WCC Finance Policy
Adopted by Clifton upon Teme Primary School

Approved by:	FGB	**Date:** 15/09/26
Last reviewed on:	Sept 2026	
Next review due by:	Sept 2027	

RATIFIED BY THE FGB ON 15TH SEPT 2026

Model Finance Policy for Worcestershire Schools (Revised September 2026)

Introduction

> *"Sound financial management and controls are essential to schools because they provide an effective framework for financial planning and accountability and safeguard the use of public funds."*
>
> **Keeping Your Balance – Standards for financial management in schools**

An up to date and regularly reviewed Finance Policy is an essential document to help with financial management in schools. It also provides evidence and information for the completion of the SFVS.

This "model" Finance Policy has been drafted in discussion with Internal Auditors for Worcestershire's Maintained Schools.

You are not required to adopt the model policy, however if you do, you must ensure that the policy: -

i) is discussed, reviewed, and approved by your Governing Body
ii) reflects what is happening in your school.
iii) is communicated to all relevant parties.

If you do not adopt this policy, you should create your own version and send this to the Schools Finance Team annually, for review. **It is also recommended that you review your current Finance Policy against the model** and improve it where it falls below the model standard. You may consider it is easier to adopt the model and tailor it to suit your individual school circumstances.

For further information on this Finance Policy please email the Schools Finance Team, sft@worcestershire.gov.uk

Key	Instructions
	Over-type with the details for your school.
	The amount/detail given is a guide. Accept or over-type with the amount/detail that is appropriate for your school, as agreed by your Governing Body.
	Applies to schools with a local bank account only. Delete if not applicable.
	It is recommended that you adopt this amount/detail.
	Optional – Delete if not applicable

THE MODEL

The Policy must be supplemented with additional key school policies and procedures, which you should attach as Appendices, within the appropriate sections, or links to where these documents can be found.

Clifton-upon-Teme Primary School
Finance Policy & Procedures

Introduction

The main purpose of this Policy is to set a framework for sound financial management and boundaries within which the Headteacher, Governors and staff can operate. The school's financial arrangements comply with the current financial regulations[1], standing orders and schemes of delegation[2] issued by Worcestershire County Council and guidance issued by the Government.

Terms used:

- *The term governing body is used to mean the full governing body or its committees, where responsibility can be delegated to a committee.*
- *Headteacher means the Headteacher or other member of the school's staff, where authority has been delegated to that staff member, particularly the Business Manager. This does not delegate responsibility.*
- *Worcestershire County Council may be referred to by the following LA, Council, Local Authority, WCC.*

Review date **1/9/2027**

Signed by:

Headteacher .....

Chair of Governors .....

1 WCC financial regulations and standing orders are available from Worcestershire County Council's website www.worcestershire.gov.uk

2 A copy of Worcestershire's Fair Funding Scheme for Financing Schools is available from the www.worcestershire.gov.uk under the Worcestershire School Forum

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Policy

A Governance

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

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

- **A1** The Headteacher is responsible on a day-to-day basis for the management of the school's finances within the approved budget in accordance with the Governor's policy on best value, Appendix A and in line with the School Improvement Plan, Appendix B. The Headteacher has no authority to exceed the approved budget and must operate within the financial limits of delegated authority, Appendix D. The roles and responsibilities of the Headteacher and other staff in relation to financial decision-making and administration are detailed in Appendix C.
- **A2** A finance committee has been set up to consider strategic financial issues on behalf of the governing body and its remit and membership is reviewed annually.
- **A3** The financial limits of delegated authority of the governing body are detailed in Appendix D. Details of the Committee structure; constitution and current membership are available from the Clerk to Governors.
- **A4** The governing body has agreed with the Headteacher the minimum frequency, level of detail and general format of the financial information to be provided to it, especially in relation to budget monitoring reports Appendix E. To comply with the Schools Financial Value Standard this should be a minimum of six times per year.
- **A5** Minutes are taken of all meetings of the governing body and its committees and include all decisions and by whom action is to be taken.[3]
- **A6** The governing body maintains a register of interests of governors[4], the Headteacher and any other staff who may influence decisions in any matter concerning the school. This is open to examination by governors, staff, parents, and the LA. "Declarations of interest" is a standing agenda item on all Full Governors and sub-committee meetings.

[3] A Guide to taking minutes for meetings of the Governing Body and its Committees can be requested from WCC Governor Services.

[4] Further guidance and pro-forma for registering business interests are available from WCC Governor Services.

