

34. Financial Control Procedures

34.1. Governance

- 1) A financial control framework conforming as a hierarchy detailed below:
 - Scheme for Financing Schools
 - Financial Manual of Guidance
 - Schools Internal Procedures Document

See also:

School Standards and Framework Act 1998 - Section 48

A39 Model Internal Financial Procedures Manual

- 2) Financial systems and procedures have been documented in a Schools Internal Procedures Document and reviewed on an annual basis.

See also:

A39 Model Internal Financial Procedures Manual

- 3) Terms of reference are documented for the Governing Body and its committees and reviewed on an annual basis.
- 4) Minutes are properly produced.

See also:

Keeping a register of financial interests section of the Financial Manual of Guidance

- 5) A register of pecuniary interests is maintained for governors and staff.
- 6) Governors have received appropriate induction training.
- 7) A three year school development, improvement plan is completed in conjunction with a current detailed annual costed plan.

- 8) The Governing Body is aware of the risks not covered by its insurance cover.
- 9) An annual review process of financial control procedures by a designated independent person is undertaken.

34.2. Local expenditure and Direct Credit Bank Accounts

- 1) Reconciliation is promptly completed on at least a monthly basis.
- 2) Bank mandate is accurate.

34.3. Financial Management and Controls

- 1) Budget plan is approved and minuted by the Governing Body.
- 2) There is an accurate record of the approved budget on the schools accounting system.
- 3) Budget revisions are approved in accordance with the written scheme and recorded on the schools accounting system.

See also:

A5 Revenue Budget

A6 Accounting Procedures

- 4) Appropriate levels (budget holders, senior school staff, Headteacher, Finance Committee, Governing Body) within the school monitors the budget on either a monthly or quarterly basis.

See also:

Keeping Your Balance - The Standards Questionnaire Section C

- 5) A comprehensive budget monitoring statement including original and revised budgets, commitment and explanations where appropriate.

See also:

A8 Budget Monitoring

- 6) Accounting and other required returns to the Education Finance Service (EFS) are completed accurately and dispatched promptly.

34.4. Financial Procedures

- 1) There are written descriptions of current financial systems, policies and procedures held within the School's Internal Procedures Document.

See also:

A39 Model Internal Financial Procedures Manual

- 2) The Governing Body implements the findings from the annual independent review on the adequacy and effectiveness of the internal financial control framework.

34.5. Income

- 1) All income due is identified, collected, held securely, banked into the Official Account and posted correctly into the accounting system.
- 2) A charging policy and associated scale of charges are reviewed and approved annually by the Governing Body.
- 3) Transfers of money between two members of staff are evidenced by means of a signature.
- 4) All bad debts are reported to the Governing Body and the Children Services Directorate.

See also:

Write-off process in A21 Income (paragraphs 21.11 to 21.15)

34.6. Expenditure

- 1) Purchasing arrangements for goods and services reflect the need to obtain quotation or tenders in accordance with approved limits.

See also:

Best Value information and guidance

- 2) Official orders are used and invoices are authorised for payment.
- 3) The payments system contains clear separation of duties between staff who administer it.

34.7. Asset Management

- 1) A comprehensive inventory of equipment is maintained containing serial numbers, date acquired, warranty, security marked, electrical tested.
- 2) An annual inventory and stock check against actual assets is undertaken and evidenced.
- 3) Portable, desirable and valuable equipment is properly secured and security marked.
- 4) Procedure for the write-off and disposal of equipment is recorded and followed.

34.8. Personnel/Payroll

- 1) Appointments and payments are made in accordance with procedures formally adopted by the Governing Body.
- 2) The administration of all documents and claims relating to appointments, terminations or pay adjustments is organised in such a way as to ensure that they are not the sole responsibility of one person.

34.9. Information Systems

- 1) A disaster recovery plan in relation to loss of accounting and other critical data is annually approved by the Governing Body and regularly tested.
- 2) Back up of the school's critical data is regularly taken and stored in a fireproof location or offsite.
- 3) There is a formal procedure to review all computer application software, data, equipment and access arrangements.

34.10. Unofficial Funds

- 1) An auditor independent of the school staff has produced an audited statement that is presented annually to the Governing Body.

See also:

A13 Voluntary Funds

A14 Trust Funds

- 2) Funds are accounted for separately in financial statements to the Governing Body.