



2016/17

FINANCE POLICY

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1 AIMS AND OBJECTIVES OF THE FINANCE MANUAL

1.1 AIM

To make the most efficient use possible of the financial resources available to the College in the progress towards it's identified aims and objectives.

1.2 OBJECTIVES

- Efficient budgeting for the short, medium and longer terms.
- Ensuring value for money in all expenditures.
- Efficient planning of special projects.
- Maximising our non-LEA income.
- Clear delegation of responsibilities
- Clearly defined rules, procedures and process



2 ORGANISATION AND ACCOUNTABILITY - GOVERNORS

2.1 RESPONSIBILITIES OF THE GOVERNING BODY (SFVS Q.3)

Governors are responsible for:

- The well being and control of staff.
 - The well being of pupils.
 - The security, custody and control of resources of the College (plant, environment, materials, resources, cash & stock).
 - Compliance with legislative responsibilities in relation to health and safety, recruitment and opportunity.
 - Expenditure up to the total of the delegated budget share of the College after allowing for the Carry forward.
 - Ensuring that adequate financial procedures and controls exist to minimise the risk of loss, wastage or misappropriation and also to satisfy official requirements relating to VAT, income tax, NI, etc.
 - Control of the powers of the Principal(s) including the ability to limit the Principal(s)s delegated powers if considered to be necessary.
 - Ensuring and monitoring that an up-to-date inventory is maintained for items with a replacement cost of £100 or more, monitoring discrepancies are reported and investigated and records kept of write-offs.
 - Nominating an independent person to audit the College fund at least once per year.
 - Approving the write-off of debts
- By the end of May, governors must have formally approved the College's budget plan, taking into account such things as current spending, priorities in College development plan etc.

Details of the budget plan are sent to local authority with the assumptions underpinning it. (SFVS Q.10)

The above list is not exhaustive and further guidance regarding governor's roles and responsibilities can be found at www.governor.net.co.uk

2.2 THE DELEGATION OF POWERS

A governing body can delegate any of its statutory functions to a Committee, Principal(s) or to the Business Manager, subject to prescribed restrictions. The governing body will remain responsible for any decisions taken, including those relating to functions delegated to a committee or individual.

The governing body must review the delegation of functions annually.

The following functions can be delegated to a committee, but cannot be delegated to an individual: -

- Functions relating to the alteration, discontinuance or change of category of maintained Colleges;
- Functions relating to the approval of the first formal budget plan of the financial year;
- Functions relating to College discipline policies;
- Functions relating to the exclusions of pupils (except in an emergency when the chair has the power to exercise these functions);
- Functions relating to admissions. (Does Statutory Guidance on the College Governance (Procedures) (England) Regulations 2003 DfES Statutory Guidance 3.8.1)

The governing body **cannot** delegate any functions relating to:-

- The constitution of the governing body;
- The appointment or removal of chair and Vice-chair;



- The appointment of the clerk;
- The suspension of governors;
- The delegation of functions and the establishment of committees.

Any individual or committee to whom a decision has been delegated must report to the governing body in respect of any action taken or decision made. The governing body can still carry out functions and make decisions on matters it has delegated.

2.3 THE ESTABLISHMENT OF COMMITTEES

The governing body must determine the membership and terms of reference of any committee it chooses to establish and should review these annually. These decisions should be recorded in the minutes, usually as an appendix to the minutes.

Each committee must have a chair, who is appointed by the governing body or elected by the committee. The governing body may remove the chair of a committee from office at any time.

The chair of any committee must be a voting member of the governing body.

2.4 CLERKING AND MINUTES

The governing body must appoint a clerk to each committee. The DfES suggest that the governing body appoints and pays a clerk that is qualified or receiving training (National Training Programme).

The Head Teacher / Principal(s) cannot be appointed as clerk to a committee. However, (s)he is entitled to attend any meeting of any committee which is not considering her/his conduct, pay, continued employment or the appointment of a successor.

The convening, conduct and minuting of committees must comply with the same regulations as those applying to meetings of the full governing body. The clerk to the committee must give each member of the committee and the Head Teacher / Principal(s) (if not a member) written notice of a meeting, a copy of the agenda and any papers to be considered at the meeting, normally at least seven days before the meeting.

The clerk must ensure that minutes are drawn up, approved by the governing body and are signed by the chair at the next meeting. The governing body should make available to any interested party agenda, minutes, reports and papers (excluding confidential items) as soon as is reasonably practicable.

2.5 COMMITTEE FUNCTIONS

It is recommended that the governing body consider the establishment of the committees covering the following areas;

- Curriculum Committee
- Finance Committee
- Sites and Buildings Committee
- Personnel Committee

The above functions may be combined in to committees that cover one or more of the above. For example in some Colleges the Finance Committee may undertake sites and buildings and personnel functions.



SWSC have the following committees:

- Personnel, Finance and Environment Committee (scheduled once per half term)
- Curriculum and Community Committee (scheduled once per half term)
- Pupil Discipline Committee (scheduled as and when required)

(Other committees may be created as required)

- Full Board of Governors (scheduled once per half term)
- Pay Review Committee (scheduled once per year)

The governing body must appoint 3 'Appointed Governors' to undertake the performance review of the Head Teacher / Principal(s). A Review Officer, possibly the chair should be appointed to deal with any appeal arising from the work of the Appointed Governors.

The Appointed Governors should report any recommendation with regard to pay to the Pay Committee who would formally agree any changes in pay.

2.6 COMMITTEE STRUCTURES & TERMS OF REFERENCE

PERSONNEL, FINANCE & ENVIRONMENT COMMITTEE

Composition

- ⇒ The Committee will consist of 7 Governors (including the Principals), plus the Business Manager. It will be convened and clerked by the Vice Principal (Upper School).
- ⇒ The Committee will meet in Week 3 of the college's half-termly meetings cycle.
- ⇒ The Chair of Governors will be the Chair of the Committee.
- ⇒ The Committee will elect the Vice-Chair at its first meeting.
- ⇒ The quorum for the Committee will be 4 governors.
- ⇒ Only members of the Committee who are governors are able to vote.
- ⇒ Other governors may attend as non-voting observers.
- ⇒ Staff, other than the Business Manager and Clerk may be invited to attend committee meetings as appropriate.
- ⇒ Committee agendas, and other relevant papers, will be circulated to Committee members 5 working days prior to the meeting.
- ⇒ The Committee will consider the most recent outturn statement and a staffing update as standing items.
 - ⇒ The minutes will meet minimum standards. These include adequate minutes being taken; resolutions and decisions being formally noted; and, following appropriate discussion, a copy of the minutes to be signed by the Chair of Committee at the following Board of Governors meeting.

Responsibilities

PERSONNEL:

- ⇒ To consider the Local Authority's model Personnel Policies and Procedures and to ensure that appropriate policies and procedures are agreed and adopted by the Governing Body.
- ⇒ To determine pay policy and college staffing and prepare staffing forecasts in accordance with the College Action Plan.
- ⇒ To carry out an annual audit and review of staffing, including a review of the salary of each teacher and to submit recommendations as necessary on staff numbers (both teaching and non teaching), salary points and allowances. An annual review of the Core Management Team salaries will be undertaken by the Pay Review Committee.
- ⇒ To undertake all arrangements for the Principals and the Vice/Assistant Principal's appointments on behalf of the Governing Body.
- ⇒ To select an appointments panel of appropriate Governors, to include the Principals, to deal with the appointment of teaching staff.



- ⇒ To monitor the provision of supply teachers and the appointment of temporary staff and support staff (delegated to the Principals).
- ⇒ To be responsible for staff reductions and disciplinary and grievance matters.
- ⇒ To be responsible for consultation with staff (together with the Principals) on all matters of the personnel policy.

FINANCE

- ⇒ To consider the Board's Finance Policy and Procedures and ensure appropriate procedures are carried out. These include:
 - budget planning and regular monitoring of the budget for the college;
 - empowering the Principals to vire sums in line with the Policy.
 - ensuring that virement takes place within the agreed budget and is properly authorised and receives notice of all virements;
 - ensuring that the expenditure relates to the developments as identified in the College's Action Plan and does not exceed the budgeted provision;
 - Reviewing School Financial Value Standards & associated Action Plan;
 - ensuring that delegated powers are carried out properly, including purchasing, spending and virement;
 - ensuring that purchasing arrangements and tendering procedures are carried out in line with the colleges own Purchasing Policy as approved by the Governing Body;
 - ensuring the college gets value for money, by adhering to the principles of Best Value – Compare, Challenge, Consult and Compete.
 - generating discussion and giving approval to projects raising additional income;
 - ensuring that the Register of Pecuniary Interests is up to date and reported at the Board Meetings in October each year;
 - ensuring that all financial matters are administered according to the LA's regulations and within probity;
 - ensuring that the college gives due consideration to the recommendations by the Audit Commission, DfE, LA and the Local Authority Auditors;
 - periodically reviewing and recommending changes, if appropriate, to the full Governing Body on the following policies:
 - Finance Policy
 - Charging Policy
 - Delegated Powers – Purchasing
 - Delegated Powers – Virement

BUILDINGS & MAINTENANCE

- ⇒ To make recommendations to the full Governing Body on the following Buildings & Maintenance issues:
 - The College Health & Safety Policy, including the management of health and safety, monitoring procedures and individual specific responsibilities which have due regard to the LA's policy and guidance and statute.
 - To review lettings and Community usage managed and promoted by Bam FM
 - To review inspection reports on the grounds, buildings and equipment by the site, Bam FM and SMBC and review actions.
 - To arrange for a termly summary report of all accidents on site and review the action taken.
 - To authorize any urgent health and safety expenditure in excess of the Principal's delegated powers.
 - To review the site security procedures and burglar alarm system to ensure satisfactory measures are in force for raising the alarm, evacuation, fire prevention and precaution and equipment and dealing with bomb threats.
 - To review the site security procedures and burglar alarm system to ensure satisfactory measures are in force to control visitors on site and prevent unauthorised access and protect people, buildings and equipment.



- To review the arrangements for grounds maintenance and lettings to ensure that the site is fit for appropriate educational purposes including PE, games and sport and to meet the requirements of the Environmental Protection Act 1990 concerning litter and refuse. (Delegated via contract to Bam FM).

PUPIL DISCIPLINE COMMITTEE

Membership

- ⇒ The Committee will consist of three Governors. The Principals may not be a member of the Committee.

Quorum

- ⇒ The quorum for any meeting will be three Governors.

Meetings

- ⇒ This is a Standing Committee and will meet as required.

Terms of Reference

- ⇒ To consider action taken by the Principals to exclude pupils.
- ⇒ To consider parental representations, made either in writing or in person, regarding exclude pupils.
- ⇒ To conduct any consultations with the LA regarding excluded pupils.

PAY REVIEW COMMITTEE

Membership

- ⇒ The Committee will consist of three Governors. The Principals may not be a member of the Committee. The Principals to be present in an advisory capacity (except when discussing their individual pay).

Quorum

- ⇒ The quorum for any meeting will be three Governors.

Meetings

- ⇒ The committee shall meet as required.
- ⇒ Minutes of all meetings will be taken and retained by the clerk or the person acting as clerk. Any records or minutes relating to the pay review committee should be carefully safeguarded and kept confidential.
- ⇒ The decisions of the committee will be brought to the full governing body for information, once any appeal process has been carried out.

Terms of Reference

- ⇒ To review the whole College pay policy as appropriate and make recommendations to the governing body for discussion and ratification;
- ⇒ To keep up to date with relevant developments and any legal changes and to advise the governing body when the College's pay policy needs to be revised;
- ⇒ To review, on an annual basis, the salary of each member of staff, award increments¹ as appropriate, with the exception of the Principals, taking account of any recommendations made by the Principals;
- ⇒ To determine appropriate salary ranges for members of the management team



- ⇒ To minute clearly giving the reasons for all decisions and report these decisions to the next full governing body meeting as a confidential item to be received;
- ⇒ To seek professional advice from the Local Authority, as necessary;
- ⇒ To carry out any appeal review in accordance with the College's Pay Policy;
- ⇒ To attend relevant training as appropriate.

CURRICULUM & COMMUNITY COMMITTEE

Composition

- ⇒ The Committee will consist of 7 Governors plus the Principal. It will be convened and clerked by the Vice Principal (Lower School)
- ⇒ The Committee will meet in Week 5 of the college's half-term meetings cycle.
- ⇒ The Committee will elect the Chair and Vice-Chair of Committee at its first meeting.
- ⇒ The quorum for the Committee will be 4 governors.
- ⇒ Other governors may attend as non-voting observers.
- ⇒ Heads of department will be invited on a regular basis to report on the work of their curriculum area.
- ⇒ Committee agendas, and other relevant papers, will be circulated to Committee members 5 working days prior to the meeting.
- ⇒ The minutes will meet minimum standards. These include adequate minutes being taken; resolutions and decisions being formally noted; and, following appropriate discussion, a copy of the minutes to be signed by the Chair of Committee at the following Board of Governors meeting.