B Financial Planning

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

- **B1** The school has a School Improvement Plan (SIP), which includes a statement of its educational goals to guide the planning process.
- **B2** The SIP covers in outline the school's educational priorities and budget plans for the next three years, showing how the use of resources is linked to the achievement of the school's goals.
- **B3** The SIP states the school's educational priorities in sufficient detail to provide the basis for constructing budget plans for the next financial year.
- **B4** Any new initiatives are carefully appraised in relation to all costs and benefits and their financial sustainability before being approved by the governing body.
- **B5** The SIP states intended expenditure on any significant changes from the previous financial year.
- **B6** A formal timetable and procedures are drawn up for constructing the SIP and budget to ensure that the governors have time to consider all relevant factors.
- **B7** There is a clear, identifiable link between the school's annual budget and its School Improvement Plan (SIP).
- **B8** The Headteacher presents a draft budget in line with the SIP to the Finance Committee for approval in March/April, for submission to the LA by the 1 May. This should include sufficient detail and supporting information to enable Governors to make an informed decision. The draft budget will take account of the agreed staffing structure, known inflationary and incremental staff increases and known staffing changes for September. It should cover in detail the next financial year and forecasts for the following two financial years, based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.
- **B9** The governing body ensures that the main elements of the school's budget are periodically reviewed so that historic spending patterns are not unhelpfully perpetuated.
- **B10** The Headteacher submits the budget and profiled[5] cash flow forecasts to take account of spending patterns taking account of seasonal factors, inflationary factors, and previous trends if appropriate, before approval of the Governing Body.
- **B11** Any budget surpluses are earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in any given year. The Governors have

[5] Budget profiling is an accounting term meaning a forecast of spending or income at different times during a year. Comparison with it helps managers to detect when the budget starts to get off track and hopefully allows enough time for corrective actions to be taken i.e., it serves as an early warning system.

agreed a policy on reserves[6] and this is in accordance with the Local Authority reg[7] The Governors policy is to hold a reserve if the school is not in deficit and these figures will be reviewed once that position has been reached.

- **B12** Once the budget has been discussed and agreed by the Finance Committee, it is presented to the Full Governing Body for consideration and approval before the beginning of the relevant financial year.
- **B13** The Headteacher forwards details of the approved budget to the LA by the 1 May each year. Any subsequent budget changes are enacted in accordance with the Scheme of Delegation and notified promptly to the LA. Those schools in a deficit position will need to submit a deficit recovery plan to the LA with the initial submitted budget on 1 May each year and needs to be approved by the Full Governing Body.

C Budget Monitoring

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

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

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[6] The school should have a policy on "reserves" which has been explicitly agreed by the Governing Body, at a level they feel is justified for their school. This should be minuted.

[7] WCC challenge schools with excess surplus balances. Using DfE guidelines a school's uncommitted surplus balance should be no more than 8% for Nursery, Primary and Special schools and 5% for Secondary schools of in-year funding. In recognition that there are small primary schools in Worcestershire for which an 8% carry forward would be insufficient, the cost of one full time teacher at the top of the main scale (plus on-costs), is also allowed.

Local Authorities are authorised to claw-back surplus balances that are not permitted under their Scheme for Financing Schools. Permitted balances include prior year commitments; unspent grants and funds for other specific purposes agreed by the Local Authority (e.g. building works). Schools will be able to build up reserves towards projects but cannot defer implementation indefinitely.

Schools with uncommitted surplus balances more than the above limits and not subject to formal re-organisation may be asked to complete pro-forma providing details of how they intend to spend their surplus. Financial records will be examined to see if this happens.

- **C5** The Headteacher produces regular cash flow forecasts for all funds to ensure that the school does not go overdrawn.

D Purchasing

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

- **D1** The school always considers price, quality and fitness for purpose when purchasing goods or services.
- **D2** Prior approval from the governing body is obtained for all expenditure above the limit predetermined by Governors in Appendix D and F.
- **D3** Competitive quotations/tenders are to be obtained wherever possible in accordance with Appendix D and F. Written quotations should be obtained for all expenditure above the limits predetermined by Governors in Appendix D and F unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the governing body.
- **D4** Where a quotation other than the lowest is accepted, the reason(s) for this decision is reported to the governing body and included in the minutes of the relevant meeting.
- **D5** All purchases estimated to exceed an amount predetermined by Governors in Appendix F, must be put out to tender, using a form common to all tenderers, on the basis of a detailed description or specification of the goods or services required and in accordance with the procedures set out in Appendix F.
- **D6** Contract specifications, for example cleaning, catering and grounds maintenance, define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.
- **D7** The school should not enter into any financial agreement with capital implications without the approval of the LA as appropriate. If a lease arrangement is entered, this should represent good value for money[8].
- **D8** Official, pre-numbered orders are used for all goods and services except utilities, rents, rates, and petty cash payments. Verbal orders should only be used for reasons of urgency or emergency; they must be confirmed by a written order at the earliest possible time.
- **D9** Orders are used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their or others' private use.
- **D10** All orders must be approved electronically in the school's finance system by a member of staff approved by the governing body to be an authoriser.
- **D11** The authoriser of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate

[8] You must make sure you comply with the guidance of Gov.UK Leasing for maintained schools - GOV.UK (www.gov.uk). Further guidance on leasing and a leasing assessment form is available from the local authority.

budgetary provision and that quotations or tenders have been obtained if necessary.

