# SHANKLEA PRIMARY SCHOOL

## Finance Policy

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| Prepared by: | Helen Brown | Signature | Date |
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**Shanklea Primary School**

**Finance Policy**

## 1. INTRODUCTION

The purpose of this document is to outline the procedures and standards of good practice for financial management in Shanklea Primary School. It is important that policies and procedures are adhered to. They apply to all school accounts and are designed to ensure that all financial transactions are transparent and are also for the protection of the school staff. Procedures referred to in this document are regularly reviewed and updated accordingly.

The Governing Body recognises the need for good financial control over the school's resources and has formulated this policy in order to achieve the standards of financial management as outlined in Ofsted guidelines, the DfES Financial Management Standard in Schools and to ensure compliance with the Northumberland Scheme for Financing Schools.

The key standards to be achieved are:

- The financial responsibilities of the Governing Body, its committees, the Head Teacher and staff should be clearly defined and limits of delegated authority established.
- The budget should reflect the school's prioritised educational objectives as set out in the School Improvement Plan, seek to achieve value for money and be subject to regular, effective monitoring.
- The school should establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.
- The school should ensure that purchasing arrangements achieve the principles of best value.
- All income due to the school should be identified and collected. All collections should be receipted, recorded and banked promptly.
- The school should properly control the operation of bank accounts and reconcile bank balances with the accounting records.
- There should be efficient procedures in place for the administration of personnel matters, including payroll where applicable.
- The school should control the use of petty cash.
- The school should ensure that it complies with VAT and other applicable tax regulations.
- Stocks, stores and other assets should be recorded and adequately safeguarded against loss or theft.
- The school should be adequately insured against exposure to risks.

- The Governing Body and Head Teacher should be satisfied that they are meeting the requirements of the 1998 Data Protection Act and any subsequent regulations and amendments.

- School voluntary funds should be administered as rigorously as public funds.

## 2. ORGANISATION OF RESPONSIBILITY & ACCOUNTABILITY

### 2.1 Full Governing Body

**Role:**

The Governing Body has a strategic role in determining the educational and financial priorities of the school, ensuring that the financial resources delegated to it are used effectively and that adequate internal controls are maintained over these.

**Responsibilities:**

- To fulfil the statutory responsibility for the administration of financial management within the school.

- To set out in writing the roles and responsibilities of the Governing Body, its committees, the Head Teacher and School Business Manager in relation to financial decision making.

- To undertake an annual review of the agreed roles and responsibilities by completing the School Governing Body Annual Plan.

- To set up a Resources Management committee to consider strategic financial issues on behalf of the Governing Body, and to review the committee's remit and membership on an annual basis.

- To establish the financial limits of delegated authority to enter into commitments and to authorise payments.

- To approve the financial procedures within the school and ensure that they comply with the Northumberland Scheme for Financing Schools.

- To establish a "Register of Interests" of governors, the Head Teacher and any other staff who have the ability to influence financial decisions, to ensure that it is open to inspection and to oversee its maintenance through an annual review. This information must be published on the school website to meet statutory obligations.

- To ensure that the priorities, aims and objectives are outlined in the School Improvement Plan and are costed and clearly linked to the annual Budget Plan.

- To approve the Annual Budget Plan and Best Value Statement (as per the appropriate section of the Northumberland Scheme for Financing Schools) and ensure that they are submitted to the Local Authority by the required deadline.

- To determine the level of detail, minimum frequency and general format of financial information to be provided to the Governing Body, especially in relation to budget monitoring reports.

- To report suspected financial irregularities to the Director of Children Services without delay and as necessary convene disciplinary panels to consider the findings of investigations.

- To consider and sign the Statement of Internal Control on an annual basis.

- To ensure the school is able to demonstrate compliance with the DfES Financial Management Standard in Schools in line with the timetable determined by the authority (as per the appropriate Section of the Northumberland Scheme for Financing Schools).

- To approve (and minute the approval of) the school's completed SVFS self-assessment form prior to submission to the Local Authority / approved external assessor – to be completed by 31st December each year.

