



# Roman Road Primary School

## FINANCE POLICY

Agreed By Governors:	Autumn 2011
Revised Autumn 2012	
Revised Spring 2014:	Minor changes
Revised Spring 2015:	Changes to Section 17, Appendix 3 (delegated authorities)
Revised Spring 2017:	Minor Text Changes Reference to occasional lettings and lettings policy added to section 14 New Pecuniary Interests Form added to Appendix 4 Change of EU limits on Purchasing limits
Revised Spring 2018:	Minor Text Changes Amendment to Cheque Signatories – Appendix 3 Amendment to SIMS FMS access rights – Appendix 5
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## **1 Introduction**

This document sets out the financial arrangements within the school, including the roles and responsibilities of management and staff.

The aims of the policy are to ensure:

- The allocation of resources promotes the aims and values of the school;
- Resources are targeted on raising achievement and improving the quality of provision for students;
- Resources are used to support the educational needs of all students;
- The principles of Best Value are applied in the allocation and management of resources.

The school follows the guidelines for financial control and accounting as shown in the London Borough of Newham's Financial Guidance to Schools, and it complies with financial standards as set by the DfE and the Audit Commission.

The Governing Body controls this Finance Policy and it will be reviewed annually. A timetable of events is given in **Appendix 1**.

## **2 The Governing Body**

The Governing Body of Roman Road Primary has a strategic responsibility for setting the school's educational and financial priorities and for ensuring effective management of the budget. This includes a legal requirement to agree the school's annual budget plan. The educational and financial priorities for the school will be identified as part of the process of producing the School Improvement Plan.

The Governing Body shall establish proper financial management arrangements and accounting procedures and maintain sound systems of internal control including safeguards against fraud in compliance with the Financial Regulations contained in this document. These arrangements should be reviewed on a regular basis to ensure they are adequate and are being complied with.

The Governing Body and school staff has a responsibility to avoid any conflict between their business and personal interests and the affairs and interests of the school.

In terms of financial responsibilities the role of the Governing Body is to:

- Ensure the delegated budget is used effectively and efficiently for the education purposes of the school;
- Set controls for both the financial and operational aspects of the school that are consistent with Best Practice and Statute as defined by the Financial Regulations for Schools;
- Ensure roles and responsibilities of the Governing Body, Sub-Committees, Head teacher and school staff are clearly defined and allocated;
- Receive and evaluate reports from the Head Teacher and the School Business Manager on finance and personnel matters;
- Review the delegated responsibilities annually.

The Governing Body delegates some of its powers within a committee structure as well as to the Head teacher. The Governing Body meets each term. Members and terms of reference of Governing Body Committees are reviewed annually.

### **3 The Finance Committee**

In terms of financial responsibilities the role of the Finance Committee is to:

- Review drafts of the annual budget and recommend the annual budget for the Governing Body to endorse;
- Monitor the actual income and expenditure and forecasts against the agreed budget;
- Maintain the Scheme of Delegation, recommending any required changes to the Governing Body;
- Review reports from Internal Audit and other external officers.

Currently the whole Governing body meets as the finance committee at the beginning of each Full Governing Body Meeting.

The full terms of reference of this committee is given in **Appendix 2**.

### **4 The Head Teacher**

In terms of financial responsibilities the role of the Head teacher is to:

- Advise the Finance Committee and/or the Governing Body on the position of the school budget;
- Ensure the Finance Committee and/or the Governing Body are provided with relevant and timely information for them to discharge their duties;
- Ensure the requirements of the Finance Committee and/or the Governing Body are carried out;
- Alert or inform the Finance Committee and/or the Governing Body of any matters considered relevant;
- Ensure all financial matters are undertaken in compliance with DfE guidelines and the Financial Guidance to Schools;
- Manage the day to day budget in line with the expectations of the Finance Committee and/or the Governing Body;
- Ensure all financial returns are completed and submitted within the required time scales.

The Head Teacher delegates the daily activities of financial management to the School Business Manager within the school.

### **5 The Scheme of Delegation**

The Scheme of Delegation lists the financial responsibilities of the staff and governors.

*The Head teacher and the Finance Committee review the scheme annually ensuring that the correct levels of delegated powers are given to individuals or committees.* The Governing Body endorses the review before any changes are exercised.