- **D12** When an order is placed, the estimated cost is committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- **D13** The school checks goods and services on receipt to ensure they match the order, and the invoice is marked accordingly, and the check is recorded on the school's finance system. This is not done by the person who approved the order.
- **D14** Payment is made within time limits specified in law for the payment of debts and only when a proper (original) invoice has been received, checked, coded, and on your finance system for payment. Supplier payment terms and conditions should be complied with, and any late charges will be paid by the school.
- **D15** The school maintains a list of all Authorising officers and what they are authorising officers for.
- **D16** All paid invoices are stored electronically and uploaded to the finance system.
- **D17** The procurement cardholder and transaction administrators (where applicable) undertake their full responsibilities with the card, including adhering to all security procedures, processing transactions on the portal, posting to the school's finance system and processing any disputes. This is completed in accordance with the published Procurement Card Policy and Procedures[9]

The financial roles and responsibilities of staff and a list of named Budget Holders can be found in the Financial Procedures document Appendix K.

E Financial Controls

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

- **E1** The governing body ensures that the school has written descriptions of all its financial systems and procedures in the School's Financial Procedures Appendix K. These are kept up to date and all appropriate employees are trained in their use.
- **E2** The Headteacher ensures financial control is maintained without key personnel through staff training or by arranging job shadowing. Staff and Governors have completed a Financial Management Competencies matrix analysis[10]
- **E3** The Headteacher ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one function as a check on the work of the other and all checks are fully documented.

[9] The Procurement Card Policy and Procedures documents are available from the Schools Finance Team SFT@Worcestershire.gov.uk

[10] You can download the financial management skills matrix for governors from, the "Additional Resources" page in the "Support Notes" section of the DfE SFVS webpages.

- **E4** The school maintains proper accounting records and retains all documents relating to financial transactions for at least the period recommended by the LA 6 years plus the current year and will provide auditors with any documentation and explanations they consider necessary. The disposal of records after this period will be undertaken in a secure and appropriate manner as outlined in the ICT (Information and Communication Technology) policy.
- **E5** There is a clear audit trail, with all financial transactions being traceable from original documentation to accounting records, and vice versa.
- **E6** Any alterations to original documents such as cheques, debtor accounts and orders should be discouraged. Amendments should be made by cancelling the original document and reissuing.
- **E7** All accounting records are securely retained when not in use and only authorised staff are permitted access.
- **E8** The Headteacher ensures that all expenditure from sources of earmarked funding/grants is accounted for separately and transparently and that the funding is used for its intended purpose. Extended School initiatives are also identified separately in the finance system.
- **E9** The Headteacher shall at once inform the Chief Internal Auditor of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting cash, stores, or other property of the school.
- **E10** The Headteacher must ensure that all staff have received proper training to ensure they are trained to a suitable level to use the finance systems and carry-out financial tasks.
- **E11** The school has accessible a copy of the latest Whistleblowing policy for staff to access without needing to request this.
- **E12** The School must keep a list of all ongoing contracts they have for both purchases and sale, this should include the name, start date, end date, amount of the contract, and service being provided. This is not needed for one off items for example the one-off booking of the hall for a single event.

F Income

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

- **F1** The governing body has established a Charges & Remissions Policy for School trips, music tuition, private photocopying, private telephone.
  calls and the supply of other goods or services; see Appendix H. The full governing body reviews these policies annually.
- **F2** Proper records are kept of all income due.
- **F3** All lettings are authorised by the Headteacher within a framework determined by the governing body and are recorded in a diary or register; see Lettings Policy Appendix G.
- **F4** The responsibility for identifying sums due to the school is separate from the responsibility for collecting and banking such sums.
- **F5** Where invoices are required, they are issued within 30 days, and produced using the electronic finance system.
- **F6** The school always raise, pre-numbered receipts, where not provided by a third-party system and maintains adequate formal documentation for all

income collected and paid into the delegated budget. If necessary, a copy of the receipt can be issued. Receipts are securely stored in order.

