

# Ysgol Bryn Gwalia



## Schools Financial Procedures

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<b>Head Teacher – Mrs Lorraine Dalton</b>	<i>L Dalton</i>
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## **Forward**

### **From the Chief Education Officer:**

The provision of high quality education for the young people of Flintshire requires many things. It requires commitment and a range of skills across a school community. It certainly requires schools to effectively and efficiently manage their funds to secure high quality learner provision and value for money.

Flintshire County Council is committed to providing its schools with clear guidance on managing their finances.

This document encourages all Schools to develop their own internal procedures around a framework setting out both minimum requirements and good practice.

### **Ian Budd**

Chief Education Officer

### **From the Corporate Finance Manager**

In any organisation it is important to have documented financial procedures to ensure that all staff carry out the financial tasks required of them in a consistent and appropriate manner.

As Corporate Finance Manager I have the designated responsibility of s151 officer (1972 Local Government) which means that I have a duty to ensure that adequate arrangements are in place for the financial administration and stewardship of all the services provided by Flintshire County Council including all schools.

These Financial Procedures are intended to fulfil this duty and help ensure that the financial management responsibilities of school staff and governing bodies are both clear and adhered to.

I am certain that it will prove to be a useful and informative reference document.

**Gary Ferguson**

Corporate Finance Manager (Section 151 officer)

## **Introduction**

### Relationship between the “Scheme for financing schools” and Financial Procedures

- 1.1. The Flintshire County Council Scheme for Financing Schools sets out the financial relationship between the Local Authority (Authority) and its maintained Schools, and is a requirement under S.48 of School Standards and Framework Act 1998.
- 1.2. This document provides the framework for maintained Schools to manage their financial affairs, and are issued under S.151 of the Local Government Act 1972
- 1.3. Paragraph 2 of the “Scheme for Financing Schools” requires that Schools comply within the rules set out in this document.
- 1.4. The Corporate Finance Manager has a duty, under S.151 of the Local Government Act 1972, to ensure the proper administration of the Council’s financial affairs. In furtherance of this duty, the S.151 Officer is responsible for setting and monitoring compliance with current financial management standards and advising on the key financial controls necessary to secure sound financial management.
- 1.5. Such standards and controls apply to all members and officers of the Authority, and anyone acting on its behalf – including the Governing Bodies of Schools maintained by the Authority.

### What these Procedures aim to achieve

- 1.6 The Procedures set out in this document aim to ensure better governance, they broadly follow the Nolan Principles of standards of public life. These being:
  - Holders of public office (which is what we all are) should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
  - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
  - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit

- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.
- Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- Holders of public office should promote and support these principles by leadership and example

1.7 The basic principles and key controls underlying these Procedures are:

- Maintenance of adequate records
- Clarity in responsibilities and procedures
- Transparency
- Separation of duties – ensuring that no one person can process an entire transaction without the authorisation or review of a separate person.
- Supervision and management

### Value for Money

- 1.8 Achieving Value for Money is an important concept which should be embedded in all public sector organisations.
- 1.9 It is the responsibility of Headteachers and Governors to determine how to secure better value for money. All staff in schools should be looking at what money is being spent on, in order to question whether they are achieving value for money and schools should be able to demonstrate how value for money has been used to optimise the use of resources and to invest in teaching and learning.

### Review of Procedures

- 1.10 The Finance Manager (Education) will review these Procedures annually.
- 1.11 Changes to these Procedures will be subject to consultation with the Schools Budget Forum and the Authority's Internal Auditors.

### Contacting the Authority

- 1.12 At various places throughout these Procedures, Schools are required or recommended to advise, consult or seek the approval of the Authority on a number of different issues. Unless an Officer of the Authority is specifically

identified as the contact, Schools should address all such communications with the Authority to the Finance Manager (Education).

## Governance

### Background

- 2.1 The Governing Body has collective, statutory responsibility for the overall direction of the school and its strategic management, under S21 of the Education Act 2002.
- 2.2. The Headteacher provides vision, leadership and direction for the school, ensuring that it is managed and organised to meet the aims and objectives of the school as established by the Governing Body.
- 2.3. The Governing Body has a strategic role and has responsibility for setting educational and financial priorities, and for ensuring its resources are managed effectively. It is also responsible for ensuring the school meets all its statutory obligations and complies with the Authority's Scheme for Financing Schools and Schools Financial Procedures.
- 2.4. All actions of the Governing Body must be done openly and transparently.

### Roles and Responsibilities

- 2.5. The roles and responsibilities of the Governing Body, its committees, the Headteacher and other staff in relation to financial decision-making and administration should be clearly set out in writing, in the 'Scheme of Delegation'. An example of a "Scheme of Delegation" is shown in **Appendix 1**. The Governing Body should formally agree this 'Scheme', and review it on a regular basis – at least annually.
- 2.6. The Governing Body should establish, formally agree, and include in the 'Scheme of Delegation' the financial limits of delegated authority.
- 2.7. A Finance Committee should be set up to consider strategic financial issues on behalf of the Governing Body. The Governing Body should document this Committee's purpose, responsibilities, and composition in a "Terms of Reference" document.

The Governing Body should formally receive the minutes of meetings of this Committee. An example of a terms of reference for this committee is shown in **Appendix 2**.

### Due Process

- 2.8. The Governing Body shall ensure that its meetings and those of relevant Committees are scheduled to coincide with key milestones in the annual financial management cycle – such as approving the budget.

- 2.9. The Governing Body shall specify the minimum frequency (usually termly), level of detail and the general format of the financial information to be provided to it, and to any relevant Committee.
- 2.10. The Governing Body shall ensure that its meetings, and also those of relevant Committees are supported by clerking arrangements which should be independent avoiding any potential conflict of interest.
- 2.11. Minutes should be taken of all meetings of the Governing Body and its Committees and kept at the school including all decisions reached and by whom action is to be taken.

### Culture

- 2.12. The Governing Body will establish and maintain a culture within the School of openness, probity and accountability. This culture will be underpinned by consideration of the following issues.

### Conflicts of Interest

- 2.13. The decision-making processes of the Governing Body should be conducted, in an objective and unbiased manner. The Governing Body will establish and maintain a Register of Business Interests, of governors, the Headteacher and any other relevant staff, which may reasonably be considered, could influence financial decisions.
- 2.14. This Register should be formally updated annually and be open to examination by governors, staff, parents and the Authority.
- 2.15. There should be opportunity to declare any conflicts of interest at the start of each meeting and this should be minuted. In the event of declaration of interest, and if this interest is considered by the Chair of Governors to be material in relation to the matter to be discussed, the individual concerned must withdraw from participation in the decision making process involving such items. The application of this Regulation is aimed at promoting probity in decision-making, and should not represent an impediment to the efficient conduct of decision making by the Governing Body.
- 2.16. A suggested template for a Register of Business Interests is included as **Appendix 3**.

### Fraud and corruption

- 2.17. All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.
- 2.18. The Governing Body and Headteacher 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.

- 2.19 The Governing Body will adhere to the Authority’s Anti-Fraud and Corruption policy. A link to this policy is included here

<http://infonet.flintshire.gov.uk/en/Document-Repository/People-and-Resources/Finance/Policies/Antifraud-and-Corruption-Strategy.pdf>

- 2.20 These control arrangements need to apply within an overall culture, within the School, which positively promotes the highest standards of probity and which makes it absolutely clear that the Governing Body will not tolerate dishonesty on the part of any of the staff or governors of the School or any persons or organisations involved in any way with the School.

### Gifts and Hospitality

- 2.21 To promote transparency, individual Governors and staff are required to disclose offers and acceptances of gifts, hospitality etc. in the conduct of their role. On the basis of these disclosures, the Governing Body will establish and maintain a ‘Register of Hospitality and Gifts’, which must be updated on a regular basis. A suggested template is attached as **Appendix 4**.

### Whistleblowing

- 2.22 Schools are responsible for establishing their own whistleblowing policy. A model policy is available from Welsh Government and should be adapted by schools to meet their own requirements. See Welsh Government Circular Guidance No 036/2007 “Procedures for Whistleblowing in Schools and Model Policy”

<http://gov.wales/topics/educationandskills/publications/guidance/whistleblowing-model-policy/?skip=1&lang=en>

- 2.23 Whistleblowing arrangements allow for concerns to be expressed outside the normal line management structure. One of the important aspects of Whistleblowing is that it enables employees to speak out in a situation where it is usually those employees most closely involved with the particular service area who are most likely to know if malpractices are occurring. Employees are often the first to realise that there may be something seriously wrong within the School. However they may feel that expressing their concerns would be disloyal to their colleagues or to the School. It may be easier to ignore these concerns than report what may just be a suspicion of malpractice. They may also fear harassment or victimisation.
- 2.24 The Governing Body, therefore, will encourage employees and others with serious concerns about any aspect of the School’s work to come forward and voice those concerns. The Whistleblowing Policy makes it clear that employees can do so without fear of reprisals or victimisation.

- 2.25 Whistleblowing arrangements also recognise, however, that it is possible that allegations of wrongdoing may be false or malicious and the arrangements make clear that false allegations will be treated as a serious disciplinary offence.

### Financial Summary for Governors

- 2.26 The Governing Body is responsible for the preparation of the annual Income and Expenditure Statement for the school. The Corporate Finance Manager as Section 151 officer for the Authority is however, responsible for the accounts of the whole authority, of which the School is just a part.
- 2.27 The Income and Expenditure Statement of each school should as far as possible be consistent with the data provided to the Authority's Section 151 Officer as a part of their accounts closing procedure. The school's accounts closure timetable needs to be consistent with the closure requirements of the Section 151 Officer.

### Freedom of Information

- 2.28 On 1 January 2005 the Freedom of Information Act (FOI) 2000 came into force requiring the Governing Body of every maintained school to ensure that employees at the school are able to comply with requests for information under FOI. Schools have a duty to provide advice and assistance to anyone requesting information.

### Competencies

- 2.31 The Governing Body should ensure that there is adequate financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money.
- 2.32 The Governing Body will ensure that all governors and relevant staff have access to regular initial and update training so that their financial management skills are brought up to, and maintained at the necessary level.
- 2.33 The Governing Body will ensure that suitable contingency plans are in place to ensure the continuity of financial control in the event of absence of key governors and staff.

## Purchasing Goods and / or Works and services

### Background

- 3.1 There are a set of procurement rules and procedures which apply to all purchases / contracts for the supply of goods / works and services using money from budgets delegated to a school. The rules comply with legal obligations to conduct procurement in accordance with the Public Contract Regulations 2015 and relevant legislation but also take into consideration devolved government policy and best practice.
- 3.2 Governing Bodies and all school staff should familiarise themselves with these rules.
- 3.3 A copy of these rules and their application within Flintshire are shown in detail in **Appendix 5**.

### Ordering

- 3.4 Official orders for the supply of goods and / or services or works shall be in the form prescribed by the Corporate Finance Manager and are to be signed only by a member of staff authorised in writing by the Governing Body. Before issuing official orders, members of staff authorised to sign must be satisfied that there is provision in the school's budget.
- 3.5 Official orders shall be issued for all work, goods or services to be supplied to the school except for supplies of public utility services for periodical payments, for petty cash purposes or such other exceptions as the Corporate Finance Manager may approve. The Council operates a no purchase Order no payment policy to suppliers and has published this policy on its website. See <http://www.flintshire.gov.uk/en/PDFFiles/Selling-to-the-council/No-PO-No-Pay-Suppliers-Guide.pdf>.
- 3.6 High Schools / Secondary schools will generate a purchase order number from the FMS system and the Primary schools will use manual order pads (except those schools using the P2P system).
- 3.7 Flintshire is currently piloting a Purchase to Payment (P2P) purchase order and payment process (currently with 10 schools within the pilot). It is anticipated that this will be rolled out to all schools. The P2P system will generate an order number automatically to approved suppliers.

### Payments of Accounts

- 3.8 Apart from the 4 schools that have their own bank accounts, and disbursements from petty cash; the normal method of payment of monies due from the Council shall be by Cheque or BACS.
- 3.9 The Authorising officer issuing an order is responsible for examining, verifying and certifying the related invoice(s). The names of officers authorised to sign such records shall be sent to the AP & AR Team Manager County Hall Mold CH7 6NA together with specimen signatures and shall be amended on the occasion of any change therein.
- 3.10 Before certifying an account, the Authorising officer shall be satisfied that:

- (i) The work, goods or services to which the amount relates have been received, carried out, examined and approved;
- (ii) The prices, extensions, calculations, trade discounts, other allowances credits and tax are correct;
- (iii) The relevant expenditure has been properly incurred and is within the relevant estimate provision;
- (iv) Appropriate entries have been made in inventories, stores records or stock books as required;
- (v) The account has not previously been passed for payment and is a proper liability for the school.

3.11 Once 3.10 is complete the Authorising officer shall ensure a completed coding grid is attached to each and every invoice and then the invoice should be sent to Corporate Finance Manager [AP & AR] County Hall Mold CH7 6NA. **Appendix 6** details how to fill out the coding grid.

## Financial Planning

### Background

- 4.1 The Flintshire County Council “Scheme for Financing Schools” requires that each school submit a ‘budget plan’, approved by the Governing Body, to the Authority by the 30th June each year. The ‘budget plan’ is the end product of the financial planning process. [See **Appendix 7** of what a typical Budget Plan looks like.]
- 4.2 Financial planning is one of the essential foundations of good financial management, and can be defined as the process whereby the school reconciles and balances the resource implications of its School Development Plan (SDP) with the resources available to it from all sources, taking account of all relevant external constraints, and existing commitments.
- 4.3 Plans should be formulated over the same time frame as the resource allocations are available even if resources are uncertain due to national or local policy changes. These should take into account likely pupil number variations.
- 4.4 The Budget sets out how available resources are allocated to meet the priorities and outcomes set out in the School Development Plan for a particular financial year. The Budget is therefore a statement of an intended course of action, which can then be compared to actuals to provide the Governing Body with vital management information.
- 4.5 Expenditure in School from the budget should only be used for the purposes for which it is given, that is the provision of education. It is not permissible for the school budget to be used for staff hospitality outside the normal course of employment nor for staff gratuities, employee leaving presents, staff functions etc.

### Setting the Budget

- 4.6 The Governing Body will set a formal timetable and procedures for constructing the School Development Plan and the Budget to ensure that the governors have time to properly consider all relevant factors before formal approval.
- 4.7 The Governing Body will set a detailed operating Budget for each financial year, that specifies its anticipated income – from delegated budget shares, devolved funding and other income – and the estimated expenditure required to perform the activities planned to achieve the outcomes set out in its School Development Plan.

Expenditure and income related to private or voluntary funds must be ignored unless it is to be paid into the budget share and so becomes part of the overall school budget.

- 4.8 Governing Bodies are also recommended to produce similar estimates of income and expenditure for each remaining financial years in the funding cycle.
- 4.9 Governing Bodies are required to set and maintain, over the planning horizon, a ‘balanced budget’ – such that total anticipated income (including where necessary, any use of revenue reserves) is not less than total estimated expenditure (including, where appropriate, any planned addition to revenue reserves).
- 4.10 All budget figures should be set at outturn prices excluding VAT reflecting pay and price increases during the course of the year.
- 4.11 The Governing Body will promptly forward details of the approved Budget (and no later than 30 June in each year) to the Local Authority using the format specified in **Appendix 7**

### Deficit Budgets

- 4.12 Governing Bodies must not plan for a deficit budget – that is where planned expenditure exceeds anticipated income plus permitted reserves – without first agreeing a ‘Licensed Deficit’ arrangement with the Authority.
- 4.13 Similarly, where routine Budget Monitoring indicates that a School is forecasting an overall deficit for the financial year, the Governing Body must seek a ‘Licensed Deficit’ arrangement with the Authority without delay. The application for a licensed deficit must be received by the Finance Team within 60 days of the identification of the deficit position.
- 4.14 The template which needs to be completed to apply for a Licensed Deficit is set out in the **Appendix 8**.
- 4.15 Licensed deficits will only be approved if a robust recovery plan has been produced by the school. Once the Schools Accountant is satisfied that the documentation provided fulfils the requirements, it will be forwarded onto the Chief Education Officer, Corporate Finance Manager and the Finance Manager for final approval.

Once the application has been approved a confirmation letter will be sent to the school. At this point your deficit budget will be loaded on to the General Ledger.