Delegated powers include both financial and non-financial functions

The scheme sets out the delegated powers that come with the responsibility of a particular role. It assumes that the delegated power transfers to the new post holder if the original post holder leaves

the school. However, whenever such a change occurs the scheme is updated to include the name of the new responsible member of staff.

The scheme ensures that no one individual has the authority to perform an entire process where school delegated funds are involved. All staff are made aware of the delegated powers that they have been given.

The full list of delegations can be found in **Appendix 3**, this is communicated to all staff and governors at least annually.

## **6 Pecuniary Interests**

It is the responsibility of the Head teacher and the Governing Body to ensure that staff and governors do not directly or indirectly benefit financially when spending public money.

To control this conflict of interest, the school has established a register of pecuniary interests of governors and staff with financial responsibilities.

Governors and staff are required to disclose any interest they have in any supplier the school may use. If in doubt, any interest in a potential supplier should be declared for the school management to assess. Additionally, they are asked to disclose any links they have with local firms that provide services to schools.

Governors and staff are required to disclose any interest as soon as they are aware of a potential link.

The School Business Manager holds the Register of Pecuniary Interests, individual declaration forms and the Authority's guidance to the scheme.

A blank copy of the register and declaration form can be found in **Appendix 4** for information.

## **7 Integrated School Development Plans & Budgets**

The Senior Leadership Team of the school produces an annual Integrated School Development Plan (ISDP). The aim of this plan is to develop a strategy for improvement in all aspects of the school.

The ISDP covers a medium term strategy but is linked to annual budgets.

The Governing Body reviews the ISDP in the Autumn Term and should then aim to produce the annual budget that supports this plan for the coming financial year.

The annual budget process is generally completed before the start of the new financial year. The school is guided by the deadlines set by the LA. The school always aims to produce a balanced budget with the approval of the Governing Body.

The school management and the Governing Body also abide by the processes and procedures within this document. Budget reports are sent to the LA as required within a submission plan produced by the LA.

## **8 Budget Monitoring and Adjustments**

The school's external financial consultant monitors expenditure against the budget on a monthly basis and prepares a report on the budget position for the head teacher each month.

Any material variances in expenditure are reported to the full governing body in the head teacher's termly report and the finance report.

In the management of the budget there is, on occasion, a need to transfer budgets with changing priorities. All such budget virements or adjustments are recorded within the monthly finance monitoring and reported to Governors at the termly meetings within the finance report.

Further details of budget virements, adjustments and authorisation are in the Scheme of Delegation in **Appendix 3**.

## **9 Internal Financial Control and Data Security**

All duties and financial procedures are in line with the LA regulations as documented in the Financial Guidance to Schools.

The LA conducts the programme of Internal Audit on a risk based three-year cycle. These audits cover the use of public funds.

Staff members are properly trained in the financial systems and procedures. The Head teacher undertakes regular reviews of training needs.

There are cover arrangements in place for key financial staff and management. These arrangements include the performance of key tasks and the transfer of responsibility during the period of cover.

Transactional control is supported by systems that include segregation of duties wherever possible:

- ***Where possible*** at least 2 people are involved in the ordering of goods and that one provides a check for the other.
- ***Where possible***, the duty of calculating, checking and recording of money is separated from duty of collecting and paying out money.
- Any alterations to original documents (such as cheques, invoices and orders) are made in permanent form. The use of correcting fluid and the erasure of information is not acceptable. Any alterations are properly and clearly initialled and dated. Where alterations are made early in the cycle of duty, all authorisations after the alteration must confirm note of the alteration.
- All financial transactions are traceable from the original documentation to accounting records both at school and local authority level and vice versa with all checks being carried out on documents being recorded.
- Financial records are kept properly and securely in accordance with the requirements of the LA regulations.

## **10 Computer Systems**

Control and security of data is maintained within the parameters of the Data Protection Act as well as the Freedom of Information Act.

As such access to financial and operational systems is carefully controlled. The Access rights on the FMS financial systems are shown in **Appendix 5**. These access rights also support the Scheme of Delegation.

The Head teacher ensures that adequate separation of duties between personnel entering and authorising data on the computer system is in place.