- **F7** Cash and cheques are locked away to safeguard against loss or theft.
- **F8** Collections are paid into the appropriate bank account promptly and in full. Bank paying-in slips clearly show the split between cash and cheques and list each cheque individually. The receipt number(s) should also be referenced in the paying in book/sheets when income is banked to provide an effective audit trail between income received and banked.
- **F9** Income collections are banked intact and must not be used for the encashment of personal cheques or for making payments.
- **F10** The Headteacher reconciles monthly the sums collected with the sums deposited at the bank.
- **F11** The school has procedures for chasing any invoices, which have not been paid within 30 days.
- **F12** Debts are written off only in accordance with Appendix D and LA regulations, and the school keeps a record of all sums written off.
- **F13** The Headteacher ensures that machines taking money, including telephones, are emptied and the cash counted by two people.
- **F14** The Headteacher ensures that transfers of school money between staff are recorded and signed for so a record of audit, for example between Class TA and School Office.
- **F15** School procedures set out how VAT on income should be accounted for.
- **F16** School procedures stipulate that proper VAT invoices are issued from within the finance system and state WCC VAT registration number, which is GB 705 6721 42.

G Banking

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

- **G1** The school obtains bank statements at least monthly, and these are reconciled with their accounting records. Any discrepancies are investigated.
- **G2** All bank reconciliations are signed by the person performing the reconciliation. They are also reviewed and countersigned by someone who understands the reconciliation process and is a member of the senior leadership team.
- **G3** Staff responsible for undertaking bank reconciliations are not responsible for the processing of receipts or payments.
- **G4** All funds surplus to immediate requirements are invested to optimal effect as approved by the Governing Body. State your policy and should take a low-risk approach to safeguard the public purse.
- **G5** Individuals should not use their private bank accounts for any payments or receipts related to the school's budget or use the school's accounts for payment of their personal expenditure or income.
- **G6** The school's bankers have been advised that schools are not allowed to go overdrawn or negotiate overdraft facilities.

- **G7** The school should not enter into any loan agreements[11], other than with the LA, without the prior approval of the LA and the Secretary of State for Education.
- **G8** School procedures stipulate that all cheques must bear the signatures of two signatories approved by the governing body. There should be at least three signatories on the bank mandate and at least two of these should be members of the Senior Leadership Team.
- **G9** School procedures ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.
- **G10** School procedures stipulate that all cheques drawn on the account(s) are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- **G11** School procedures stipulate that manuscript signatures are only used, and cheques must not be pre-signed.
- **G12** Cheque books are held securely when not in use.
- **G13** The Headteacher maintains a list of all banks and building society accounts held and the signatories for each. Governors approve and annually review bank account signatories. A copy of this should be forwarded to the LA for information annually.

H Payroll

The school purchases payroll services and personnel services from the Council under a Service Level Agreement. The Governing Body annually review this arrangement. The Headteacher and Personnel Committee review and agree annually the school staffing structure in line with the SIP.

- **H1** The governing body has established procedures, a 'Whole School Pay Policy', for the administration of personnel activities, including appointments, terminations, and promotions.
- **H2** The Headteacher ensures that, where practicable, the duties of authorising appointments, making changes to individuals' conditions, or terminating the employment of staff are separated from the duties of processing claims.
- **H3** The Headteacher ensures that at least two people participate in the processes of completing, checking, and authorising all documents and claims relating to appointments, terminations of employment and expenses.
- **H4** The school has sent in the names and specimen signatures of certifying officers to the LA.
- **H5** The Headteacher ensures that only authorised employees have access to personnel files and that arrangements for right of access are in place for staff.
- **H6** All payroll transactions are processed through the payroll system.
- **H7** The Headteacher maintains a list of staff employed on the Management Information System and ITrent. Procedures are in place to ensure that this list is updated promptly to reflect new starters and leavers.
- **H8** The Headteacher obtains regular reports on payroll transactions and checks them against the school's documentation on staffing and pay to ensure that they match. Detailed checking ensures that the right individuals

[11] Details of the LA loan Scheme are available from the Schools Finance Team 01905 844009. Loans are available for larger purchases, to spread the cost over 2-4 years.

have been paid the right amounts monthly. Any discrepancies are promptly investigated and resolved.