- 4.16 During the period of a licensed deficit, schools will not be permitted to recruit any staff or undertake any Virements without the prior discussion and agreement of the Schools Accountant.

The confirmation letter will outline the procedures to be followed during the period of the licensed deficit as follows:

- Income and expenditure reports will be produced at the end of each accounting month, showing actual spending against the budget. This will be copied to the Chair of the Finance Committee.
- The Finance Committee should meet and receive a report on the budget position at least twice a term. At least once per term the Finance Committee must report in full to the Governing Body on the progress against the licensed deficit recovery plan.

4.17 The Assigned Finance Officer will perform the following checks:

- Actual monthly expenditure for staff appear in line with the staffing spreadsheets and agreed budget assumptions provided by the school
- Actual expenditure / income appear in line with planned / agreed budgets and corrective action is being taken where necessary.

4.18 On a termly basis the Assigned Finance Officer will consider the need for a meeting with the school to review the schools progress. The frequency of these visits will be reviewed on an on-going basis throughout the duration of the licensed deficit.

4.19 The Authority cannot, under any circumstances, write off a deficit.

4.20 The Governing Body must adhere to any recovery plan agreed with the authority, and regularly monitor adherence to the plan and contact the Finance Manager (Education) if it appears that the milestones cannot be met.

### Revisions to the published budget

4.21 Since the budget is an expression of the financial implications of an intended course of action, at a particular point in time, it is entirely possible that, as time passes, the Governing Body may wish to amend this plan in the light of internal or external circumstances. This process is known as ‘Virement’.

There is no limit to the Governing Body’s power of Virement.

4.22 The Governing Body will specify, in its formal statement of delegated responsibilities (refer to Procedures 2.5 and 2.6 above), the limits of action by individual members of staff, above which the Governing Body itself must approve any Virements.

4.23 Alongside such delegated responsibilities, the Governing Body should require that the financial implications of all policy developments or any external changes should be identified and reported to Governors.

4.24 Virements may increase the schools planned use of accumulated reserves.

This is allowable provided that such movements do not result in the school going into overall deficit. If such movements are warranted by circumstances, then the Governing Body must seek a Licensed Deficit from the Authority.

- 4.25 All approved Virements will be actioned promptly so that subsequent budget monitoring will provide meaningful financial control information.

#### Planning for Surpluses

- 4.26 Governing Bodies may approve a budget that has the effect of increasing accumulated reserves. However, such surpluses should be earmarked for specific future needs to ensure that the pupils in the School benefit from a planned approach to spending that does not unreasonably deprive them of resources in a given year.

## **Budget Monitoring and Reporting**

### Background

- 5.1 This section is relevant to those schools who have their own bank account and process their own payments. It is also relevant to schools that do not buy in to the Schools Accounting SLA.
- 5.2 Budget Monitoring is the process of:
- Comparing actual income and expenditure against planned income and expenditure and identifying and explaining any variations
  - Assessing the significance of such variations for the successful achievement of the outcomes in the School Development Plan
  - Identifying if there is any risk of the School's budget going into deficit or excess surplus
  - Planning and executing any remedial action required to bring the budget into balance, while also achieving the planned outcomes.
- 5.3 It is the responsibility of the Governing Body to control income and expenditure within their School and to monitor performance. They should report on variances and take necessary action to avoid exceeding their budget allocation, and alert the Authority of any problems.
- 5.4 Regular monitoring of income and expenditure against the agreed budget is central to effective financial management. It allows governors, the Head teacher, business manager and staff to maintain financial control by reviewing the current position and taking any remedial action necessary.
- 5.5 For cheque book schools managing cash flow should be part of the monthly financial management procedures and completed as part of the month end close down process. Monitoring cash flow is important for these schools to ensure the school has the cash to pay all its bills throughout the year and to consider investment opportunities for surplus cash.

### Timetable for reporting to the Authority

- 5.6 Cheque book schools and schools not buying in to the Schools Accounting SLA will ensure that Monitoring Reports are prepared and sent to the Authority in accordance with the agreed timetable.
- 5.7 The return for 31st March will not only be the normal quarterly budget monitoring return but will also form part of the year end procedures. The precise deadline for submission to the Authority will depend on the date of Easter, and the requirements of the S.151 Officer. The date will be advised to Schools in the Year End Instructions.

5.8 Monitoring reports should be sent for the attention of the Schools Accounting Team.

5.9 Schools in financial difficulty, who have successfully applied for a licensed deficit, may be required to submit more frequent returns in order that milestones are monitored. The precise requirements for each school will be included in the Licensed Deficit agreement.

#### 5.10 Monitoring Timetable

Monitoring Period	Monitoring returns using information to:	To be submitted to Local Authority by:
Summer term	30 <sup>th</sup> September	21 <sup>st</sup> October
Autumn term	31 <sup>st</sup> December	21 <sup>st</sup> January
Spring term	31 <sup>st</sup> March	End of April

5.11 The Governing Body will ensure that the following documents are returned to the Authority at the end of each monitoring period.

For cheque book schools the following should be returned by email to the Schools Accountant:

- ☒ Photocopy of the bank statement to the end of the period for those schools responsible for processing their own bills and payroll
- ☒ Bank reconciliation report of the last bank statement in the period (for those schools responsible for processing their own bills and payroll)

For cheque book schools and those not buying into the Schools Accounting SLA:

- ☒ Narrative detailing major variances between the 'latest approved annual budget' and the 'projected outturn', and actions to be taken to address them

There are additional reporting requirements at Year End, which will be advised to Schools in the 'Year End Instructions' letter, dispatched at the beginning of March each year.

#### Local Budget and cash-flow monitoring

5.12 The frequency of issuing monitoring reports to the Finance Committee Members can be agreed locally.

5.13 Monthly cash flow monitoring against the forecast should:

- Be at the same level of detail as the initial cash flow forecast carried out when the annual budget is set.
- Should be independently reviewed to ensure that it has been prepared properly and that necessary action is being taken.

5.14 When budgets are revised, cash flow forecasts should be amended so that they reflect the same underlying estimates of income and expenditure.

## Staff

### Background

- 6.1 In schools - staff costs are the largest item of expenditure it is therefore important that payments are accurate, timely, made only where they are due and in accordance with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.
- 6.2 The key controls for payments to employees are:
- Proper authorisation procedures are in place and that there is adherence to payroll provider timetables in relation to: starters, leavers, variations and enhancements, and that payments are made on the basis of timesheets or claims
  - Reconciliation of payroll expenditure against approved budgets and bank accounts
  - All appropriate payroll documents are retained and stored for the defined period
  - HM Revenue and Customs Procedures are complied with.
- 6.3 This section also covers payments to employees for reimbursement of expenses incurred.

### Payroll

- 6.4 Governing Bodies will ensure that all payments of wages, salaries and other emoluments are only made through the payroll service.
- 6.5 The Authority offers a payroll SLA. Schools may buy their payroll services from an external provider. If schools choose to use an external supplier, the procurement of this service must be conducted in line with the purchasing rules outlined in **Appendix 5**. Contracting another organisation to provide payroll services does not relieve the Governing Body of the responsibility for ensuring that payroll and personnel controls are in place.
- 6.6 Where the payroll is administered by the Authority or a third party provider, the Governing Body should ensure that the provider is supplied with the names and specimen signatures of certifying officers, as specified from time to time in the Schools Scheme of Delegation.
- 6.7 The payroll output will be checked to ensure that the School is only being charged for
- Staff employed by or in the School, in accordance with their Terms and Conditions

- Supply staff provided by the Authority for the time they were working in the School
  - The correct proportion of employers' contributions to Pensions and National Insurance
- 6.8 For schools buying in to the Payroll SLA guidance notes and forms are shown at **Appendix 9**.

### HR Administration

- 6.8 The Governing Body should establish procedures for the administration of personnel activities, including appointments, terminations and promotions.
- 6.9 The Governing Body should ensure 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.
- 6.10 The Governing Body should ensure 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.
- 6.11 The Governing Body should ensure that access to personnel files is restricted to authorised staff only, and that the arrangements for staff to gain access to their own records are in place.
- 6.12 The Governing Body should maintain a list of all staff employed by the School. Procedures should ensure that this list is updated promptly to reflect new starters and leavers. This list should record, for each member of staff, the grading, additional allowances, etc., and the start and end date of the contract of employment.

### Deductions from Salaries and Wages

- 6.13 Where a payroll service is provided by the School itself, or the contract with an external provider does not provide for this, the Governing Body will ensure that all deductions from pay – tax, national insurance, etc., are accounted for properly, and remitted to the appropriate body in accordance with established timetables and other procedures.

### Information to be supplied to the Authority

- 6.14 Where the Governing Body does not source its payroll services from the Authority, it will ensure that appropriate salary, service and pensions data is provided to the Authority, which the Authority requires to submit its annual return of salary and service to the Teachers' Pensions Agency and to produce

its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required.

- 6.15 Where exceptionally, a school has permission to deal direct with the Teachers Pensions Agency, it will adhere to any timetable and procedural requirements advised by that body.
- 6.16 Where the Governing Body does not source its payroll services from the Authority, it will ensure that any Additional Voluntary Contributions (AVC's) are passed to the Authority, within the time limit specified in the AVC scheme.
- 6.17 The Governing Body will meet any costs consequent to adhering to Procedures 6.14 to 6.16 from its delegated budget share.

#### Expenses incurred by Staff

- 6.18 The Governing Body will agree a policy covering the payment of expenses to staff employed by or in the school. This policy should include reference to the following issues
- Which types of expenditure may be reclaimed by members of staff and Governors
  - When Expense Claims should be submitted and in what format
  - Wherever practical, VAT receipts must be submitted with the Claim.
  - Who may authorise Expense Claims
  - Under which circumstances claims may be paid from Petty Cash.
- 6.19 Employees' expense claims must be certified prior to processing for payment, 'Certification' is taken to mean
- Journeys were authorised
  - All expenses were properly and necessarily incurred
  - Allowances are properly payable.

The objective is to ensure that travel arrangements are cost-effective, and that any tax implications are identified

#### See Appendix 10

#### Benefits in Kind

- 6.20 The Governing Body will ensure that the School's payroll provider is supplied with appropriate details of any taxable 'benefits in kind' attributable to any of the staff employed by or in the School. This is to allow the production of P11D tax returns. For guidance on this area refer to your payroll provider.

### Using the services of self-employed consultants etc.

- 6.21 Governing Bodies should take care when contemplating employing the services of individuals who claim to be ‘self-employed’ and seek payment for their services by the submission of invoices.
- 6.22 HM Revenue and Customs have a series of criteria to establish whether any such person is ‘de facto’ to be considered an employee under IR 35 legislation. Consult the HMRC website for more information.
- 6.23 The Governing Body must ensure that such persons who, from the Revenue criteria, must be regarded as ‘employees’ are paid through the payroll with appropriate deductions for PAYE and National Insurance.

### Work done for 3<sup>rd</sup> parties by school staff

- 6.24 The Governing Body will agree a policy covering work done by school staff for third parties (including Limited Companies set up by the School).
- 6.25 The Governing Body will consider, in advance, any such proposed episodes, having regard to:
- The School’s ability to deliver the curriculum, or to meet any other statutory requirement.
  - The efficient running of the School
  - The individual’s self-development and the development of new skills ultimately to the benefit of the school.
  - Any incremental costs falling on the School’s delegated budget.
- 6.26 Under no circumstances should any payments in relation to such work be made directly to the employee by the third party.
- 6.27 In all cases, the income related to such episodes will be collected from the third party by invoice – raised in accordance with the Procedures contained in Income Section of this document.
- 6.28 The Governing Body may agree to share the proceeds with the member of staff involved. If so, the share retained by the School should not be less than any incremental costs incurred, but may be more. Any such agreement, and the reasons for it, should be recorded and retained.
- 6.29 The employee’s share (if any) must be processed and paid through the payroll.

### Policy on paying Redundancy, Dismissal and Early / Premature Retirement costs for school based staff

- 6.30 Section 37 of the 2002 Education Act states:

- (4) Costs incurred by the Local Education Authority (LEA) in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the LEA agree with the Governing Body in writing ... that they shall not be so met
- (5) Costs incurred by the LEA in respect of the dismissal or the purpose of securing the resignation, of any member of staff of a maintained school shall not be met from the schools budget share for any financial year except in so far as the LEA have good reason for deducting these costs or any part of those costs from that share.

**The default position for Flintshire County Council schools therefore is that premature retirement costs must be charged to the schools delegated budget while redundancy costs will not be charged and will be met centrally unless schools fail to follow the advice of the HR advisor.**

6.31 However, as per Section 37(5) above Flintshire County council shall view it as a 'good reason' to pass redundancy costs (in full or in part) to the schools' delegated budget

- If a school has decided to offer more generous terms than Flintshire County council's redundancy policy (the excess will be charged to the school);
- If a school is otherwise acting outside Flintshire County Council Policy and procedures;
- Where the school is making staff reductions which Flintshire County Council does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
- Where the staffing reductions arise from a deficit caused by factors within a schools control;
- Where the school has excess surplus balances and no agreed plan to use these;

6.32 Schools are fully expected to maintain close liaison with the schools finance team. Not to do so may justify as 'good reason' not to pass all cost associated with any redundancy to the school's delegated budget.

6.33 In addition Flintshire County Council deems it both fair and reasonable to only accept to meet such costs that would otherwise result in the school having a deficit budget.

#### Payment of early / premature retirement costs – teaching staff

6.34 As a general principle Flintshire does not support the payment of early retirement benefits to teaching staff. This applies to funding either the making up of an actuarial reduction and /or the payment of enhancements (added years). There is no automatic release of a teacher's pension if they are made redundant before the earliest date their pension can be released.

6.35 The Authority also recommends that schools also do not normally agree to fund such costs. This is on the basis that these costs will fall to the school's delegated budget and the costs can be significant and if the costs are not capitalised (ie paid in full at the point of retirement) there is an on-going financial commitment to the school until the death of the employee concerned.

## Payment of early / premature retirement costs – Support Staff

- 6.36 If a member of the support staff is made redundant at age 55 or over and they pay into the Local Government pension scheme, then the employee's pension will automatically be released early. In such cases all costs associated with the early release of the pension will be charged centrally to the schools' delegated budget.

## Payment of premature retirement costs from a non-schools' budget

- 6.37 As stated earlier (6.30) Flintshire may agree to fund premature retirement costs from a central non-schools' budget. This will only be in such circumstances where:
- A school has a long term reduction in pupil numbers and charging such costs to their budget would impact upon standards
  - A school is closing, does not have sufficient balances to cover the costs and where the central schools budget does not have the capacity to absorb the deficit
  - Charging such costs to the schools budget would prevent the school from complying with a requirement to recover a licensed deficit within agreed timescale
  - A school is in special measures, does not have excess balances and employment of the relevant staff is being / has been terminated as a result Flintshire County council or Government intervention to improve standards.

## Payment of dismissal costs for reasons other than redundancy

- 6.38 These are costs normally arising from compensation payments awarded by the employment tribunals in respect of a successful unfair dismissal claim.
- 6.39 The Authority will only fund (in part or in full) the payment of any other dismissal cost, outside of redundancy and early retirement, in the event that the school has fully complied with the Authority's agreed procedures where a dismissal may arise; or fully complied with their schools own procedures (in respect of the above) which must be in line with the Council's standards and fully compliant with employment legislation and best practice.
- 6.40 All internal legal costs and any external legal charges, such as the costs of employing counsel, to support the preparation and presentation of the case, will fall to the school and be paid from their delegated budget unless otherwise agreed by the Chief Education Officer.
- 6.41 All costs associated with securing a resignation through a compromise agreement will not be met by the Authority unless otherwise agreed by the Chief Education Officer.