**2.2 Resource Management Committee**

**Role:**

The Governing Body of Shanklea Primary School has delegated the responsibilities as agreed in the School Governing Body Annual Plan as outlined below to its Resource Management committee.

All delegated decisions will comply with the Northumberland Scheme for Financing Schools.

**Responsibilities**:

- To oversee the preparation of the school's annual budget plan and best value statement in accordance with the priorities within the school improvement plan (including the staff complement), for determination by the full Governing Body.

- To formulate the written description of financial systems and procedures and ensure that these comply with the Northumberland Scheme for Financing Schools.

- To monitor expenditure and income by receiving regular reports from the Head Teacher comparing expenditure to the original budget set, and report back to the full Governing Body.

- To approve virements at the level specified in the school's agreed financial procedures and in accordance with the levels of delegation agreed by the full Governing Body.

- To operate the Governing Body's arrangements for obtaining quotations and inviting tenders in accordance with the appropriate section of the Northumberland Scheme for Financing Schools.

- To ensure the maintenance of the inventories and security of assets and to approve in writing the method of disposal and the deletion of items from the inventory.

- To ensure that the income from the sale of any assets is managed in line with the appropriate section of the Northumberland Scheme for Financing Schools.
- To recommend to the Governing Body a charging policy in line with the Local Authority policy.
- To determine arrangements regarding petty cash.
- To determine the arrangements for the school fund accounts and for the annual audit and approval of the annual Certified Summary.
- To determine insurance arrangements.
- To determine matters relating to building maintenance, health and safety and lettings outside school hours in accordance with the Governors' delegated responsibilities.
- To report appropriate financial information to parents in a format approved by the Governing Body.

All meetings are minuted and the minutes, which are open to public inspection, are kept by the School Business Manager.

The Terms of Reference for the Governing Body and committees are set out in separate documents, copies of which are held by the School Business Manager.

**2.3 The Head Teacher**

**Role:**

To ensure that sound systems of internal control are in place and are implemented. To ensure that the financial administration of the school operates within the Northumberland Scheme for Financing Schools. In the absence of the Head Teacher, responsibilities outlined below will be delegated to Deputy Head Teacher.

**Responsibilities:**

- To prepare the annual budget plan and best value statement for the Governing Body's approval.
- Ensure that the School Improvement Plan priorities are properly costed and clearly linked to the school's budget plan.
- To undertake budget monitoring exercises on a monthly basis.
- To monitor the cash flow.
- To provide reports to the Governing Body on a termly basis and adhoc meetings on the financial position of the school. These should be in a format approved by the Governing Body and report any variations in expenditure against the approved budget plan.
- Ensure that they comply with the Northumberland Scheme for Financing Schools.

- To report suspected bank and/or cheque fraud to the Service Manager Finance (Schools) in the Children Services Finance team.
- To authorise orders, invoices and sign cheques up to the limits agreed by the Governing Body.
- Organisation of personnel in respect of financial administration, also ensuring that there are satisfactory contingency arrangements, particularly in the absence of key staff.
- To ensure that where budgets are delegated to a cost centre or departmental level that they operate within a similar control regime in respect of budget monitoring and reporting.

**2.4 The School Business Manager**

**Role**:

To implement the finance policy and procedures agreed by the Governing Body and Head Teacher and to process financial transactions and activities in line with these. To maintain the school accounting system and to monitor the budget on a day to day basis.

**Responsibilities:**

- To oversee the day to day management of the school's financial administration, ensure that sound systems of internal control exist over these and ensure that they comply with the Northumberland Scheme for Financing Schools.
- To submit required returns to the Local Authority in line with published deadlines.
- To maintain and develop the school's systems of internal control and financial administration in order to enable the proper processing of the school's transactions and activities.
- To ensure at least two people are involved in processing receipts and payments. The work of one person should act as a check on the work of the other and any such checks will be documented as being carried out. There should be a written summary of financial procedures that is kept up to date.
- To ensure that signatories on documents are original and in ink and will be sufficient to identify the signatory concerned.
- To undertake responsibility for the day to day administration of the school's financial administration including:
- To ensure goods/services purchased are done so giving due consideration to "Best Value"
- Ordering goods
- Receiving goods
- Processing invoices

