Astwood Bank Primary School
Finance Policy & Procedures

Introduction

The main purpose of this Policy is to set a framework for sound financial management and boundaries within which the Head Teacher, Governors and staff can operate. The school's financial arrangements comply with the current financial regulations, standing orders and schemes of delegation issued by Worcestershire County Council and guidance issued by the Government.

Note: *The term governing body is used to mean the full governing body or its committees, where responsibility can be delegated to a committee. Similarly, the term Head Teacher is used to mean the Head Teacher or other member of the school's staff, where responsibility has been delegated to that member of staff, in particular the Finance Officer.*

Review date: September 2018

Signed by: -

Head Teacher Mrs D Yarnold ....

Chair of Governors Mr K Sherrington- Lodge..

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POLICY

A Governance

The Governing Body is collectively responsible for the overall direction of the school and its strategic management. This involves determining the guiding principles within which the school operates and making decisions, for example, how to spend the school's budget. It is legally required to agree the school's annual budget plan.

The governing body has a strategic role to realise its mission as a Community school and has responsibility for setting educational and financial priorities, for oversight of sound financial management and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations and, through the Head Teacher, complies with the EFA's financial regulations or standing orders.

- **A1** The Head Teacher is responsible on a day-to-day basis for the management of the school's finances within the approved budget in accordance with the Governor's policy on best value, Appendix A and in line with the School Improvement Plan, Appendix B. The Head Teacher has no authority to exceed the approved budget and must operate within the financial limits of delegated authority, Appendix D. The roles and responsibilities of the Head Teacher and other staff in relation to financial decision-making and administration are detailed in Appendix C.
- **A2** A finance committee has been set up to consider strategic financial issues on behalf of the governing body and its remit and membership is reviewed annually.
- **A3** The financial limits of delegated authority of the governing body are detailed in Appendix D. Details of the Committee structure, constitution and current membership are available from the Clerk to Governors.
- **A4** The governing body has agreed with the Head Teacher the minimum frequency, level of detail and general format of the financial information to be provided to it, especially in relation to budget monitoring reports Appendix E.
- **A5** Minutes are taken of all meetings of the governing body and its committees and include all decisions and by whom action is to be taken.
- **A6** The governing body maintains a register of business interests of governors, the Head Teacher and any other staff who influence financial decisions. This is open to examination by governors, staff, parents and the EFA. "Declarations of interest" is a standing agenda item on all Governors meetings.

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B Financial Planning

The Head Teacher and Governors have a clear view of how they intend to use the school's resources in future years to achieve their educational priorities.

- **B1** The school has a School Improvement Plan (SIP), which includes a statement of its educational goals to guide the planning process.
- **B2** The SIP covers in outline the school's educational priorities and budget plans for the next three years, showing how the use of resources is linked to the achievement of the school's goals.
- **B3** The SIP states the school's educational priorities in sufficient detail to provide the basis for constructing budget plans for the next financial year.
- **B4** Any new initiatives are carefully appraised in relation to all likely costs and benefits and their financial sustainability before being approved by the governing body.
- **B5** The SIP states intended expenditure on any significant changes from the previous financial year.
- **B6** A formal timetable and procedures are drawn up for constructing the SIP and budget to ensure that the governors have time to consider all relevant factors.
- **B7** There is a clear, identifiable link between the school's annual budget and its Improvement Plan (SIP).
- **B8** The Head Teacher presents a draft budget to the Finance Committee for approval in July. This should include sufficient detail and supporting information to enable Governors to make an informed decision. The draft budget will take account of the agreed staffing structure, known inflationary and incremental staff increases and known staffing changes for September. It should cover in detail the next financial year, based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.
- **B9** The governing body ensures that the main elements of the school's budget are periodically reviewed so that historic spending patterns are not unhelpfully perpetuated.
- **B10** The Head Teacher profiles the budget to take account of likely spending patterns taking account of seasonal factors, inflationary factors and previous trends if appropriate.
- **B11** Any budget surpluses are earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year. The Governors

Policy is to hold a reserve of no more than 8% of the gross annual budget.