## Income Policies

- 7.1 The Governing Body will establish, review annually and monitor compliance to policy statements covering charging and other policies for the following:
- The supply of goods or services.
  - Lettings. Note that there are VAT issues involved with lettings – refer to Section 9 of these Procedures.
  - School Meals.
  - Breakfast clubs
  - After School Clubs
  - Charging Policy
  - Banking and cash collection

### Charging Policy

- 7.2 The Education Act 1996 (Section 449-462) informs schools what they can and cannot charge for. This is further explained on the following link
- <http://www.legislation.gov.uk/ukpga/1996/56/contents/>
- 7.3 Schools can only choose to charge for certain defined activities if they have first drawn-up charging and remissions policies. See **Appendix 11**

### Invoicing

- 7.4 Not all income needs to be invoiced – for example, delegated and devolved funding, meals income from pupils, vending machine takings, internal recharges between departments of the Authority. In general, income generated from third parties (including other schools maintained by the Authority) must be invoiced to those parties, or preferably, collected in advance. Where any source of income is defined, under the Governing Body’s charging policy, as ‘payment in advance’, then no invoice need be raised. In this case, the Governing Body will ensure that output VAT (if any) relating to the supply is correctly identified, substantiated by appropriate documents, and properly accounted for.
- 7.5 Invoices will be issued within 14 days of the income being identified, and will be due for payment 30 days following.
- 7.6 Official Invoice stationery (which the school can generate themselves) must be pre-numbered and clearly printed with the name of the School. The layout of the invoice should conform to the requirements of a ‘VAT’ invoice with required fields being:-
- School name, address and VAT number [insert authority’s Vat No]
  - Recipient name and address

- Unique invoice number and date
  - Quantity, description and date of supply/services/goods
  - Net cost before VAT, VAT rate and VAT charges, gross cost
  - Whether supply is exempt, outside scope or standard rated.
- 7.7 The Governing Body will establish, in its formal statement of delegated responsibilities (see Procedures 2.5 and 2.6), the person(s) responsible for identifying income due to the school.
- 7.8 The Governing Body will ensure that all invoiced income is recorded in the accounts as soon as practically after the invoice is raised.
- 7.8 The Governing Body will establish a procedure to effectively pursue non-payment within defined timescales, including, if necessary, legal action. The Authorities' Corporate Finance Manager and Solicitor must be involved if legal action is contemplated.
- 7.9 The decision to 'write-off' any debt if it proves irrecoverable must be made (and minuted) by the Governing Body. It cannot be delegated. If the value of the debt to be written off exceeds £5,000, then the Governing Body must advise the Authority in advance of the write off. Any write-offs agreed must be correctly recorded in the accounts – by reversal of the original income transaction(s).

## Receipts

- 7.10 All cash received should be acknowledged by the issue of an official Receipt, except where such cash is accompanied by a Remittance Advice, detached from an official School Invoice. In certain cases this is impractical, school meals for example but this policy should be followed where reasonably practical.
- 7.11 It is recommended at least two persons should be present when post is opened, or vending machines emptied, so that cash received in these ways is properly identified and recorded.
- 7.12 Official Cash Receipt stationery must be pre-numbered and clearly printed with the name of the School. Unused stocks of Cash Receipts will be kept securely. Spoiled or cancelled Receipts will be retained.
- 7.13 The details of each Remittance Advice received and each Official Receipt issued, and cash cleared from vending machines will be entered into the financial system. Any output VAT involved will be clearly identified. Detailed consideration of VAT is contained in Section 9 of these Procedures.
- 7.14 The Governing Body will establish, in its formal statement of delegated responsibilities (see Procedures 2.5 and 2.6), the person(s) responsible for receiving cash due to the school. As far as is practical, given the circumstances

of the school, this person must be different from the person responsible for identifying income due.

- 7.15 Entries on the financial ledger should be recorded in sufficient detail to ensure that an audit trail is maintained from the entry to source document

#### Cash security

- 7.16 The Governing Body must ensure that cash (including cheques) held on the school premises are secure.
- 7.17 Income collections must not be used for cashing of personal cheques or for other payments.
- 7.18 If a school makes its insurance arrangements other than through the Authority, the Governing Body must hold appropriate Money Insurance with a level of cover at least as good as that provided by the Authority. The value of cash held on school premises should never exceed the level covered by such insurance.

#### Banking

- 7.19 Monies collected should be paid into the appropriate bank account without delay and in full. Specific guidance is contained in **Appendix 12**. On a monthly basis cheque book schools should reconcile sums deposited at the bank to the sums collected. This should be reviewed by the Headteacher. It is recommended that a different person from those responsible for collections and banking should do this.

#### Cash Discrepancies

- 7.20 Cash discrepancies can occur for several reasons. They may be revealed as a result of the cashing up procedure or when it is not possible to balance a petty cash float. Cash shortages can also arise following the discovery of a theft.
- 7.21 Cash shortages can only be written-off by the Governing Body, following a thorough investigation of the circumstances. The minutes should record the decision and the results of the investigation.
- 7.22 Any write off of cash shortages must be reported to the Authority as part of routine quarterly monitoring. If theft or financial irregularity is suspected, the Governing Body should immediately notify the Internal Audit Section.
- 7.23 Where a break-in has occurred, the Headteacher should report the matter to the police immediately the incident is discovered. The amount stolen must be ascertained as soon as possible.
- 7.24 All documentation must be retained for audit purposes.

## Bank Accounts

### Background

- 8.1 Some schools within Flintshire County Council hold external bank accounts for official funds.
- 8.2 The proper administration of bank accounts is at the heart of financial control. The Procedures in this section cover bank account and cheque controls.
- 8.3 Failures to keep to these Procedures leaves areas of the school's finances open to potential error or fraud, and indicate a possible breakdown in the school's internal control systems.
- 8.4 The potential risks associated with banking of school resources include:
  - Not banking all the income received
  - Not detecting bank errors
  - Failure to bank all income collected and inadvertently using some for purposes such as payment of expenses
  - Failure to record all transactions
  - Erroneous, fraudulent or duplicate payments
  - Missing good opportunities for investment
- 8.5 Money paid by the Authority to schools and held in school bank accounts remains Authority property until spent.

### Approved Banks and Accounts

- 8.6 The Governing Body will ensure that Bank Accounts are established for the purpose of receiving, holding and disbursing official funds, at approved Banking Institutions.
- 8.7 The prior approval of the Authority is required for accounts to be set up at institutions not on the approved list.
- 8.8 The opening of new Bank Accounts must be reported and minuted by the Finance Committee and noted at a meeting of the full Governing Body.
- 8.9 "Investment" accounts may be set up with an approved Bank provided that there is no risk to the principal sum. Any investment must be made through the school itself and not through an intermediary.
- 8.10 **Individuals should not use their private bank accounts for any payment or receipt related to the school's budget.**
- 8.11 The Governing Body will ensure that all its Bank Accounts are in the name of both the School and Flintshire County Council, and ensure that the Authority

is mandated to receive statements, and access to such other information as it may require, and to take control of the account(s) if the school's right to a delegated budget is suspended.

- 8.12 The school's bankers should be advised that schools are not allowed to overdraw the account or negotiate overdraft facilities.
- 8.13 When setting up a school bank account, the Governing Body may authorise a minimum of four, and a maximum of six signatories. These should be reviewed annually.
- 8.14 The Governing Body must notify the Corporate Finance Manager of the banks used, account numbers and authorised signatories. Any changes to this data must also be promptly notified.
- 8.15 Schools should send copy bank statements to the Schools Accounting team monthly.
- 8.16 The Governing Body must nominate the person to whom all correspondence from the Bank must be addressed. This is usually the Headteacher.
- 8.17 Schools may use telephone or electronic on-line banking systems provided that the following control procedures are in place and adhered to:
- The Authority is notified of any changes in banking procedures.
  - Controls, particularly access controls, are of a level that is comparable to that provided by the existing manual system. Passwords are secure, duties are separated, prior approval controls exist and an audit trail is maintained
  - The School recognises that methods of authorisation may change, but the levels of authorisation must comply with the approved bank mandate.

### Interest and Charges

- 8.18 Schools may retain any gross interest earned on the balances held within their bank accounts.
- 8.19 Any charges levied by the bank in relation to the operation of the schools bank account will be a charge against the school's delegated budget.

### Borrowing by Schools

- 8.20 The Governing Body is not allowed to borrow money.
- 8.21 Bank overdrafts are a form of borrowing, and therefore account mandates should explicitly authorise Banks to prevent a School from overdrawing.
- 8.22 The Governing Body may enter into a Loan arrangement with the Authority – for example to finance a Licensed Deficit or to finance a capital project.

- 8.23 Credit cards must not be used, as they are a form of borrowing. However, a debit card is allowable. Its use must be governed by written procedures requiring the same level of security as for the use of cheques.

### Stationery Security

- 8.24 The Governing Body will establish procedures which ensure that all stationery involved with the operation of its bank account – cheque books, continuous form cheques, paying in books, mandate forms etc. – are held in secure storage, with access restricted to nominated members of staff.
- 8.25 Separate records of serial numbers etc. will be maintained, and periodically reconciled to usage. It is recommended that this is done at the same time as the Bank Reconciliation. Surplus or otherwise unusable stocks will be subject to secure disposal, and the records annotated accordingly.

### Disbursement of Funds

- 8.26 The Governing Body will agree and include in its Scheme of Delegation (refer to Procedures 2.5 and 2.6) procedures for the signing of cheques. It is recommended that these follow the following rules
- Cheques of up to £20,000 must be signed by two of the signatories.
  - Cheques of over £20,000 must be signed by three of the signatories (one of whom must be a designated senior member of staff or more usually the Chair of Governors).
  - Schools that move to a BACS payment system must maintain controls at least to the level of that required by cheque
- 8.27 Under no circumstances should cheques be pre-signed.
- 8.28 Procedures should be established to ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.
- 8.29 Cheque counterfoils or their electronic equivalent must be completed in every case and retained for audit purposes.
- 8.30 Direct debits or standing orders may be used provided that:
- These instruments are subject to the same signature rules as cheques.
  - Appropriate VAT invoices are received covering each liability.
  - The arrangement carries no element of interest, as this constitutes borrowing.

## Reconciliation of Bank Accounts

- 8.31 Regular bank reconciliations are essential. They prove that the balances shown in the accounting records are correct and provide assurance that the underlying accounts are accurate.
- 8.32 The Governing Body will agree procedures for the reconciliation of all bank accounts, and identify, in their Scheme of Delegation, the members of staff responsible. Due regard should be paid to the need to segregate duties and the person responsible for this reconciliation should have no responsibility for receiving or banking monies.
- 8.33 Every statement, when received (no less frequently than monthly), will be reconciled to the accounting records. This reconciliation will highlight the following:
- Cheques drawn but not presented.
  - Other payments debited but not accounted for.
  - Credits accepted by the bank but not accounted for.
  - Credits accounted for but not cleared by the bank.
- 8.34 Entries on the bank statements that have not been processed in the accounting records must be investigated to ensure that they validly relate to the School. If so, appropriate entries must be made without delay in the accounting records, and the bank reconciliation annotated accordingly.
- 8.35 The person performing the reconciliation should sign all bank reconciliations. They should also be reviewed and countersigned by someone who understands the reconciliation process and retained for three complete financial years.
- 8.36 Staff responsible for undertaking bank reconciliations should not be responsible for the processing of receipts and payments.

## Taxation

### Background

- 9.1 Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all Schools to be aware of their role.
- 9.2 VAT is by far the most common taxation issue likely to affect schools. VAT legislation is complex, and it is not expected that schools become experts in the subject. The Guidance below is necessarily basic. If any further detail is required, then contact should be made with the Authority's VAT experts through the Corporate Finance Manager.
- 9.3 The Construction Industry Scheme (CIS) is another taxation issue that Schools may encounter. It involves rules related to the accounting for income tax liability for subcontractors used by Schools on construction projects. See **Appendix 13** for details
- 9.4 A final range of taxation issues that Schools may come across are all payroll related and have mainly been dealt with in section 6.18 to 6.23.

### Accounting for VAT

- 9.5 The Governing Body will ensure that the procedures in use in the School, related to the accounting for VAT, follow the guidance issued by the Authority.
- 9.6 The Governing Body will ensure that only proper VAT invoices are paid, as the School will not be reimbursed in the absence of such documentation.
- 9.7 The amounts of input VAT (i.e. that paid on purchases) and output VAT (i.e. that collected on income) will be accounted for separately in the books of account. H.M. Revenue and Customs (HMRC) treat schools' voluntary funds as independent of the Council for the purpose of VAT reporting. Schools will need to consider whether registration is required for their voluntary funds.

### Claiming for re-imburement of Vat

- 9.8 For the purposes of VAT registration, H.M. Revenue and Customs (HMRC) regard the Council and its maintained schools, as a single organisation for the purposes of VAT accounting and reporting. The Authority accounts for VAT to HMRC on a monthly basis. The corporate VAT return therefore must include the VAT relating to schools. Schools VAT returns should be sent to Technical Accountancy by the 15<sup>th</sup> of each month to ensure that their claims are included in Flintshire's return. For schools using FMS a print should be taken off the sytem and posted. If it is not possible to send the return by this date, the amount of the claim should be emailed to

[technical.accountancy@flintshire.gov.uk](mailto:technical.accountancy@flintshire.gov.uk) and documentation forwarded as soon as possible. The School should therefore ensure that it submits its VAT accurately reflecting input and output tax.

### Penalties

- 9.9 It may happen that the Authority suffers a financial penalty as a result of a School's actions or lack of action in the accounting for, or the reporting of taxation of any form. In such a case, the Governing Body will reimburse the Authority from its delegated budget.

## Accounting Standards

### Background

- 10.1 Schools have many systems and procedures relating to the control of its assets, including purchasing, costing and management systems. Schools are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 10.2 The Procedures in this Section cover issues not applicable to other sections in this document.

### Accounting Timetable – Cheque book schools and schools not buying into the Schools Accounting SLA

- 10.3 The Governing Body will establish an Accounting Timetable to control and monitor the capture of accounting transactions.
- 10.4 The timetable will identify the start and end dates of each accounting period. As a minimum, there should be 4 equal accounting periods within each financial year, however for larger schools it is recommended that there should be twelve accounting periods.
- 10.5 The timetable will identify the latest dates by which accounting transactions relating to each accounting period will be processed into the books of account.

### Basis of Accounting

- 10.6 Accounting transactions will be recorded in accordance with the **Accrual** principle. This is to be interpreted in the following way:
- Expenditure and income are recognised in the accounts when the goods and services are received, or provided – not when cash flows out of, or into the Bank Account.
  - In the case of ‘time related’ charges (for example, rents or Authority rates), the expenditure recorded against any accounting period will reflect the proportion of the total charge appropriate to the period of time covered by the accounting period.
- 10.7 Further guidance on accrual accounting can be found in **Appendix 14**.

## The Financial Procedures Manual

- 10.8 The Governing Body should ensure that the school has clear, written descriptions of all its financial systems, controls and procedures. It is most effective if all these documents are brought together into a single Financial Procedures Manual which will sit alongside the Scheme of financial delegation.
- 10.9 The contents of this manual should be based on, and not contradict, the following source material:
- The Authority's Schools Financial Procedures
  - The Authority's Scheme for Financing Schools
- 10.10 The Financial Procedures Manual should be reviewed regularly and kept up to date, in the light of changing legislation, development of the Authority's Schools Financial Procedures, Internal Audit comments and the School's experience of using the procedures.
- 10.11 The internal controls detailed in the Financial Procedures Manual will deal with the following:
- Internal checks - one person checking another person's work
  - Separation of duties - distributing the work so that key tasks are assigned to separate members of staff
  - A system of authorisations - each transaction is authorised before passing on to the next stage of the process.
  - An audit trail - this tracks all stages of a transaction, for example from copy order to invoice, to accounts, to cheque and in reverse.
- 10.12 The Financial Procedures Manual should also include detailed operating instructions relating to the particular accounting software used by the School.

## Document Retention

- 10.13 As a general rule documents should be kept for a minimum of three complete financial years plus the current financial year. This period should satisfy the requirements of both external and internal audit, and provide a reasonable level of historical information, which may be required for future reference purposes or to deal with queries that may arise. Original documents may be destroyed, provided they have been captured in some way and capable of being recreated. Records or appropriate copies of transactions involving taxation, including invoices for VAT, should be kept for six years.

## Voluntary Funds

- 10.14 Schools should ensure that they comply with the School Fund Procedures issued by Flintshire County Council.

