of the audit process may advise on best practice. The findings and recommendations of reports will be implemented promptly.

## **4. Prevention**

Prevention is the most desirable factor in dealing with any fraud. Unfortunately, not all systems are always foolproof in stopping the committed fraudster.

Governors, school management and staff will carry out their responsibilities as outlined above and implement specific action as set out in the appendix – Implementation of Fraud Policy .

## **5. Detection**

Internal Audit carry out audits of all schools based on an assessment of the risk management. Internal Audit regularly liaises with External Audit and will refer any suspected fraud or irregularity to the Corporate Anti Fraud Team.



All staff have an obligation to report concerns to school management. In addition a **Council Whistle-blowing Hotline (020 8359 6123)** exists for cases where school staff feel it is necessary to report their suspicions in a confidential manner. All staff will be made aware of the school's Whistle-blowing Policy.

## 6. Investigation

Where any matter that might constitute fraud, theft, corruption or bribery comes to the attention of any governor, the Headteacher or member of the SLT it will be in the first instance investigated by the Headteacher to ascertain the basic facts.

Subject to the findings the matter must be referred to the Corporate Anti Fraud Team/ and or chief finance officer, both parties will then liaise and it a decision will be made as to whether it will be dealt with by CAFT or a full internal investigation will be carried out.

The Council's Corporate Anti Fraud Team are responsible for investigating all allegations of suspected fraud. The Team has full right of access to examine any documents or contents of school property. This also includes examination of computers, and related equipment and interviews with staff.

The Corporate Anti Fraud Team has been designated this responsibility to ensure consistency in dealing with all allegations of fraud, to ensure a detailed and proper investigation is carried out by skilled investigators, and to ensure the Council and its maintained schools' assets and interests are protected and/or recovered where applicable.

The Corporate Anti Fraud Team will work closely with the Chair of Governors and Headteacher in fraud related cases involving disciplinary investigation, action and hearings. Where fraud is proven, this constitutes gross misconduct and cases will be dealt with appropriately, according to school's disciplinary procedures.

It is recognised that being subject to an investigation can be a stressful experience, therefore all investigations will be handled as quickly as possible and confidentially to ensure the person under investigation is dealt with in an appropriate and timely manner.

## 7. Deterrence

The Governing Body views fraud as a serious offence against the school and employees will face disciplinary action if there is evidence to support any allegation of fraud. Disciplinary action may be taken in addition to, any criminal proceedings, depending on the circumstances of each case.

The London Borough of Barnet has an established a Prosecution Policy which clarifies the authority's position with regard to prosecutions and to deter those who may attempt to commit offences against the authority or its schools.

The Governing Body endorses the Council's Prosecution Policy and is committed to deterring potential cases of fraud through the implementation of robust systems and procedures and will act quickly and efficiently where fraud is alleged, leading to the most appropriate outcome.

## Woodcroft Primary School: Finance Management Policy

It will take all steps possible to ensure appropriate penalties are sought in cases where fraud is proven, strenuously attempt recovery of any monies lost as a result of fraud and thoroughly assess the systems and processes to ensure fraud is minimised in future.

The Governing Body will ensure its policy is communicated to staff and the community.

**The policy has been implemented by the actions set out below.**

<b>Implementation of Fraud Policy Action</b>	<b>Lead person</b>	<b>Carried out</b>
Governors to abide by the school's constitution, the Scheme for Financing Schools, Contract Standing Orders for Schools, and act within the law in an open, honest and trustworthy manner	Monitored by Chair of Governors and Chair of Finance Committee over the past year in line with SFVS submission and policy ratification.	✓
Ensure an effective system of internal financial control exists within the school, that it is clearly documented in the school's own Financial Procedures and that those controls operate effectively.	Headteacher (with assistance School Business Manager)	✓
Budget managers ensure procedures are followed in line with the Financial Management Policy.	Headteacher in conjunction with Budget Holders (with School Business Manager)	✓
Ensure recruitment procedures established to ensure all staff are vetted correctly prior to commencing their employment.	Headteacher (assisted by person carrying out HR procedures)	✓
Ensure statements of employment or undertaking include reference to the school's Fraud Policy	Headteacher (assisted by person carrying out HR procedures)	✓
Ensure Disciplinary procedures are in place to deal any acts of misconduct by school employees.	Chair of Staffing Committee (or similar)	✓
Reference to the Fraud policy and Whistle-blowing policy in Staff A-Z	Headteacher (assisted by person carrying out HR procedures)	✓

**Woodcroft Primary School: Finance Management Policy**

Inclusion of Fraud policy and Whistle-blowing policy in staff induction programmes	Headteacher (assisted by person carrying out HR procedures)	✓
Inclusion of Fraud policy and Whistle-blowing policy in governor's induction programmes	Chair of Governors (assisted by person carrying out HR procedures)	✓
Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise their integrity.	Headteacher to maintain a gifts and hospitality register for over £25	✓
Publicise the school's commitment to fighting fraud, e.g. providing information on its website and school documents	Headteacher	✓

**Authorisation of Policy**

**Statement 1**

This policy was approved by the Governing Body at its meeting on.....

Signed..... Chair of Governors      Date.....

**Statement 2**

I can confirm to the Governing Body that the policy has been implemented by the actions set out in the table below.

Signed..... Chair of Governors      Date.....

**The Finance Committee reviewed the Finance Management and Procedures Policy for 2019/20 at its meeting on 5th November 2019 .**

**The policy is due to be reviewed again in Autumn 2020.**

**Signed:**

**Chair of Governors**

**Date**

**See also:**

- Whistle Blowing Policy
- Charging Policy
- Lettings Policy
- Gifts and Hospitality Policy