Responsibilities

CURRICULUM

- To encourage all Governing Body and other Committee decisions to be curriculum led.
- To consider the LA's Curriculum Policy Statement and advise the Governing Body on the National Curriculum and its associated assessment arrangements.
- To consider, approve and monitor the implementation of curriculum policies including the National Curriculum.
- To monitor the tracking and progress of all pupils; including SEN(D), PP, CLA
- To monitor assessment and testing arrangements.
- To promote and support curriculum development within the financial limitations set by the Personnel and Finance Committee.
- To approve curriculum policy for the provision for pupils with special needs.
- To review annually the College Development Plan and advise on the provision of sex education.
- To hear appeals against the Principal's decision to lift or change the National Curriculum provision for a pupil.
- To consider and set statutory targets for KS3, KS4 and KS5 in the autumn term of each academic year.

COMMUNITY

- To advise the Governing Body on the development of a range of community services and extended College activities to help meet the needs of its pupils, their families and the wider community. (E.g. Childcare, Out of Hours Learning, Lifelong Learning, Welsh, Health and Social Services, Cultural and Sporting Activities, Other Services for Children and Young People, Community Regeneration, IT)
- To promote and support community focused services and activities particularly in the context of the College Development Plan and identified targets for action.
- To be responsible for the development and annual review of relevant policy.
- To monitor and review the provision for community services and activities and the use of community facilities.



- To liaise with the local authority and consult with other local partners in developing services and activities.
- To consider community matters specifically referred to the committee.
- To consider the financial aspects of community matters.
- To ensure that community services and activities do not interfere with pupil education or promotion of standards of achievement.
- To secure supplementary funding sources for community services and out of College activities thereby ensuring sustainability and safeguarding the College's delegated budget.
- To consider complaints relating to community services and activities.

APPEALS COMMITTEE

- ⇒ The Committee will consist of 3 Governors drawn from the Curriculum & Environment Committee. The Principal may not be a member of the Committee.
- ⇒ The quorum for the Committee will be 3 governors.
- ⇒ The Committee will be responsible for appeals by staff in the case of staff reductions, pay review, disciplinary and grievance matters.

HEALTH & SAFETY COMMITTEE

- ⇒ The committee will consist of 3 Governors, the Principal, the Vice Principal, the college Safety Officer and the Site Manager.
- ⇒ It will be clerked by the Vice Principal.
- ⇒ A quorum for the committee will be 3.

Responsibilities

The committee will be responsible for ensuring that all statutory responsibilities are met, monitoring the safety implications of any projects and any safety matters arising.

2.7 REGISTER OF INTERESTS (SFVS Q.5)

A register of business interests of all governors and non-governor staff with delegated financial authority or significant budgets who can also influence financial decisions, eg senior management and key Finance staff, will be kept by the Clerk to Governors and a copy issued to the Business Manager.

Governors are invited to register their interests at the beginning of their term as Governors. The register is formally reviewed annually at the beginning of each College year when the Clerk to the Governors sends out the proforma for completion and return. This is also a standard agenda item at Full Board and Committee meetings and at any later time where it is evident that they have a direct or indirect pecuniary interest in a transaction either proposed or existing with the College. **Such interests include those of their employers / companies and their family. It should also be noted that any other member of staff with a relevant interest in items purchased, should also sign the register of pecuniary interests.**

The Register must be kept up to date and is available for inspection by Governors, staff and the local authority.

A form for the notification of business interests has been issued to all governors as attached (Annex D)

Annexes:

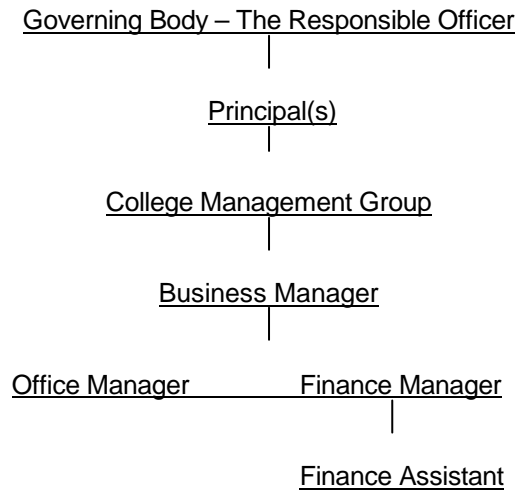
- A Letter of direction to the Responsible Officer



- B Letter of direction to the Head Teacher / Principal(s)
- C Letter of direction to the Business Manager
- D Register of Business Interests



3 FINANCE RESPONSIBILITIES



3.1 GOVERNOR RESPONSIBILITIES

Some of these responsibilities may be delegated to either the Principal(s) or the Business Manager (also see 2.1 & 2.2)

- Contributing and working to an agreed financial calendar.
- Fixing college budgets.
- Keeping accurate records.
- Providing regular accounts and returns of income and expenditure for relevant authorities.
- Complying with compulsory competitive tendering regulations.
- Accounting for any earmarked expenditure.
- Exercising appropriate monitoring and control and not planning to overspend.
- Maintain a register of pecuniary interests, which should include nil returns and be updated annually.

3.2 PRINCIPAL(S)

Some of these responsibilities may be delegated to the Business Manager

- Contributing and working to an agreed financial calendar
- Agreeing a college budget with Governors.
- Keeping accurate records.
- Providing regular accounts and returns of income and expenditure for relevant authorities.
- Complying with compulsory competitive tendering regulations.
- Accounting for any earmarked expenditure.
- Exercising appropriate monitoring and control and not planning to overspend.
- Supporting the Finance Department in the seeking and implementing of financial good practice and the implementation of the SFVS.
- Seeking and acting on the advice of the College Finance Department and the Local Authority as required
- Leading and managing staff to secure improvement
- Accountability to Governors and others, such as parents, pupils, staff and the local community.
- Ensuring all reasonable action is taken to minimise risks.



- Prepare estimates of expenditure and income covering the next financial year for consideration and approval by the Governing Body.
- Informing the Finance committee immediately if the College's budget looks as though it will be overspent at the end of the year with a proposed course of action to recover the deficit.
- Reporting / seeking approval for virements to Governing Body (Finance Committee) at the next available opportunity.
- Notifying the Finance Committee as soon as possible of all matters affecting staff payments.
- Ensuring compliance with the terms of the Financial Regulations. To this end the Principal(s) must provide the Responsible Officer and Chair of Governors with full and free access to such financial or other information that they may require in order to satisfy themselves that this is being achieved.

3.3 GOVERNORS' PERSONNEL AND FINANCE COMMITTEE

- Hold regular half termly meetings.
- Receive reports from the Principal(s) / Business Manager
- Monitor College expenditure through half termly monitoring statements.
- Consider recommendations for virements.
- Consider the annual budget and 3-5 year budget plans in the light of recommendations from the other committees the Principal(s) and the Business Manager.
- Report to full Governors body.

A copy of the terms of reference of the Finance and General Purposes committee is Included in 2.6.

3.4 THE RESPONSIBLE OFFICER

- Advise the Governing Body on the discharge of its responsibilities;
- Ensure the efficient, economical and collective management of the Governing Body resources and expenditure, including funds, capital assets and equipment and stock;
- Ensuring the introduction and maintenance of sound internal controls
- Seek to ensure that financial considerations are taken fully into account in reaching decisions and in their execution;
- Review monthly budgets and reports as prepared by the Business Manager.
- Exercise proper control over the finances taking account of 3-5 year budgets.

3.5 BUSINESS MANAGER

- Monitoring short and medium-term budget trends.
- Monitoring budget progress and providing information for the Principal(s), Governors including preparation of reports for the Finance Committee and Full Governing Body (at least termly).
- Having an overview of income streams and necessary procedures,
- Advising on income generation through grants via agencies, DCSF, European Funding, National Lottery and the Local Authority etc.
- Managing the work of the Finance Manager, Data Manager, Exam Officer and School Fund Administrator.
- Working with the Principal(s) and the Finance Manager to produce appropriate papers for governors' meetings and the LEA.
- Developing a Finance Policy for Smith's Wood Sports College and monitoring its procedures.
- Regularly reporting to the CMG on financial management and trends.
- Advising the Principal(s) on present and future policy.
- Attending and reporting to Governors' Personnel and Finance Committee.
- The efficient and effective deployment of staff and resources.
- Ensuring all reasonable action is taken to minimise risks.



- Prepare estimates of expenditure and income covering the next financial year for consideration and approval by Principal(s) and the Governing Body.
- Spot checking monthly bank reconciliation.
- Maintenance of complete and accurate records.
- Signing all orders.
- Promoting and carrying out work in line with the LA Financial Regulations.
- Preparation of the College budget, setting expenditure thresholds and profiles.
- Notifying the LA of the College's approved budget plan.
- Spot checking orders processed via purchase card.
- Spot checking petty cash spend and account.
- Spot checking College Fund.
- Monitoring budget progress and providing information for the Principal(s) and Governors.
- Signatory for College cheques.
- To ensure the integrity of raised cheques.
- Monitor the impact of Facilities Management contract including day to day activities, standard of work, timescales and costs associated with additional works, purchases and damages.
- Seeking good practice and attending network meetings as appropriate.
- Advising the Principal(s) on best practice including legislative and authority policy.
- Providing the Responsible Officer, Chair of Governors and Head Teacher / Principal(s) with such assistance as necessary for the satisfactory completion of their financial duties, including full and free access to financial or other information that they may require.
- Ensuring that the financial systems and controls for the College are operated in accordance with this document.
- Reporting immediately any known or suspected breaches of the requirements of this document.
- The efficient and effective deployment of staff and resources (teaching staff cover.)
- At all times be looking for Value For Money, by way of;
 - challenge** - why and how a service is being provided
 - compare** - with others' performance;
 - consult** - with service users and the key partners; and embrace fair
 - compete** - as a means of securing efficient and effective services.

3.6 FINANCE MANAGER

- Prepare estimates of expenditure and income covering the next financial year for consideration and approval by the Business Manager, including salaries.
- Carrying out work in line with the LA Financial Regulations.
- Monitoring budget progress and providing information for the Business Manager and budget holders, including a day to day review of Capitation, School Fund and Trips.
- Ensuring all reasonable action is taken to minimise risks.
- Identification of income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Responsibility for ensuring that VAT is treated correctly on all transactions.
- Managing Payroll
- Notifying the Business Manager as soon as possible of all matters affecting staff payments.
- Day to day processing and monitoring of spend against capitation budgets.
- Carrying out work in line with the LA Financial Regulations.
- Ensuring orders are processed for all purchases including those via purchase card.
- Ensuring appropriate confirmation for goods and services have been received for orders and ensuring the College is charged only for goods received.
- ensuring income and spend is allocated to appropriate funds / departments, with no mixing of fund
- Pursuing bad debts and recovering wherever possible.
- Preparing cheques.



- Recording income and expenditure of official and unofficial funds; maintaining financial records and reconciling with bank statements and computer tabulation sheets.
- Reconciling transactions between the County Council's financial management system and the College's records.
- Carrying out end of year procedures for closing old year accounts and identifying creditors and debtors.
- Carrying out work in line with the LA Financial Regulations.
- Reporting budget progress and providing information for the Business Manager and budget holders.
- Seeking good practice and attending network meetings as appropriate
- Advising the Business Manager and Principal(s) on best practice including legislative and authority policy.
- Making the Business Manager aware of any concerns related to the role, finance and procedures and policy.
- At all times be looking for Value For Money, by way of;
 - challenge** - why and how a service is being provided
 - compare** - with others' performance;
 - consult** - with service users and the key partners; and embrace fair
 - compete** - as a means of securing efficient and effective services.

3.7 EXAMS OFFICER

- Checking exam related orders received against delivery notes, orders and invoices and ensuring the College is charged only for goods received.
- Signing all exam related orders.
- Challenging late registrations in order to reduce charges.

3.8 SCHOOL FUND ADMINISTRATOR

- Ensuring that a monthly bank reconciliation takes place.
- Identification of income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Responsibility for ensuring that VAT is treated correctly on all transactions.
- Carrying out work in line with the LA Financial Regulations.
- Checking petty cash spend and managing the account.
- Monitoring College Fund.
- Receiving and banking income for official and College fund.
- Ensuring income is allocated to and payments are made from the appropriate fund, with no mixing of fund.
- Preparing cheques.
- Carrying out end of year procedures for closing old year accounts.