Schools' ICT, NPW control the overall access to the school's systems and ensures that only authorised software is used in order to prevent the importing of computer viruses. Virus checking software is also used.

Passwords are changed regularly and only known to the password holders. Back-up of the school's ICT infrastructure is done remotely on a daily basis and held at a secure location away from the school.

## **11 Purchasing**

The school follows the purchasing guidelines as documented in the Financial Guidance to Schools and any capital expenditure also follows these guidelines (**see Appendix 6**).

Approval of invoices is carried out in accordance to the authority granted within the Scheme of Delegation.

Payment of invoices is made by BACS or by cheque. Two authorised members of staff sign each cheque and the BACS run reports.

Ideally, the person authorising the invoice or the person who ordered the goods or services concerned, does not sign related cheque payments.

The school also utilises a purchasing card system. The headteacher and the school business manager are the cardholders and are responsible for the security and safekeeping of the cards. The purchasing cards are only used for incidental costs, and expenditure where the normal purchasing processes cannot be used.

The approval of all transactions require two signatories as per the overall purchasing processes.

The purchasing cards are limited to a single transaction limit of £1000.00 and a monthly maximum spend of £3000.00. These limits are within the guidelines set by London Borough of Newham, who operate this purchasing card system with Barclaycard.

Where it has not been possible to adhere to the expenditure limit processes, a procurement waiver form will be completed and agreed with governors. In the case of emergency works, this approval will be sought verbally from the chair and confirmed at the next governing body meeting.

## **12 Income Management and Banking**

Other than the delegated budget, the school collects income from the following sources:

Pupils	- for school trips
Pupils	- as funding-raising donations
Customers	- for hire of school premises (local and national elections only)
Other Schools	- for shared events
Other agencies	- for specific activities

All income collection is accounted for within the school office.

Money collected is banked promptly.

The school uses Lloyds Bank PLC Bank to manage its monetary transactions.

Reconciliation of bank accounts to FMS is carried out monthly according to the schedule sent by LBN Finance. Copies of the reconciliations are sent to the Authority.

## **13 Petty Cash**

The school does not use petty cash and incidental expenses are paid via the normal purchasing processes.

## **14 Lettings**

The school occasionally lets out the school for local community groups and also for local and national elections.

The school has a Letting Policy to control the use of premises by outside groups.

The LA pays a fixed fee for elections.

## **15 Inventory and Assets**

The school maintains an Inventory Register, which is recorded, in electronic format.

The School Business Manager is responsible for the maintenance of this register.

Valuable assets are security marked. This is a new and developing system and the security marking will be noted on the Inventory Register.

The Inventory is reviewed and checked annually. The findings of this annual inventory check are reported to the Finance Committee highlighting the condition of assets and also missing items.

The Asset & Inventory Policy is shown in **Appendix 8**.



## **16 Voluntary and Private Funds**

The school no longer operates any Voluntary funds accounts.

## **17 Personnel, Salaries and Wages**

The school uses the payroll system with The Education Space (Formerly known as Newham Partnership Working) to administer its payroll and have a variable direct debit arrangement for the deduction of all costs relating to the actual pay runs. These payments are supported by reports provided by the supplier and the school is notified of all payments before the due date. As such, the approval process generally falls outside the scheme of delegation.

All information regarding staffing is provided to the service to ensure the correct processing of individual pay.

The School Business Manager reconciles the payments from the Payroll Service to the payment records to individual members of staff on a monthly basis.

Authorisation of additional payments outside normal contractual payments is made in accordance to delegated powers.

*Any payment* of incidental expenses are made in line with the guidelines set by the LA and as documented in the Financial Guidance to Schools.

The Head teacher is responsible for all recruitment of staff in the school and will call on relevant expertise and members of the governing body as required supporting this recruitment.

## **18 Insurance**

The Head teacher ensures that the Authority's insurance cover is commensurate with the risks associated with the school and will notify the Finance Committee immediately if there are any material risks which are not covered by the Authority.

The Head teacher is responsible for:

- Notifying the insurers/LA of any new risks (new property, equipment).
- Ensuring that the indemnity is not given to any third party without the written consent of the insurers.
- Informing the insurers immediately of all relevant matters (losses or other incidents).
- Ensuring that cover includes school property (such as musical instruments and computers) when off the premises.