J Imprest Account (Petty Cash)

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

- **J1** The governing body has agreed with the local authority in writing an appropriate level for petty cash to be held which represents a balance between convenience and the risk of holding cash on the premises. The Imprest "float" is currently £500 but at high demand times, this can be increased by prior authorisation of the Headteacher and agreement of the Schools Finance Team.
- **J2** The Headteacher ensures that the petty cash fund is held securely and that only authorised employees have access to it. This is administered by the finance officer and locked in a petty cash tin stored in the safe.
- **J3** Payments from the petty cash fund are limited to minor items, individual claim limit £50, which have been approved in advance by an authorised member of staff.
- **J4** All expenditure from the fund must be supported by receipts, identifying any VAT paid. It is signed for by the recipient and countersigned by an authorised member of staff.
- **J5** Proper records are kept of amounts paid into and taken out of the fund.
- **J6** The amount in the petty cash fund is periodically checked against the accounting records and reviewed by an independent member of staff.
- **J7** Personal cheques are not cashed from the petty cash fund.
- **J8** The Headteacher must also ensure that any imprest account must be kept within a surplus balance.
- **J9** Where appropriate a cheque should be provided and has two signatories neither being the recipient of the cheque.
- **J10** When a reimbursement claim is made the account should be balanced and signed off by the Headteacher.

K Tax

The Headteacher ensures that the school complies with Value Added Tax (VAT)[12] and other tax regulations, for example Income Tax, Construction Industry Scheme (CIS)[13] and Inland Revenue 35 (IR35)[14].

- **K1** The Headteacher ensures that all relevant finance and administrative staff are aware of VAT, Income Tax, CIS, and the IR35 regulations.
- **K2** School procedures stipulate that only proper VAT invoices are paid, as the school will not be reimbursed in the absence of such documentation.
- **K3** School procedures set out how VAT on business activities, school trips and other taxable activities should be accounted for.

[12] For further guidance on VAT, please contact the WCC VAT officer vatenquiries@worcestershire.gov.uk WCC's "Accounting for VAT in schools" publication is available from the Schools Finance Team sft@worcestershire.gov.uk

[13] Further information is available from the Accounts Payable Team or Schools Finance Team.

[14] If unsure if this applies, please read Understanding off-payroll working (IR35) - GOV.UK (www.gov.uk) or contact internal audit.

- **K4** The school makes payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS).
- **K5** The school ensures that any payments to individuals for services such as lecturing, teaching, or instructing are made in accordance with the Social Security (Categorisation of Earners) Regulations 1978.
- **K6** The Headteacher must also ensure all appropriate records are maintained to support any claims for VAT or Construction Industry Scheme.

L Voluntary Funds[15]

Voluntary funds, for example donations from parents, pupils, and other benefactors, are not public money. This section only applies to voluntary funds held that belong to the school and **no** other organisation that have a connection with the school such as the PTA.

- **L1** The Headteacher ensures that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account.
- **L2** The governing body has considered the appropriateness of registering voluntary funds with the Charity Commission[16] and has decided not to register/ has registered in accordance.
- **L3** The Finance Committee oversees these funds, and this is reflected in the terms of reference of the Finance Committee.
- **L4** The governing body appoints an auditor who is independent of the school. The auditor should not be a member of the governing body or a member of staff.
- **L5** The Headteacher ensures that this account is included within the schools list of bank account reported annually (G3).
- **L6** The Headteacher ensures that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds and the funds are operated in accordance with "Instructions for the Management of School Fund" (Revised September 2024).
- **L7** Any income which properly relates to the school's delegated budget must **not** be credited to any voluntary fund, and if done so, transferred immediately to the school's delegated budget.
- **L8** The Headteacher presents the audited accounts, the auditor's certificate, and a written report on the accounts to the governing body as soon as possible after the end of the accounting year (The audit is completed within three months of the year end), and any audit fees are paid from this account promptly.
- **L9** The Headteacher ensures that the audited accounts and supporting documentation are available for the LA Internal Auditors on request.
- **L10** The Headteacher ensures that every cheque drawn against a voluntary fund bank account is signed by two signatories authorised by the governing body.

[15] "School Private Funds – "Instructions for the Management of School Funds" is available from the Schools Finance Team sft@worcestershire.gov.uk

[16] A summary of key requirements under Charity Law applicable to school's voluntary funds is available from the Charities Commission Website.

- **L11** Any voluntary fund income is paid into the relevant bank account at least once a month.
- **L12** Receipts are issued for any donations or income entering voluntary funds more than £5. Receipts issued must not be official WCC receipts used for public funds.
- **L13** The Headteacher ensures regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed monthly.
- **L14** The governing body ensures that voluntary funds are covered by insurance, including fidelity guarantee insurance.
- **L15** The Headteacher ensures that any money relating to the school budget must not be entered into this account and must go the school's budget.

M Assets and Security

Assets are kept securely and recorded in an inventory register.