3.9 BUDGET MANAGERS

- Planning expenditure to cover all areas of the budget remit.
- Reviewing expenditure with line managers in December and March.
- Justifying that any agreed rollover of capitation is earmarked for specific uses.
- Taking part in budgetary planning so that their needs are taken into account.
- Placing orders with the Finance Manager, checking deliveries and authorising payment of invoices.
- Reporting annually on the use of financial resources. No orders will be raised on budget heads that will take them into deficit without the express permission of the Business Manager in consultation with the Principal(s).
- Ensuring value for money in all expenditures including the requirements for estimates and tenders.
- Following all procedures when purchasing goods whether placing orders via the Finance Manager, over the internet and when purchasing by College purchase card.
- Maintain accurate stock books, asset lists / as appropriate.
- At all times be looking for Value For Money, by way of;



- **Challenge** - why and how a service is being provided
- **Compare** - with others' performance;
- **Consult** - with service users and the key partners; and embrace fair
- **Compete** - as a means of securing efficient and effective services.
- **Collaborate** – are the service or goods already available in school, can they be shared, can a bulk order be made

Contingency Plans

- In the prolonged absence of a Finance Manager, invoices can be approved by LEA Finance Officer.
- In the prolonged absence of a Budget Manager, orders can be approved by the appropriate line manager.
- In the prolonged absence of the Business Manager orders can be approved by the Principal(s) or an appropriate Vice Principal(s)

4 FINANCIAL PLANNING AND MONITORING

4.1 BUDGET STRUCTURE

Solihull LEA delegates the majority of its Education budget to schools retaining approximately 7% for central administration.

A complicated formula calculates how this is spread between schools.

A schools delegated budget comes under a number of headings. In the case of Smith's Wood, these are broadly:

1. Total age weighted pupil budget (AWP)
2. Learning difficulty/Deprivation
3. Minimum basic provision
4. Other allowances
5. Premises costs

The most important factor in determining our budget is the number of pupils on roll.

The budget will be considered at three levels:

1. As part of the college's long term development plan.
2. As an annual detailed college budget.
3. As an annual planned spend within each budget heading.

The budget will take account of:

- The college's aims and objectives,
- The college improvement plan,
- Curriculum changes and developments,
- National developments and regulations,
- Local demography,
- Reserves and contingencies,
- Staffing costs and incremental drift,
- Needs of departments.

Within the constraints of the delegated budget the budget will ensure that:



- Departments are adequately funded.
- Staffing levels in all categories are sufficient
- The buildings and the surrounding grounds are maintained to a safe, attractive and work conducive standard.
- Adequate reserves are maintained (target of 2 -5% of initial budget share).
- Funding supporting the college improvement plan is realistic and achievable.

Departmental Allowances

- A sum for departmental capitation will be allocated each year.
- This budget will be allocated according to a formula, which is based on the number of pupils studying the subject and the relative cost of each subject.
- In some cases departmental capitation may be given as a fixed sum, this may be for various reasons including the need to cover set up costs for new courses; to cover specific aims within departmental action plans or due to specific bids. Fixed sums are also given to non-teaching departmental areas.

Balances may be brought forward from the previous year, including deficits but this **will be at the Principal(s)'s discretion.**

Capitation budgets will be reviewed each September and January by the Business Manager.

4.2 MANAGEMENT OF THE BUDGET

The following basic tenets will underlie the management of the budget.

- Observe the principles of value for money.
- Pay invoices by the due date.
- Restrict stocks of materials to those that are necessary. Unnecessary stocks tie up capital and reduce interest.
- Where possible place orders late in the year rather than early so that interest can be maximised.
- No orders will be raised on budget heads that will take them into deficit without the express permission of the Business Manager in consultation with the Principal(s).
- Orders should not be placed against income until it has been received.
- Income should be monitored to ensure that all income is received by the due date.
- Value for money, in terms of achieving desired objectives, will be attained.
- The Principal(s) may make virements of sums up to £5000 without reference to the Governors. Virements of more than £5000 should be passed by the Personnel and Finance Committee.
- All amendments to documents should be initialled by the original signatory.

4.3 MONITORING AND REVIEW

The College's computerised financial system is designed to control all resources and expenditure.

The system has an "on line" enquiry facility to enable finance staff to obtain the following information whenever required:

- Actual expenditure to date.
- Committed expenditure to date.
- Variance of actual expenditure against budgeted expenditure.

The system will be used to produce regular monthly management reports for income and expenditure indicating actual expenditure against budgeted expenditure on both a monthly and cumulative basis. Variances will also be indicated on both a monthly and cumulative basis.

A package of financial reports will be circulated as detailed below:

- The Responsible Officer



- Finance Committee Members
- The Principal(s)
- The Business Manager
- SMBC

All Governors will receive a finance report at least quarterly.

A report by the Business Manager will be an item on the Agenda of all Finance Committee meetings.

A report by the Chair of Finance will be an item on the Agenda of all Governing Body meetings.

4.4 CONSULTATIVE PROCESS AND BUDGET PREPARATION TIMETABLE

The consultative programme will run in parallel to that of drawing up the Annual Action Plan based on the college strategic plan. The process will adhere to the following outline plan:

- September - Staff and pupil projections for next few years
- December – SMBC indication of likely budget
- December - Termly review with line managers.
- January - CMG meeting
- January – Personnel and Finance Committee
- January - CMG meeting
- February - Board of Governors
- March - CMG meeting
- March – Personnel and Finance Committee (provisional legal budget)
- March - Termly review with line managers
- April - Board of Governors (provisional legal budget)
- April - Outturn statement from finance department
- May – Personnel and Finance Committee (final budget plan)
- May - Board of Governors (final budget plan)

4.5 ACCOUNTING

- The accounting records are processed and retained on the Oracle accounting system.
- All financial records are retained for a minimum of six years.
- Access to financial records is restricted to personnel directly involved in finance.
- All income and expenditure is recorded on the Oracle accounting system in order to ensure the integrity and completeness of external returns.
- Recoverable VAT is accounted for in accordance with HM Customs and Excise requirements.
- Access to the Oracle is restricted by user access rights and password protection.
- The Responsible Officer has unlimited access to view and check all areas of finance.
- Network Manager to ensure protection against unauthorised modifications, destruction or disclosure or loss whether by accident or intention.
- Local Authority is responsible for regularly backing up the system.

5 Petty Cash

Small sums of unavoidable expenditure can be refunded through petty cash. A VAT receipt **must** be produced and attached to a petty cash slip that in turn must be signed on receipt of the money. These sums will be charged to the appropriate budget head.



The maximum amount to be reimbursed at any one time will not exceed £50.

Petty cash is not to be used for the cashing of cheques from either staff or Governor.
Reward cards must not be used in conjunction with any purchase made that is to later be refunded via petty cash.

The Process

- Petty cash is managed on the basis of a float of £400
- Petty cash is secured in a lockable petty cash box. When the float is topped up it is entered in the Balance column of the Petty cash spreadsheet.

One person operates the petty cash system at any one time, and they are the only person who has access to the box.

Should the responsibility for the Petty cash system be handed over from one person to another, it should be done in front of a witness and the amount of cash and the amounts for receipts / vouchers should be written up in the Petty cash spread sheet and accounted for.

- Any money paid out should be replaced with a petty cash voucher made out to that amount. The voucher should be stored separately and securely.

There should always be the equivalent sum of cash and petty cash vouchers to total to the agreed float and this should be in the petty cash spreadsheet.

Receipts should always be obtained for petty cash claims, and the receipts should be stapled to petty cash vouchers. All petty cash vouchers should be signed by the budget holder before being paid.

- The float should be topped up to the agreed amount when it is likely to be near the point of exhausting your petty cash fund. On the petty cash spreadsheet record details of payments. The total of these payments is the amount that is withdrawn from the bank to restore the float to the agreed amount.

e.g. If a payment comes to £76.91 and the agreed float is £100, there should be £23.09 in the petty cash box. You have to withdraw £76.91 to restore the float to £100.

- The petty cash spreadsheet should be updated every time you draw more money; cash is taken out or added to in order to top the float up to the agreed amount.
- Petty cash vouchers, with receipts, should be filed in date order.
- Vouchers should be numbered and the corresponding number be entered against that item of expenditure on the petty cash spreadsheet. All vouchers and records should be kept as they will be needed when preparing our accounts. These are passed to the Finance Manager once a claim to top up is made.

For the purpose of accounts, on the last day of the financial year the petty cash should be counted in front of the Business Manager and the Authority's Cash Float Verification Form is to be signed for that amount and the petty cash spread sheet should also be signed (see Annex G).

A copy of the Cash Float Verification Form should then be forwarded to the Authority.

The petty cash is monitored monthly by the Finance Manager



6 College Fund

This is a holding account for sub accounts run by members of staff for non-Authority monies.

Purchases made through College Fund **are not exempt from VAT.**

Members of staff should keep their own records of payments in and out and be able to produce records of the account when required.

Cash payments from these funds can be obtained by submitting receipts attached to a gold payment form which has been authorised by the account holder.

College fund is not to be used for the cashing of cheques from either staff or Governor.

Reward cards must not be used in conjunction with any purchase made that is to later be refunded via petty cash.

The Process

- Money to be paid into accounts should be counted and placed in a sealed envelope and attached to a pink paying in slip. The envelope is to show the amount of cash inside together with details of which fund the money is to be paid into. This should then be placed in the Gold cash box in the General Office.
- This is then logged on the College fund form.
- Once a week contents of gold tin is emptied. Envelopes opened and contents checked against pink slip. This is then marked and dated on the log confirming that the contents have been checked.
- Once the contents of the all the envelopes are counted, the pink slips are added up. The total sum of the cash and cheques should match total of pink slips.
- Pink slips recorded on College fund spread sheet. Cash and cheques recorded separately.
- A pink slip is kept for auditing purposes and filed under the relevant banking week, and the dept copy sent to the dept to retain.
- A 'float' of approx £500 cash is kept in the college fund (grey) tin. All other cash/cheques are banked, recording all the details in the paying in book.
- Once a month a bank statement is sent and this is checked off against the spread sheet.
- At the end of the College fund financial year (30th June) a copy of each depts. College fund transactions is sent out requesting verification that this is correct, asking the Head of Dept to sign and return back to Finance Office.
- Once all departments have sent back their sheet (marked off against the summary sheet) this is filed with the years receipts ready for auditing purposes together with a copy of that year's College fund which has been saved onto a CD.

The college fund is monitored monthly by the Finance Manager
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7 PAYROLL

The payroll is administered by the Finance Manager.

Changes are actioned following instruction from the Principal(s); or by Business Manager or Principal(s)'s PA following instruction by the Principal(s). The Chair of Governors will advise of matters relating to the conditions for the Principal(s).

A complete monthly payroll printout is to be obtained after the payment date. This printout, together with all associated documentation, is checked for accuracy by the Finance Manager who then signs as agreeing with the gross cost to the College. **The printout is then countersigned by the Business Manager.** Any errors found are amended the following month.

Regular amendments to the payroll, such as overtime, should be authorised by the line manager and countersigned for reasonableness by the Principal(s) before payment. Increases in salary are authorised by the Principal(s), this includes honoraria.

Access to payroll and personnel records is restricted to staff members directly involved in the administration of these functions.

The Finance Manager ensures all pension contributions and National Insurance contributions are paid as required.

Payment of salary will be paid one month in arrears by direct credit transfer to the account of the payee in accordance with the schedule agreed by the Governing Body.

Incremental and performance related pay will be agreed by the Finance and Personnel Committee in June and back dated to April.

8 ASSETS

The College is managed under the 'Building Schools for the Future' initiative. Under this initiative the College premises and the majority of its fixtures and fittings are not the property of the college but are that of BAM/FM. BAM/FM are contracted to maintain these for 25 years (from 2009).

Items identified on the college asset list are items valued or purchased with a value of £100 or more or are items deemed to be desirable.

The assets are recorded by each department on a register (see I) this is then transferred to a central register. All subsequent additions and disposals are to be clearly documented in the register by the department head and the Business Manager is to be issued with the up dated list.

No deletions may be made from a computerised register without getting written authority from the Principal(s) / Business Manager.

The Business Manager is responsible for the asset register. The asset register must be reviewed at least annually. A signature to show that the check has been completed is to be entered in the register (or hard copy if computerised) with the date. Discrepancies will prompt enquiries, where significant these will be reported to the Principal(s) / Governing Body.

Assets may be disposed of but the governing body are to check if consent is required from the Secretary of State of the LEA before disposal. Details of the authority to dispose must be entered in the asset register.



Where items are used by the College but are not owned by it, they should be noted within the asset register and clearly identified (e.g. leased / borrowed music or theatre equipment).

Details of new acquisitions are to be entered into the asset list on a regular basis. Each item must detail the serial/model number, location, member of staff responsible for the asset, date purchased/estimated age.

Where practical, assets should be kept under lock and key when not in use.

9 LOSS OF EQUIPMENT

Actual loss / theft or suspected loss / theft of equipment are to be notified to the Business Manager immediately.

A log of all equipment lost or suspected lost must be brought to the Principal(s)'s attention on a monthly basis.

10 CHARGING AND REMISSIONS POLICY

Charging for educational activities at Smith's Wood Sports College is covered by the regulations encompassed within the **Education Act 1996 – Sections 449.462.**

A charge **may be made for optional extras** wholly or mainly **outside of College hours.**
The College cannot charge where such activities are provided:

- To fulfil any **requirements** specified in the **syllabus** for a prescribed public examination.
- Specifically to fulfil statutory duties relating to the **National Curriculum.**
- Specifically to fulfil duties relating to **Religious Education.**

The college can charge for:

- Any materials, books, instruments, or equipment, where the child's parent wishes him/her to own them.
- Optional extras.
- Music and vocal tuition, in limited circumstances
- Use of community facilities.