- **B12** Once the budget has been discussed and agreed by the Finance Committee, it is presented to the Full Governing Body for consideration and approval before the beginning of the relevant financial year.
- **B13** The Head Teacher forwards details of the approved budget to the EFA by the 31st August each year. Any subsequent budget changes are enacted in accordance with the Scheme of Delegation and notified promptly to the EFA.

C Budget Monitoring

The Head Teacher and Governors regularly monitor income and expenditure against agreed budgets and maintain financial control by reviewing the current position and taking remedial action where necessary.

- **C1** The Head Teacher produces regular budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. The approved budget is the original budget approved by Governors as reported to the EFA, plus any additional funding and any approved requirements.
- **C2** The Head Teacher will provide reports to the Finance Committee and the EFA on a regular basis in accordance with the agreed timetable and minimum reporting requirements, as detailed in Appendix E. The Head Teacher will provide budget monitoring reports to the finance committee at least once a term showing any significant variances against the budget with explanatory notes and, where necessary, remedial action plans including requirements.
- **C3** The Head Teacher monitors expenditure on the initiatives set out in the School Improvement Plan.
- **C4** Where budget elements have been devolved, subject leaders receive and review reports -termly (or on request) comparing the amount spent or committed to date against their budgets. The Head Teacher monitors these reports periodically and takes action where necessary.

D Purchasing

The School achieves the best value for money they can from all their purchases, whether goods or services as detailed in the Governors Policy on Best Value, Appendix A. In this context, value for money is about getting the right quality at the best available price. This often means looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance.

- **D1** The school always considers price, quality and fitness for purpose when purchasing goods or services.
- **D2** Prior approval from the governing body is obtained for all expenditure above the limit predetermined by Governors in Appendix D and F.
- **D3** Competitive quotations/tenders are to be obtained wherever possible in accordance with Appendix D and F. Written quotations should be obtained for all expenditure above the limits predetermined by Governors in Appendix D and F, unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the governing body.
- **D4** Where a quotation other than the lowest is accepted, the reasons for this decision is reported to the governing body and included in the minutes of the relevant meeting.
- **D5** All purchases estimated to exceed an amount predetermined by Governors in Appendix F, must be put out to tender, using a form common to all tenderers, on the basis of a detailed description or specification of the goods or services required and in accordance with the procedures set out in Appendix F.
- **D6** Contract specifications (e.g. for cleaning, catering and grounds maintenance) define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.
- **D7** The school should not enter into any financial agreement with capital implications without the approval of the EFA as appropriate. If a lease arrangement is entered into, this should represent good value for money and be an 'operating' lease, not a financial lease.
- **D8** Official, pre-numbered orders are used for all goods and services except utilities, rents, rates and petty cash payments. Verbal orders are kept to a minimum, but if required for reasons of urgency or emergency, they must be confirmed by a written order.
- **D9** Orders are used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their or others' private use.
- **D10** All orders must be signed by a member of staff approved by the governing body.
- **D11** The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

- **D12** When an order is placed, the estimated cost is committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- **D13** The school checks goods and services on receipt to ensure they match the order and the invoice is marked accordingly. This is not done by the person who signed the order.
- **D14** Payment is made within time limits specified in law for the payment of debts and only when a proper (original) invoice has been received, checked, coded and certified for payment. Supplier payment terms and condition should be complied with.
- **D15** A member of staff approved by the governing body certifies invoices for payment. This is neither the person who signed the order nor the person who checked the receipt of goods or services, except in extraordinary circumstances.
- **D16** The Head and Deputy Head Teacher are authorised to certify invoices for payment.
- **D17** All paid invoices are marked with the cheque number and the word 'paid'. They are securely stored alphabetically.
- **D18** The procurement cardholder and transaction administrators where applicable) undertake their full responsibilities with the card, including adhering to all security procedures, processing transactions on the BIZAP portal, posting to SAP and processing any disputes. This is completed in accordance with the published Procurement Card Policy and Procedures.