- Processing cheques to suppliers
- Payroll notifications and claims
- Staffing returns
- Monthly reconciliation of expenditure (pay and non-pay)
- Banking of income
- Maintenance of the petty cash account
- Maintenance of the School Fund accounts (including receipts and payments) in accordance with the Internal Audit Service publication "Managing School Funds" and to prepare the annual Certified Summary.
- To provide monthly monitoring information to the Governing Body, Head Teacher and Cost Centre budget holders.
- To submit returns required by the Local Authority by the prescribed deadlines as outlined in the Northumberland Scheme for Financing Schools including the annual budget plan, best value statement, re-forecast return, surplus balance (B02) return, monthly VAT reports, quarterly bank statements and un-reconciled transaction listings.
- To monitor the cash flow position of the school and report to the Head Teacher on a regular basis.
- To assist the Head Teacher in the preparation of the annual budget plan and best value statement.

**2.5 Cost Centre Budget Holders**

**Role:**

To undertake the effective and efficient management of and to remain accountable for, the resources delegated to them by the Governing Body / Head Teacher.

**Responsibilities:**

- To undertake the day to day monitoring and control of budgets delegated to them.
- To ensure that any goods/services purchased from the delegated budget are done so in accordance with the school's financial management procedures and the Northumberland Scheme for Financing Schools.
- To ensure goods/services purchased from the delegated budget are in accordance with the schools aims and objectives.

**3. FINANCIAL PLANNING & BUDGET MONITORING**

The school has a written statement of its aims and objectives in the form of the annual school profile and this forms the basis for constructing budget plans.

The school has both medium term educational (School Improvement) and budget plans which outline the areas of priority with regards to spending, showing how the use of resources is linked to the achievement of the school's goals.

The Head Teacher will prepare estimates of expenditure and income in good time for consideration and approval by the Governing Body.

The Governing Body will ensure that planned expenditure does not exceed the available budget allocation during budget reviews.

The Head Teacher will forward details of the approved budget to the Governing Body for timely consideration and will also alert the Governing Body of any subsequent changes to the budget.

The Governing Body / Head Teacher should report to the Local Authority on the intended use of any balances that are in excess of the limit prescribed in Section of the Northumberland Scheme for Financing Schools.

The Governing Body should ensure that the main elements of the school's budget are subject to a periodic review to ensure that the school works within the principles of Best Value and that historic spending patterns are not repeated without challenge.

The school operates a system of budget profiling and cash flow forecasting to take account of likely spending patterns and the Head Teacher will ensure that this is made available to the Governing Body at all planned budget review meetings.

The Head Teacher will provide a report on expenditure, including items committed but not yet paid, that has been reconciled against Local Authority records, at each budget review meeting. This report should include details on any significant variances against the approved Budget Plan and where necessary any remedial action plans and monitor the expenditure on the initiatives set out in the School Improvement Plan.

The Head Teacher is authorised by the Governing Body to appoint a budget manager for any department as appropriate within the school and may delegate the responsibility to spend within a department's annual budget allocation to the department's appointed budget manager.

The School Business Manager will provide department budget managers access to regular reports on spending and these will be reviewed with the Head Teacher periodically or as deemed appropriate.

The Head Teacher will ensure that the Governing Body is made aware of all virements made.

The Head Teacher and the Governing Body will assess the progress made against the stated objectives in the School Improvement Plan.

The Head Teacher will periodically consult the Governing Body and relevant staff to ensure that the financial and management information issued is relevant, timely, reliable and understandable. This review will be conducted at least annually.

The Head Teacher will report any proposal for policy changes which significantly affect the expenditure or income budgets at the next Resource Management Committee meeting.

The Head Teacher will ensure that the capital expenditure limits as set by the Local Authority are not exceeded without written approval from the Local Authority.