## Petty Cash

- 10.20 Petty cash is useful for making small purchases with the minimum of fuss however the Governing Body will ensure that proper controls are in place to prevent its abuse or loss. The Governing Body should formally set the amount of petty cash to be held. This amount should represent a balance between convenience and risk with a maximum expected individual transaction limit of £50.
- 10.21 The Governing Body will agree a 'petty cash policy' which:
- Specifies the member of staff responsible for managing the petty cash fund.
  - Specifies the items of expenditure that may be reimbursed from the petty cash fund.
  - Specifies an upper limit on the amount to be reimbursed against each item of allowable expenditure.
  - Specifies authorisation and document retention requirements.
- 10.22 The Governing Body will ensure that separate accounting records are kept for the petty cash fund, using the imprest system. Further guidance on the accounting for petty cash is attached as **Appendix 15**.
- 10.23 The Governing Body will ensure that the following operational controls are implemented, and their operation monitored on a regular basis
- The petty cash fund is held securely and that only authorised staff have access to it.
  - Payments from the petty cash fund should be limited to minor items that have been approved in advance by an authorised member of staff. All such expenditure must be supported by receipts, which identify any VAT paid.
  - Personal cheques should not be encashed from the petty cash fund.
  - The accounting records of receipts and payments relating to the petty cash fund should be reconciled on a regular basis, at least monthly, to the total authorised value of the fund.

## Earmarked Funding

- 10.24 Part of the funding allocated to Schools can come with a range of restrictions on what expenditure can be supported, or the period of time within which such

expenditure must be incurred. Also, such restrictions may include special reporting requirements and the Governing Body should ensure that these are fulfilled.

- 10.25 The Governing Body will ensure that: such expenditure is accounted for separately within the ledger and ensures that such funding is only used for the purposes, and within the time limits, for which is allocated.

### Audit Requirements

- 10.26 The accounts of Schools with delegated budgets are subject to regular internal audit and are available for inspection as necessary by the Authority's external auditor. Internal auditors review the management of the school's finances on behalf of the Authority. External auditors are appointed by the Wales Audit Office to assess the legality and regularity of financial affairs and to ensure that the Authority has made proper arrangements to secure stewardship of public funds.
- 10.27 The Governing Body will ensure that both Internal and External Authority auditors are given access to such premises, documents and assets, as the auditors deem necessary and are provided with any explanations or other assistance they consider necessary.
- 10.28 The Governing Body will ensure that they consider and respond promptly to recommendations in audit reports. Where any remedial action is agreed, the Governing Body will ensure that such action is taken without undue delay.
- 10.29 The Governing Body should immediately notify the auditors of any suspected irregularity.
- 10.30 The Governing Body may organise independent audit of the school's affairs. Any expenditure on independent audits must be met from the Schools delegated budget share. Such independent audits will not supplant the requirements for Authority audits.

## **Risk Management**

- 11.1 This Section is intended to provide Schools with a broad introduction to Risk Management. The Council favours a ‘joined up approach’ to planning and risk management.
- 11.2 In following the guidance required by the Procedures in this Section, a common sense approach should be adopted, focusing on the major issues that may affect the School.
- 11.3 All organisations, whether private or public sector, face risks to people, property and continued operations. ‘Risk’ is the threat that something (an event or action) will adversely affect a school’s performance and its ability to successfully deliver its strategies.
- 11.4 Risk management is the process by which such risks are identified, assessed and cost effective actions are taken to reduce (mitigate) them to acceptable levels. It is a key element of the framework of a school’s overall governance. Hence, it is essential that Governors and staff all understand the principles and practices of risk management.
- 11.5 Risk Management is not about eliminating risks – that is not a realistic objective. It is however, about mitigating risks – that is, reducing risks to an acceptable level.
- 11.6 The benefits of establishing a risk management culture are:
- Increased focus on what needs to be done (and not done) to meet objectives.
  - More satisfied stakeholders
  - Better management of change programmes
  - More calculated/innovative risk taking
  - Fewer complaints
  - Better controlled insurance costs
  - Improved quality of learning environment
  - Better ability to justify actions taken
  - Delivery of VFM
  - Getting things right first time more often i.e. less waste
- 11.7 Risk management is clearly a much broader concept than financial management. There are, however, many overlaps between risk and financial management with the ‘internal control system’ being the most obvious and most notable one. A school’s internal controls can be defined as “a formal structure of actions taken by the Governing Body or School Staff to manage risk and increase the likelihood of achieving established goals and objectives”. Such a system:
- Has a key role to play in the management of significant risks that threaten the achievement of the schools aims and objectives

- Contributes to the safeguarding of public funds and assets and the achievement of Value for Money because it facilitates the effectiveness and efficiency of operations
  - Helps to ensure the reliability of information used for internal and external reporting
  - Assists with compliance with laws and Procedures.
- 11.8 Each school should, therefore, seek to maintain a sound system of internal control based on this document. This system should be documented in the School's Financial Procedures Manual (refer to paragraphs 10.8 to 10.12). It makes sound business sense for schools to manage risk effectively and for all staff to exercise internal control and risk awareness in every aspect of their work. In particular recognising and dealing appropriately with the key strategic risks facing a school, enables it to identify the key actions it must take to achieve its main goals.
- 11.9 An example of a format for a risk register is shown at **Appendix 16**.

### Insurance

- 11.9 The Governing Body must notify the Authority of all new risks to property, equipment and vehicles that they wish to cover by insurance, or of any other alteration affecting existing insurance.
- 11.10 The Governing Body must notify the Authority of all accidents, losses and other incidents that may give rise to an insurance claim.
- 11.11 The Governing Body must not give any indemnity to a third party without the written consent of the Authority.
- 11.12 Insurance arrangements should cover the risks associated with the use of School property, for example musical instruments or computers, when off the premises.

## Asset Management

### Background

- 12.1 Schools hold assets in the form of property, vehicles, equipment, furniture and other items worth significant sums of money. These can include attractive and portable items of material and equipment ranging from library books to valuable ICT items. Equally important ‘assets’ are information, data and records.
- 12.2 It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both physical assets and the information required for service operations. An up to date asset register is a pre-requisite for proper fixed asset accounting and sound asset management. It is equally important to maintain records of stocks of materials and other consumable resources to ensure that educational work is not delayed because of their unavailability and to guard against waste and loss.

### Identification of Assets

- 12.3 The Governing Body will ensure that all physical assets, particularly those that are attractive and portable, are clearly marked with the School’s name, and carry some form of unique identifying reference. This should be done, as a matter of routine, when the asset is first acquired.
- 12.4 The Governing Body will ensure that leased assets, and assets funded by specific grants are separately identified. This is because there may be special rules, particularly related to disposal, related to these classes of assets.

### Inventory

- 12.5 The Governing Body will maintain a listing of all physical assets used and owned by the school – including leased and grant funded assets. Minor assets with a value below £500 need not be included, unless the asset is of an attractive and portable nature, whose loss would have a material effect on the effective operation of the School.
- 12.6 A sample format for the Inventory and the information to be held on the inventory is contained in **Appendix 17**
- 12.7 The data held on the Register will be updated when any of the following happens:
- A new asset is acquired.
  - A portable asset is moved from one location to another – including authorised removal from the school premises in the normal course of activity.
  - An asset is disposed of, lost, stolen or damaged.

- A periodic stock check is undertaken not less than annually.

### Security of Physical Assets

- 12.8 The Governing Body will ensure the proper security and safe custody of all buildings and vehicles, equipment, furniture, stock, stores and other property belonging to the Authority and under their control.
- 12.9 The Governing Body will ensure that an annual check of all items on the inventory is carried out, in order to verify location, review condition and to take appropriate action in relation to any surpluses or deficiencies, updating the inventory accordingly. Someone who is not responsible for maintaining the inventory should undertake the physical check. All discrepancies should be investigated and reported to the Governing Body. If the value of the asset to be written off exceeds £5,000, then the Governing Body must advise the Authority in advance of the write off.
- 12.10 In the event that an asset is identified, during the periodic stock check, as having been stolen, the Governing Body must investigate the circumstances and report the loss to the Police and Internal Audit.
- 12.11 The Governing Body will ensure that no School asset is subject to personal use by an employee.
- 12.12 School assets should only be moved from the premises for official purposes and with the permission of the Governing Body. A record should be kept of all authorised removals, which should be signed for.
- 12.13 In the case of stocks of consumable stores, the Governing Body will ensure that adequate records are kept and that reasonable levels are maintained, given the normal pattern of usage.
- 12.14 Safes and similar deposits used for the storage of assets, stocks or stores should be kept locked and the keys removed. The Governing body will ensure that a schedule is kept of keyholders to safes and similar receptacles, and that keys are carried on the person of those responsible at all times. The loss of any such keys must be reported to the Governing Body without delay, and appropriate action taken to prevent security being compromised.

### Security of Data

- 12.15 The Governing Body will ensure that all computer systems used for school management should be protected by password security to ensure that only authorised staff can access such systems. Passwords should be changed regularly and updated for staff changes. Staff must not share passwords, and any attempt to gain access using the password of another member of staff must be forbidden.

- 12.16 The Governing Body should ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location.
- 12.17 The Governing Body should establish a recovery plan to ensure continuity of financial administration in the case of emergency. Such recovery plans should be regularly tested.
- 12.18 The Governing Body should ensure that systems such as firewalls and antivirus software are in place to safeguard school software and data against computer viruses.
- 12.19 To prevent viruses being imported, and guard against copyright infringement, only authorised licensed software should be used. As a general rule software should not be downloaded from the Internet.
- 12.20 It is strongly advised that the use of USB data devices is prohibited and not used on personal computers. At the very least they should be encrypted.
- 12.21 The Governing Body will establish a policy that describes how its ICT equipment and access to the Internet may and may not be used. This is known as an “acceptable use policy”. This needs to be a policy that all key stakeholders subscribe to, so it is a good idea to get staff and pupils involved in its development.
- 12.22 The Governing Body should ensure that its data management conforms to the requirements of 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.
- 12.23 The Governing Body must ensure that systems are in place to ensure that the School is able to comply with requests for information under the Freedom of Information Act 2000. For further details refer to paragraphs 2.31 of Section 2 – Governance.

### Disposal of Assets – General

- 12.24 The Governing Body will authorise the disposal and write-off of redundant, obsolete, non-repairable or surplus furniture, fittings, equipment, plant and machinery, and stocks, in accordance with these Procedures.
- 12.25 Before disposal, the Governing Body will check if the asset is subject to leasing arrangements, or was funded from specific grant. If the asset is leased, or was funded from specific grant, disposal must be in accordance with the terms of the lease, or the terms of the specific grant concerned.
- 12.26 Before disposal, the Governing Body will ensure that any security or other markings, identifying the equipment as the property of the School, are removed from the equipment.

- 12.27 The Governing Body will ensure that any surplus plant, vehicles, furniture or equipment is sold by public tender or auction unless the financial interest of the School is better served by disposal in some other way. In general, auction or tender is only appropriate for items that have significant residual value of £500 or more.
- 12.28 The Governing Body will ensure that redundant assets are not sold to employees of the School, members of the Governing Body or officers or Members of the Authority, on terms (including price, opportunity etc.) more favourable than available to other interested parties.
- 12.29 The Governing Body will ensure that income received for the disposal of an asset is properly banked and coded.
- 12.30 The Governing Body will ensure that Asset Registers are updated appropriately to reflect the disposal of the asset.

#### Disposal of Assets ICT equipment

- 12.31 To guard against the accidental disclosure of personal or business sensitive data, the Governing Body will ensure that, in addition to the Procedures contained in paragraphs 12.24 to 12.30, the Procedures in paragraphs 12.32 and 12.33 are followed.
- 12.32 The Governing Body will contact the Authority to offer surplus equipment for redeployment elsewhere within the Authority.
- 12.33 The Governing Body will ensure that, in the case if ICT equipment being disposed of:
- They comply with current European Procedures on the disposal or recycling of ICT equipment.
  - All data is removed from surplus PC's
  - All hard drives are reformatted

#### Disposal of Assets – Land & Buildings

- 12.34 Land and buildings will be the most valuable asset associated with a School, and therefore requires special consideration.
- 12.35 The issue of disposal of land and buildings is complicated by the fact that some classes of schools (Voluntary) own, and can therefore sell their land and buildings.
- 12.36 Any School of a class that owns its own land and buildings and is contemplating any disposal of such assets is required to have regard to the guidance contained in legislation and other statutory guidance.

- 12.37 Any School that owns its own land and buildings, and is contemplating their disposal in full or in part, are required to advise the Authority of their intention at the earliest opportunity, as the Authority may be entitled to a portion of the proceeds.
- 12.38 For those Schools where the Authority owns the land and buildings Schools should contact the Education Property Manager for advice and guidance on any issues related to the disposal of land or buildings.

### Maintenance of Assets

- 12.39 The Governing Body will ensure that suitable budgetary provision is made for maintaining the School's assets in usable condition. It would however be uneconomic and inefficient for the cost of asset maintenance to outweigh their benefits. Thus where such maintenance activity is demonstrably uneconomic, the asset may be earmarked for disposal.
- 12.40 The Governing Body should have a plan for the use, maintenance and development of the School's buildings. Where the governors own the school's buildings, the building development plan will take on a different dimension. In all cases, however, a school's own plan will need to match the Authority's Asset Management Plan in relation to that school.

## Breakfast Clubs and Free Breakfast Provision

- 13.1 Funding for Free Breakfast clubs is available to support provision for a maximum of 30 minutes. Schools may choose to extend this period and provide a childcare element which is chargeable to parents. The circumstances will differ from school to school and it will be for individual schools to determine whether or not to provide a childcare element and to set an appropriate charge. See the link below for the Free Breakfast guidance issued by Welsh Government <http://learning.gov.wales/resources/browse-all/free-breakfast-in-primary-schools/?skip=1&lang=en>
- 13.2 Facilities Services offer an SLA to schools to provide free breakfasts which includes food preparation costs and food costs. This will be paid by schools at the start of the financial year and will be actioned by journal transfer by the Schools Accounting Team.
- 13.3 Schools will require a minimum average of 15 pupils per sessions to be considered viable to operate a free breakfast. The legislation refers to primary school children and therefore free breakfast should not be offered to nursery age children.
- 13.4 To aid administration of free breakfast where a childcare element is offered by schools staff who are employed via payroll for free breakfast can also be paid if required by the school for the childcare element via payroll and charged to the delegated budget. Schools should however ensure that income is paid into the delegated schools budget to cover the costs incurred for the childcare element. The delegated budget should not subsidise the childcare element. Income for breakfast clubs should be paid in to School code and detail code 9761.
- 13.5 It is the responsibility of the school, Headteacher and governing body to ensure that satisfactory arrangements are in place to safeguard children accessing the free breakfast club and any childcare provision. It is essential that a named person with responsibility for child protection is on the premises and that all staff are aware who to contact in the event of a child protection/safeguarding issue. All staff will be required to have DBS checks in place.
- 13.6 Schools offering an extended breakfast provision will need to consider whether CSSIW registration is required. **Appendix 18** sets out the options schools may consider and the implications of each option.

## **Appendix 1 - (MODEL) SCHEME OF DELEGATION FOR SCHOOLS FINANCIAL MATTERS**

[See Governance Section 2]

The Governors of \_\_\_\_\_ School, hereby delegate authority for the following:

### **1. Preparation, Approval and Variation of School Budgets**

- a) The preparation of an annual detailed school budget, outlining the school's intentions for expenditure in the current financial year to *State if Governing Body; Sub Committee (must specify subcommittee e.g. Finance committee) or Headteacher.*
- b) Approval of first formal budget plan of the year to *must be Governing Body or Subcommittee (must specify). Cannot be delegated to an individual. If not to be delegated to a subcommittee please state "Not Applicable". Any change will have to be reflected in the Terms of Reference of the Finance Committee.*
- c) The Virement of resources between detailed budget heads, provided that such  
Virements shall not exceed £xxx on any item and an aggregate of £xx in any one financial year to would *usually be Headteacher*

### **2. Orders for Goods, Works and Services**

- a) In accordance with the school's current Authorised Signature List, the signing of orders not exceeding £xx per order, without prior approval of Governing Body.
- b) In accordance with the school's current Authorised Signature List, the signing of orders exceeding £xx per order following approval by governors.

### **3. Payments**

- a) Following the appropriate examination and verification procedures having been undertaken, the certification of invoices and accounts in accordance with the school's current Authorised Signature List

### **4. Contracts**

- a) The authorisation of the variation of the financial terms of a building or civil engineering contract is delegated to *State if Headteacher or Governing Body Subcommittee (please specify the subcommittee.)* provided that when the cumulative estimated value of all such variation does not exceed £10,000 or 10% of the contract sum, whichever is the lesser, these and all future variations as they occur,

shall be reported to the next meeting of the Governing Body for confirmation.