The financial roles and responsibilities of staff and a list of named Subject Leaders can be found in the Financial Procedures document Appendix CABFS Best Value Statement.

E Financial Controls

The Governors have systems and internal financial controls in place to protect the school's resources from loss or fraud, to safeguard staff and governors and to ensure that information provided about how the budget is being spent is accurate and timely.

- **E1** The governing body ensures that the school has written descriptions of all its financial systems and procedures in the School's Financial Procedures document Appendix K. These are kept up to date and all appropriate employees are trained in their use.
- **E2** The Head Teacher ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing. Staff and Governors have completed a Financial

Management Competencies matrix analysis in compliance with the Financial Management Standard in Schools.

- **E3** The Head Teacher ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one acts as a check on the work of the other and all checks are fully documented.
- **E4** The school maintains proper accounting records and retains all documents relating to financial transactions for at least the period recommended by the EFA i.e. 6 years plus the current year.
- **E5** There is a clear audit trail, with all financial transactions being traceable from original documentation to accounting records, and vice versa.
- **E6** Any alterations to original documents such as cheques, debtor accounts and orders should be discouraged. Amendments should be made by cancelling the original document and reissuing.
- **E7** All accounting records are securely retained when not in use and only authorised staff are permitted access.
- **E8** The Head Teacher ensures that all expenditure from sources of earmarked funding/grants is accounted for separately and transparently and that the funding is used for its intended purpose. E.g. Specialist College, Extended School initiatives identified separately on SAP.
- **E9** The Head Teacher shall immediately inform the Chief Internal Auditor of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting cash, stores or any other property of the School.

F Income

The Head Teacher and Governors have appropriate controls in place to ensure the security of income.

- **F1** The governing body has established a Charges & Remissions Policy for School trips, music tuition, private photocopying, private telephone
calls and the supply of other goods or services; see Appendix H. The full governing body reviews these policies annually.
- **F2** Proper records are kept of all income due.
- **F3** All lettings are authorised by the Head Teacher within a framework determined by the governing body and are recorded in a diary or register; see Lettings Policy Appendix G.

- **F4** The responsibility for identifying sums due to the school is separate from the responsibility for collecting and banking such sums.
- **F5** Where invoices are required, they are issued within 30 days.
- **F6** The school issues official, pre-numbered receipts or maintains other formal documentation for all income collected. Receipts are securely stored in order.
- **F7** Cash and cheques are locked away to safeguard against loss or theft.
- **F8** Collections are paid into the appropriate bank account promptly and in full. Bank paying-in slips show clearly the split between cash and cheques and list each cheque individually.
- **F9** Income collections are banked intact and must not be used for the encashment of personal cheques or for making payments.
- **F10** The Finance Manager reconciles monthly the sums collected with the sums deposited at the bank.
- **F11** The school has procedures for chasing any invoices, which have not been paid within 30 days.
- **F12** Debts are written off only in accordance with Appendix D and EFA regulations[1] , and the school keeps a record of all sums written off.

- **F13** The Head Teacher ensures that transfers of school money between staff are recorded and signed for.

G Banking

The Head Teacher and Governors ensure that bank accounts are properly administered and controlled.

- **G1** The school obtains bank statements at least monthly and these are reconciled with their accounting records. Any discrepancies are investigated.
- **G2** All bank reconciliations are signed by the person performing the reconciliation. They are also reviewed and countersigned by someone who understands the reconciliation process.
- **G5** Individuals should not use their private bank accounts for any payments or receipts related to the school's budget or use the school's accounts for payment of their personal expenditure or income..
- **G7** The school should not enter into any loan agreements[1] , other than with the EFA, without the prior approval of the DfES.