- Maintaining a check to ensure that claims are processed within the required period.
- Ensuring that the police are informed of all claims where this is a requirement of the insurance.
- The Authority acts as the Broker for insurance for all the schools in Newham.

## **19 Conduct, Bribery and Corruption**

All staff, governors, pupils and parents are encouraged to report any acts they consider to be improper and/or illegal.

The London Borough of Newham's whistleblowing policy is used as the vehicle for reporting such acts or actions.

## **20 Review Process**

The Finance Committee reviews the contents of this policy annually and usually in the Autumn Term.

The review considers any changes to associated publications such as the Financial Guidance to Schools issued by the Authority and ensures the policy complies with any such changes.

The review considers changes to the structure and members of the Governing Body and the school staff.

Any changes in responsibilities are also recorded and updated in the policy or related procedures.

Where elements of policy no longer apply, these are removed from the documentation.

The Finance Committee then recommends the adaptation of the revised policy to the full Governing Body.

## Appendix 1 – Timetable of Events

	<b>FINANCE</b>	<b>FULL GOVERNING BODY</b>
<b>AUTUMN TERM 1</b>	Review of training needs Budget Monitoring	Review of pecuniary interests Report on Budget Monitoring
<b>AUTUMN TERM 2</b>	Budget Monitoring Review of Finance Policy	Report on Budget Monitoring
<b>SPRING TERM 3</b>	Report on School Census Budget Monitoring	Report on School Census Report on Budget Monitoring Approval of Finance Policy
<b>SPRING TERM 4</b>	Outturn figure for in-year budget Recommendation of Budget for the coming year Review of the SFVS	Approval of SFVS
<b>SUMMER TERM 5</b>	Report on Asset / Inventory Budget Monitoring	Report on Budget Monitoring Approval of Budget
<b>SUMMER TERM 6</b>	Final outturn figure for previous year's budget Budget Monitoring	Final outturn figure for previous year's budget Report on Budget Monitoring

## **Appendix 2 – Terms of Reference for the Finance Committee**

Although a Finance Committee is not used by the Governing Body, the principles of this committee are applied by the full Governing Body in its role in financial management and the following is applicable:

The role of the Finance Committee is to support the Governing Body in all aspects of financial decision-making and strategic development of the school.

As such the Finance Committee responsibilities are as follows:

- To review the financial implications of the schools aims and objectives and make recommendations to the Governing Body.
- To review the implementation of the school's finance policy and make recommendations to the Governing Body.
- To review the financial implications of the school development plan and to make recommendations to the Governing Body.
- To receive estimates of income and expenditure and to receive a draft budget and a forward projection (that enables the aims and objectives of the school to be met) at the start of each financial year for approval by the Governing Body.
- To monitor the school's budget projections in terms of funded pupil numbers and to develop risk management strategies and financial modelling for increases and decreases in numbers.
- To monitor the school budget twice each term to ensure that monies are being spent in line with the budget and to support the aims and objectives of the school.
- To monitor the fabric and condition of the school site and to make recommendations to the Governing Body for priorities for maintenance and improvement works.
- To seek opportunities for attracting sources of material and financial sponsorship/funding to the school.
- To review any proposals from the school to seek external funding and to monitor financial risks associated with the funding.
- To monitor health and safety arrangements and report to the Governing Body.
- To review the school's staffing structure and complement and make recommendations to the Governing Body
- To review the school's performance management arrangements and implementation.
- To review the school's pay policy and make recommendations to the Governing Body.
- To monitor levels of staff turnover and retention.
- To receive reports on staff leaving the school and to agree new recruitment within budget.

### **Appendix 3 – Scheme of Delegation**

The Governing Body delegates its responsibilities to the staff to manage the day-to-day financial activities of the school.