As a cashless school **any plans to charge pupils / parents** for activities, goods or services **must first be discussed with the Finance Manager** to ensure the correct procedures are followed to allow the payments to be managed via **Parent Pay and ensure statutory requirements are met.**

Participation in optional extras will be on the basis of parental choice and prior confirmation in writing is required from the parents confirming that are willing to pay charges. The charge per head cannot exceed the actual cost of providing the optional extra, divided equally by the number of participating pupils and may include elements for:

- transport,
- admission fees,
- insurance costs,
- administration costs
- cost of supply staff for those teachers participating



School Trips and visits:

School Visits and Journeys taking place within school hours will be provided free of charge with the exception of board and lodging for residential activities. **However, the school does have the right to ask for voluntary contributions. If the activity cannot be funded without voluntary contributions, the college must make this clear to parents at the outset.** Whilst no child should be excluded because of inability to pay, **the school does have the right to cancel the trip if the level of contributions does not meet its budgetary requirements.**

No element of subsidy for pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge is to be included in the calculation. The responsibility of determining the level of voluntary contribution is delegated to the Principals.

Education outside of normal school hours:

Where such education is part of the National Curriculum requirements, no charge will be made other than for board and lodging. Voluntary contributions, however, will be invited on the same basis as that for education during normal school hours. Parents will be charged in full for any activity organised through the school, wholly or mostly after school hours, which is not part of the curriculum.

Education partly during school hours

Non-residential activities:

Where 50% or more of the time spent on any activity takes place within the normal school day, charges will be levied as stated in 'school trips and visits' above.

Residential activities:

If the activity takes place during term time and the number of school sessions missed as a result is less than 50% of the total number of half days taken by the activity, then it is deemed to be out of school hours and will be covered by paragraph above. Where the number of school sessions missed is 50% or more of the total number of half days taken by the activity then charges would be levied as stated in 'Education outside of normal school hours' above.

Materials etc.:

Neither pupils nor parents may be required to supply any materials, books, instruments or other equipment for use in connection with education during College hours. They may be invited to provide items voluntarily but no child is to be disadvantaged because of a parent's unwillingness or inability to contribute.

Parents can be invited to make voluntary contributions towards the costs of CDT or Food Technology materials and a charge can be made for ingredients or materials where parents have indicated in advance a wish to own the finished product.

Music tuition:

Subject to their prior agreement, parents can be charged for the provision of music tuition where it is not required for the National Curriculum or public examinations.

Revision guides / items for resale:

The school provides books and equipment relating to the provision of the National Curriculum. A charge will be made for revision guides and other items for resale (at cost) where parents have indicated in advance that they wish their child to have their own revision guide or other such item

Examinations:

Where a pupil has not been prepared for a public examination by the College (including GCSE re-sits) but has been allowed by the College to sit the examination at the College as an examination centre, the College may make a charge for the examination entry fee. Prior written confirmation from the parent is required that he/she is willing to pay the charge.



Where a pupil fails without good reason to complete the examination requirements for any public examination for which he has been entered and a fee paid, the College may recover the fee from the parents regardless of whether the examination is prescribed. In the sixth form the College may require that students pay for any re-sit examinations in subjects prior to their entry.

Remissions:

The Governing Body will remit charges in line with the level specified in the Education Act 1996. Pupils whose parents are in receipt of the following support payments will be eligible for remission of charges for board and lodging costs during residential school trips deemed to be in school hours and essential to either an examination syllabus or the national curriculum. The relevant support payments are:

- Universal Credit in prescribed circumstances
- Income support
- Income Based Jobseeker's Allowance
- Income related Employment and Support Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, where the parent is not entitled to Working Tax Credit and whose annual income (as assessed by the Inland Revenue) does not exceed the current level specified by HMRC
- Guarantee element of State Pension Credit
- Employment and Support Allowance

Damage caused wilfully or negligently.

The cost of repair or replacement of lost, broken or defaced books, materials, equipment or building fabric will be charged to parents where the responsibility lies directly with the pupil as a result of damage caused wilfully or negligently.

Departments or staff should not have any separate process for collecting payments, taking cash from pupils or collecting / storing cash

Financial procedures will comply with current VAT regulations as outlined in '*Value Added Tax and its impact on Colleges*'.

11 Lettings

The College is managed under the 'Building Schools for the Future' initiative. Under this initiative the College premises and the majority of its fixtures and fittings are not the property of the College but are that of BAM/FM. Under this agreement, all third party lettings are the responsibility of BAM/FM. The College cannot let its facilities for income, but does have a number of 'Community Hours' that it can use for the benefit of the local community. Whilst the College cannot directly receive monies through third party lettings, the College is entitled to a split of the profits from lettings made by BAM/FM ones it has reached the agreed limit of £50,000.

12 Controls

All cheques, direct debits, standing order mandates and electronic transfers require two signatories.
The ordering of new cheque books is to be authorised by Business Manager.
The petty cash process is to be reviewed monthly.
The College fund is to be reviewed monthly.
The contents of the safes in the Admin Office and the Finance Office are to be reviewed monthly.
All purchases require the authorisation of budget holders and the Business Manager except those made under the departments' purchase card limits.
Purchase card statements are vetted by the Business Manager.

13 Payments



Payment of salaries is made through the Bankers Automated Clearing Service (BACS).

Payments to suppliers for services are to be made by dependant on the terms of the invoice and any agreements by the authority. Payments are made by the Authority either by BACS or the raising of a cheque.

The authorisation of payments is as detailed within with the procedures detailed in 5.4

Authorised signatories are as stated on the bank mandate.

14 STAFF BENEFITS POLICY

14.1. Travelling and Subsistence

Claims will only be paid for business mileage.

Any mileage between home and the normal place of works shall be deemed as private mileage.

Where a journey starts at home the amount to be claimed as business mileage are the miles in excess of the employee's normal home to work mileage. Where a journey from home does not exceed the employee's normal home to work mileage travel expenses will not be reimbursed.

Rates for Reimbursements are indicated in Annex T.

Reimbursements can include car park charges, public transport and **subsistence**.

Receipts and tickets need to be attached to the form (which is available from the Finance Office) without this payment will not be processed.

A receipt for petrol is required to accompany petrol claims for the purposes of VAT.

All claims will be examined by a member of the finance team to ensure their validity and that they are not excessive.

14.2 Course fees

The full cost of course fees will be borne to the College where:-

- Prior agreement has been sought by Personal Development Coordinator;
- The training leads to the acquisition of knowledge and skills which are necessary for the current duties of employment and seen to be disseminated;
- The training leads to increased effectiveness in present or prospective duties of employment.

The course need not lead to the employee gaining a qualification.

Non teaching staff should complete the Non-Teaching Staff Training Application and Agreement (See Annex J)

Teaching staff training is discussed planned and agreement sort via direct discussion with the PDC coordinator.



Employees may be asked to repay fees should they terminate their employment before two years have lapsed from the end of the course date.

All claims will be examined by an authorised official to ensure their validity and that they are not excessive.

14.3 Educational visits

The costs for employees attending educational visits or College trips will be deemed free of charge where:-

- The employee is required to perform supervision duties
- It is considered wholly, exclusively and necessary for the current or prospective duties of employment.
- Prior agreement has been sort by their line manager and by the Business Manager

The costs for employees undertaking inspection visits in connection with an organised educational visit or College trip will be deemed free of charge where it is felt that such a visit is necessary to ensure the welfare and safety of the pupils and staff participating in the visit and to ensure that pupils receive full value whilst away. Such visits require prior agreement by their line manager and by the Business Manager.

14.4 Eye tests

1. When you attend for an eyesight examination please ensure that you have completed the authorisation form. Also ensure that your Line Manager has signed to say you are a VDU user under the definition given in the Council's Display Screen Equipment Corporate Policy.
2. We will reimburse you up to £18. This represents the market rate for VDU eye tests. If you prefer to use an optician who charges more then you will have to pay anything over £18 yourself. Please ensure the Optician has completed this form and keep a copy of your receipt. Please give to your Department Personnel Section and they will arrange for reimbursement via your salary.
3. If you require eye correction for Display Screen Equipment use, we will contribute £45 towards the cost of glasses. This represents the cost of a basic pair of spectacles.
If you prefer a more expensive type of eye correction you will have to pay anything over £45 yourself.
4. If the Optician detects a condition which may affect your use of a VDY, they will forward the details to the Council's Occupational Medical Doctor with your written consent. Please ask the Optician to contact your Departmental Personnel Officer.
(See Authority for Eye Tests)

14.5 Personal protective equipment

Employees will be provided with personal protective equipment where it is considered necessary to comply with legislation and to ensure the health and safety of the employee.

All personal protective equipment will be purchased by the College for use by employees.



Employees are required to maintain all personal protective equipment issued to them in a reasonable condition. The College will seek to recover any loss or damage to equipment caused by the negligence of the employee.

Employees must return all equipment issued to them upon termination of employment.

15 PURCHASING POLICY

15.1 PURCHASING POLICY - INTRODUCTION TO THE PRINCIPALS OF THE POLICY

Value for Money (VFM)

The principles underpinning VFM are simple and reflect an appropriate balance between:

- * **Economy**
- * **Efficiency**
- * **Effectiveness**

Value for money does not mean that the cheapest option is automatically the best option consideration should be given to other influential factors;

- * **Quality and functionality / appropriateness of the goods or service**
- * **Reliability and dependability** (based on past experience)
- * **Timing of supply** (can deliveries be guaranteed by the date required)
- * **Reputation of the supplier** (for quality or excellent value)

Care should be taken to weigh up the interests of operational efficiency and convenience against the demands of VFM, so that an inordinate amount of time, energy and money is not needlessly consumed in pursuit of minute savings. However, Heads of Department are responsible for ensuring that the orders they place represent the best value for money available; it will therefore be necessary to check a range of suppliers periodically to ensure that VFM is maintained.

Orders for Goods and Services

The cost of processing an order through the college and the authority is estimated to be at least £60 per order. Please try to avoid unnecessarily small orders.

15.2 PURCHASING POLICY - RESPONSIBILITIES

Responsibilities can be found in section 3 of the Finance Manual of which this policy forms part

15.3 PURCHASING POLICY - REQUIREMENTS FOR ORDERS

Orders £000 to £2,000

- Value for Money criteria should be followed. Purchase orders are to be raised or purchase made based on limits on Purchase Cards (See Annex E). **See Flow Chart Annex L**

Orders £2,000 to £10,000 (3 recorded verbal quotations required.) **See Flow Chart Annex M**

- 3 Quotations are required (unless from an SMBC preferred supplier)
- A copy of each quotation must be recorded and retained by the Finance Department. The Budget Manager is to complete and sign supplementary order form.



- All orders over £2000 must include a completed Record of Quotation Document (see **Annex K**).
- Business Manager to approve orders.
- Finance Manager to check orders and quotations and if valid enter them onto Oracle and place the order.
- If the record of quotation is incomplete or the lowest price is not chosen then the order must be referred to the Business Manager before entering onto Oracle.
- Any change to the original quote must be approved by the Business Manager.

Orders £10,000 to £20,000 (3 written quotations required) Flow Chart Annex N

- Contracts or orders between £10000 and £20000 require 3 written quotes,
- A completed record of Quotation Document is also required (see **Annex K**). This will need to show reasons for not accepting the lowest recorded quote (if this is the case). No orders will be processed without this documentation
- All details must be recorded and retained by the Finance Department, Budget Manager to complete and sign supplementary order form.
- Business Manager and the Principal(s) are to approve orders prior to them being placed.
- Finance Manager will enter them onto Oracle.
- Any change to the original quote must be approved by the Principal(s) and the Business Manager.

Orders £20,000 + (Full tendering procedures)

- Contracts or orders for over £20000 require the full tendering procedures involving a Governor's sub committee
- Budget Managers to complete order form.
- Budget Managers to attach a completed Record of Quotation form (see **Annex K**) with associated evidence. No orders will be processed without this documentation.
- If Record of Quotation form is incomplete or the lowest is not chosen then the order must be referred to the Finance Manager.
- All orders in this category must be countersigned by the Principal(s) or Deputy Principal(s).
- Finance Manager to enter order onto Oracle.
- Principal(s) & the Business Manager to approve the order.

15.4 PURCHASING POLICY - MAKING AN ORDER AND THE INVOICE PAYMENT PROCEDURES

Budget holders need to manage their budget and as such, must ensure that no orders are to be placed which will take a budget into deficit without the direct agreement of the Business Manager and in consultation with the Principal(s).

Print-outs of capitation / budget expenditure can be obtained on request from The Finance Office but are scheduled to be issued to budget managers in September and January.

The Order Process

The dept must check for best value prior to processing an order.

The dept complete an order form and forward to the Finance Manager.

The Finance Manager checks the details of the order and sample checks for best value dependant on the size of the order and / or the cost of the item.