L

- **G8** School procedures stipulate that all cheques must bear the signatures of two signatories approved by the governing body.
- **G9** School procedures ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.
- **G10** School procedures stipulate that all cheques drawn on the account(s) are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- **G11** School procedures stipulate that manuscript signatures only are used and cheques should not be pre-signed.
- **G12** Chequebooks are held securely when not in use.
- **G13** The Head Teacher maintains a list of all bank and building society accounts held and the signatories for each. Governors approve and annually review bank account signatories.

H Payroll

The school purchases payroll services and personnel services from Worcestershire County Council under a Service Level Agreement. This arrangement is reviewed annually by the Governing Body. The Head Teacher and Personnel Committee review and agree annually the school staffing structure in line with the SIP.

- **H1** The governing body has established procedures, a 'Whole School Pay Policy', for the administration of personnel activities, including appointments, terminations and promotions.
- **H2** The Head Teacher ensures that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.
- **H3** The Head Teacher ensures that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.
- **H4** The school has sent in the names and specimen signatures of certifying officers to the EFA.
- **H5** The Head Teacher ensures that only authorised employees have access to personnel files and that arrangements for staff to gain access to their own records are in place.
- **H6** All payroll transactions are processed through the payroll system
- **H7** The Head Teacher maintains a list of staff employed on the SIMS personnel system. Procedures are in place to ensure that this list is updated promptly to reflect new starters and leavers.

- **H8** The Head Teacher obtains regular reports on payroll transactions and checks them against the school's documentation on staffing and pay to ensure that they match.

J Petty Cash

The Head Teacher and Governors have proper controls in places to ensure that petty cash is secure and its use appropriate.

- **J1** The governing body has set out in writing an appropriate level for the amount of petty cash to be held which represents a balance between convenience and the risk of holding cash on the premises. The petty cash "float" is currently £500 but at high demand times, this can be increased by prior authorisation of the Head Teacher.
- **J2** The Head Teacher ensures that the petty cash fund is held securely and that only authorised employees have access to it. This is administered by the finance officer and locked in a petty cash tin stored in the safe.
- **J3** Payments from the petty cash fund is limited to minor items, individual claim limit £100 which have been approved in advance by an authorised member of staff. Except for school trips which is a limit of £500.
- **J4** All expenditure from the fund must be supported by receipts, identifying any VAT paid. It is signed for by the recipient and countersigned by an authorised member of staff.
- **J5** Proper records are kept of amounts paid into and taken out of the fund.
- **J6** The amount in the petty cash fund is periodically checked against the accounting records and reviewed by an independent member of staff.
- **J7** Personal cheques are not encashed from the petty cash fund.

K Tax

The Head Teacher ensures that the school complies with Value Added Tax (VAT) and other tax regulations i.e. Income Tax and Construction Industry Scheme (CIS).

- **K1** The Head Teacher ensures that all relevant finance and administrative staff are aware of VAT, Income Tax and the CIS regulations.

- **K2** School procedures stipulate that only proper VAT invoices are paid, as the school will not be reimbursed in the absence of such documentation.
- **K3** School procedures set out how VAT on business activities, school trips and other taxable activities should be accounted for.
- **K4** The school makes payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS).

L Voluntary Funds

Voluntary funds e.g. donations from parents, pupils and other benefactors are not public money. This section only applies to voluntary funds that belong to the school and not other organisations that have a connection with the school such as the PTA.

- **L1** The Head Teacher ensures that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account.
- **L2** The governing body is considering the appropriateness of registering voluntary funds with the Charity Commission and has registered in accordance.
- **L3** The Finance Committee oversees the funds and this is reflected in the terms of reference of the Finance Committee.
- **L4** The governing body appoints an auditor who is independent of the school. The auditor should not be a member of the governing body.
- **L5** The Head Teacher ensures that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds.
- **L6** Any income which properly relates to the school's delegated budget should not be credited to a voluntary fund.
- **L7** The Head Teacher presents the audited accounts, the auditor's certificate and a written report on the accounts to the governing body as soon as possible after the end of the accounting year (within six months of the year end).
- **L8** The Head Teacher ensures that the audited accounts are available for the EFA Internal Auditors on request.
- **L9** The Head Teacher ensures that every cheque drawn against a voluntary fund bank account is signed by two signatories authorised by the governing body.
- **L10** Any voluntary fund income is paid into the relevant bank account at least once a month.
- **L11** Receipts are issued for any donations or income entering voluntary funds in excess of £10.