The scheme of delegation covers the following areas:

- Cheque Signatories and Payments
- Petty Cash
- Ordering of Goods and Services
- Receiving Goods and Services
- Invoices
- Lease Agreements
- Budget Virements and Adjustments
- Write off of Bad Debts
- Disposal of Assets
- Staff Expenses

#### **Cheque Signatories and Payments**

The persons authorised to sign cheques relating to all the school bank accounts including Voluntary & Private Fund Accounts are as follows:

Head teacher	– A Mahmood
Deputy Head teacher	– J. Gordon
Assistant Head Teacher	– B Mattis

All cheques and BACS submittal reports are signed by two of the above.

The Head teacher must sign cheques above £5,000. However, as all payments are generally made by BACs, this note applies to all payments.

If the goods/service has been ordered by any of the signatories, they will not sign the cheque.

*Direct debits or standing orders are not normally recommended and are to be used only if no alternative is available.*

#### **Petty Cash**

The school does not use petty cash and all incidental expenses are paid via the normal purchasing procedure.

#### **Ordering of Goods and Services**

The table below shows the staff able to order goods and services. Overspending on budgets is not allowed.

Heads of Department can order goods and services only for their own departmental budget / cost centres. The Head teacher can order goods and services from any budget / cost centre.

<b>Position</b>	<b>Budget / Cost Centre</b>
Head Teacher	All
Deputy Headteacher	CPD and Supply Staff
Head of Inclusion	SEN
Subject leaders	Curriculum Budgets

## **Receipt Of Goods and Services**

All goods delivered to the school are checked on receipt. The Admin Staff checks for damage and quantity before signing the delivery note.

It is the responsibility of those who ordered the goods to confirm this check and report any discrepancies to the SBM immediately.

In terms of Services of Supply and Temporary staff, a timesheet is signed by the Admin Officer/ SBM cover to confirm the hours.

## **Invoices**

All invoices are approved by members of the leadership team.

No one person can order goods / services and sign the cheque for the payment of that order.

The payment of the invoices is in accordance with the cheque signatory limits.

## **Budget Virements and Adjustments**

The Head teacher approves all budget virements within cost centre groups up to a limit of £8,000, and the Finance Committee is notified of these. The Finance Committee or the Governing Body must approve any virements above this limit or between cost centre groups.

All adjustments made to the budget are subject to approval by the Finance Committee and notified to the Governing Body within the termly Finance Report.

The school maintains a record of all budget virements and adjustments. These are recorded in a folder in one of two ways:

- Virements made between budget lines of income / expenditure
- Virements made between cost centres

A hard copy of the schedule is signed by the Head teacher and held with any supporting documentation by the Finance Officer.

## **System Processing**

It is the aim of the school to ensure that staff who process financial transactions are not involved in the approval process.

## **Bad Debts**

The Head Teacher can approve the write off of bad debts up to the value of £100. Any write-offs above this value must be first approved by the Governing Body and the LBN Debt Recovery team.

## **Disposal of Assets**

The school has a policy for the disposal of assets (see Appendix 7).



**Register of interests for  
Newham school governors, senior school staff  
and staff involved in procurement**

To be completed annually (or sooner if circumstances change) by all governors, senior school staff  
and staff involved in procurement

**For each business interest you must declare the name and nature of the business, the  
nature of the interest and the date the interest began**

**Personal Details**

Your name:

Your school/governing body:

**Employment, office, trade, profession or vocation**

Please complete this section if you are in paid employment, or you are self employed.

Are you self employed      Yes/No\*

My employer is:

Their/ my business is:

My job is:

If you are employed as the headteacher, deputy headteacher or assistant headteacher at the school, and have other interests for which you personally receive remuneration please detail these interests below:

**Contracts**

Is there a contract, either existing or proposed, between you or your relatives (defined on the final page) or spouse (or someone living with you as if he or she were your spouse), an organisation/ society/club of which you are a member, or your employer, and the school where you are a governor or an employee?

Yes/No\*

Are you a partner or director in a company or a body corporate or do you hold substantial (see footnote) securities?

Yes/No\*

**Interest in securities**

Do you hold any substantial <sup>1</sup> securities in any company or body corporate?

Yes/No

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<sup>1</sup>You have a substantial interest if you own shares or other securities in the company with a nominal value of more than £25,000 or more than 1/100th of the issued shares or securities. The notional value is normally the face value on the share certificate and is not the market value. If in doubt contact



If you have answered "yes" to any question you must declare the name and nature of the business, the nature of the interest and the date the interest began.