The Finance Manager then processes the order on to Oracle and a paper copy is given to the Business Manager for approval.



Once approved, the order is made by emailing or posting the order to the supplier.

The orders are then filed in purchase order number, in the Purchase order folder, with name of the supplier and the department clearly visible.

On delivery, the Admin Manager identifies the department or the member of staff that has made the deliver form them to check the order. If not, the Admin Manager contacts the Finance Manager to check the order book.

On receipt of the invoice this is sent to the Head of Dept / the budget manager to confirm that they have received the goods as per the order.

Budget holders must sign the certification form to confirm that the goods/services have been received, that prices are correct and that they agree with the original order.

If the order has not been made via an official purchase order, the Finance Manager checks that the certification form has been signed and passes all documentation to the Business Manager to be signed off for payment.

On no account should orders be placed without an official order number.

Orders placed without a number will remain the personal responsibility of the person placing the order.

Heads of Department are responsible for ensuring that the orders they place represent the best value for money available. It will be necessary to trawl a range of suppliers periodically to ensure that this is achieved.

15.5 PURCHASING POLICY - PURCHASE CARDS

Budget Holders can apply to hold a Purchasing Card; the Business Manager will have the final decision. This purchase card should reduce the administrative paper burden of processing official orders. Applying for a card involves an acceptance of the responsibilities implicit in holding and using a credit card. The College purchasing policy applies to all card purchases.

The requirement for the college to pay only certified accounts is satisfied by the use of purchasing cards as long as the following conditions are satisfied:

- The performance of the monthly reconciliation of cardholder's statement to the cardholder's individual transaction log and the notification of any disputed transactions which cannot be resolved by the cardholder to the purchasing card administration team;
- Line manager or Business Manager authorisation of cardholder transactions;
- Cardholder transactions and monthly credit limits authorised by the appropriate manager (e.g. Principal(s), Head of Department)
- The use of the blocking and reporting schedules authorised by the cardholder's manager;
- The regular approval by Governors of the cardholder's transaction and monthly credit limits.

A full list of Purchase card holders and their associated card limits can be found in this document (see **Annex E**).

Applications for a Purchasing Card

Each application needs to complete the following process:

- Complete a *Purchasing Cardholder Employee Agreement*
- Complete an Application Form (Available from the Finance Manager.)
- Transaction and monthly limits are set by the Finance Manager with the agreement of the Business Manager.



Procedures for Budget Holders

- All purchases must be logged on the Purchase Card **Daily** Log (Available from the Finance Manager.)
- Obtain and retain a receipt (where necessary a VAT receipt) for **all** purchases.
- Reconcile the monthly Purchase Card (NatWest) statement with your Daily Log and tick in the reconcile box. Some transactions may carry over to the following month.
- Contact the supplier direct if there is a discrepancy
- When reconciliation is complete, sign the purchase card statement.
- Attach all appropriate receipts
- Submit to Finance Manager within 1 week of receipt of statement.

Failure to comply with these procedures may result in the card facility being withdrawn.

Procedures for Finance Department

- Check that all reconciled statements are received
- Reconcile statement with that held on SOLNET
- Add any explanatory notes
- Finance Manager to authorise the statement and payment
- Recover any VAT
- Create a query for any unresolved issues
- Resolve any queries.

Purchase cards may not be used for personal purchases either in part or in full. No reward cards should be used when using the Colleges purchase cards.

15.6 PURCHASING POLICY – INVOICES

- Distribute invoice and delivery documentation, where applicable, to the appropriate budget holder
- All invoices should be signed by the receiver of the goods
- Invoices are to be passed to the Finance Manager to process
- The Finance Manager is to check the invoice and confirm the Oracle number
- All invoices to be entered onto the Colleges computer system within one week of receipt,
- Where applicable the invoice should be matched with a delivery note,
- Check that it is an official VAT invoice
- Check that the payee and address on the invoice agrees with the details on the creditor record.
- Finance Manager to approve invoices.

16 PURCHASING POLICY - INVITATION TO TENDER

16.1 If a contract or a nomination for a sub contract is estimated to be greater than £20,000 in value, at least seven days notice inviting tenders, and stating the latest date that tenders shall be received, shall be given in one or more of the following ways:

- By circular to four or more persons who appear on the Authority's list of approved contractors. They shall be selected by the Chairman and Vice-Chairman of the Governing Body, in consultation with the Principal(s), and reported to the next meeting of the Governing Body.
- In one or more newspapers circulating in the Borough; or
- In one or more newspapers or journals circulating among persons who undertake such contracts or sub-contracts.

16.2 The procedure of obtaining alternative tenders under (i), (ii), and (iii) above may not apply when:

- Effective competition in the supply of goods, materials, services or the execution of works is prevented by Government; or



- The goods or materials to be purchased are proprietary articles or are sold only at a fixed price; or
- The goods, materials or services are of a specialised kind or the works to be executed are of a specialised nature; or
- The Authority or a committee with delegated powers. resolve accordingly; or
- The Governing Body is acting as agents for the Water Authority or other public body and has been directed to place orders for works or for the supply of goods, materials or services with a particular contract or supplier.

17 PURCHASING POLICY - OPENING TENDERS

17.1 Where the value of any contract or sub-contract is estimated to be more than £20,000 tenders shall be submitted in plain sealed envelopes without any indication of the identity of the sender.

17.2 The Principal(s) shall keep all tenders received in a secure place until the time appointed for their opening.

17.3 All tenders should be opened at one time in the presence of:

- The Chairman or Vice-Chairman of the Governing Body and any other Governor designated for the purpose by the Governing Body;
- The Principal(s) or duly authorised representative.
 - a. Each tender shall be initialled by the Chairman or Vice-Chairman of the Governing Body and numbered in order in which it was opened. The Chairman or Vice-Chairman of the Governing Body shall sign a schedule of the tenders received.
 - b. Any tender received within twenty four hours after the time appointed for receipt of tenders may be opened and considered together with other tenders if the Chairman and Vice-Chairman of the Governing Body are satisfied that the delay in receipt of such a tender is due to some unavoidable cause and in all other respects the tender can be regarded as genuine. No such tender should be opened or considered if tenders have already been opened.

18 PURCHASING POLICY - POST TENDER NEGOTIATIONS

18.1 It is perfectly reasonable to try to ensure that a tenderer's bid has been constructed correctly or that the tender has fully understood the contract specification. It is also acceptable to seek clarification from a tenderer, or tenderers, of quality and performance or of particular terms and conditions.

18.2 However, the Governing Body or Principal(s) should not do anything that is likely to distort competition - particularly as regards price. They must therefore not make fundamental changes to the contract specification or to the tender award criteria. This is because tenderers who are not party to such discussions might be able to match or better the offer that is accepted. In addition, they should take particular care where discussions are not confined to the tenderer which appears most likely to win the contract, as it may be more difficult in such cases to avoid the suggestion of discrimination.

18.3 If it becomes clear that significant changes to the specification or the tender award criteria would be advantageous, the Governing Body should cancel the procedure and start again.

18.4 If it is the buyer's intention to enter into post tender negotiations, the following phrase must be clearly stated in the contract documents:

- *Post tender negotiations may be entered into, once tenders have been received, if the Governing Body considers it necessary.*



18.6 Post tender negotiations should be limited to the lowest tenderer only.

18.7 At least two Officers must be present during all negotiations.

18.8 It is vital that an audit trail exists which can be used to justify the actions taken by buyers. There are many stages that need documenting, and although such notes need not be long, they are essential.

19 PURCHASING POLICY - ACCEPTANCE OF TENDERS

19.1 The Governing Body will determine which tender will be accepted and will not be bound to accept the lowest tender if payment is to be made by the college or the highest tender if payment is to be received by the college. However, if any tender other than the lowest or highest respectively is accepted, the special reasons for such acceptance shall be reported to the Governing Body.

19.2 If a tender is to be accepted following the procedure outlined in the section *Invitation to Tender* no contract or sub-contract should be signed until the technical ability and financial standing of the relevant tenderer has been investigated to the satisfaction of the Governing Body and the Director of Finance.





Annex A

Letter of Direction to the Responsible Officer

Dear

I write to advise you on your responsibilities as Responsible Officer at Smith's Wood Sports College

Your specific responsibilities are to:-

- Advise the Governing Body on the discharge of its responsibilities;
- Ensure the efficient, economical and effective management of the Governing Body's resources and expenditure, including funds, capital assets and equipment and staff;
- Ensure the introduction and maintenance of sound internal financial controls;
- Seek to ensure that financial considerations are taken fully into account in reaching decisions and in the execution; and

The controls for which you are responsible are to:

- Review budgets and reports as prepared by the Business Manager;
- Exercise proper control over the finances taking account of 3-5 year budgets: and
- Review procedures on bank accounts and cash holdings.

In satisfying the above responsibilities, you should review the work of the Finance Department and the financial systems in use on a regular basis. This should include spot checks on:

- Bank reconciliations on all College accounts:
- Salary records: check levels of gross pay to authorised documents/contracts; agree any overtime payments to supporting documentation appropriately authorised; and
- The assets register, including checking and documenting items for the register to the physical asset and from the asset to the register.

Further duties may include:

- Enquiry into discrepancies between budget and actual figures, and document such discussions;
- Seeking internal (independent) and external advice where necessary in areas where you do not have the relevant background;
- Keeping up to date on Financial requirements and any changes in the statutory reporting;



- Ensuring that appropriate accounting policies are followed in the preparation of accounts;
- Having regular meetings with the Head Teacher / Principal(s) and the Business Manager to discuss capital projects and minuting such meetings.
- Reporting immediately to the Governing Body on any areas of concern;
- Review budget reports and action on variances.

The responsibilities outlined in this letter mean that effectively you are responsible to the Governing Body for the integrity of the financial systems and controls.

Yours sincerely

Clerk to the Governors



Annex B

Letter of Direction to the Principal(s)

Dear

A Responsible Officer has been appointed. Your attention is directed to the specific responsibilities detailed within the Responsible Officer's letter of appointment.

The Governing Body directs you to:

- Ensure compliance with Financial Regulations. To this end you are to provide the Responsible Officer and me with full and free access to such financial or other information that we may require in order to reassure ourselves that this is being achieved. You are also to ensure that the Business Manager is aware of this direction.
- Ensure that all reporting requirements are submitted in the prescribed format and at the time required. Reports should be made at least monthly to: the Chair of Governors, the Responsible Officer, the Head Teacher / Principal(s), and budget holding members of staff. All Governors should receive reports at least quarterly.
- Ensure that administrative and financial staff clearly understand their role and the limits of their responsibilities
- Ensure that all staff are aware of the requirements of the financial systems and controls and that they observe them.
- Ensure that adequate and up to date copies of the Finance Manual are available and accessible to staff.
- Report immediately any known or suspected breaches of the requirements of the Finance Manual.

Yours sincerely

Clerk to the Governors



Annex C

Letter of Direction to the Business Manager

Dear

I enclose copies of letters sent to the Responsible Officer and Head Teacher / Principal(s), setting out their responsibilities in respect of the financial affairs of the College. You are responsible for assisting the Governing Body to meet its requirements under the DFES financial regulations (the "Rainbow Pack" and Financial Circular letters).

You are responsible to the Head Teacher / Principal(s) for administration of the financial arrangements of the College; specific responsibilities are set out within this document.

The Governing Body directs you to:

- Provide the Responsible Officer and the Head Teacher / Principal(s) with such assistance as necessary for the satisfactory completion of their financial duties, including access to all financial records.
- Ensure that financial reporting and annual accounts requirements for the Governing Body are produced in a timely and effective manner.
- Ensuring that the financial systems and controls for the College are operated in accordance with the finance manual.
- Reports must be made at least monthly to: The Chair of Governors, the Responsible Officer, the Head Teacher / Principal(s). All Governors must receive reports at least quarterly.
- Ensure observance by the financial staff of all sections of the Finance Manual.