- **L12** The Head Teacher ensures that regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed.
- **L13** The governing body ensures that voluntary funds are covered by insurance, including fidelity guarantee insurance.

M Assets and Security

Assets are kept securely and recorded in an inventory.

- **M1** The Head Teacher ensures that stocks/consumables (e.g. stationery, art materials) are maintained at reasonable levels and subject to a physical check at least once a year.
- **M2** Up-to-date inventories are maintained of all items of equipment with a replacement value exceeding £100 or agreed lower value items which are portable and particularly attractive. Such items are identified as school property with a security marking.
- **M3** The Head Teacher arranges for inventories/stock books to be checked at least once a year against physical items. All discrepancies are investigated and any over £100 reported to the governing body.
- **M4** Whenever school property, for example musical instruments or computers, is taken off the school site by people other than staff, it is signed for and a register noted accordingly.
- **M5** The governing body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the EFA's regulations.
- **M6** Safes and similar deposits are kept locked and the keys removed and held in a different location.
- **M7** The governing body has a plan for the use, maintenance and development of the school's buildings; see Reference Document "VII. Asset Management Plan.

N Insurance

The Head Teacher and Governors regularly consider risks and take out insurance protection as appropriate in line with EFA guidelines.

- **N1** The school reviews all risks annually, in conjunction with the EFA where appropriate, to ensure that the sums insured are commensurate with the risks.

- **N2** The school will notify its insurers, the EFA and other agent as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.
- **N3** The school does not give any indemnity to a third party without the written consent of its insurers.
- **N4** The school will immediately inform its insurers, the EFA or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.
- **N5** Insurance arrangements cover the use of school property, for example musical instruments or computers, when off the premises. Staff are advised that equipment is not insured if left unattended in a car.
- **N6** Details of all risks insured and the level of cover provided is detailed in Appendix L.

P Data Security

The school relies on computers to process and record personal, financial and other management data. Most of the controls in this section cover access to data held on computers. Refer to the School's ICT policy & Acceptable use policy in Appendix J.

- **P1** Computer systems used for school management are protected by password security to ensure that only authorised employees have access. Passwords are changed regularly and updated for staff changes.
- **P2** The Head Teacher ensures that data is backed up regularly and that all back-ups are securely held in a secure fireproof location, preferably off-site.
- **P3** The Head Teacher has established a recovery plan to ensure continuity of financial administration in the case of emergency.
- **P4** The Head Teacher ensures that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software is used.
- **P5** The governing body ensures that the Data Protection Commissioner is notified in accordance with the Data Protection Act 1998 and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with this legislation.

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APPENDICES

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Appendix A - ABFS Best Value Statement 2014

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 development 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' Approach

The Governors and school managers 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 managers, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g.Raise on Line, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets,
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g.

Sex and Relationships Education, pupil reports, assigned inspector, Ofsted, maintenance consultant,

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 managers:

- 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 management from more important or valuable areas.

Staffing
Governors and school managers 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 managers 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, and for communal access to central resources, e.g. the library.

Use of Resources
Governors and school managers 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 managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, the LA Agreed RE Syllabus, and the needs of pupils
- teaching which builds on previous learning and has high expectations of children's achievement

Learning
Governors and school managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between the end of Years 2 and 4,

Purchasing
Governors and school managers 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 (e.g. for goods and services above £5,000)
- 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 managers 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 managers 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.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Head Teacher and curriculum managers, e.g. classroom practice, work sampling
2. Target setting meetings between the Head Teacher and Senior Leadership Team
3. Annual Performance Management
4. Annual Budget Planning
5. Head Teacher's monthly financial review
6. Annual visits by the SIP