Where written approval is sought by the Head Teacher to place a high value order or enter into a contract, the Governing Body will be informed of the amount and reason for the expenditure.

**4. INTERNAL FINANCIAL CONTROLS**

The Governing Body will ensure that there are written descriptions of all the school financial systems and procedures. These should be kept up to date and all relevant staff trained in their use.

The Head Teacher will ensure that appropriate cover is available in the absence of key personnel to ensure that financial control is maintained.

The School Business Manager will ensure that as far as possible the duties of staff relating to financial administration are distributed so that at least two people are involved. The work of one person should act as a check on the work of the other. All checks should be fully documented.

The Head Teacher and School Business Manager will ensure that proper accounting records are maintained and held securely. Financial documents will be retained in accordance with the Northumberland Scheme for Financing Schools.

An audit trail of all financial transactions will be maintained from original documentation to the accounting records, and vice versa.

Alterations to documents will be made clearly in permanent ink, initialled and dated. The use of correction fluids or erasure of information is not permitted.

Accounting records will be properly and securely maintained and access to these will only be permitted to authorised staff. The Head Teacher will determine who is authorised to access the records.

The Head Teacher will ensure that expenditure from ring fenced sources of funding are used for their intended purposes and are identifiable within the school accounts and supporting records.

**5. CONTRACTS AND PURCHASING**

The school must always strive to achieve the best possible value for money (by applying the principles set out in the schools Best Value statement). Consideration will be given to price, quality and fitness for purpose.

The financial limits of delegated authority as approved by the Governing Body for entering into commitments and ordering goods and services are as detailed below:-

- Head Teacher up to £5,000 with 3 quotes
- up to £2,000 for a single tender quote

All orders must be signed by an authorised member of staff per the list above. The signatory should be satisfied that the goods or services ordered are appropriate and necessary, that there is adequate budgetary provision and that quotation / tendering procedures have been followed.

All intended purchases with an estimated value of £25,000 or more must be awarded by one of the following methods being adopted by the Governing Body in each case:-

- open competitive tendering by an advertisement in at least one local newspaper and an appropriate trade journal;
- selective tendering from at least three recognised sources known to be suppliers of the goods and/or and services in question;

Purchases or contracts with an estimated value of between £5,000 and £25,000 must be awarded by one of the methods described above or by inviting alternative offers of quotations in writing; these should normally be at least 3 in number except where there are fewer than 3 potential suppliers.

In circumstances where obtaining 3 quotations is impracticable the reasons for not following these procedures will be reported to the Governing Body and recorded in the minutes of the meeting.

The Governing Body will make the most suitable arrangements for the ordering of any works, goods and services or disposal of equipment or goods whose estimated value is not expected to exceed £5,000, but will obtain alternative offers or quotations wherever possible.

All contracts, orders and purchases with an estimated value of £25,000 or more will be subject to a decision of the full Governing Body and recorded in the minutes of the meeting.

The Governing Body will be informed of all instances where a quotation has been accepted that is not the lowest or most financially advantageous. This will be recorded in the minutes of the meeting.

The purchasing of works, goods or services can be entered into without the tendering or quotation procedures described above if the order or contract is placed with a department of the Local Authority.

**6. ORDERS**

Orders are important and are the main point of control. They are a permanent record of what has been ordered, when and by whom. They allow the school to record commitments against its budget helping overall financial control. Written orders are also a key defence against duplicate payments.

Where possible orders are placed using the Oracle Financial System by the School Business Manager. A requisition form will be completed, the School Business Manager will ensure funds are available in the appropriate budget then the form will be authorised by the Head Teacher.

Access to the ordering modules in Oracle are restricted and password protected.

Official requisition forms must be raised for all works, goods and services (with the exception of utilities, rents, rates and petty cash payments).

Where urgency requires, orders may be placed, by telephone or via internet, only after verbal authorisation has been given from the Head Teacher. A written order should be raised as soon as possible to confirm the expenditure. The written order should state "confirmation of verbal order"

When an order is placed, the value should be committed against the appropriate budget heading on the school's financial system so that it is included in budget monitoring reports.