Yours sincerely

Clerk to the Governors



Annex D

**SMITH'S WOOD SPORTS COLLEGE
BOARD OF GOVERNORS**

**REGISTER OF PECUNIARY INTERESTS
2015-2016**

NAME OF GOVERNOR	Form Signed and Returned
Mr Andrew Best (LA)**	
Ms Phillips Brookes (Co-opted)**	
Ms Candy Campbell (Parent)**	
Mr Innes Campbell (Parent)*	
Mr M Collins (Staff)**	
Mr Graham Craig (Co-opted) (VC)*	
Mrs Katy Craig (Associate G)	
Mrs Gaynor Elliott (Co-opted)*	
Mrs Jeanette Essex(Co-opted)**	
Mr Hugh Hendry(Co-opted) (C)*	
Mr Denise Lewis(Co-opted)**	
Mrs Sheila Whitehouse(Co-opted)*	
Mr Paul McAndrew(Parent)**	
Mrs A Miller (Staff)	
Mrs K Smith	

*Personnel, finance & environment committee

** Curriculum committee



**Annex E
Staff with Purchase Cards**

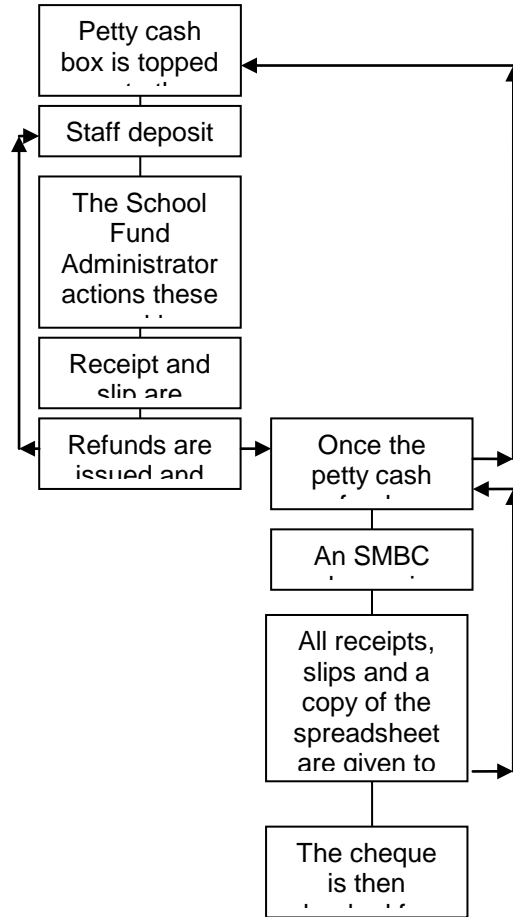
Name	Limit per item	Monthly limit	Card ending in
Barkass-Williamson Melanie	£2000	£5000	115
Brookes Phillipa	£500	£2,000	3321
Casanova Simon	£500	£2,000	1261
Corrigan Michelle	£500	£2,000	2546
Craig Kathryn	£500	£2,000	9425
Dodd Richard	£500	£2,000	2875
Ellis-Martin Louise	£500	£2,000	9495
Hardy Stephen	£2,000	£5,000	8152
Miller Angela	500	£5,000	3163
Miller David	£2,000	£5,000	8377
Pell-Walpole Ann	£500	£2,000	4880
Pountney Ella	£500	£2,000	1489
Schilling Caroline	£500	£2,000	3313
Seward Wendy	£500	£2,000	6399
Worrall Janet	£500	£2,000	8463





Annex F

Petty cash Process







ANNEX I

Key

	Must be completed
	Either column must be completed
	To be completed with future purchases along with all other columns

The asset register should include all items with either a current estimated valued of at least £100, have been recently purchased at £100 or more or be a desirable item

Date Purchased (if known)	Approx Age (years)	Inv No	Original Cost	Description of Item (item, make, model number)	Serial Number	Dept	Location	College Asset Number (if assigned)	Disposal Date	last audited Date	Any comments from Audit (Condition, goods still present)





ANNEX J

SMITH'S WOOD SPORTS COLLEGE
Non Teaching Staff Training Application and Agreement

TO BE COMPLETED BY APPLICANT:

Application for approval to attend a training course

NAME

COURSE TITLE

QUALIFICATION TO BE OBTAINED

COLLEGE TO BE ATTENDED

COURSE START DATE DAY OF ATTENDANCE

DOES YOUR COURSE LAST 1 2 3 4 5 YEARS (Please circle)

TYPE OF COURSE:* (indicate as applicable)
Day Release
1/2 day Release
Evening Class
Open Learning

REASON FOR TRAINING BEING REQUESTED

This training has been requested in line with business objectives and will meet them in the following ways:

.....
.....

PLEASE BE SURE TO READ THE FOLLOWING BEFORE SIGNING YOUR CONTRACT

TRAINING COSTS: (indicate as applicable)

Course Fees: Free of Charge Course fees £.....

Any member of staff who has received financial help in gaining professional qualifications will be expected to remain with Smith's Wood Sports College for two years. If they leave within two years of completion of the training then the costs will be paid back as follows:-

- If an employee withdraws from the course before completion, they will be expected to repay in full any costs incurred on their behalf.
- If an employee leaves whilst studying for a professional qualification, they will be expected to repay in full any costs incurred on their behalf.



- If an employee leaves within two years of completing a professional qualification to take up employment outside Smith's Wood Sports College, 100% of the financial assistance will be refundable. This will be reduced by 1/24th for each month worked after completion of the course.

I apply for assistance to enable me to undertake the course of study as detailed.

I agree to the conditions of the scheme and if any part of the financial assistance Course Costs becomes repayable under the conditions then this sum may be deducted from any monies due to me from the College.

Signature of Member of staff: Date:

I certify that the course detailed overleaf is appropriate to this member of staff and I support this application.

Line/Manager Date

Business Manager..... Date

Principal(s) Date

Form to be kept on record by the CPD Manager

TRAINING

1. The aim of the form is to ensure that the reasons for training and the benefits to be derived together with the costs involved both in time and money can be identified and prioritised. In addition, a record of training undertaken can be kept.
2. It is the responsibility of the applicant to fill in the first side of the form. Supplementary information concerning courses should be attached.
3. A letter of authorisation of payment will then be sent to the applicant. Only when all the necessary approvals have been received should an applicant commence training.

NB: PLEASE REMEMBER YOU MUST ATTEND COLLEGE REGULARLY. IF YOU CANNOT ATTEND YOU MUST NOTIFY YOUR LINE MANAGER ON THE SAME DAY.





Annex K
SWSC Pro-Forma for Recording Quotations

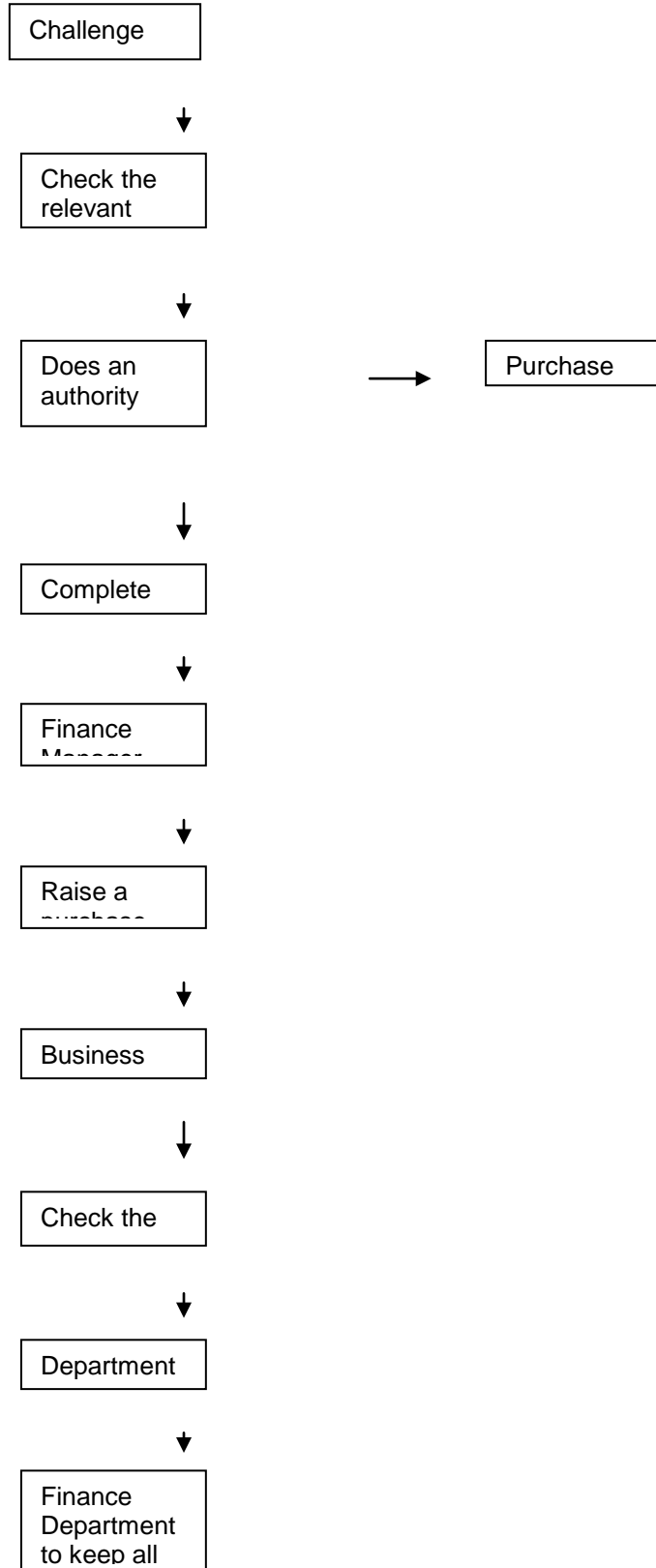
Purchase (Item)			
Member Of Staff		Faculty and Department	
Budget:			
Company Contacted	1	2	3
Person Spoken To:			
Date And Time:			
Quotation:			
Other Details:			
Reasons For Choice Of Supplier For orders over £10,000 you must be clear on the reasons why you did not accept the cheapest quote (if this is the case)			