7. Analysis of school pupil performance data, e.g. SATs results, standardised test results, against all schools, LA schools, similar schools
8. Analysis of pupil performance data,
9. Analysis of financial data, e.g. ORACLE reports, against bench mark data for all schools, LEA schools, similar schools
10. Analysis of DfES pupil performance data, e.g.R aise on Line/.PAT
11. Ofsted Inspection reports
12. Governors' visits
13. Governors' termly committee meetings
14. Governors' full termly meetings
15. Governors' Annual Finance Review
16. Governors' Annual SATs Target Setting Meeting
17. Governors' Annual Development Plan Meeting

In the next three years the Governing Body will:

- hold an annual performance plan meeting to set targets for improving pupil achievement.
- hold an annual development plan meeting.
- discuss "Best Value" at each Autumn Term meeting of the Finance Committee.
- review their "Best Value" statement at each Spring Term meeting.
- consider best value when arranging internal and external redecoration contracts.
- employ a maintenance consultant to advise on maintenance of the schools' buildings.
- obtain tenders and a consultant's advice on the installation of an IT suite, and any large scale refurbishment of the premises.

Confirmation of the Best Value Statement in respect of Astwood Bank First

School has been discussed by the Governing Body

Signed by:

Chair of Governors: .... Date: ....

Head Teacher: .... Date: ....

Agreed at the Governing Body Meeting on: ....

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Appendix B - Financial Limits of Delegated Authority

Finance Committee
Full powers are delegated to the Finance Committee to authorise expenditure and/or virement up to the limit of the school's allocation. The Finance Committee is NOT empowered to authorise expenditure that would place the school in an overspent position.

Personnel Committee
Full powers are delegated to the Personnel Committee to approve appointments, salary increases etc up to the limit of the approved staff salaries budget. The Personnel Committee is NOT empowered to authorise expenditure that would place the staffing budget in an overspent position.

Buildings Health and Safety Committee
Full powers are delegated to the Building and Health Sub Committee Committee to authorise expenditure up to the limits of the approved revenue and capital budgets. This Committee is not empowered to exceed these budgets (see virement below).

The Head Teacher
The Head Teacher is empowered to authorise expenditure only within the approved budgets, not including the contingency sum and up to a single value item not exceeding £10,000. Approval of the appropriate committee or full Governing Body is required above this sum and for virement from the contingency sum.

Where specific items or work have the approval of the Governing Body, the Finance Committee or the Buildings Health and Safety Committee, the Head Teacher is empowered to authorise expenditure up to the approved sum. The approved sum is the amount allocated for the item or the lowest of any quotations/tenders less any contingency sums, whichever is the lower.

The Head Teacher may delegate her authority to named senior members of staff.

Budget virement
The Head Teacher is empowered to authorise virement between budget headings within the overall delegated sum as follows: -

- Up to £5,000 Discussed with relevant Committee Chairman. Subsequently reported to Finance Committee.
- Over £5,000 Finance Committee approval required.

Virement from capital to revenue is not allowed.

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Purchasing
Competitive quotations/estimates must be obtained wherever possible in accordance with the Tendering procedure (and based on Annex L to Worcestershire County Council Procurement Code[1]) as follows: -

- up to £5,000

  An appropriate number of quotations should be obtained. Quotations may be sought verbally but must be confirmed by suppliers in writing. Catalogue prices may be used.

- £5,000 - £20,000

  At least 3 written quotations must be obtained based on written specifications. Quotations to be retained.

- £20,000 – £50,000

  At least 4 formal tenders or written quotations must be obtained based on written specifications, and all copies retained.

- £50,000 – EU Threshold
  Minimum of 4 formal tenders to be invited and retained.

- More than the EU threshold. £156,442

  Purchasing is strictly in accordance with current WCC Procurement Code and DfE guidelines. Contracts to be advertised in the "Official Journal of the European Union"

Unsuccessful tenders/ quotes are retained for a minimum of 1 year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision making process are retained for 6 years following completion of the contract.