Official orders will only be used for goods and services provided to the school. Individuals should never use official school orders to obtain goods or services for their private use.

**7. RECEIPT OF GOODS**

The School Business Manager will ensure that goods and services are checked on receipt to ensure that they match the order. Wherever possible, the person responsible for checking the goods or services is not the person who orders the goods and processed the invoice.

The delivery note should be attached to the original order and passed to the School Business Manage to receipt on the Oracle system or to process the invoice.

**8. PAYMENTS**

It is the policy of the school to pay all invoices by the due date where possible and also to take advantage of any discounts available for early settlement where this is to the school's advantage.

Payment is only made when the following checks have been made by the School Business

Manager:

- Goods or services have been received and checked against the original order
- Expenditure has been properly incurred and payment has not already been made
- Prices agree with quotations, tenders, contracts or catalogue prices
- VAT has been properly accounted for
- The invoice has been correctly coded
- Discounts have been taken where applicable

Payment will only be made on a photocopied invoice when checks have been made to confirm that payment has not previously been made and this is recorded in writing on the invoice. Under no circumstances should a payment be made against a statement.

Invoices should be certified for payment by the Head Teacher. Method of payment and cheque or batch reference numbers should be clearly written onto the invoice.

Invoices paid by cheque should be stored in cheque number sequence, with payment certification, for six years, i.e the current year and the five previous years.

Care must be taken with regards to "segregation of duties", no one person should authorise an order, sign for goods or services and authorise the payment.

If an order has been placed using the Oracle system, suppliers will usually send invoices direct to Paybills at County Hall. The Paybills department will ensure that the order has been correctly authorised and receipted then pay the invoice.

In some cases payment may be made by cheque. The following procedures are followed when a cheque is signed:

- All supporting documents (i.e. purchase order, delivery note and invoice) are presented to the signatories
- The school copy of the remittance advice is attached to the purchase order and invoice
- The cheque signatories check the supporting documents and that the invoice has been authorised.
- All documentation is filed
- In no circumstances will any cheque signatory sign a blank cheque subject to a second signatory
- In no circumstances should a cheque be pre-signed

All cheques raised require two signatures, one of these being the Head Teacher (or nominated representative) for cheques in excess of £1,000.

Local Account and School Fund cheques can only be signed by:

- H Brown, Head, Teacher
- L Carr, Deputy, Head Teacher
- S Baxter, Deputy, Head Teacher

**9. PETTY CASH**

The School Business Manager is responsible for the payment of petty cash and is responsible for the reconciliation of the float.

A petty cash account of £100 will be held. This will be held securely and only staff authorised by the Head Teacher will have access to it.

Regulations relating to petty cash are as follows:

- Cheques drawn to replenish the petty cash float are subject to normal procedures. Supporting documentation for the value of the cheque is produced to cheque signatories

- Payments of petty cash are only made on production of a till receipt or other certification that payment has been made and cannot exceed £20.00 in value.
- The Petty Cash float must be kept in the safe when not in use.
- The Petty Cash float is reconciled on a monthly basis.
- No personal cheques are cashed through petty cash

In order to claim reimbursement, staff MUST:

- Obtain prior authorisation for the purchase from an authorised signatory
- The receipt must be made out to the school, must show the amount of VAT paid, the VAT rate charged, the suppliers VAT Registration Number and a full description of the goods purchased. It is acceptable for this information to be written on an ordinary till receipt with a signature.
- Receipts must be attached to a "Request for Funds" form, passed to the School Business Manager who will make payment in due course.
- Failure to obtain authorisation and /or complete a "Request for Funds" form will result in money not being reimbursed.
- Staff should not use personal credit cards to make purchases as VAT cannot be reclaimed. In exceptional circumstances only and by agreement of the Head Teacher if the use of personal credit card is unavoidable, the receipt MUST be made out to the school in order for the school to reclaim the VAT.

**10. INCOME**

The Governing Body will determine the charging policy for lettings and the supply of other goods and services. This will determine the rates of hire in place and will be reviewed on an annual basis.