ANNEX L

Low Value Procurement - Orders less than £2,000

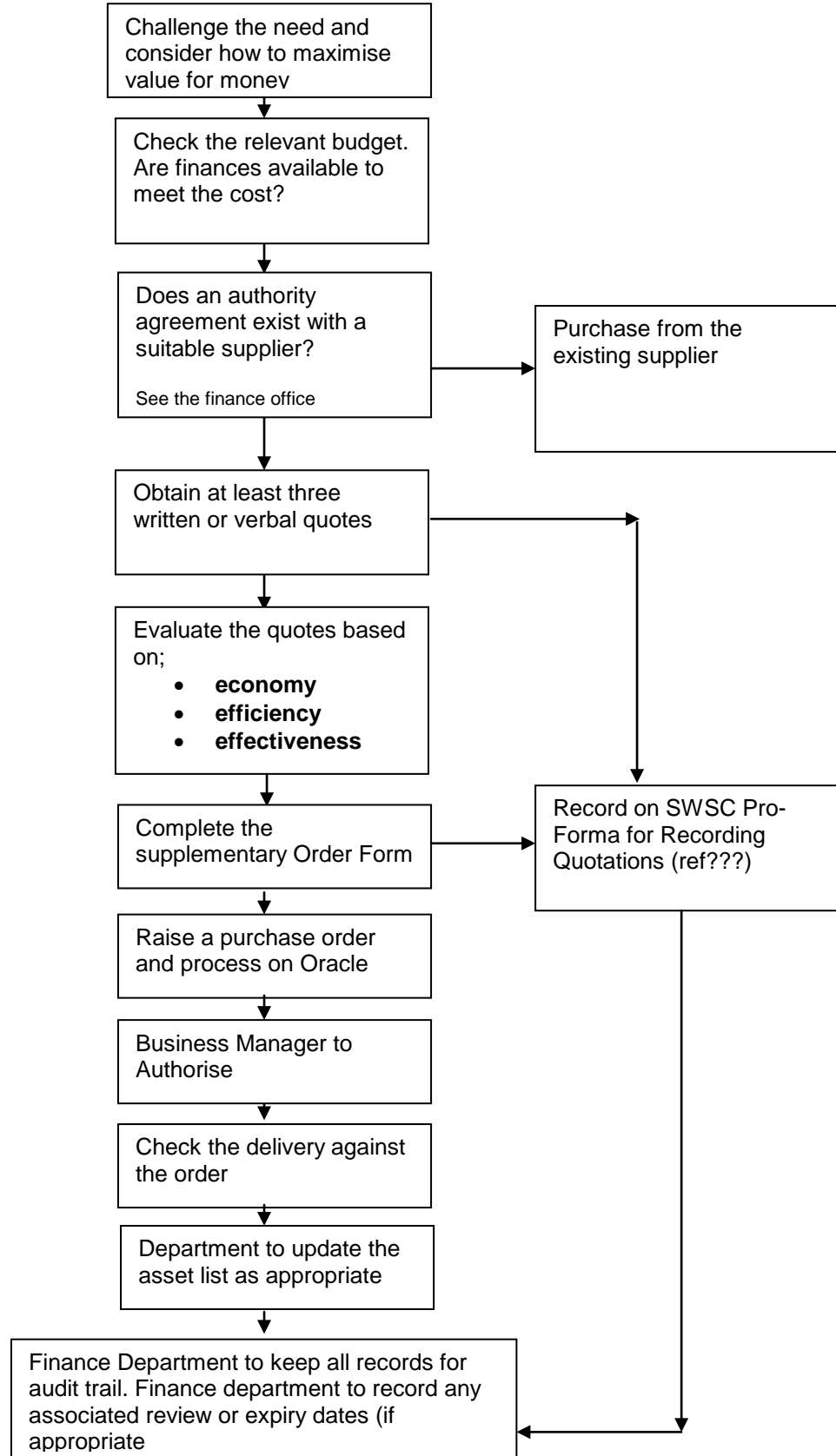






ANNEX M

Low Value Procurement - Orders £2,000 to £10,000

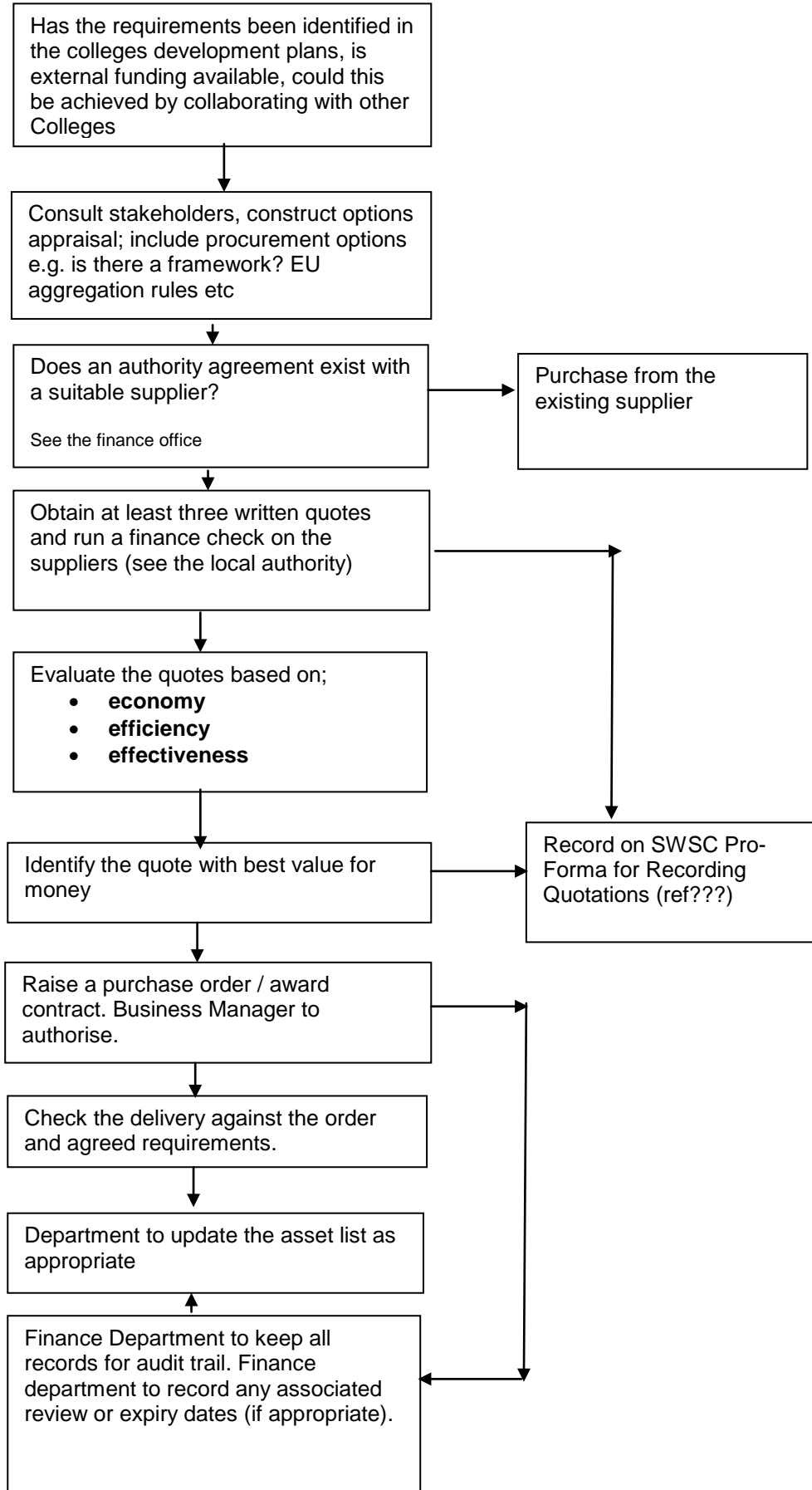






ANNEX N

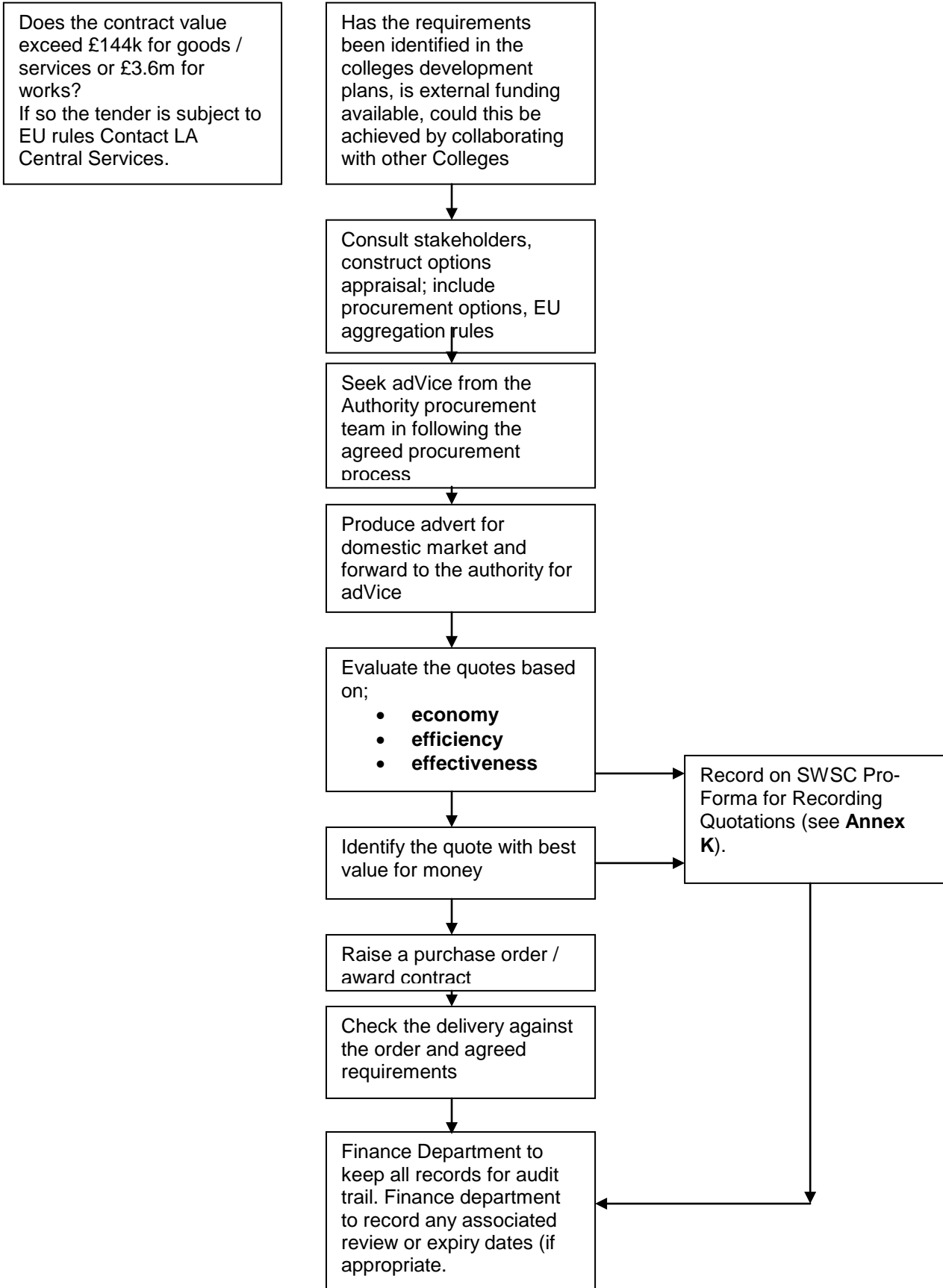
Medium Value Procurement - Orders £10,000 to £20,000





ANNEX O

High Value Procurement - Orders £20,000 +





Annex P

Safe Contents - Scheme for the Financing of Colleges

	Description	Amount Per Records		Seal No.	IN Time and Date	IN Signature	IN Signature of Receiver (safe key holder)	OUT Time and Date	OUT Releasing Person's Signature (safe key holder)	OUT Receiver: * Print name & * Signature
		£	p							
1										
2										
3										
4										
5										
6										
7										
8										



ANNEX Q

Safe Log: Recording Safe Key Handovers and Supervisor Checks:

Page No

This is to certify that at the time and date shown below the items in the safe shown at the front of this safe log were present

Time and Date of Key Handover	Signature of:		Supervisor Check (Signature and Date)
	Person Releasing Safe Key	Person Receiving Safe Key	





ANNEX R

SWSC - Financial Planning Timetable

	Scheduled Meetings	Non-budget	Budget (Previous Year)	Budget (Current Year)	Budget (Next year)
On going	<p>Weekly Business Manager / Principal(s)</p> <p>Monthly Operational Meeting Authority / BAM / Business Manager</p> <p>Review College Fund and petty cash records Monthly</p> <p>Review Minibus records account termly</p>			Monthly monitoring by Bursar and Principal(s)	
April			View payroll master file for completeness	Begin work on Capitation split	
May	Finance & Personnel	Performance Management – Stage 3 (by ½ term)	<p>Final out-turn.</p> <p>Verification of CFR data</p>	<p>Monitoring statement by the 20th</p> <p>Budget amendments as required</p> <p>Statement of Internal Control preparation</p> <p>Issue Capitation</p> <p>Legal budget Governors approval and submission</p>	
June	Finance & Personnel (salary /	Review previous years figures on the DFE website in time		Monitoring statement	



	performance review)	for Governors.		Close College Fund	
July				Monitoring Statement Statement of Internal Control signing	
Aug					
Sept	Finance & Personnel	Financial Policies and Procedures review Review Finance Committee Terms of Reference Issue of Letters of Direction to Responsible Officer / Governor / Business Manager Re issue and reminder re whistle blowing policy Review Governors and Staff Skills and Knowledge Matrices Review staff Job Descriptions (returns by beginning of October).	Audit College funds	Budget amendments as required Monitoring statement Review Capitation allocation based on actual pupil numbers Issue updated capitation spend summary to budget holders	Begin initial budget plans
Oct		Begin Performance Management – Stage 1 (by ½ term)		Outturn statement	
Nov	Finance & Personnel			Outturn statement	
Dec				Outturn statement	Chase SMBC for indication of Budget
Jan	Finance & Personnel			Budget amendments as required Outturn statement Issue updated capitation spend summary to budget holders	Chase SMBC for indication of Budget Review initial budget plans



Feb		Responsible Officer – visit / review Performance Management – Stage 2 (by ½ term)		Provisional budget Closing down of budget (spending freeze)	
Mar	Finance & Personnel			Provisional legal budget approval Outturn statement Issue updated capitation spend summary to budget holders	



ANNEX S

AUTHORITY FOR EYE TESTS

To be completed by Claimant and Line Manager

Name of Person _____

Department _____

Payroll Number _____

Business Manager Authorisation

Signed _____ Date _____

Line Manager Authorisation

Signed _____ Date _____

To be completed by Optician only

I confirm that the above named employee has attended for a VDU eyesight test.

I confirm that the above named employee requires glasses for Display Screen Equipment use.

I recommend that the above named employee requires an eye test in _____ months/years (complete only if employee needs an eye test more frequently than every 2 years).

Signed by Optician _____ Date _____

To be completed by the employee

I consent to the approved Optician sending information in relation to my eye test to the Occupational Health Service for Solihull MBC if necessary.

Signed _____ Date _____

Please note under the Health and Safety (Display Screen Equipment) Regulations 1992, your employer is only liable to help with the cost of spectacles supplied for Display Screen Equipment use.