(Please continue overleaf if necessary)

**Membership of governing bodies or academy Trusts**

Please record the details of governorships or Trusteeships you hold on other schools. For each membership please record the name of the school, the office held and the date your membership began. If you do not hold any other governorships or Trusteeships please write "not applicable" below.

**Relationships between governors and members of the school staff including spouses, partners and relatives and relationships between school staff, including consultants.**

- Please declare below any relationship with a member of the school staff including spouses, partners and relatives. This includes spouse, partner, parent, parents-in-law, son, daughter, stepson, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece.

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your broker. If there are several classes of shares or securities, the fraction of 1/100th applies to any of those classes. These limits also apply to deposits with industrial and provident societies, and co-operative societies.

**5. Declaration**

I declare that to the best of my knowledge the foregoing is accurate, and I am aware that the above information is open to inspection. If my circumstances change, I will immediately inform the governing body and make an appropriate declaration.

**Signature .....** **Date .....**

**Once you have completed this form please return it to the school where you are a governor or an employee.**

**Please remember you need to declare an interest if your relative or spouse (or someone living with you as if he or she were your spouse) would be considered to have an interest in any item discussed at a meeting.** The definition of a relative includes spouse, partner, parent, parents-in-law, son, daughter, step-son, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece.

## Appendix 5 – FMS Access and Control (Finance Modules Only)

Access rights are divided into categories that follow the tasks performed on the system. The level of access to the system granted to staff is based on the tasks each of them need to perform.

The school aims to segregate system duties so as to prevent a single person performing entries and authorising and initiating payments. However, there are some occasions where this is not possible.

The Table below shows the access rights of all members of staff that use SIMS (Finance Modules Only)

The School Business Manager controls access to FMS but Schools' **ICT Manager** effects any changes.

Level of Access	Name	Position
Manager Level	D Boakes	SBM
Accounts Input	TBA	Admin Officer
Manager Level	J Ghataore	Lead Consultant
Manager Level – Overall System Control	<b>M Wadud</b>	<b>Schools' ICT Manager</b>

## Appendix 6 – Purchasing - Expenditure Limits

The Framework highlights the need for schools to conform with the National and European Procurement legislation as well as the application of best practice.

Schools should adapt the approval levels in accordance with their scheme of delegation. Guidance is shown within the table.

Value	Procedure	Decision By
Less than £4999	<b>One quote (record in writing)</b>	Executive Headteacher or staff member with appropriate authority
£5,000 - £24,999	<b>Two quotes (record in writing)</b>	Executive Headteacher or staff member with appropriate authority
£25,000 - £99,999	<b>Three written quotes</b>	Two post holders with appropriate authority, one being at least the Executive Headteacher. This is undertaken at committee level.
£100,000 - £177,897	<b>Mini Tender - 1-Stage</b> competitive tender without prior advert against written specification of requirements 3 Tenders	Headteacher & Chair of Governors at full Governing Body meeting
Above £177,898 and EU rules apply	<b>Full EU advertised competitive tender process</b> 3 Tenders	A Project team reporting to the Chair of Governors at Full Governing Body and including appropriate specialists e.g. legal, finance, procurement, health & safety
Above £177,898 and EU rules do <b>not</b> apply	<b>Full advertised 2-stage competitive process</b> 3 Tenders	A Project team reporting to the Chair of Governors at Full Governing Body and including appropriate specialists e.g. legal, finance, procurement, health & safety

1. Thresholds are compulsory.
2. Values exclude VAT
3. Values are TOTAL values (NOT annual values e.g. 2 years at £10,000 per annum is £20,000, which requires 2 written quotations).
4. Contracts over £100,000 must be executed under seal.
5. Requirements are MINIMUM requirements. E.g. to obtain three written quotes, you may need to seek 5 or 6. In appropriate cases to demonstrate value for money you may consider following the procedure for a higher value contract.
6. Values are to be aggregated e.g. if you have a recurring need on an annual basis for supplies.
7. It is a breach of Contract Procedure Rules to deliberately divide up contracts to avoid these rules.
8. Make a reasonably accurate estimate of the total purchasing requirement/whole life costing/financial implications, e.g. including ongoing maintenance and support costs. If variable factors are such that an accurate estimate cannot be made then further information should be acquired before starting the procurement process.
9. The valuation should include the value of possible contract extensions and possible additional options.
10. You must have adequate budget provision.