All lettings will be authorised by the Head Teacher in accordance with the charging policy agreed by the Governing Body. Proper records should be kept of all lettings and the income due from these.

The School Business Manager is responsible for ensuring that the responsibility for identifying sums due to the school is separated from the responsibility for collecting and banking such sums.

Invoices will be issued promptly by the School Business Manager following the delivery of the service. This period of time will not exceed 30 days. Wherever possible, income should be collected in advance of the letting or service taking place.

Official, pre-numbered receipts will be issued for all income collected from external sources by the School Business Manager. These will be traceable to the record of the banking.

All receipts and other records of income will be securely retained.

All cash and cheques will be held securely to safeguard against loss or theft.

The amount of money held at any one time will not exceed the amount covered by the school's insurance policy.

All monies will be paid into the Co-operative Bank account promptly and in full. Where a school closure period exceeds 24 hours, all significant income should be banked prior to this.

The Governing Body does not permit the encashment of personal cheques from income collections or the use of income collections to make payments.

The School Business Manager is responsible for ensuring that monthly reconciliation takes place between the income collected and the sums deposited at the bank. This reconciliation should be fully documented and available for inspection when required.

Debts will be written off in accordance with the appropriate section of the Northumberland Scheme for Financing Schools. The Governing Body will be informed of any such debts prior to them being written off. A record of any sums written off will be maintained.

The Head Teacher will ensure that any transfers of money between staff are recorded and signed for.

Wherever possible, monies from vending and other machines should be emptied and the cash counted by two people.

**11. BANKING ARRANGEMENTS**

Banking is carried out on a weekly basis. Northumberland County Council Courier services attend site every Friday morning to collect and record the banking.

The Head Teacher will ensure on behalf of the Governing Body that the operation of the school bank account (including the use of direct debit/credit cards) is in accordance with section 3 – 'Instalments of budget share; banking arrangements' and Annex – 'Local Bank Account Scheme Regulations' of the Northumberland Scheme for Financing Schools.

The Head Teacher will ensure that appropriate steps are taken to reduce the risk of bank/cheque fraud occurring or minimise the potential loss if this has already occurred in line with the guidance produced by the Finance team.

The School Business Manager will ensure that bank statements are obtained on at least a monthly basis and reconciled against the school financial system and relevant accounting records. Bank reconciliations will be signed as evidence of completion.

The Head Teacher or nominated person will certify the monthly bank reconciliation and countersign the relevant reports as evidence that the checks have taken place.

Where possible, the person responsible for undertaking the bank reconciliation will not be responsible for the processing of receipts or payments.

Supporting vouchers will be made available to cheque signatories to safeguard against inappropriate expenditure.

Only manuscript signatures are to be used (i.e. not stamps or facsimile) and cheques should not be pre-signed.

Chequebooks will be held securely when not in use.

The Head Teacher will maintain a list of all bank and building society accounts held by the school and a list of authorised signatories for each of these.

The School Business Manager will ensure that the school's cash flow is regularly monitored to ensure that the account does not become overdrawn.

**12. PERSONNEL AND PAYROLL**

The Governing Body has established procedures for the administration of personnel activities, including appointments, terminations and promotions.

The Head Teacher will ensure that the duties of authorising appointments, making changes to conditions or terminating the employment of staff are separated from the duties of processing payroll notifications and claims wherever possible.

The Head Teacher will ensure that all processes in relation to completing, checking and authorising any documents and claims related to appointments, terminations of employment and expenses are carried out by more than one person.

Details of staff able to authorise any documents and claims should be forwarded to the school's payroll bureau, including specimen signatures where required.

The Head Teacher will ensure that personnel records are kept securely and only authorised personnel have access to them.

All payments to individuals should be made through the payroll system except where an employment self assessment questionnaire has been completed and the Head Teacher is satisfied from reading the guidance that the contract is one of self employment.

The Head Teacher will maintain a list of all staff employed at the school. This will be updated on an annual basis to reflect new starters and leavers.