- **M1** The Headteacher ensures that stocks/consumables (for example stationery, art materials) are maintained at reasonable levels and subject to a physical check at least once a year.
- **M2** Up-to-date inventories are maintained of all items of equipment with a replacement value exceeding £100[17] or agreed lower value items which are portable and particularly attractive. Such items are identified as school property with security markings.
- **M3** The Headteacher arranges inventories/stock books to be checked at least once a year against physical items. All discrepancies are investigated and any over £100 reported to the governing body.
- **M4** Whenever school property, for example musical instruments or computers, is taken off the school site it is signed for, and a register note accordingly.
- **M5** The governing body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the LA's regulations.
- **M6** Safes and similar deposits are kept locked, and the keys removed and held away from the school premises.
- **M7** The governing body has a plan for the use, maintenance, and development of the school's buildings; see Asset Management Plan at Appendix I.

N Insurance

The Headteacher and Governors regularly consider risks and take out insurance protection as appropriate.

- **N1** The school reviews all risk annually, in conjunction with the LA where appropriate, to ensure that the sums insured are commensurate with the risks.
- **N2** The governing body considers whether to insure, risks not covered by the insurer, voluntary body, or foundation. The costs of such premiums are met from the school's delegated budget.

[17] Internal Audit has advised that it would be reasonable for Governors to have an inventory limit of £100 i.e., only include items with replacement value of £100 in your inventory. Schools may choose to include desirable items of a lower value.

- **N3** The school will notify its insurers, the LA, and other agents as appropriate of all new risks, property, equipment, and vehicles which require insurance or of any other alterations affecting existing insurance.
- **N4** The school does not give any indemnity to a third party without the written consent of its insurers, the LA or other agent as appropriate.
- **N5** The school will immediately inform its insurers, the LA or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.
- **N6** Insurance arrangements cover the use of school property, for example musical instruments or computers, when off the premises. Staff are advised that equipment is not insured if left unattended in a car.
- **N7** Details of all risks insured, and the level of cover provided is detailed in Appendix L.

P Data Security

The school is required to process and record personal, financial, and other management data and must keep this secure. Much of this data is held in an electronic format rather than on paper, therefore many of the controls in this section relate to IT (Information Technology) systems and electronic data. Refer to the School's ICT policy & Acceptable use policy in Appendix J.

- **P1** The school, as a Controller, adheres to the UK GDPR and the Data Protection Act 2018, including registering as a data protection fee payer with the Information Commissioner's Office (ICO) and paying the relevant annual fee. The school's use of any electronic or relevant manual systems to process personal data must comply with this legislation.
- **P2** Computer systems used for school management are protected by password security to ensure that only authorised employees have access. Passwords are changed regularly, updated for staff changes, and are not shared.
- **P3** The Headteacher ensures that data is backed up regularly and that all back-ups are securely held in a secure fireproof location, preferably off-site.
- **P4** The Headteacher has established a recovery plan to ensure continuity of financial administration in an emergency.
- **P5** The Headteacher ensures that systems are in place to safeguard school software and data against computer viruses and the virus protection is updated regularly. To prevent viruses being imported, only authorised software is used.
- **P6** The governing body ensures that payment systems used by the school are PCI Compliant, providing the Local Authority with annual assurance of this compliance.
- **P7** The Headteacher must ensure School Finance Team are notified of any leavers holding an finance system license to enable the user to be disabled on the employee's contract end date.

Appendix A – Best Value Statement

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

What Is Best Value?

Governors will apply the four principles of ***best value****:*

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors' Approach

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

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

Governors, and the school managers, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISEONLINE, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, expansion to 3-form entry,
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted, maintenance consultant,

This will apply in particular to:

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

Governors and school managers:

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

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

Staffing

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

Use of Premises

Governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

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

Teaching

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

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

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

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

- competitive tendering procedures (e.g. for goods and services above £5,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment)

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

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

Monitoring

These areas will be monitored for best value by:

- In-house monitoring by the Headteacher and curriculum managers, e.g. classroom practice, work sampling
- Target setting meetings between the Headteacher and teachers
- Termly pupil progress meetings
- Annual Performance Management
- Annual Budget Planning
- Headteacher's financial review reported at every finance committee meeting
- Visits by the Local Authority and the Diocese.
- Analysis of school pupil performance data, e.g. SATs results, standardised test results, Analysis of LA pupil performance data
- Analysis of bench mark data for all schools, LA schools, similar schools, Fischer data
- Analysis of Pupil Performance data eg. ASP
- Ofsted Inspection reports
- Governors' visits
- Governors' committee meetings
- Governors' full termly meetings

In the next three years the Governing Body will:

- Review the progress of the school development plan in every meeting and use the evaluations to inform the next plan.
- Discuss “Best Value” at each Autumn Term meeting of the Finance Committee.
- Review their “Best Value” statement at our annual strategic review in June and incorporate the best value principle in sub-committee meeting schedule.

Appendix B - Financial Limits of Delegated Authority

Finance Committee

The Finance Committee has powers to approve expenditure and/or virements up to the limit of £20,000. The Finance Committee is NOT empowered to authorise expenditure that would place the school in an overspent position.