- b) Tenders or quotations must be sought from such number of contractors as the Headteacher thinks reasonable for any contract which is less than £10,000 in value, however, a minimum of three tenders or quotations should be sought for contracts with a value greater than £10,000.
- c) The acceptance of a tender, quotation or invitation to treat not exceeding £25,000 in value or amount for the supply of goods, materials or services or the execution of any work relating to the school be delegated to: *Usually the Headteacher* Any contract covering a period of years where the total value of the contract would amount to more than £25,000 shall be reserved to the Governing Body. Where a tender, quotation or invitation to treat which exceeds £10,000\* in value or amount has been accepted by or on behalf of the Governing Body, the matter shall be referred to the Solicitor to the Council to determine and prepare the appropriate form of agreement (Headteacher).

5. **Imprest Account**

- a) In accordance with the school's current Authorised Signature List the authorisation of the disbursements from the Imprest account.

6. **Salaries, Wages and Associated Matters**

- a) In accordance with the school's current Authorised Signature List the certification  
Of time records and other pay records.

7. **Writing off of debts**

- a) The writing off, abatement of debts due, not exceeding £xx be delegated to *Usually the Headteacher*.

8. **Stocks**

- a) The writing off of any stocks of equipment and materials not exceeding £xx be delegated to *Usually the Headteacher*.

9. **Inventories**

- a) The writing off and disposal of obsolete equipment not exceeding £xx be delegated to *Usually the Headteacher*.

10. **Insurance**

- a) The consideration of claims, for loss of or damage to personal property of employees, which are not covered by the Balance of Risks Policy not exceeding  
£xx be delegated to *Usually the Headteacher*

Signed: \_\_\_\_\_ Chair of Governors. Date:  
\_\_\_\_\_

## **Appendix 2 Example of a terms of reference for a finance committee**

[See Governance Section 2]

- To provide advice, support and guidance to the Head teacher and Governing Body on all matters relating to school finances.
- To recommend internal financial Procedures for the financial management of the school.
- To consider appropriate levels of reserves and balances.
- To form a response to any consultations regarding the scheme of delegation or the funding of schools.
- Draw up the annual and three-year budget for approval by the Governing Body.
- Explore different expenditure options and assessing expenditure bids.
- Forecasting likely future pupil rolls and assessing the impact on funding levels.
- Monitoring budgeted income and expenditure.
- Monitoring and adjusting in-year expenditure levels.
- Ensure accounts are properly finalised at year-end/reviewing outturn.
- Evaluating the effectiveness of financial decisions.
- Establish and monitor appropriate policies and procedures for sound budgetary control.
- Report regularly on the school's finances to the full Governing Body.
- Determining the financial delegation to be made to the Headteacher.
- Approve transfer between budget headings (Virement) in excess of £5,000.
- Enter into contracts following the Flintshire County Council Financial Procedures.
- Respond to any issues arising from the audit of the school's accounts.
- Review School Fund accounts prior to them being audited and presented to the Governing Body once they have been audited.
- Review Finance related policies.
- Determine procedures for Governors to claim expenses.
- Determine a charging and remissions policy to present to the Governing Body for adoption.
- Make miscellaneous financial decisions on recommendations of the Headteacher.

- Formulate, monitor and review the school's lettings policy and out of hours use.
- Formulate, monitor and control the school's energy needs.
- To ensure value for money by making use of Consistent Financial Reporting data and other benchmarking information.

### Appendix 3 - Template for a Register for Business Interests

[See Governance Section 2]

<b>Name &amp; Position</b>	<b>Date</b>	<b>Advised interest Disclosed</b>	<b>Nature of Potential conflict</b>
Joe Bloggs (Governor)	1/10/2015	Employee of Excel and Co Solicitors	Employer is provider of legal services, specialising in the schools market
Fred Smith (Headteacher)	10/8/2015	Brother-in-Law is Director of Kleen Ltd	Kleen Ltd is a potential bidder for the school cleaning contract.

## **Appendix 4 - Template for register of gifts and hospitality**

[See Governance Section 2]

<b>Name &amp; Position</b>	<b>Date</b>	<b>Advised nature of Benefit</b>	<b>Action taken</b>
Joe Bloggs (Governor)	21/6/2015	Day at Aintree Races offered by Fixit plc	Declined Fixit plc currently main contractor for school extension project. Offer obviously of significant value, corporate box, dining etc. Acceptance not considered appropriate.
Fred Smith (Headteacher)	20/12/2015	Desk Diary and 2016 Calendar offered by Paperchase Ltd	Accepted Paperchase Ltd currently supplies the school with stationery and sundry office supplies. Value less than £15. Item appropriate to school operations
Fred Smith (Headteacher)	20/12/2015	Bottle of Malt Whisky offered by Cater plc	Declined Cater plc is current school catering contractor. Value less than £25. Item considered inappropriate

## **Appendix 5 – Contract Procurement Rules (CPRs)**

[See purchasing goods Section 3]

### **1. Governing Body and School Staff duties**

- 1.1 These CPRs are not intended to conflict with European Union and domestic law. Statutory legal obligations shall always take precedence over these CPRs.
- 1.2 Nothing in these CPRs shall relieve the council from its duty to spend public money wisely. Officers must always seek value for money.
- 1.3 Any person including consultants/agency staff involved in a procurement exercise in a school must have sufficient experience and/or they must have had appropriate training to competently carry out the procurement activity. They shall ensure that they carry out any procurement in accordance with these procurement rules and all statutory procurement obligations.
- 1.4 No member, officer or agent of the school shall knowingly use their position to improperly obtain any personal or private benefit from any contract entered into by the council.
- 1.5 The Governing Body of each school will have developed a scheme of Delegation. Thus in practice placing orders or seeking tenders will be the responsibility of the Head teacher or members of school staff duly authorised in the “scheme of Delegation”. Every purchase that is made by the school must comply with these rules.
- 1.6 Where the Council has in place a Corporate Purchasing Agreement or on the advice of the Council’s procurement unit a valid Framework Agreement or Approved List is in place, the Responsible Officer shall consider whether to access these, as opposed to seeking quotes or tenders. The obligation to pay VAT if the school does not purchase via the council will also have a bearing on the proposed procurement route. The use of corporate purchasing agreements is optional for schools but we recommend that these agreements are considered to obtain value for money.
- 1.7 Schools as public bodies are required to comply with the EU Directive on procurement therefore in following these rules you are more likely to be compliant with the law. Any specific advice on this area can be obtained from the Council’s Strategic Procurement Unit.

### **2. Estimating the contract value**

- 2.1 The value of the contract means the estimated total monetary value over its full duration (not the annual value), including any extensions or other options, but **not** including VAT. Where the duration of the contract is indeterminate or is longer than four years, this should be taken to be the estimated value of the contract over a period of four years. No procurement may be artificially split to avoid compliance with these CPRs and European Union procurement directives.

- 2.2 Where the same goods, services or works are purchased regularly by the school or in collaboration with another school it is the aggregated value of these purchases that determines the total contract value.
- 2.3 Where the value is, or may be, equal to or greater than the relevant OJEU threshold, there must be regard to the valuation rules in the [Public Contracts Regulations 2015](#) which are similar to the above, but more detailed.
- 2.4 A contract cannot be artificially divided into two or more separate contracts, nor a valuation method selected with the intention of avoiding these purchasing rules. Contracts shall be packaged to ensure best service delivery, competition and value for money.
- 2.5 If the goods or services are to be provided by lease or hire the value of the contract is the capitalised value of the goods and services provided i.e. the amount you pay each month over the total number of years of the contract.

### **3 Pre-quotation/tender market testing and consultation**

- 3.1 It is permissible to consult in general terms with potential suppliers, prior to a request for quotation or invitation to tender, about the nature, level and standard of supply, price range and other relevant matters, and/or whether particular suppliers wish to be invited to quote or tender.

#### **Community Benefits**

- 3.2 For all relevant contracts below £1,000,000 in value the inclusion of community benefits as a contractual obligation is optional, but encouraged wherever practical.  
(For further information on this please contact the Corporate Procurement Team)

### **4. Exempt contracts**

- 4.1 Exemptions are where the CPRs are suspended entirely. The following contracts are exempt from the requirements of these CPRs:
  - i. Internal purchases or service provision
  - ii. Contracts relating solely to the disposal or acquisition of an interest in land (with the exception of development agreements)
  - iii. Individual agency contracts for the provision of temporary staff;
  - iv. Employment contracts;

#### **Exceptions**

- 4.2 Exceptions are where the CPRs are partly suspended to enable a particular course of action. This can include the requirement to seek market competition by obtaining a quotation or tendering. This does not remove the need to ensure that adequate and robust process is undertaken in accordance with these CPRs.
- 4.3 Where an exception is sought there is a requirement to complete an exception form for any procurement projects above £10,000. (template document)
- 4.4 An exception can be sought, including consent to seek only a single quotation or tender, where one or more of the following criteria are met:
  - i. where an offer has been made to the market by the School using the open, restricted, negotiated, competitive dialogue or innovation procedure, but where no quotations or tenders have been submitted, or where those that have been submitted are disqualified through the evaluation procedure. In this circumstance an exception can only be granted where the original terms of the proposed contract are not substantially altered;

- ii. the goods, services or works can only be provided by a particular contractor for reasons that are technical, artistic, or connected with the protection of exclusive rights. This should normally be evidenced through publishing a Prior Information Notice (PIN) on Sell2Wales, or through some other means agreed with the Corporate Procurement Team;
- iii. extreme urgency brought about by events unforeseeable by the school and in accordance with the strict conditions stated in the Public Contract Regulations 2015;
- iv. where the products involved are manufactured purely for the purpose of research, experimentation, study or development;
- v. For supplies quoted and purchased on a commodity market;
- vi. Where a design competition is run where the rules of that competition require the contract to be awarded to one or more of the successful candidates, provided that all successful candidates are invited to negotiate;
- vii. with an organisation which has won a contract for an earlier phase of work via a competitive process, where such work forms part of a serial programme previously identified as such in the original offer to market (which should also include the cumulative value of all potential phases) and providing that subsequent phases commence within three years of the original contract;
- viii. with an organisation already engaged by the school, where the additional requirement was not included in the original contract but has arisen through unforeseen circumstances, and the requirement cannot be carried out separately for technical or economic reasons;
- ix. that goods are required as a partial replacement or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance. Any contract based on this exception shall not exceed the duration of three years save in exceptional circumstances;
- x. for supplies purchased which are second hand and/or sold in a public market or auction;
- xi. for the engagement of actors or performers;
- xii. in relation to time limited grant funding from an external body, where the time limitations will not allow a competitive procurement process to be completed and where the grant conditions allow this;
- xiii. for the purchase of supplies on particularly advantageous terms from a supplier that is definitely winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors or similar procedure;
- xiv. where delay attributable to the quotation or tendering process would, in the estimation of the Governing Body, result in the school incurring net expenditure or forfeiting net income in excess of the savings on the contract sum that might reasonably be expected to accrue from competitive tendering;
- xv. where delay attributable to the quotation or tendering process would, in the estimation of the Governing Body concerned, create or increase danger to life or limb;

- xvi. where delay attributable to the quotation or tendering process would, in the estimation of the Governing Body concerned, result in or continue an unacceptable level or standard of service; or
- xvii. where relevant UK or EU legislation not otherwise referred to in these CPRs permits.

## **Authority to approve exceptions**

- 4.5 Where an exception from seeking quotes or tenders is sought by the Headteacher the exception form set out in Appendix 13 shall be taken to a Governing Body meeting for approval and appropriately recorded before any contract is entered into.

## **5. Procurement Document Preparation**

### **Preparing documentation**

- 5.1 It is a requirement to produce all required documentation associated with the procurement activity prior to making any offer to the market. This should include:
  - I. The **specification**, which should contain precise details of the requirements, be easily understood by the bidders, have clearly defined, achievable and measurable inputs, outputs or outcomes;
  - II. A draft of the **contract**, including any bespoke terms and conditions that may be required over and above the standard terms and conditions of the form of contract used;

- 5.2 For contracts over £10,000 the following should be considered.

#### **5.2.1 Tender specifications – Standards**

Relevant EU, British, and International standards which apply to the subject matter of the contract and which are necessary to properly describe the required quality must be included in the tender specification.

#### **5.2.2 Tender specifications - Nominated products**

All goods and services should be specified by reference to objective, non-product specific descriptions. Equivalent goods or services are nearly always capable of being specified. If this is not possible for genuine technical reasons, and a particular type of product or service or method of production or delivery has to be stated, then the words “or equivalent” should always be added.

#### **5.2.3 Tender specifications - Nominated suppliers and sub-contractors**

Nomination of suppliers, contractors or sub-contractors amounts to the same as single-tender action and so must not be used (except where permitted by the [Public Contracts Regulations 2015](#) for contracts equal to or greater than the relevant OJEU threshold, or the CPRs below the relevant OJEU threshold).

It is permissible to provide potential main or principal contractors with lists of council-approved suppliers or sub-contractors provided that it is made clear to the main/principal contractors that they are completely free to sub-contract to whoever they wish (subject to meeting the council’s reasonable requirements, such as technical standards, financial standing or insurance levels).

### **5.3 Contract terms and conditions**

Wherever possible, the schools/council's standard terms and conditions, or industry standard national terms and conditions, shall be used with additional information added to specify:

- i. The work, materials, services or things to be furnished, had, done or disposed of (i.e. the specification);
- ii. The price to be paid (or, as appropriate, the sums to be received), with a statement of discounts or other deductions, and where not known, committed estimated price, or the basis upon which the final contract sum is to be calculated;
- iii. The time or times within which the contract is to be performed, together with a termination date of the contract; and
- iv. Any additional bespoke terms and conditions that relate specifically to the contract in question (Which will need to be agreed with Legal Services).

## **5.4 Sub-contracting**

In the procurement documents the school may ask the bidder to indicate in its quotation or tender any share of the contract that it intends to sub-contract to third parties and any proposed sub-contractors.

Where sub-contractors will be used, the contract should include a clause expressly requiring the main contractor to abide by the fair payment requirements and ensure sub-contractors receive payment within 30 days of presenting a valid invoice.

## **5.5 Evaluation criteria**

5.5.1 At the procurement planning stage a decision **must** have been made about which evaluation method will be followed – lowest price or most economically advantageous tender (MEAT ie. price and quality).

5.5.2 Where a procurement procedure has both selection (PQQ) and award stages, the criteria used at the selection stage should not be used again at the award stage. Selection criteria will typically be those that cover suppliers' capability and experience, whilst award criteria will assess which tender is the most economically advantageous.

5.5.3 The procurement documentation should clearly explain the basis of the decision to bidding organisations, making clear how the evaluation criteria specified in the process will be applied, the overall weightings to be attached to each of the high-level criteria, how the high-level criteria are divided into any sub-criteria and the weightings attached to each of those sub-criteria.

## **Offer To Market**

### **5.6 Purchases up to £10,000 (Goods, Services & Works)**

5.6.1 The minimum requirement is one verbal or written quotation, although where practical competition is required. Where only one quote is requested, the Head teacher still has a responsibility to ensure and be able to demonstrate that value for money has been obtained.

5.6.2 It is acceptable to use petty cash or corporate credit cards when buying goods, services or works at this threshold limit. There is no requirement to openly advertise for quotations. There is no prescribed timescale for receiving a request for quotation

5.6.3 Quotes, regardless of whether one or more has been invited, can be accepted – verbally, in writing (including email) or via the council’s approved electronic procurement system – at the time of submission

## **5.7 Purchases between £10,001 to £25,000 (Goods, Services & Works)**

5.7.1 At least four quotations to be requested. In the circumstance where not all suppliers respond to the request for quotation with a submission, it is acceptable to evaluate and award the contract based on whatever submissions have been made, even where there is only one submission Any request for quotation (RFQ) shall include as a minimum a technical specification, pricing schedule and terms and conditions.