The Head Teacher will ensure that regular payroll checks are carried out on payroll transactions against the school's documentation on staffing and pay to ensure they match.

Reconciliations on the account will be subject to review by an independent person.

**13. VAT AND TAXATION**

The school reclaims all of the VAT included in its purchases. However, this can only be achieved if payments are supported with a VAT invoice or receipt

Staff purchasing for the school must obtain a VAT invoice or receipt from the supplier. The only exception is where suppliers are not VAT registered.

If we do not recover the VAT included in the purchase price the school has to pay the full cost of the goods. This means that the budget does not go as far as it could. By obtaining VAT receipts staff can help available resources to be used to best effect.

The Head Teacher will ensure that all staff involved in the financial administration procedures within the school are aware of the current VAT and income tax regulations, in accordance with the appropriate section of the Northumberland Scheme for Financing Schools.

**14. SECURITY OF ASSETS, STOCK AND OTHER PROPERTY**

The school's asset register is held on the "Every Education" system.

Maintenance of the asset register is undertaken by the School Business Manager.

The Head Teacher is responsible for ensuring that asset, stock, cash and other property belonging to the school is kept in safe custody.

The Head Teacher will ensure that stock levels are maintained in such a way to ensure continuity and availability of materials; maximum efficiency of annual budgets; good condition of stock and efficient use of storage capacity. Independent physical checks should be made of significant stocks no less than annually against stock records.

The Head Teacher will ensure that an inventory is maintained of all portable, desirable, valuable and uniquely identifiable items. This will include details of serial numbers, make and model where applicable. All such items will be security marked as being the property of the school.

An annual check of the inventories against items physically held will be undertaken by an independent person and documented. All discrepancies identified on this check will be investigated and reported to the Governing Body.

If stocks or equipment are surplus, obsolete, damaged, not traceable or stolen, the Governing Body will authorise the write-off and sale or disposal in accordance with the appropriate section of the Northumberland Scheme for Financing Schools.

Safes and secure cupboards/cabinets will be kept locked, the keys removed and held in a secure location as determined by the Head Teacher.

Staff must not take any school equipment home without prior approval from the Head Teacher. A written record will be made that an item is off the school premises. Such use must only be for school purposes.

Auditors and insurers require that we keep updated records or valuable or permanent stock items in school.

**15. INSURANCE**

The Governing Body will ensure that adequate insurance is taken out to cover risks to which the school is exposed. The school currently places its insurance arrangements with the Local Authority. An annual review of all risks will be conducted to ensure that an appropriate level of cover is maintained.

The Governing Body will review all risks not covered by the Local Authority on an annual basis and determine whether additional cover should be taken out.

The Head Teacher will ensure that the Finance Department is notified of all new risks, additions and alterations which require insurance or affect the school's existing insurance arrangements.

No indemnity will be given to any third party without the written consent of the Director of Finance

The Head Teacher will insure that the Director of Finance is immediately informed of any accident, loss or other incident that may give rise to an insurance claim.

The Governing Body will ensure that the insurance cover purchased covers the use of school property whilst off school premises.

**16. DATA SECURITY**

The Governing Body will ensure that the school is registered in accordance with the Data Protection Act 1998. The use of any systems to record or process information will comply with this legislation.

The Head Teacher is responsible for ensuring that data is regularly backed up and that all back-up CDs are securely held in a fireproof location.

The Head Teacher will ensure that the computer systems used for school management are password protected and that only authorised staff have access to the systems. Passwords should not be disclosed, should be changed regularly and updated for staff changes.

The Head Teacher will ensure that adequate protection is in place to safeguard school systems and data against computer viruses. Only authorised software will be used.

**17. SCHOOL AND OTHER PRIVATE FUNDS**

The Head Teacher will ensure that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account.

The Head Teacher, on behalf of the Governing Body, will ensure that the accounting procedures for any voluntary funds reflect the same standard as those required for accounting for the school's delegated budget.

Any voluntary accounts will be subject to an annual audit by an independent auditor. The audit report will be presented to the Governing Body. A school fund audit certificate should be forwarded to the Internal Audit section.