## **Appendix 7 – Asset and Inventory Policy**

### **Purpose of an Inventory**

An inventory must be maintained to ensure that the school has a detailed record of all the equipment it has custody of.

The reason for maintaining such a register is to correctly record all items of value held. Also, in the case of fire or theft, there would be a record showing exactly what has been “lost” together with its cost, identifying serial numbers etc. This would assist in either an insurance claim and/or a Police investigation.

### **Responsibility for keeping inventories**

The Governing Body maintains the responsibility for this Inventory Control Process. Day to day management is delegated to the Finance and Systems Manager. The responsible officer is to ensure the policy and procedures are followed and will report to the Governing Body or its Finance Committee on a regular basis as detailed within this policy. The Governing Body must approve any further delegation of the duties covered in this policy.

Responsibilities within the school are shown under each part of the control process detailed in the following sections.

When a responsible officer leaves the school, the responsibilities will automatically transfer to the new post holder. Where there is a gap in recruitment, the head teacher will nominate a temporary responsible officer. If the person is not being replaced, the head teacher will ensure that the responsibilities are transferred to another member of staff without delay.

### **Process – Purchase of Inventory**

All purchases of inventory must follow the process as documented in the School’s Finance Policy and be consistent with purchasing guidelines in the Financial Guidance to Schools.

Additional approvals if required must be sought in writing before purchase of such items.

Where the purchase of upgraded equipment or replacement items make existing assets redundant or obsolete, the disposal of the old assets follows the guidelines set out in the Disposal of Assets policy.

The Finance and Systems Manager holds the responsibility of ensuring the correct process is followed.

The Finance and Systems Manager will ensure that all schedules are kept up to date.

### **Items to be recorded**

Generally, items of equipment, tools and furniture with a value over £250 are recorded on the Inventory Register. However, the register contains items below this value that are considered “desirable” and may be open for theft or damage.

Furniture included in the register must have an individual value in excess of £250.

Detailed recording of tables, desks and chairs are not kept, however a separate record is maintained for the average number of tables, desks, chairs that are in each room for the purposes of insurance.

The responsibility of determining which items should be recorded on the Inventory Register lies with the ICT Network Manager, the Finance and Systems Manager and the Head teacher.

### **Details to be recorded**

The inventory may be held as a computer record or manual document. If a manual document is held all entries must be in ink. In either case the record should be retained in an appropriate place with one copy off-site or retrievable by computer from another site.

The following information will be recorded:

<b>Details</b>	<b>Costs</b>	<b>Disposal Detail</b>	<b>Inventory Checks</b>
Equipment No	Supplier	Date of Disposal	Date of Check
Description	Unit Cost	Method of Disposal	Condition of Asset
Serial Number	Quantity	Reason for Disposal	Location of Asset
Model	Invoice No	Authority Given	
Category	Invoice Date		
Holder	Gross Value		
Location	VAT		
Security Marking	Net Value		
Support Contract			
Insurance Policy Detail			
Anticipated Replacement Date			

### **Inventory Checks**

At least annually, and usually in the month of March, a physical check on inventory is conducted.

All items recorded in the register are checked for location and condition.

The check is also used to identify any items that may have been missed off the original register.

Where the condition of assets has deteriorated, this is noted for repair, disposal and/or replacement.

Where assets are no longer used and are considered to be obsolete, this is reported to the Head teacher and decisions are made for disposal.

### **Security of Assets**

All valuable equipment (attractive to thieves or easy to remove) is security marked with the name of the school and postcode, wherever possible in a highly visible manner to deter theft. However, care is taken not to reduce any resale value of the assets. Sticky labels are not sufficient as these can be removed.

All easily removable items, e.g. laptops and audio-visual equipment, are locked away securely when not in use.

The ICT Network Manager maintains a log of all equipment loaned out to staff, especially if the equipment is to be taken off site. Staff using the loan facility agree to ensure the security and safe usage of the equipment whilst in their possession.