5.7.2 As an alternative to selection of suppliers, the requirement may also be openly advertised on Sell2Wales website, but this is not a mandatory requirement at this level. Note that when the requirement is openly advertised in this way there is no restriction on the number of suppliers that may respond

5.7.3 There is no prescribed timescale for receiving a request for quotation, but consideration should be made of the complexity of the requirement being requested and sufficient time allowed for suppliers to provide suitable bids

5.7.4 The quotations must be “sealed or locked” and endorsed with the time and date of receipt and not opened until the closing time and date prescribed in the request for quotation has elapsed

## **5.8 Purchases between £25,001 to the OJEU threshold (Goods, Services & Works)**

5.8.1 All contracts valued over £25,001 shall be procured via and with the support of the Councils Corporate Procurement Unit through a full tender process. All requirements **must** be openly advertised on the Sell2Wales website

5.8.2 There is no prescribed timescale for receiving an invitation to tender, but consideration should be made of the complexity of the requirement being requested and sufficient time allowed for suppliers to provide suitable bids

5.8.3 The [Public Contracts Regulations 2015](#) prescribe minimum time limits for submissions following advert. These vary depending on the procurement

procedure being followed and whether a Prior Information Notice (PIN) has been issued but are significant and **non-negotiable**. Staff conducting any procurement activity at this threshold **must** inform the Corporate Procurement Team at the earliest opportunity to ensure the prescribed time limits can be met

- 5.8.4 The tenders received must be endorsed with the time and date of receipt and “locked or sealed” until the closing time and date prescribed in the invitation to tender has elapsed

## **5.9 Purchases above the relevant OJEU threshold (Goods, Services & Works)**

5.9.1 All orders and purchases with an estimated value of £25,001 or more shall be subject to a decision of the full governing body and recorded in the minutes of the meeting. For goods and services below £25,000 the governing body must specify a sum above which all quotations shall be reviewed by it. The governing body shall be informed of all instances in which goods or services are purchased or disposed of which are not the most advantageous financially. This will be recorded in the minutes of the meeting

5.9.2 Official purchase orders shall be issued for all works, goods or services to be supplied to schools except for the supply of public utility services, for periodic payments such as rent or rates, and for petty cash purchases. Stocks of unused official orders must be securely retained when not in use. Official orders should be signed by the headteacher or staff authorised by the governing body. Official orders must be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their private use. Supplies, goods and services must be checked to ensure that they are in accordance with the order

## **5.10 Hard copy arrangements**

5.10.1 In the event that hard copy quotations or tenders are to be accepted, these must be submitted, sealed, in the envelope provided with the procurement documents and addressed to the headteacher/named officer. The submitted envelope should not have any mark that would reveal the bidding organisation’s identity and should clearly be marked “Quotation for....” followed by a description of the goods, services or works being procured

5.10.2 The headteacher/named officer is responsible for recording the time and date of receipt, and for the safe custody of the submissions until the specified bid opening time

5.10.3 All hard copy quotations or tenders for the same contract will be opened at the same time within 24 hours of the official return time/date having passed. This

opening should be undertaken in the presence of at least two officers of the school, one of whom **must** be an officer who has had no previous involvement in pre-tender enquiries, the invitation to tender or preparation of associated documentation

5.10.4 The designated officers present at the opening shall record the following details of each submission:

- The time and date for the receipt of the bids
- The name of each bidder and the amount of each bid; and
- The date the bids were opened

This record shall be signed by all officers present at the opening

5.10.5 If a hard copy submission is opened in error prior to the specified bid opening time, no attempt shall be made to ascertain any contents of the bid or its origin, and the matter must be immediately reported to the headteacher. The envelope shall be re-sealed and signed by the officer who opened the envelope and the headteacher/responsible officer. If the headteacher has reason to suspect a breach of confidentiality or irregularity has occurred, they shall report the matter immediately to the Chair of Governors

## **6. Evaluation and Contract Award**

### **Late Submission**

6.1 Late submissions can only be accepted in exceptional circumstances provided the other tender bids received have not been opened

#### **6.2 The Evaluation process**

6.2.1 Submitted quotations or tenders must be evaluated in accordance with the predetermined evaluation criteria and awarded on the basis of the submission that best meets these criteria. The criteria **must** be strictly observed and not altered or adjusted in any way

6.2.2 As a general rule, no adjustment or qualification to any submitted bid is permitted. Errors or omissions found during the evaluation process shall be dealt with in one of the following ways:

#### **6.3 Errors and omissions in submitted bids**

6.3.1 Where there is an error of clerical or arithmetical transcription or computation which would affect the quotation or tender figure in an otherwise successful submission, the bidding organisation will be given details of such errors via

the council's electronic procurement system and shall be allowed the opportunity of correcting those errors and confirming the correct details

- 6.3.2 Where there are errors or omissions other than those detailed above which would affect the quotation or tender figure or other elements of the submission, the bidding organisation will be given details of such errors via the council's electronic procurement system and shall be allowed the opportunity of correcting those errors or withdrawing its submission
- 6.3.3 Any corrections must be submitted within a defined timescale of the notification to the bidder of the error or omission. Corrections received after this timescale will not be accepted and the submission considered withdrawn and not further evaluated. This must be clearly stated to the bidder at the time of notification of the error or omission

## **6.4 Post-quotation/tender negotiations and clarification**

- 6.4.1 Generally no post-tender negotiations are permitted under an open or restricted procedure. In some instances it may be acceptable to seek clarification from bidding organisations, but this should only happen in exceptional circumstances and following consultation with the Corporate Procurement Team; and
- 6.4.2 Negotiations on price are never permissible except where the negotiated procedure is used. The negotiated procedure should only be used in those exceptional cases where it is lawful to do so under the 2015 Regulations, and should **always** be undertaken under the supervision of a named officer from the Corporate Procurement Team
- 6.4.3 Where procurements are below the OJEU level the Headteacher may authorise negotiations, having first consulted with the Corporate Procurement Team, if he/she considers that it is in the schools interest to do so. Such actions must not distort competition and that the core principles of transparency, non-discrimination and equal treatment apply, therefore negotiations should be kept to a minimum. It is the headteacher's responsibility to ensure a written record of all negotiations are kept as part on the contract file

## **6.5 Awarding the contract**

- 6.5.1 No contract should be awarded unless the school has sufficient resources to cover the contractual obligations of the contract over its lifetime.
- 6.5.2 Where the contract award is within the cost and quality parameters established at the earlier procurement strategy approval stage, the award can be made by in accordance with the school's scheme of delegation.

- 6.5.3 Where the procurement is up to a total value of £25,000 the use of a Purchase Order is an acceptable form of contract, which must make reference to the successful quotation and the school terms and conditions of purchase. In some circumstances, particularly where there is a risk of contractual disputes, it may still be appropriate to have a signed contract in place.
- 6.5.4 Where the procurement is greater than £25,000, all contracts for goods, services and works must be concluded in writing using the appropriate standard contract, or other bespoke contract as approved by the Governing Body, before the contract commences. In this circumstance there is still a requirement to also raise a purchase order.
- 6.5.5 Two copies of the contract will be sent to the successful tenderer to duly sign. After signing and returning both copies to the school, they will both be signed on behalf of the school. The second copy will be returned to the successful tenderer for its retention. It is the responsibility of the headteacher to ensure that the contracts are sent out, duly signed, returned and held on file.
- 6.5.6 Contract documents, along with all associated related documents, must be retained for a minimum of six years from the contract end date and, if under seal, for a period of twelve years from the contract end date. Where the contract was funded, or partly funded, through some form of external grant further conditions with regard to retention of documents may apply and **must** be adhered to.
- 6.6.7 Emergency contracts awarded need not be in writing before commencement but must be confirmed in writing within four weeks. It is the responsibility of the headteacher to ensure this is the case.

## **6.7 Contract signatures**

6.7.1 Contracts should be signed in accordance with the schools scheme of delegation.

However, regardless of who signs there should be consideration in terms of separation of duties and the person who signs the contract on behalf of the school should not be the same person who led the offer to market.

### **6.7.2 CONTRACT SEALING**

A contract must be sealed where:

- i. The council wishes to enforce the contract for more than six years after its end (e.g. for land or construction works); or
- ii. The price paid or received under the contract is a nominal price or there is no consideration and does not reflect the value of the goods or services; or
- iii. Where there is any doubt about the authority of the person signing for the other contracting party; or
- iv. Where it is required by law; or

- v. The total value of the goods, services or works exceeds £250,000.

The headteacher should contact the councils legal services for further advice.

## **6.8 Contracts Register**

All new renewable contracts regardless of value should be recorded on a contract register.

The information provided in relation to the contracts register includes as a minimum:

- i. The contractor;
- ii. The value of the contract;
- iii. The start and expiry date of the contract;

## **6.9 Managing Contracts**

All contracts **must** have a named contract manager for the entirety of the contract, and that this individual has sufficient capability and capacity to undertake this role effectively. It is the responsibility of the headteacher to ensure that this is the case.

### **Termination of contracts**

Contracts may be terminated in line with the terms and conditions of the contract. In all cases a report must be provided to the governing body prior to the contract being terminated. Based on the consequences of early termination legal advice should be obtained.

Where a contract has been terminated early, it is the responsibility of the headteacher to ensure that the contracts register is updated accordingly.

### **Authority to approve contract variation and extensions**

In the event that a contract needs to be varied or extended approval must be obtained from the Governing Body. A contract variation template form should be complete. (See appendix xxx)

In the event that the contract variation is deemed to be substantial please seek legal advice.

### **Contract End**

At an appropriate point, but generally at least three months prior to the contract end date, the contract manager should review whether or not the contract needs to be renewed, either in its current or an amended form. This should involve consideration of the contract management information collected throughout the life of the contract, which should help inform whether, or how, the requirement may be delivered in future.

If there is no further requirement for the contract, the existing contract may be allowed to lapse. However, some contracts may require more active decommissioning, for example where it involves disposal or reallocation of resources or where consultation is required. It is the responsibility of the contract manager to

ensure that contract are appropriately decommissioned and that sufficient time is allowed to do this.

**Other factors to consider**

The headteacher shall consider whether there are any TUPE or employment issues that may be triggered. Entering into new contractual arrangements or changing existing arrangements can give rise to TUPE implications. You must contact the Council's HR adviser to ensure that any relevant TUPE arrangements are in place before starting the procurement process. This will ensure that the correct information is included. At the end of the contract there is likely to be a further TUPE transfer therefore the contract should contain certain conditions to ensure that employee information is made available in a timely fashion to the new provider, if they are successful.



invoice also matches the reference up to which the Officer has authorisation. The amount if exceeded will be rejected by the Financial System. Reports can be produced from this Reference for monitoring. **This field must be completed for payment to be made**

Invoice ID	The invoice number or reference must always be quoted to enable the payee to identify payments. If there is not an invoice number a suitable meaningful reference should be quoted – This information should be inserted on the Payment Slip exactly as quoted on the invoice. No other details should be inserted as this field also corresponds to the duplicate payment solution and is essential to ensure the accuracy of this function and to also ensure that duplicate payments are not made. <b>This field must be completed for payment to be made</b>
Enclosure	‘Y’ for ‘yes’ to be entered in the box if an attachment is to be sent with the payment from Business Admin. Please ensure that if a ‘Y’ is entered all documents are securely attached in the correct ‘Enclosure Envelopes’ and forwarded to Business Admin. On time for their inclusion with the payment advice.
Invoice Date	The date shown on the invoice or requisition. This will provide a fixed date on which to calculate the payment based on the ‘terms of trading’, i.e. 28 days from date of invoice for normal terms. <b>This field must be completed for payment to be made</b>
Purchase Order	The purchase order reference relating to the invoice. Multiple orders can be processed against a single invoice.
Single Cheque	‘Y’ for yes if a cheque is to be returned to you - special circumstances only. A red distribution label MUST also be attached in order to route the cheque back to the requisitioning officer.
Vat 1 & 2 amounts	VAT amounts must be allocated within these sections in order for VAT amount to be allocated correctly as per Customs & Excise requirements. i.e. £100.00 – VAT amount = £20.00. <b>This field must be completed for payment to be made</b>
Vat codes 1 & 2	Applies in conjunction to Vat amount above. Please note Vat indicator below. <b>This field must be completed for payment to be made</b>
Voucher ID	System generated reference number assigned to the coding slip during processing. This will be used as a method to search for payments.
Amount	Amount to be charged against expenditure code in accordance with amount charged on the invoice. This amount must not be changed/alterd for any reason other than e.g. discounts being offered for early settlement (This will be clearly stated on the invoice). <b>This field must be completed for payment to be made.</b>
Vat Indicator	One of the listed VAT indicators must be entered against each line of expenditure code. A – VAT charged at standard rate (20%) F – VAT charged at lower rate 5% (fuel & power) Replaces L code.

	Z – If the supply is Zero rated for VAT E – If the supply is exempt from VAT N – Outside the Scope of VAT T – Standard VAT only invoice (no other expenditure) <b>This field must be completed for payment to be made.</b>
Account Number	G/L code where expenditure is to be charged. This is 10 characters. All valid codes have to be set up in advance. It is essential that great care is taken when entering codes on the coding slip. Any incorrect combination could result in delays. <b>This field must be completed for payment to be made.</b>
G/L Ref 4	This is an important number for schools as it is used for financial and statistical information held on the General Ledger. Your official order number needs to be inserted here after the bold black line. I.E. EH1234567.
P/F C	This is used to display part or fully paid accounts. Relates to construction Industry scheme (CIS) whereby the associated withholding flags apply. All CIS invoices must be forwarded to Debbie Griffiths, AP & AR, People & Resources for Tax Assessment. All CIS vendor numbers are prefixed with the letter ‘A’
Total	The total amount to be paid to the payee – this amount must balance with all amounts shown in “amount” and “Vat 1 & 2 amounts”. The amount must also reconcile to the amount shown on the invoice. <b>This field must be completed for payment to be made</b>
Dept. initial	To be signed by a member of staff certifying that:- a) The work, good or service to which the invoice relates has been delivered, received, carried out, examined and approved. b) Prices checked, extensions, calculations, trade discounts, other allowances, credit and tax are correct. c) Wherever possible the person initialling this section should be different to the person authorising the invoice. It ensures segregation of duties. <b>This field must be completed for payment to be made</b>
Finance Checked	Initials of the person who examines the invoice before payment is processed. Will probably be carried out by staff within County Hall.
Vat codes	See Vat indicator above for explanation.

## Appendix 7 - Format of Approved Budget

SAMPLE SCHOOL BUDGET PROJECTION 2016/17			TOTAL BUDGET	1,099,884
BUDGET HEADING	ELEMENT	CODE	PROJECTED EXPENDITURE APRIL TO MARCH	SCHOOLS PLANNED BUDGET
<b>EMPLOYEES</b>	SUPPLY - SICKNESS PREMIUM	01A0	9,069	
	MATERNITY INSURANCE SCHEME		8,813	
	SUPPLY - VACANCY/OTHER	01F0	10,000	
	SUPPLY - SICKNESS	01S0	5,000	
	SUPPLY - SICKNESS(NON TEACHING)	01H0	2,000	
	TEACHING STAFF (inc. Spec.)	0110	815,625	
	ADMINISTRATION	0410	33,371	
	NURSERY NURSES	0EJ0	65,143	
	SINGLE STATUS PROTECTION	0GA0	12,304	
	FOUNDATION PHASE ASSISTANTS	0EK0	117,640	
	CARETAKING	0440	24,505	
	CLEANING	0430	8,188	
	MIDDAY SUPERVISION	0610	11,494	
	SENIOR MIDDAY SUPERVISION	0EP0	2,316	
	SUB TOTAL		<b>1,125,467</b>	<b>0</b>
<b>PREMISES</b>	REPAIRS & MAINTENANCE	1211	5,000	
	SALIX LOAN	1228	2,371	
	GROUNDNS MAINTENANCE	1310	2,212	
	ENERGY - GAS	1411	5,500	
	ENERGY - ELECTRICITY	1414	12,000	
	ENERGY - PROPANE/CALOR GAS	1416	700	
	WATER	1550	5,000	
	RATES	1530	17,972	
	INSURANCES	1810	230	
	CARETAKING MATERIALS	1725	2,000	
	REFUSE COLLECTION	173W	1,400	
	SUB TOTAL		<b>54,385</b>	<b>0</b>
	<b>TRANSPORT SUPPLIES</b>	TRAVELLING EXPENSES	2710	0
CAPITATION		3442	25,000	
POSTAGES		4391	300	
TELEPHONES		4311	500	
SECURITY ALARM		4393	150	
TV LICENCES		4913	146	
SWIMMING		458W	3,000	
SUB TOTAL			<b>29,096</b>	<b>0</b>
<b>AGENCY</b>	ADULT MEALS	5127	0	0
<b>INCOME</b>	ADULT MEALS INCOME / SALES	9450	0	
	FOUNDATION PHASE FUNDING	9134	(103,779)	
	OPENING BALANCE		(50,000)	
	INVESTMENT OF BALANCE	9828	0	
SUB TOTAL		<b>(153,779)</b>	<b>0</b>	
<b>LEA SUPPORT</b>	LEA SUPPORT COSTS	7210	35,333	0
	TRANSITIONAL FUNDING	49A5	(9,622)	
	CONTINGENCY FUND		19,003	
<b>SCHOOL TOTALS</b>			<b>1,099,884</b>	<b>0</b>