Contracts
Variations to contracts and/or specifications involving additional expenditure exceeding £100 whether or not from the contingency sum require the approval of the appropriate Committee or in an emergency the Chair of the appropriate Committee.

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Writing off of Debts
WCC and DfE procedures apply for all debts to be written off. In such cases, the Finance Committee will recommend write off but must notify Financial Services who have authority to approve that the debt is written off.

Petty Cash
The Petty Cash float is set at £500, however at high demand times this can be increased temporarily by prior authorisation of the Head Teacher. Individual claim limits should not exceed £100. Except for school trips where the limit is up to £500.

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Appendix C - Reporting Requirements for Governors and EFA

For Governors

	Information	Frequency	Deadline
1	Actual and Indicative Budget allocations from the EFA	Annual	31st August
2	Additional funds from EFA throughout the year	As appropriate	
3	Devolved Capital formula allocations from the EFA/ DfES	As Successful grant application	
4	Other allocations and grant claims	As appropriate	
6	**Company Accounts**	Annual	By 31st December
7	**Budget Plan for approval**	Annual	In time to forward to EFA by 31st August
8	Budget monitoring statement for public funds from /SAP showing original budget, latest revised budget, commitments, actual £ and % received/spent to date, balance outstanding and end of year projections	Monthly by Head Teacher & Bursar Half Termly report to Governors	
11	Capital spend each term	Termly	
14	Private funds – annual audited accounts	Annual	Within 6 months of year end
15	Financial Benchmarking[4]	Annual	

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Appendix D - Procurement Policy

Introduction

The essence of good financial control in purchasing and contracting is two fold. Firstly to ensure that value for money is obtained and secondly to minimise the opportunity for fraud.

To ensure the first, it is fundamental that competitive prices/quotations/tenders are obtained on a like for like basis, whether the invitation is for goods or services. It is almost always the case that a cheap quotation will deliver equally cheap or low quality goods or services. It is therefore essential to invite quotations/tenders against a carefully drawn up specification. Where the value of the work/services exceeds £5,000 this must always be the case. Specifications must be prepared by persons properly qualified and experienced to do so.

To minimise the opportunity for fraud and to protect the interests of staff it is fundamental to separate the functions of ordering and receipt/authorisation of payment.

Tendering Procedure

This procedure is intended to ensure that tenders and quotations obtained by the school are invited and processed in accordance with the standing orders of the Academy. It is intended as far as possible to separate the functions of invitation and selection and protect staff involved.

This procedure covers ALL contracts to be entered into by the school, including annual maintenance contracts.

1. Selection of Tenderers

Tenderers may be invited from the LA's Approved List[5]. Exceptionally, where services are required from specialists and no category exists on the Approved List, Tenderers should be determined by the Headteacher and/or the Chairman/Vice Chairman of Governors.

Tenderers must always be selected by at least 2 people.

The minimum number of Tenderers required will be:

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For the supply of goods or services:-

- Below £5,000 3 quotations are satisfactory. These quotations may be sought verbally but must be documented in writing. Catalogue prices may be used.
- More than £5,000 and less than £20,000 in value, at least 3 written quotations must be obtained based on written specifications, and copies retained.
- More than £20,000 but less than £50,000 in value, at least 4 formal tenders or written quotations must be obtained based on written specifications and all copies retained.
- Over £50,000 but less than the EU Threshold, minimum of 4 tenders to be invited and retained.
- Purchases for high value goods or services i.e. purchases exceeding the EU threshold limit £156,442 needs to comply with strict regulations: -
    - Schools Finance Regulations
    - WCC Standing Orders on Contracts
    - WCC Procurement Code

Unsuccessful tenders/ quotes are retained for a minimum of 1 year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision making process are retained for 6 years following completion of the contract.

2. Emergency Works

Competition may be waived where Contractors need to be engaged, or materials purchased to carry out immediate remedial works in an emergency. Any action taken must be reported to Governors at the earliest opportunity.