Staff with school equipment on loan must ensure the security and safekeeping of the equipment whilst in their possession and as such accept this responsibility at the time of the loan.

Any equipment loaned out for personal use is not covered by the school's insurance policy and as such will not be loaned unless adequate insurance cover is provided.

Any leased equipment is not marked without first referring to the leasing contract/company.

All staff are responsible for ensuring equipment used by them is correctly and securely stored when not in use.

### **Disposal Policy**

Assets are disposed of only if they no longer have any use to the school. Inventory is not generally used to generate a profit by sale. However, sale of redundant assets is carried out.

The table below shows the reasons for disposal and the methods of disposal used by the school:

<b>Reasons For Disposal</b>	<b>Method of Disposal</b>
Obsolete – No longer used	Destroyed
Damaged Beyond Repair	Donation
Upgraded Equipment Purchased	Offered for Sale
Faulty & Uneconomical to repair	Confidential Disposal
Theft	Stolen
Fire Damage	Scrap
Missing (Presumed Lost/Stolen)	Lost / Missing

When items are disposed of, authority to dispose of these items is sought from person who has the appropriate delegation. This is in line with the original purchase price of the asset or its replacement value. The Authority to Dispose / Write Off Inventory Form is used (See Attached).

The authorising manager must have a higher delegated of power than the person who has decided to dispose of an asset.

The authorising manager checks that the asset is disposed of in the most appropriate method.

In the case of disposal of computer equipment that may contain confidential school information, disposal involves the security deletion of data from the memory. This is done prior to disposal by sale or donation. Ideally, such assets are destroyed.

Items sold are to be supported by a Sales VAT Invoice.

When items are either sold or donated to staff members, the Finance Personnel Pay and Premises Committee is consulted prior to the transaction.

When items of inventory are disposed of, the disposal is recorded on the Current Inventory list.

At least termly, all items disposed of are removed from the current list and recorded on the Disposals list.

The Finance and Systems Manager controls the process of disposal and reports all disposals to the Finance Personnel Pay and Premises Committee at least termly.

### **Inspection**

The inventory must be made available for inspection as required by the Internal Audit Service to Schools.

### **Reporting**

A report is made annually to the Governing Body, after the March inventory check. The report is structured to include the following:

- Missing Inventory
- Condition of Assets and damaged items
- Security of Assets
- Items considered obsolete
- Items for disposal
- Assessment of when items will need replacing

The Head teacher reviews and signs the report before it is presented to the Governing Body.

The Governing Body will use the report to plan future Inventory Control.

If assets are damaged, involved in accidents, lost or stolen and are essential for the running of the school, the Head teacher will contact the Chair of Governors and advise what action is to be taken.

Decisions made in these situations are documented and countersigned by the staff making the decision and the Chair of Governors.

## Authority to Dispose / Write Off Inventory

### Requester

Name	Position	Date	Signed

### Asset Details

Equipment No	Description	Serial Number
Purchase Value		Location

### Reason For Disposal

Obsolete	Damaged beyond Repair	Upgraded	Uneconomical to Repair
Theft	Fire Damage	Missing (Lost)	Other (Specify)

Replacement	Insurance
Is this item to be replaced (Y/N)	Is this covered by Insurance (Y/N)
Is Replacement budgeted (Y/N)	If yes, has a claim been lodged (Y.N)
If not Budget how is it being financed? Claim Reference	

### Authority

Name	Position	Date	Signed

The Authoriser must have delegated powers in excess of the value of the asset being disposed.

The Authoriser must hold a more senior position to the requester.

Once authorised, the disposal must be recorded on the Inventory Register.



## **Declaration of Inventory Check**

I certify that I have carried out a check and count of inventory as requested by

Name: \_\_\_\_\_

I have used the inventory list given to me and have reported all discrepancies as requested.

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Inventory Sheets are attached.

## Annual Inventory Check Process

### Management Declaration

I certify that the school's inventory has been checked by \_\_\_\_\_

All check lists are attached and I am satisfied that all discrepancies have been investigated.

A report has been presented to the Governing Body / Finance Personnel & Pay Committee for formal approval.

Name: \_\_\_\_\_ (Head Teacher)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Certified By

Name: \_\_\_\_\_ (Governor)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_