\*\*\*\*\*THE SCHOOLS PLANNED BUDGET, MUST BALANCE TO THE TOTAL BUDGET\*\*\*\*\*

Signed :	
Designation :	Headteacher
Dated:	

Signed :	
Designation :	Chair of Governors
Dated:	

## Appendix 8 - Flintshire County Council Licensed Deficit Application and Recovery Plan

[See Financial Planning – Section 4]

School Name \_\_\_\_\_

**What level of deficit are you applying for:-**

<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
£	£	£	£	£
£0,000	£0,000	£0,000	£0,000	£0,000

**There is an expectation that schools will recover deficit budgets within 3 years and in exceptional circumstances 5 years. Please document the reasons in the box below if the deficit application exceeds 3 years. Please note that where a school applies for a deficit recovery plan in excess of 3 years further authorisation is required from the Chief Education Officer and Chief Finance Officer.**

**Reason for Deficit**

*Please include in this section the reasons for the deficit budget and the circumstances leading up to the current position*

**Recovery Plan**

*Please include in this section a detailed narration of the recovery plan including the action to be taken and detailed timescales which link in with your agreed projections as approved by your governing body. (Please attach a copy of the minutes from your finance sub-committee as evidence of approval)*

<i>Action</i>	<i>Target Date</i>	<i>Value of Saving £</i>

**Additional Information to support your request for an agreed deficit.**

**School**

**Signed** \_\_\_\_\_ **Headteacher** **Date** \_\_\_\_\_

**Signed** \_\_\_\_\_ **Chair of the Governing  
Body** **Date** \_\_\_\_\_

**Signed** \_\_\_\_\_ **Chair of the Finance  
Committee** **Date** \_\_\_\_\_

**Authority**

**Signed** \_\_\_\_\_ **Chief Education Officer** **Date** \_\_\_\_\_

**Signed** \_\_\_\_\_ **Finance Manager  
(Education)** **Date** \_\_\_\_\_

**Signed** \_\_\_\_\_ **Chief Finance Officer** **Date** \_\_\_\_\_

## **Appendix 9 - Payroll Guidance Notes and Forms**

Forms are split between teachers and non teachers (with the exception of the leaver form). **External** – new to the authority. **Internal** – works in an existing school or another role within the council

- Form A - Changes to existing terms and conditions – NON TEACHING
- Form B - Changes to existing terms and conditions – TEACHERS
- Form C - Leavers – TEACHING AND NON TEACHING
- Form D - New external appointments - NON TEACHING
- Form E - New internal appointments - NON TEACHING
- Form F - New external appointments - TEACHERS
- Form G - New internal appointments - TEACHERS

Each form contains a comments section to enable you to add additional text if required

Forms can be completed electronically or can be printed off and scanned via e mail. Forms also allow for electronic signatures and can be emailed either to your named payroll/HR contact or to the e mail address quoted on the form ([employmentservices.schools@flintshire.gov.uk](mailto:employmentservices.schools@flintshire.gov.uk))

### **Please always provide:**

- Employee payroll number for existing employees
- Complete all boxes as necessary as incomplete forms may cause a delay in actions being processed

### **Useful Information**

**Job profile** – Please ensure the correct job profile for non teachers is quoted in order to ensure the correct pay grade.

**Fixed term contract (FTC)** - The reason for a new/extension is required as it is included in the letter issued to the employee

**Change to annual weeks worked** – Please quote service year (5,10,15,20)

**Salary Changes** – please quote full time equivalent annual amount

**Salary** – please quote actual ££ and scale(unqualified/ MPR/ UPR/Leading practitioner/Leadership)

### **Hours per week**

- Teachers – These should be quoted as full time or a % for part time (ie 4 days = 80%)
- Non Teaching – The actual hours worked should be quoted.

**Allowances** – provide details of TLR level/SEN/Acting up/any other payment

### **Working Weeks**

- For new appointments service in previous schools should be taken into account in order to determine the number of annual weeks worked
- working weeks are calculated with or without training (inset) days
- To ensure correct annual pay is applied please quote actual weeks worked as detailed below:

### **Working 195 DAYS = 75% OF THE YEAR (39 w/ 52 w)**

#### **Assumes working INSET days**

##### **Up to 5 years**

$$23 + 8 = 31 \times 75\% = 23 \text{ days} + 195 = 218 / 261 = 83.52\% = \mathbf{43.547} \text{ weeks}$$

##### **Over 5 years**

$$28 + 8 = 36 \times 75\% = 27 \text{ days} + 195 = 222 / 261 = 85.05\% = \mathbf{44.345} \text{ weeks}$$

##### **Up to 10 years**

$$29 + 8 = 37 \times 75\% = 28 \text{ days} + 195 = 223 / 261 = 85.44\% = \mathbf{44.547} \text{ weeks}$$

##### **Over 15 years**

$$30 + 8 = 38 \times 75\% = 28.5 \text{ days} + 195 = 223.5 / 261 = 85.63\% = \mathbf{44.647} \text{ weeks}$$

##### **Over 20 years**

$$31 + 8 = 39 \times 75\% = 29 \text{ days} + 195 = 224 / 261 = 85.82\% = \mathbf{44.746} \text{ weeks}$$

### **Working 190 DAYS = 73% OF THE YEAR (38 wk / 52 w)**

#### **Assumes NOT working INSET days**

##### **Up to 5 years**

$$23 + 8 = 31 \times 73\% = 23 \text{ days} + 190 = 213 / 261 = 81.60\% = \mathbf{42.546} \text{ weeks}$$

##### **Over 5 years**

$$28 + 8 = 36 \times 73\% = 26 \text{ days} + 190 = 216 / 261 = 82.75\% = \mathbf{43.146} \text{ weeks}$$

##### **Over 10 years**

$$29 + 8 = 37 \times 73\% = 27 \text{ days} + 190 = 217 / 261 = 83.14\% = \mathbf{43.349} \text{ weeks}$$

##### **After 15 years**

$$30 + 8 = 38 \times 73\% = 27.5 \text{ days} + 190 = 217.5 / 261 = 83.33\% = \mathbf{43.448} \text{ weeks}$$

##### **After 20 years**

$$31 + 8 = 39 \times 73\% = 28 \text{ days} + 190 = 218 / 261 = 83.52\% = \mathbf{43.547}$$

## **Appendix 10 - Staff travelling and subsistence Claims**

[See Section 6]

1. There is currently only one form in existence
2. If more than one vehicle is used during a month, officers must submit one claim per vehicle (vehicle registration numbers are held against personal records within the payroll system and should correspond to the vehicle detailed on the claim - if different without explanation the claim will be returned)
3. Claims for mileage must not exceed National Joint Council Rates and Subsistence payments must not exceed the agreed local rates. Subsistence must not be claimed for meals taken at the officers' normal place of work. (Please contact HR for meal time allowances)
4. Other taxable benefits (e.g. medical expenses) must not be claimed on travel claim forms.
5. Photocopies will not be accepted.
6. All sections of the claim form must be completed
  - Front of claim
    - a. Name
    - b. Full pay reference – (5 digit reference)
    - c. School
    - d. Position Claim Relates to i.e. job title
    - e. Period Claim Relates To i.e. month and year
    - f. Budget Code (only for more than 1 position)

- g. Registration, Make, Model and Engine cc of vehicle Actual vehicle c.c. – please use actual c.c. (e.g. 998c.c. not 1.0L)
- h. Type of claimant – Essential/Casual/Lease car

## **Appendix 11 - Model School Charging and Remissions policy**

[See Income Policies Section 7]

### **Introduction**

The purpose of this policy is to ensure there is clarity over those items for which the school will provide free of charge and those items where there may be a charge.

### **Definition**

The school day is defined as: *[insert times of morning and afternoon sessions]* The midday break does not form part of the school day.

### **Responsibilities**

The Headteacher will ensure that staff are familiar with and correctly apply the policy. The Governors will review the policy *{insert frequency}*

### **Policy statement**

During the school day all activities that are a necessary part of the National Curriculum plus religious education will be provided free of charge. This includes any materials, equipment and transport to take pupils between the school and the activity. It excludes charges made for teaching an individual pupil or groups of up to four pupils to play a musical instrument. Unless the teaching is an essential part of either the National Curriculum or a public examination syllabus being followed by the pupil(s), we will make a charge. *(See below)*

*[Secondary schools additional paragraph: There will be no charge for any activity that is an essential part of the syllabus for an approved examination unless: the examination is on the set list, but the pupil was not prepared for it at this school the examination is not on the set list but we arrange for the pupil to take it a pupil fails without good reason to complete the requirements of any public examination where the governing body or the LA originally paid or agreed to pay the entry fee.]*

Voluntary contributions may be sought for activities during the school day which entail additional costs, *[for example field trips]*

In these circumstances no pupil will be prevented from participating because his/her parents cannot or will not make a contribution. [If insufficient funds are available it may be necessary to curtail or cancel activities]

From time to time we may invite a non-school based organisation such as *[insert school specific examples eg – a visiting drama group or storyteller]* to arrange an activity during the school day. Such organisations may wish to charge parents/carers, who may, if they wish, ask the Headteacher to agree to their child being absent for that period.

### **Voluntary Contributions**

The school or governing body can ask for voluntary contributions for the benefit of the school or any school activity. Certain activities, school trips etc will be funded through voluntary contributions. However, if the activity cannot be funded without voluntary contributions and not enough voluntary contributions are made the activity/trip will be cancelled.

There is no obligation to parents to make any contribution. The child will not be excluded from any activity due to his or her parents/guardian/carer either unable or unwilling to pay.

### **Education partly during the school day**

If a non-residential activity happens partly inside the school day and partly outside of it, there will be no charge if most of the time to be spent on the activity falls within

the school day. Conversely, if the bigger proportion of time spent falls outside of the normal school day, charges will be made. When such activities are arranged parents/carers will be told how the charges were calculated.

### **Residential Activities**

Charges will be made for board and lodging, except for pupils whose parents/carers are in receipt of eligible benefits.

Other charges will be made to cover costs when the number of school sessions missed by the pupils totals half or more of the number of half-days taken up by the activity. In such cases parents/carers will be told how the charges were calculated.

### **Optional activities outside of the school day**

We may charge for optional, extra activities provided outside of the school day, for example [*insert school specific examples eg football club, theatre visit*]. Such activities are not part of the National Curriculum or religious education nor are they part of an examination syllabus. Where we wish to charge we will tell parents/carers in advance. Where specific funding has been received to support particular activities we will subsidise the charge to the extent permitted by the funding.

### **Optional Extras**

Charges will be made for some activities known as “optional extras”. Where an optional extra is being provided, a charge can be made for providing materials, books, instruments or equipment. Optional extras are:

- \* Education provided outside of school time that is not:
  - a. Part of the National curriculum;
  - b. Part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school; or
  - c. Part of religious education.
- \* Examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school;
- \* Transport that is not required to take the pupil to school or to other premises where the local authority/governing body have arranged for the pupil to be provided with education; and
- \* Board and lodging for a pupil on a residential visit.

In calculating the cost of optional extras an amount may be included in relation to:

- \* Any materials, books, instruments, or equipment provided in connection with the optional extra;
- \* Non-teaching staff;
- \* Teaching staff engaged under contracts for services purely to provide an optional extra, this includes supply teachers engaged specifically to provide the optional extra; and
- \* The cost, or a proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, where the tuition is an optional extra.

Any charge made in respect of individual pupils will not exceed the actual cost of providing the optional extra activity, divided equally by the number of pupils participating. It will not include a subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

A charge will not be added for the cost of alternative provision for those pupils who do not wish to participate.

Participation in any optional extra activity will be on the basis of parental/guardian/carer choice and a willingness to meet the charges. Parental/guardian/carer agreement is therefore a necessary pre-requisite for the provision of an optional extra where charges will be made.

### **Calculating costs**

When charges are made for any activity, whether during or outside of the school day, they will be based on the actual costs incurred, divided by the total number of pupils participating. There will be no levy on those who can pay to support those who can't or won't. Support for cases of hardship will come through voluntary contributions and fundraising.

Parents/carers who would qualify for support are those who are in receipt of eligible benefits.

The principles of best value will be applied when planning activities that incur costs to the school and/or charges to parents/carers.

## **Appendix 12 - Banking Arrangements**

[See Bank Accounts Section 8]

Arrangements will vary between schools for the banking of income collected. Some will bank more frequently than others. Whatever practices are followed it is important that adequate procedures are in place to safeguard monies held on the premises pending banking by staff.

### **Paying monies into the bank**

Requirements:

1. All cheques, bankers orders, postal orders, or other similar instruments of payment accepted as payment should be made payable to the School and crossed "Account Payee Only".
2. All monies received on behalf of the School should be paid without reasonable delay into the bank. Please note procedures for cash security if there are delays.
3. No deductions should be made from such monies and personal cheques must not be cashed out of these monies.
4. Staff paying monies into bank (including via the post office) must complete paying-in-slips and income coding templates Additional paying in books can be obtained for [adminsupportservice@flintshire.gov.uk](mailto:adminsupportservice@flintshire.gov.uk).
5. Cash and cheques must be paid in separately if using the card method.
6. In addition to entering particulars of cash, all cheques details must be individually entered on both copies. Cheque details must include the name of the drawer, bank sort code and amount. If the number of cheques involved makes it impracticable to list them individually (on both the paying-in-slips and counterfoils) then it is acceptable for the total amount to be entered, provided appropriate supplementary records are kept.
7. Paying-in-slips should also contain appropriate income references to enable banking to be identified and cross-referenced on the bank statements. It is recommended that the school 3 digit number should be used along with the 4 digit detail code. For example if paying in dinner and breakfast club monies for Saltney Wood Memorial then the entry would be 383 and then 9464 (adult meals) and 383 9461 (pupil meals) remember to code Vat separately for adult meals. Breakfast club income for the same school would be coded 383 9761.
8. Please see an extract below showing the above entries on a coding template

Please forward at time of each banking to <a href="mailto:fccashiers@flintshire.gov.uk">fccashiers@flintshire.gov.uk</a>		
School Reference number	35	
Name of School	Ysgol Bryn Garth	
Date paid at post office :-		
	<b>CODE</b>	<b>£</b>
Pupil Meals (No VAT)	EPD 185 9461	
Adult Meals (VAT)	EPD 185 9464	
Breakfast Club	EPD 185 9761	
Income from Schools	EPD 185 9769	
V.A.T.	BYR 012 9991	
	<b>Total</b>	<b>0.00</b>
		<b>CASH</b>
Telephone numbers in case of query: Cash Office 01352 702283      Education Finance 01352 704083		
<b>IT IS IMPORTANT THAT YOU COMPLETE THESE SLIPS CORRECTLY, INCLUDING CHECKING THE TOTALS ARE CORRECT. THIS SLIP MUST BE SENT TO THE EMAIL ADDRESS ABOVE ON THE SAME DAY YOU DEPOSIT FUNDS IN TO THE BANK. FAILURE TO DO SO CAN RESULT IN THE PAYMENTS BEING ALLOCATED TO SUSPENSE ACCOUNTS AND NOT REACHING YOUR SCHOOLS ACCOUNTS.</b>		

Please forward at time of each banking to <a href="mailto:fccashiers@flintshire.gov.uk">fccashiers@flintshire.gov.uk</a>		
School Reference number	35	
Name of School	Ysgol Bryn Garth	
Date paid at post office :-		
	<b>CODE</b>	<b>£</b>
Pupil Meals (No VAT)	EPD 185 9461	
Adult Meals (VAT)	EPD 185 9464	
Breakfast Club	EPD 185 9761	
Income from Schools	EPD 185 9769	
V.A.T.	BYR 012 9991	
	<b>Total</b>	<b>0.00</b>
		<b>CHEQUES</b>
Telephone numbers in case of query:		

Cash Office 01352 702283

Education Finance 01352 704083

**IT IS IMPORTANT THAT YOU COMPLETE THESE SLIPS CORRECTLY, INCLUDING CHECKING THE TOTALS ARE CORRECT. THIS SLIP MUST BE SENT TO THE EMAIL ADDRESS ABOVE ON THE SAME DAY YOU DEPOSIT FUNDS IN TO THE BANK. FAILURE TO DO SO CAN RESULT IN THE PAYMENTS BEING ALLOCATED TO SUSPENSE ACCOUNTS AND NOT REACHING YOUR SCHOOLS ACCOUNTS.**

## **Appendix 13 - Construction Industry Scheme**

### **What is the Construction Industry Scheme?**

The construction Industry scheme is a duty imposed by Her Majesty's Revenue and Customs (HMRC) to ensure that all contractors deduct money from a subcontractors' payment (for work carried out that is deemed construction in nature) and pass it on to HMRC. The deductions count as advance payment towards the subcontractors' tax and national Insurance. A list of all work that falls under the scheme can be found on the HMRC website. If a contractor fails to deduct moneys for work which falls under the scheme then the contractor could be fined by HMRC and also be liable for the moneys that should have been deducted.

Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from the labour element of payments at the higher rate of 30% (rather than 20%) if they are not registered.

HMRC will deem any individual or organisation as a contractor if they pay subcontractors for construction work.

### **Contractors' duties under the scheme**

A contractor has a duty under the scheme to check the registration of any subcontractor to ensure they are registered for the scheme. This is done via the HMRC website and via a contractors' login profile. Using the subcontractors' unique tax payers reference or company's registration reference HMRC will provide information as to whether an invoice can be paid gross or a deduction is to be made at 20 or 30% of the labour element.

Each month the contractor must provide a return and handover any monies deducted under the scheme to HMRC.

### **Schools duties under the scheme**

If a school is not a 'cheque book' school then all of the above is carried out on the schools behalf by the Accounts Payable section at County Hall Mold.

If the school is a 'cheque book' school then all the above information **must** be supplied to Debbie Griffiths AP section at County Hall Mold so that it can be included within the return for all of the authority.

This only applies to work that is carried out that is of a construction nature. The information required would be the name of the contractor, the nature of the work, the amount of payment and the date of the payment (this information is only required if the school engages the subcontractor, if the work is commissioned by County then it will be dealt with in accordance with the scheme guidelines)

## **Appendix 14 - Accrual Accounting**

[See Accounting Standards Section 10]

Accrual accounting recognises economic events when they occur regardless of when actual cash transactions occur.

For example, let's assume a school must insure one of its buildings. The insurance company bills the school £600 every six months (one bill in January, the next in July). If each bill is for six months of coverage, then under the accrual method, the school would not record a £600 expense in January and a £600 expense in July (doing so would mean the school was using the cash method); it would instead record a £100 expense each month for the whole year. That is, the school would match the expense to the period in which it was incurred: £100 for January, £100 for February, £100 for March, and so on.

Why it Matters:

Although it is more complex, harder to implement, and harder to maintain than the cash method of accounting, it gives a more accurate picture of a school's performance. That's because in any given accounting period, income and or activities are associated with its corresponding expenses, which gives a truer picture of the real costs of generating income and or activities in a given period.

Accrual Accounting allows you to make meaningful comparisons of income and expenditure over any time frame. However, one of the big drawbacks of accrual accounting is that it tends to obscure the nature of the School's actual cash position.

## Appendix 15 - Petty Cash

[See Accounting Standards – Section 10]

1. Payments from petty cash should be limited to minor items of expenditure. A receipt should be obtained for every purchase. Where a payment includes an element of VAT, the receipt must comply with VAT Procedures.
  - a. In order for the Authority to recover VAT the invoice must be made out to **Flintshire County Council** or a clearly identified section within a specific portfolio.
  - b. The invoice/payment document must be a 'proper' tax invoice. The following information is mandatory:-
    - An invoice/identifying number
    - Date of supply
    - Date of invoice
    - The suppliers Name and Address
    - VAT registration number (if applicable)
    - Recipient's details - Name and address to whom the goods or service are supplied including delivery address
    - Sufficient description to identify the goods or services supplied – *for each item the following should be provided:-*
      - (i). Quantity of goods or Extent of services provided
      - (ii) VAT rate applicable to each item (20% standard VAT rate)
      - (iii) Amount payable excluding VAT (can be expressed in any currency)
        - (iv) Subtotal of the amount payable excluding VAT (can be expressed in any currency)
    - The rate of any discount offered
    - The total VAT chargeable, expressed in GBP
    - The full total of the invoice
2. Under **no** circumstances should payments be made from Petty Cash to individuals, contractors, consultants, self- employed persons or any casual staff.
3. Similarly employee expenses, including staff travelling and/or subsistence must **NOT** be reimbursed through petty cash.
4. Imprest accounts (which is what petty cash is) must be balanced to the allocated amount which could consist of cash on hand, value of stamps and un-reimbursed expenditure. Claims for reimbursement should be submitted with sufficient frequency to ensure the availability of funds until the payment is issued.
5. The imprest account should be reconciled at the time of claiming reimbursement and should be documented on the appropriate part of the claim.
6. Claims must be signed by the initiating officer and authorising officer.

7. All expenditure should be supported by receipts (VAT receipt if possible). When it is not possible to obtain a valid receipt a petty cash voucher must be signed by two members of staff. After which, all receipts/vouchers should be attached and forwarded to the A/P A/R section at County Hall with the claim for reimbursement.

## Appendix 16 - Risk Register

[See Risk Management – Section 11]

Flintshire County Council									
Register of risks for:									
<div style="border: 1px solid black; display: inline-block; padding: 2px 10px;">Insert the school's name here</div>									
Ref	Date Created	Date Closed	Risk Description	Existing Controls	L	I	Risk Score	Response Actions	Risk Owner
1							0		
2							0		
3							0		
4							0		
5							0		
6							0		
7							0		
8							0		
9							0		
10							0		
11							0		
12							0		
13							0		
14							0		
15							0		
16							0		
17							0		
18							0		
19							0		
20							0		

**Record both the date at which the risk was documented or opened, and the date when it is no longer a threat and the risk is closed.**

**Describe the threat in terms of the cause, impact and uncertainty (ie the event that may or may not happen)**

**Identify those processes or systems that are *already in place* that have some effectiveness in managing the risk.**

**Evaluate the likelihood and impact of the risk from a score of 1-5**

**Multiply likelihood by impact to give the total risk score**

**Record those additional actions that are planned to ensure greater control over the risk**

**Identify the person who will be accountable for leading the management of the risk.**

## Appendix 17 – Inventory Example

[See Asset Management – Section 12]

XYZ School Asset Register											
Asset Description	Date Purchased	Asset No	Location	Cost	Leased	Grant Funded	Portable & Attractive Yes / no	Date last checked	Checked by	Date of Disposal	Condition
Photocopier	01/01/2012	1	Admin Office	Not known	Yes	No	No	01/01/2016	A.N. Other		Used regularly
Portable Computer	21/10/2014	2	ICT Room	£499.00	No	Yes	Yes	01/08/2015	S.U.M. Body		Used Regularly

## **Appendix 18 - Breakfast Club Guide**

(See Section 13)

### **Pre- Breakfast Club Childcare Guide**

#### **Guide 1 – Registration with CSSIW**

Outline of provision:

- Required if the school run more than 2 hours of childcare per day with the same management. Note that CSSIW registration is not needed if the care provided is incidental to the provision of education. Registration is also not required if the carer is providing coaching or tuition in any of the following activities – sport, performing arts, arts and crafts, school study or homework support, religious or cultural study (this exclusion to registration does not apply where the children are below the age of five and attend for more than four hours a day)
- Formal registration needed – <http://cssiw.org.uk/providingacareservice/regs-nms/day-care/?lang=en>  
Further guidance on registration can be obtained from [clybiauplantcymru.org](http://clybiauplantcymru.org).
- Must not be linked to or called Free Breakfast Club – they must be separate provisions with the charge only applying for childcare

Issues for consideration:

- There will be a requirement for a Registered Person – (this could be the Head Teacher) & Day to Day Person in Charge. The Day to Day Person in Charge must have at least a level 3 qualification recognised on the Care Council for Wales' current list of Accepted Qualifications for the Early Years and Childcare in Wales or Skills Active's Integrated Qualification Framework for Playwork (or any lists which supersede them) and have at least 2 years' experience of working in a related setting.  
<http://www.ccwales.org.uk/qualifications/>
- Provision is inspected
- Policies must be in place
- Increased administration
- Staff to child ratios are limited (1:8)
- Could consider 2 points of entry and 2 registrations to distinguish between the free Breakfast and childcare provision

Finance:

- Governing Body set charges (school may wish to consider discount for siblings)
- Eligible parents can apply for support from Working Tax Credits Childcare Element
- Delegated budget must not subsidise provision
- PDG can be used to support pupils eligible for Free School Meals

## Guide 2 – School run free Breakfast Club only with no childcare element

### Outline of provision:

- Breakfast Club is provided using the Council funding (based on 30 minutes per day for the staff ratio in Welsh Government guidelines)
- No charge is made to parents

### Issues for consideration:

- Supervisory staff may be in a redundancy situation depending on their contracted hours and length of service – **always contact your HR Officer for advice as soon as potential redundancies arise** (as notice will need to be given, governor meetings called, discussion with unions etc)
- Allow time for parents to be informed and to make alternative arrangements
- Consider cut off time for entry to allow for clearing up e.g. breakfast provided in first 20 minutes then last 10 minutes clear up time

## Guide 3 – Childcare element managed by other provider

### Outline of provision:

- Either breakfast club or out of school club hours managed by different provider so that neither breaches the 2 hours per day where CSSIW registration is required e.g. one run by school and other by voluntary management committee
- Must not be linked to or called Free Breakfast Club – they must be separate provisions with the charge only applying to the childcare element

### Issues for consideration:

- Relevant checks need to be made e.g. insurance, DBS, Safeguarding (see note at end of guide)
- Need to be clear if staff are employed by school or not as considerations such as future TUPE could apply – contact HR

### Finance:

- Delegated budget must not subsidise provision

## Guide 4 – School establish new childcare provision

### Outline of provision:

- Under 2 hours per day provided overall between pre and post school provision. Note that CSSIW registration is not needed if the care provided is incidental to the provision of education. Registration is also not required if the carer is providing coaching or tuition in any of the following activities – sport, performing arts, arts and crafts, school study or homework support, religious or cultural study (this exclusion to registration does not apply where the children are below the age of five and attend for more than four hours a day). Must not be called Breakfast Club and must run before the free Breakfast Club
- Must not be linked to or called Free Breakfast Club – they must be separate provisions with the charge only applying to the childcare element

Issues for consideration:

- Governors approve establishment of provision
- Allow time for parents to consider alternative provision
- Schools need to plan for numbers attending
- Administration for charging mechanism
- Possibly two clear entry times for provision – childcare then free breakfast club
- The use of volunteers (with the relevant checks undertaken)
- Safeguarding (see note at end of guide)

Finance:

- Delegated budget must not subsidise provision
- Run through delegated budget if staff paid via Payroll
- PDG can be used to support pupils eligible for Free School Meals
- Finances will be subject to usual audit procedures
- Eligible parents can apply for Working Tax Credits Childcare Element for out of school hours childcare on the school premises (<https://www.gov.uk/help-with-childcare-costs> - below the 4 inspectorate bodies listed at this link it notes that provision run by independent school is included.)

## Guide 5 – Governors end free breakfast club

### Outline of provision:

- No free breakfast club provision at school
- School could set up an alternative childcare provision if they wish (see other guides)

### Issues for consideration:

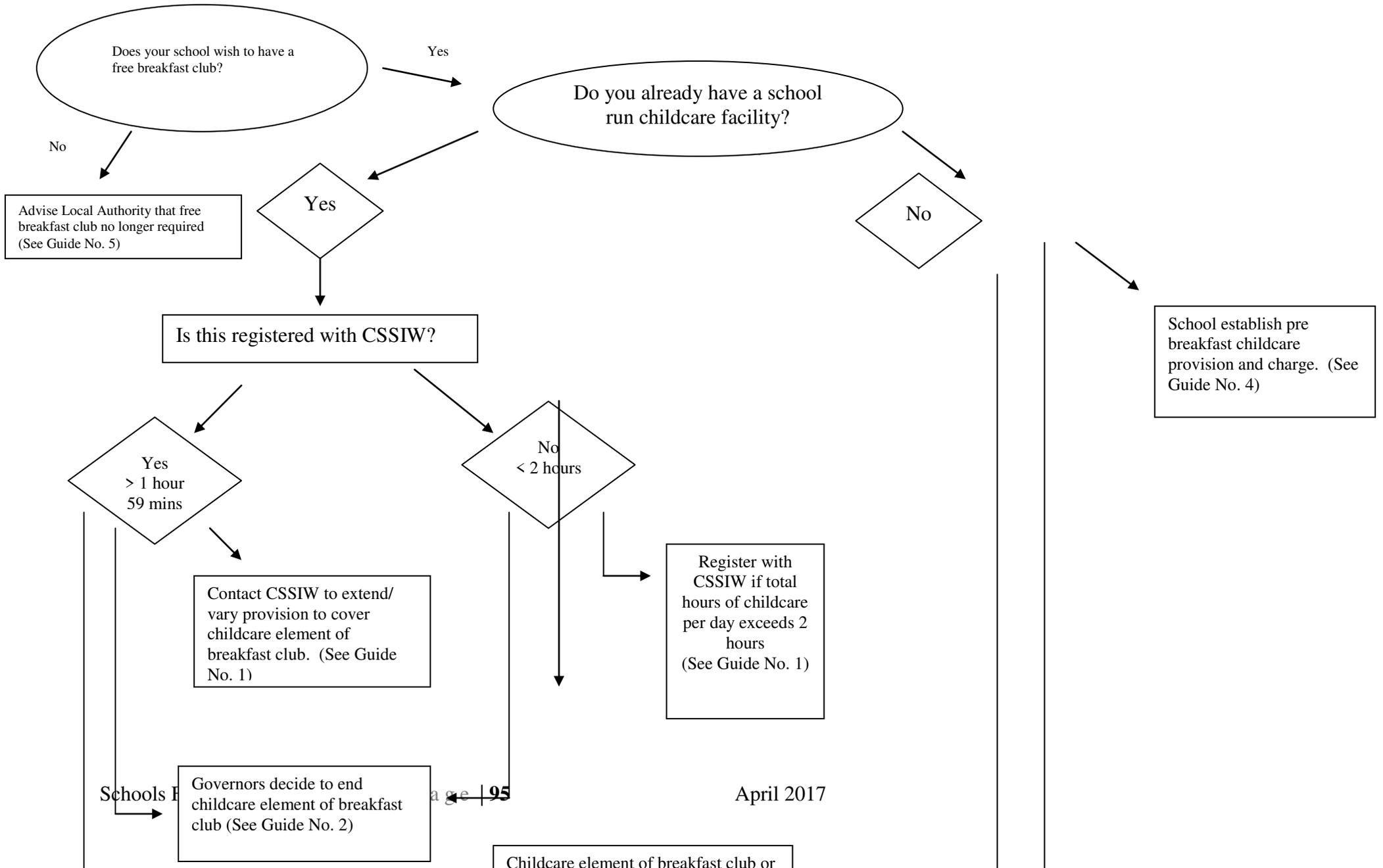
- Governors must write to the Local Authority to state that they no longer require free breakfast club provision – contact [lucy.morris@flintshire.gov.uk](mailto:lucy.morris@flintshire.gov.uk)
- Allow time for parents to consider alternative provision
- Supervisors will be in a redundancy position – **contact your HR officer ASAP**
- Alternative provision cannot use the kitchen

### Finance:

- You will no longer receive the central subsidy funding for the free breakfast club



Breakfast Club – Flow Chart



**Appendix 19 - Procurement Exemption form for Schools use**

[See Purchasing of Goods Section 3 and Appendix 5 Procurement Rules]

We, the Governing Body of ..... school  
approve to exempt the need for a quotation or tendering process for the  
contract to .....

The length of the contract is.....

The proposed Supplier is .....

The estimated value of the contract is.....

Has this contract been waived before Y / N

Description as to why the waiver is required

.....  
.....  
.....  
.....  
.....  
.....  
.....

Which exemption of the purchasing rules (Appendix 5 Section 13) do you  
wish to rely upon?

.....  
.....  
.....  
.....

How have the governors' ensured value for money?

.....  
.....  
.....  
.....  
.....  
.....

This exemption was discussed at the Governors meeting on

.....

Signed by the Chair of

Governors.....  
.....

Date .....