ANNEX T

SMBC MILEAGE RATES

For employees on National Joint Council (NJC) Terms and Conditions

<u>Type of User</u>	<u>Rate</u>
SMBC Essential User – this will be paid to an employee who meets the essential criteria for business use, or where an agreement is made at time of contract, or needed as part of role.	45p
SMBC Protected User - this is a protected rate for employees employed with SMBC before 1 st October 2011.	36p
SMBC Casual User – for new starters employed after the 1 st October 2011.	25p
SMBC Employee Passenger Rate – where a car user takes an SMBC employee as a passenger on council business, an additional 5p per passenger, per mile will be paid.	5p
Teacher Rate	34.6p



ANNEX U

CASH HANDLING PROCEDURES

Where appropriate the school follows SMBC cash handling procedures.
Oct 2009 vers (checked for up date Oct 2016)

Introduction

1. Although the Director of Business Support is responsible for the proper administration of the Authority's financial affairs, all staff have a responsibility to safeguard assets and protect them from misappropriation.
2. For the benefit of staff as well as the authority, the risk of loss should be considered on your service risk register (See generic fraud risk register on Grace). Risk assessments should also be undertaken for staff involved in cash handling. The Health and Safety Section can provide further advice and guidance on this.
3. To help prevent the loss or misappropriation of cash, it is important that staff have a clear understanding of their own responsibilities, and the need for a definite division of duties so that the risk of loss is minimised.
4. These "Cash Handling Instructions" should be read by all staff involved in handling income, as they form part of the Authority's [Financial Regulations](#) and they must be adhered to. In the event of a loss or misappropriation of money, staff involved may be subject to disciplinary proceedings, prosecution and be required to repay any losses.
5. These guidelines focus on income but the principles can be applied to other areas where cash or other asset handling is involved. The principles can also be applied to voluntary funds administered by staff, for example school funds.
6. Separate guidance on use of Petty Cash Imprests can be found using the following link: ['Petty Cash Procedures'](#)
7. In the context of these guidelines, the term 'money' includes cash and cheques.
8. Further information or advice can be obtained from Internal Audit Services on 0121 704 6067 or by emailing: antifraud@solihull.gov.uk

Please click on a link below to go to that section:

[Receiving Income](#)

- [In person](#)
- [By post](#)
- [Manual Receipts](#)
- [Cash Registers](#)



- [Vending Machines / pay Phone Income](#)

Transfer of Income Between Officers

- [Security of Income Before Banking](#)
- [Designated Safe Key Holders](#)
- [Handover of Safe Keys](#)
- [Combination Safes](#)

Private and Official Funds

Banking of Income

- [Frequency of Banking](#)
- [Preparation of Money for Banking](#)
- [Cash Collection Service \(G4S\)](#)

Income Monitoring

Controlled Stationery

Irregularities

Guidance / Information

Receiving Income

9. The person(s) responsible for income from receipt through to banking must be clearly designated. The designated person will be accountable for the income whilst they are responsible for it.
10. Officers with responsibility for income should ensure that it is held securely on Council premises prior to being banked. Any transfers of money between officers must be recorded, either in a safe register, cash in transit book, or other similar record.
11. **Do not take Authority money home, never borrow / lend money. Do not cash personal cheques out of Authority money, including income.**
12. All cheques should be made payable to Solihull MBC. The reverse of the cheque must be endorsed with the name of the establishment together with an appropriate reference.
13. If money is found on any Council premises it must be paid in immediately, with as much detail recorded as possible to trace it at a future date.



Income Received in Person

14. Before accepting payment, checks should be undertaken to verify that the amount being paid is correct. Cash payments should always be counted and agreed with the payee on handover and should then be held securely whilst the transaction is receipted using an official receipt, ticket or voucher.
15. All receipt books, tickets and other forms or documents used to officially acknowledge or record amounts received must be in a format approved by the Director of Business Support.

Manual Receipts

16. Receipts must be issued in numerical order with a copy receipt retained as the Authority's official record of monies received.
17. Receipts must not be altered. If an incorrect entry is made, the receipt must be endorsed with the word "CANCELLED" and retained in the receipt book with all copies. A new receipt can then be issued.
18. All unused receipts/tickets must be stored in a secure place.
19. A control record should be maintained of stocks of receipts held, recording issues and returns of completed receipts books where applicable.
20. Completed receipt books should be held for a period of 7 years.

Income Received In the Post

21. Where income is regularly received in the post, two people should always be present when post is opened.
22. Income received should be recorded in a postal remittance register (see example). Both officers must sign the postal remittance record.
23. Upon conclusion of the post opening, the remittance register should be underlined under the last entry and the income passed to a Connect Centre or the designated safe key holder for safe keeping until it can be banked at the earliest opportunity.
24. The safe key holder should sign the safe register as a record of the transfer of the income. (note – see Section below on 'Safe keeping of income prior to banking' for more details on safe registers)



25. Income should not be passed to the addressee unless approved by the Director of Business Support.
26. Correspondence received with the postal remittance should then be forwarded to the addressee. The following details should be written on the correspondence: date payment received; amount and the remittance record reference number. This information is required in the event of any subsequent query in relation to a payment or in the event of say a refund being required.

Cash Registers

27. At the start of the day, the till float should be collected from the safe, signed for in the safe register and checked before being placed in the till.
28. All transactions must be entered on the cash register and the income immediately placed in the till at the time of the transaction.
29. Tills should not normally be left unattended during 'opening hours' of the facility however, if this does happen, the operator should ensure that the cash drawer to the till is locked and the keys removed.
30. Till drawers should be kept closed between transactions and should not be opened to give change.
31. At the end of trading, the cashier should undertake a 'blind' cash up of the till, separating the float from the income received without checking the system's record of income held ('Z' reading or End of Day print). The cash up should be undertaken in a 'secure' place, away from public view.
32. For electronic tills, the Line Manager should check the 'End of Day' print out and compare this with the income declared by the cashier.
33. For manual tills, the Line Manager should retain the 'managers' or 'Z' key in their possession during trading hours. Once the cashier has completed the cash up, the Line Manager should take a 'Z' reading from the cash register which should be compared to the income declared by the cashier.
34. A record should be maintained of unders / overs. The Line Manager should monitor unders / overs for trends / training issues. Where significant variances are noted, the Line Manager should notify Internal Audit on 0121 704 6067.
35. Income should be placed in a sealed bag and lodged in a safe until banked. The handover evidenced by being recorded in the safe register.



36. Floats should be placed in a separate sealed bag or cash box and lodged in a safe, with the deposit recorded in the safe register.
37. No money should be left in the tills or cash drawers when the facility is closed.
38. Where the amount of daily cash income going through a till exceeds £1,000, then a risk assessment of 'security arrangements' for the till should be undertaken. If necessary, an interim cash up should be undertaken, with income being removed and lodged in a safe until the daily cash up is undertaken.
39. Where till rolls are used, 'Audit' copies of the till roll should be kept for a period of 6 years.

Vending Machine / Pay Phone Income

40. Cash boxes within machines / payphones must be kept locked. Machines should be emptied and the cash counted by two people. The key to the cash box should be kept in a sealed bag in a safe, signed in and out by the two people emptying the cash box.
41. Where machines / payphones have a management information facility, such details should be extracted and compared to the value of actual cash collected.
42. A control record should be maintained for each machine documenting: date emptied, income collected, the signatures of the collecting officers and the date banked.
43. In the event of a significant or regular variance between the management information facility and the income collected, the Line Manager should notify Internal Audit on 0121 704 6067.

Transfer of Income Between Officers

44. When cash has to be transferred from one person to another, it should be counted and agreed by both officers and recorded. Only in this way can the possibility of a dispute regarding responsibility for a deficit be avoided. The occasions of cash transfer should be limited wherever possible.
45. Where income is transferred from one location to another, the money should be in a sealed bag and transfer recorded using a ['Cash in Transit' book](#). Where money is being transferred, a risk assessment should be undertaken of the most appropriate / secure means of transferring the money.
46. Two people should always be present to open and agree the contents of a sealed bag containing money.



Security of Income Before Banking

47. All income received must be held securely from the point of receipt until being banked. Cash (excluding cheques) up to £1,000 can be held in a locked cash box in a locked receptacle i.e. desk or cupboard during working hours. Amounts over this and all money outside of working / opening hours must be lodged in a safe. Guidance on limits can be obtained from the Insurance Section (704 6275).

Note: In the event of a loss, an excess of £500 applies to the Council's insurance policy. 'Tills' come under the definition of a 'locked receptacle'.

48. Where several sources of income / funds are held by the same officer, the funds should always be kept separate in different sealed bags / cash boxes and be easily identifiable.
49. As good practice it is recommended that wherever possible, monies should be lodged in a safe. **Monies should never be left unattended or left for someone else to collect.**

Designated Safe Key Holders

50. Wherever possible, access to safes / cash boxes should be restricted to a single designated key holder at any one time. The safe key(s) should be retained in the personal possession of the designated key holder during working hours and should be removed from premises at night or when offices are left unattended.
51. If it is not practical to restrict safe access to one person, Line Managers must be aware of and regularly review the risks involved.
52. The safe key holder(s) are responsible for all items lodged in the safe and so should not pass their safe keys to anyone else to use.
53. **Safes should be kept locked at all times.**
54. An official [safe register](#) must be maintained for all safes. The purpose of the safe register is to provide a record of the contents to support an insurance claim in the event of a loss occurring from a safe and to evidence handovers of money into and out of the safe.

Note: The safe register should be kept near to, but not actually held in the safe.

55. The spare safe key should be held securely off-site.



Handover of Safe Keys

56. Planned Leave – On handover of safe keys, the safe contents should be checked and agreed to the safe register. On completion of this reconciliation, the handover of the safe key should be formally recorded in the back of the safe register.
57. Unplanned Leave - On obtaining the spare safe key, the safe should be opened by two persons and the contents checked to the safe register. On completion of this reconciliation, details should be recorded in the back of the safe register along with the signature of the new 'designated key holder'.
58. Where monies are held in a sealed bag or locked cash box, this money does not have to be counted as part of the handover process.

Combination Safes

59. Ideally, combination safes should not be used. Where they are already in use, officers with access to them should not share their code with officers to allow them to access the safe.
60. Combination codes should be changed regularly and whenever key staff leave.

Private and Official Funds

61. Private funds are non-Authority monies, e.g. School Funds, staff collections, tea funds. Official funds are all monies relating to Council Services.
62. Private and official funds can be held in the same safe, however, they must be kept strictly separate.
63. Officers taking responsibility for private funds, e.g. School Fund, should maintain suitable accounting records. These should be inspected by an independent auditor.

Banking of Income

Frequency of Banking

64. All monies received must be deposited at a Connect Centre or banked via the Authority's cash collection service (G4S). All monies must be deposited daily, except where the weekly receipts do not exceed £500, in these instances bankings should be made each week.
65. All income received must be banked at the earliest opportunity. Income should not be held back until a future banking date or used as a float.



Preparation of Monies for Bankings

66. Money should be counted and prepared for banking in a safe environment, which should not be in view of customers / the public etc.
67. Checks should be undertaken to source records to agree income being prepared for banking to income received / due. Variances must be reported to local management and investigated. Significant variances must be reported to Internal Audit for investigation. Small regular variances should be monitored by local management and reported to Internal Audit where necessary.
68. **Any surpluses must be banked.**
69. All cheques must be individually listed on the reverse of the paying in slip or other appropriate document, together with the postal remittance register reference number or receipt number where appropriate.

Cash Collection Service (G4S)

70. When preparing income for collection by G4S, Schools must enter cash and cheques on the same paying in slip and put in the same bag inside a grey G4S bags addressed to Cash Processing Centre, Birmingham. All other establishments must bank cash separately from cheques and put cash in a cash bag and cheques in a cheque bag.
71. These bags should then be placed in one of the large 'grey' plastic bags supplied by G4S. The unique identity number / 'seal number' on the large grey bag must be recorded on the bank paying in slips before any of the bags are sealed.
72. Bankings made up for collection by G4S must be "bulk checked" by a second officer. This involves a complete count of the notes and a check of the number of bags of coins. The second officer must initial the paying in slip, and witness the money being placed in the bag and sealed.
73. The identity of G4S staff must be verified before any money is handed over.
74. A signed acknowledgement must be obtained when money is handed over to the appointed G4S representative, who will issue a printed receipt for the bag(s) collected.
75. A check should be undertaken to verify that the bag 'seal numbers' recorded on the receipt, match those on the bags themselves.



76. Sealed bags should remain in the safe until handed over, in person, to G4S. **Under no circumstance should bags be left unattended for collection.**

Income Monitoring

77. Line Managers should periodically undertake the following control checks:
- Reconcile records of income received to income banked and posted on the ledger.
 - Verify that income is being handled in accordance with Financial Regulations and these instructions, by for example undertaking spot checks, 'surprise' cash ups.
 - Verify that accounting records are being completed promptly and kept up to date.
 - Reconcile receipts held to control records of receipt books.
 - Compare records of income due to income banked, to identify non payment.
 - Ensure that non-payment / arrears are followed up in line with corporate policy for the service area.
78. Line Managers should periodically review income streams to verify the existing arrangements for receiving / collecting the income are still appropriate.

Controlled Stationery

79. Control records should be maintained for items that have a 'cash value', e.g. vouchers, bus passes, 'blue badges' etc. The control record should contain details of receipts, stock held and issues.
80. Stocks of such controlled stationery should be held securely in a locked desk, cupboard or safe, as appropriate. Access to these stocks should be restricted.
81. Periodic reconciliations of actual stocks to recorded stocks should be undertaken. Any discrepancies should be reported to the Line Manager and investigated. Variances should be monitored by local management and reported to Internal Audit where necessary. Internal Audit can be contacted on 0121 704 6067, or email antifraud@solihull.gov.uk

Irregularities

82. Internal Audit must be informed immediately of any loss or financial irregularity, whether it arises in official or unofficial funds or is a personal loss. Internal Audit can be contacted on 0121 704 6067, or email: antifraud@solihull.gov.uk

Guidance / Information



83. If you have any questions about cash handling, or would like guidance on how you deal with cash, please contact Internal Audit on 0121 704 6067, or email: antifraud@solihull.gov.uk