3. Tender Invitation

All Tenders shall be invited for return by a specific date, the opening date. The tenders must be opened together on that date and time and the offers recorded in a tender book. Computer records are unacceptable for this purpose. (Suitable endorsed return envelopes must be included with the tender invitation).

4. Contractors Own Conditions

In cases where a Contract is let using the Contractor's own conditions, typically accepting a quotation, the Responsible Officer MUST satisfy him/herself that the Conditions are acceptable and do not disfavour the school.

5. Return of Tenders

a) Receipt of Tenders/Quotations

- All tenders/quotations shall be returned to the Head Teacher or her representative in the return envelope provided.
- The date and time of receipt of each Tender shall be endorsed in ink on the unopened envelope/package. The time of receipt shall be recorded in the tender book.
- The unopened Documents shall be retained in locked safe storage until the time appointed for their opening.

b) Opening of Tenders/Quotations

- Tenders over £20,000 shall be opened by the Head Teacher or her representative in the presence of a second person and if appropriate a person technically qualified depending on the nature of the tender (e.g. architect, ICT expert). This person should where possible be a school Governor.
- Every Tender received shall be endorsed with the date of opening and initialed by the persons undertaking the opening.
- A record is to be maintained for 6 years to show for each Contract:
    - The Value of each Tender Returned
    - Names and numbers of firms from whom Tenders have been received
    - Date that Tenders were opened
    - Signature of Persons present at the Opening (not to be less than 2)
    - The time and date recorded on the Tender envelopes as being the time Tenders were received by the school.

c) Selection of Tenders

- The tender selected will be that which satisfies all the criteria and which represents best value, where a tender other than the lowest is accepted, the reasons for this decision is reported to the governing body and included in the minutes of the relevant meeting. The decision should be based on a consensus of those present.
- The decision should be reported to the next scheduled relevant Governors committee and the Full Governing Body.

d) Late Tenders/Quotations

- Where Tenders are received late they shall be accepted only if it is clear that the Tenderer dispatched the documents in reasonable time and that through no fault of his they were delayed.
- Under no circumstances will Tenders, which are received after the opening of competitor tenders, be accepted.
- The details shall be recorded in the Tender Book.

6. Payment

Payment will be made when the work or supply is satisfactorily complete.

Contractors usually make an "interim claim". It is however, the Contract Administrator's responsibility to value the work. Interim Certificates must be issued in accordance with the Contract Conditions.

Where the Contract includes a lump sum payment this must only be made when the work is properly completed and proper final account rendered.

In all cases no payments are to be made in advance.

7. Quotations

Quotations shall be dealt with in a similar manner as described above for tenders except that no Governor presence is required at opening.

Appendix E - Investment Policy

Restricted and unrestricted funds carried over at year end were retained by Astwood Bank First School in the academies account for allocation as appropriate. The school has no shares or investments in any other business.

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Appendix F – Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Governing Body is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Governors have determined that the appropriate level should be no less than **£10,000.** These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. As future pupil numbers are considered to be stable and through future Government funding the Governors are satisfied that these reserves will be sufficient for its current purposes. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is **£28,000 (at 20/06/14).**

Appendix G – Capitalisation Policy

Capital Asset definition
Capital assets are defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

Capitalisation method
All capital assets are recorded at historical cost as of the date acquired or constructed. If historical cost information is not available, assets are recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price level index.

Capitalisation thresholds
Astwood Bank First School Academy Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Land, Buildings and improvements £5,000
- Machinery/equipment/vehicles/ICT £1,000

Detailed records shall be maintained for all fixed assets above the established thresholds.

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Reference documents

These documents are kept on the school server

I. School Improvement Plan
II. Financial Roles and Responsibilities of Head Teacher & Staff
III. Roles and responsibilities
IV. Financial Procedures
V. Lettings Policy
VI. Charges & Remissions Policy
VII. Asset Management Plan
VIII. ICT Policy & Acceptable Use Policy
IX. Financial Procedures Document including Finance manual (SAP)
X. School Insurance Policies
XI. Anti-Bribery Policy