Personnel Committee

Full powers are delegated to the Personnel Committee to approve appointments, salary increases. Up to the limit of the approved staff salaries budget. The Personnel Committee is NOT empowered to authorise expenditure that would place the staffing budget in an overspent position. They must also not agree payment without agreement of the LA where this would take them outside set paybands, for example leadership groups.

Estate Management Committee

Full powers are delegated to the Estate Management Committee to authorise expenditure up to the limits of the approved revenue and capital budgets. The Estate Management Committee is not empowered to exceed these budgets (see virement below).

The Headteacher

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

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

The Headteacher may delegate his/her authority to a named senior member of staff. This should be approved by the Governing Body and the decision recorded in the Governing Body minutes.

Budget Virement

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

- Up to £5,000 Discussed with relevant Committee Chairperson. Subsequently reported to Finance Committee.
- From £5,000 to £20,000 Finance Committee approval required in advance and reported to Governing Body.
- Over £20,000 Governing Body approval required in advance.

Virement from capital to revenue is not allowed.

Procurement

Competitive quotations must be obtained wherever possible in accordance with the Tendering procedure (and based on Annex L to Worcestershire County Council Procurement Code[18] and LA guidance) as follows: -

- Below £10,000 a minimum of two quotations should be obtained. Quotations may be sought verbally but must be confirmed by suppliers in writing (email is acceptable). Catalogue prices may be used.

- More than £10,001 and less than £50,000. At least three written quotations (email is acceptable) must be obtained based on a specification that succinctly describes the requirement but is not geared to a particular product or service offering. All quotations must be retained[19] and signed off by the headteacher. and agreed with an appropriate Governor and recorded.

- More than £50,000, you must run your own buying process, inviting suppliers to submit bids if:

    - You cannot get what you need through a framework agreement.
    - you are buying high-value goods and services.
    - appropriate Governor agreement and recorded within the minutes of the meeting.

- More than 207,702 you must run a Procurement Act 2023 (PA23)P compliant buying process.
    - appropriate Governor agreement and recorded within the minutes of the meeting.

Contracts

Variations to contracts and/or specifications involving additional expenditure exceeding £100 whether from the contingency sum require the approval of the appropriate Committee or in an emergency the Chair of the appropriate Committee.

Writing offs of Debts

The Headteacher may authorise write-offs up to a limit of £50.
The Chair of the Governors may authorise write-offs up to a limit of £100.
The Governing Body may authorise the write-off of debts of £101 - £250.

WCC procedures apply for all debts above £250 to be written-off. In such cases, the Finance Committee will recommend writing off but must notify Financial Services who have authority to approve that the debt is written-off.

[18] The Procurement code for Worcestershire County Council is available on WCC's website @ www.worcestershire.gov.uk/tendering.

[19] Unsuccessful tenders/quotes must be retained for a minimum of one year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision-making process are retained for six years following completion of the contract.

Appendix C - Reporting Requirements for School to Governors and Local Authority

For Governors

	Information	Frequency	Deadline
1	Actual Allocations from the LA	Annual	under (7)
2	Additional funds from LA throughout the year	As appropriate	
3	Devolved Capital formula allocations from the LA/ DfE	Annual	
4	Other allocations and grant claims	As appropriate	
5	**CFR (Consistent Financial Reporting) report**	Annual	September
6	**Budget Plan for approval**	Annual	In time to forward to LA by 1 May
7	Budget monitoring statement for public funds from school's finance system showing original budget, latest revised budget, commitments, actual £ and % received/spent to date, balance outstanding and end of year projections	Half Termly	
8	Budget monitoring statement each term for all other funds	Half Termly	
9	Cashflow projections each term	Termly	
10	Capital spends each term	Termly	
11	Forward projections (3 years)	Annual	**Maybe more often if significant changes are known.**
12	Private funds – approval of annual audited accounts	Annual	Audit to take place within three months of Year end. Approval of audited accounts within 6 months of year end
13	Financial Benchmarking*	Annual	September
14	Completion of SFVS self-assessment	Annual	Returned annually before 31 March, suggest autumn term
15	PCI DSS compliance return to LA	Annual	

* Further guidance on financial benchmarking is available from the DfE Schools Financial Benchmarking website. The Schools Finance Team will publish benchmarking information for Worcestershire schools based on Consistent Financial Reporting data for maintained schools. This is available for the Schools Finance Team SFT@worcestershire.gov.uk

For Local Authority

	Information	Frequency	Deadline
1	Budget Plan	Annual	1 May
2	Lease Assessment Form	Annual	30 March
3	Management of Surplus Balances Pro-Forma	On request	This information may be requested by the Local Authority where a school's uncommitted surplus balance exceeds the limit for the school phase.
4	Three-year budget position.	Annual	1 May
5	List of all bank accounts held	Annual	1 December
6	VAT return	Monthly	
7	Governors Finance Committee Report	Termly	31/7, 31/01, mid-April
8	Bank Reconciliation report	Termly	31/7, 31/01 mid-April
9	End of year accounts • Income & Expenditure Report • Balance Sheet • Bank reconciliation report with original bank statements. • Debtors and creditors	Annual	Published deadline. (approx. early-April)

Appendix D - Procurement Policy

Introduction

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

It is fundamental that competitive prices/quotations/tenders are obtained on a like for like basis, whether the invitation is for goods or services. It is therefore essential to invite quotations/tenders against a carefully drawn up specification. Where the value of the work/services exceeds £10,000 this must always be the case. Specifications must be prepared by persons properly qualified and experienced to do so.

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

Tendering and Quotation Procedure

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

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

The headteacher will make sure that all tenders and quotations have the following guidance considered and followed, and if not, using all appropriate steps will share this with the full governing body before rejecting any step of the process or requirements.

EU procurement directives and the UK regulation Public procurement policy - GOV.UK

- Buying procedures and procurement law for schools (Buying procedures and procurement law for schools – Buying things that are over the procurement threshold – Guidance – GOV.UK (www.gov.uk))

These steps should consist of but are not limited to the below:

- assess the market.
- see if you can procure what you need using a DfE recommended framework tool or another framework agreement (Benefits of using a framework – Find a DfE approved framework for your school – GOV.UK (find-dfe-approved-framework.service.gov.uk))
- prepare your contract and invitation to tender.
- consider whether to use the restricted procedure to reduce the number of bids you must assess later or open the procedure to let anyone bid.

Then you must:

- advertise a contract notice using the UK e-notification service, Find a Tender (FTS) (Find high value contracts in the public sector - GOV.UK (www.gov.uk)).
- make your invitation to tender and all other documents available electronically from the time that the contract notice is published.
- assess all the bids you get fairly, using the same process.
- choose the supplier that offers best value for money.
- award the contract to the highest scoring bid supplier.

Number of Quotations

For the supply of goods or services: -

- Below £10,000 a minimum of two quotations should be obtained. Quotations may be sought verbally but must be confirmed by suppliers in writing (email is acceptable). Catalogue prices may be used.

- More than £10,001 and less than £50,000. At least three written quotations (email is acceptable) must be obtained based on a specification that succinctly describes the requirement but is not geared to a particular product or service offering. All quotations must be retained[20] and signed off by the headteacher. and agreed with an appropriate Governor and recorded.

- More than £50,000, you must run your own buying process, inviting suppliers to submit bids if:

    - You cannot get what you need through a framework agreement.
    - you are buying high-value goods and services.
    - appropriate Governor agreement and recorded within the minutes of the meeting.

- More than £207,720 you must run a Procurement Act 2023 (PA23) compliant buying process.
    - appropriate Governor agreement and recorded within the minutes of the meeting.

Procurement Act 2023

1. **Procurement rules:** school buyers should familiarise themselves with the procurement rules and guidelines outlined in the Act. This includes tendering processes, evaluation criteria, and contract management practices.
2. **Taking a strategic approach:** the Act encourages a more strategic approach to procurement, moving beyond just compliance to prioritise value for money and long-term outcomes. School buyers are encouraged

[20] Unsuccessful tenders/quotes must be retained for a minimum of one year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision-making process are retained for six years following completion of the contract.

to develop clear procurement strategies aligned with school and trust objectives and consider social value factors.

3. **Engaging with suppliers:** effective communication and collaboration with suppliers is crucial under the Act. School buyers should foster open dialogue, provide clear procurement information, and encourage feedback from potential suppliers. Get help buying for schools can advise on how best to do this.

Emergency Works

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

Contractors Own Conditions

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

Payment

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

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

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

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

Records

All records should be kept for the appropriate retention period and will need to be made available to appropriate officers of the Local Authority or their agents, which will include but not limited to internal audit, external audit, property services, procurement, finance.

- The school must keep an updated list of contracts and the values of all these contracts. A template is available from Schools Finance Team SharePoint site.

- The school should keep a record of conflict-of-interest record for anyone involved within any Tender/Quotation. A template is available from Schools Finance Team SharePoint site.

- A copy of any quotations and the specification of requirements sent out to receive these quotations. A template of a quick quotes template is available from Schools Finance Team SharePoint site.

- Terms of reference for evaluation of quotations and tenders where appropriate. A template is available from Schools Finance Team SharePoint site.