

# **Tower Hill Primary School**

## **Statement of Financial Expectations**

### **Introduction**

This is the latest update of the Statement of Financial Expectations. The main changes to the statement are the reminder of insurance levels and security of assets, and the register of pecuniary interests.

The statement will be reviewed and updated as necessary each September.

The statement provides specific guidance to Headteachers, Governing Bodies, managers and governance groups in other educational settings on how they should interpret the Local Government Code of Conduct in the context of their responsibility for the day-to-day management and direction of their school.

The Director of Corporate Resources has statutory responsibility for ensuring the highest standards of financial integrity in spending public money throughout all County Council services including schools, education centres and any other units with devolved or delegated budgets. The responsibility extends to safeguarding public funds and ensuring all budgets are spent efficiently and effectively.

### **What the Local Government Code of Conduct does**

The Local Government Code of Conduct states how the Council and the public expect individuals to act in financial and other matters. (You can find more details at <http://www.opsi.gov.uk/si/si2001/20013575.htm>.) The code applies to all employees of County Council services, whether or not they have devolved or delegated funding and whatever their seniority. All financial decisions and spending are expected to be in line with the financial arrangements, procedures and processes set by Corporate Resources.

### **Governing Bodies and their duties**

For schemes of financial delegation or devolution, the guardians of public funds and Corporate Resources standards and expectations are school Governing Bodies, Management Committees, Partnership Boards, and other governing groups. This statement refers to all these as Governing Bodies.

Governing Bodies are the front line for ensuring financial integrity in their institutions. They have a duty to ensure that staff and their own members understand the standards expected in financial matters and are aware of the protection provided by the Governing Body's policy on whistle-blowing. See the Manual of Personnel Practice, Volume 1 for an example policy.

The vigilance of Governing Bodies aims to ensure that senior management are protected when exercising delegated or devolved financial powers. It does not indicate a lack of trust.

The Governing Body should ensure that the designated people responsible for checking the payroll and approving payments to staff can directly contact the Chair of Governors if they want to express any concerns about how financial matters are conducted in the school.

All funds that the County Council provides and delegates or devolves to schools are intended for children's education. The Governors are responsible for managing these funds locally, and must be satisfied that official and unofficial funds available to the school are used appropriately.

Below, is some guidance on common issues that arise at schools.

### **Register of Pecuniary interests**

The Register is a public document and must be held at the school in an area that makes it easily accessible for inspection by governors, staff, parents and the Council. The senior leadership team and Governing Body should be aware of the register's contents which will assist schools in showing that decisions are made in the best interests of the school.

The governing body is responsible for keeping the register up to date with notification of any changes and through the annual review of entries (normally undertaken at the first full governing body meeting of the academic year). The Register of Pecuniary Interests must be completed by all Governors and any staff with a significant influence on spending decisions or who might benefit from financial decisions the Governing Body makes. A nil return is required even where no interests are formally declared.

The register must show any business interests that they, their partner, or any member of their immediate family may have and also detail any relationships between school staff and members of the governing body. They must also declare any details of any other educational establishments that they govern.

As an additional control, the subject of Declaration of interests should appear as a standard item on all full governing body and committee agendas. Any potential conflict of interest should be declared at the start of a meeting and where appropriate individuals should withdraw from the meeting.

All of the above requirements are covered under Section 2.12 of Hampshire County Council's Scheme for Financial Management of Schools which can be found in the link below.

<http://documents.hants.gov.uk/education/school-budget-shares/scheme-for-financing-schools/2016-SchemeforFinancingSchools.pdf>

### **Publishing Governor Details / Register of Interests**

Statutory guidance published by the DfE in March 2015 sets out the requirement Governing Bodies have to publish information about their members on their school's website. As holders of public office, the identity of Governors should be known to their school and the wider community. Governing Bodies should publish, on the school's website, as a minimum for each Governor:

- their name;
- their category of Governor;
- which body appoints them;
- their term of office;
- the names of any committees the Governor serves on; and
- details of any positions of responsibility such as Chair or Vice-Chair of the Governing Body or a committee of the Governing Body.

Governing Bodies should also publish this information for associate members, making clear whether they have voting rights on any of the committees they serve on.

The DfE guidance also requires that from 1 September 2015 Governing Bodies will have to publish on their website their register of interests. The register should set out the relevant business interests of Governors and details of any other educational establishments they govern. The register should also set out any relationships between Governors and members of the school staff including spouses, partners and relatives.

The full statutory guidance can be found at the following link:

<https://www.gov.uk/government/publications/constitution-of-governing-bodies-of-maintained-schools>

## **Travel claims**

Headteachers may delegate to an appropriate member of staff the authorisation of staff travel claims. This delegation should be recorded, for example in the Finance Committee Terms of Reference. Headteachers should personally authorise claims made by the people they directly line manage. If the person designated to authorise a claim is absent, the next most senior person with delegated responsibility for authorising travel claims may do so.

No member of staff may authorise their own travel claim, including the Headteacher.

The Chair of Governors or the Chair of Finance/Resources must authorise Headteachers' travel claims. Before the Chair of Governors or other authorised Governor signs the Headteacher's claim, the Headteacher may delegate the checking of the claim to the school's Administrative Officer.

Claims may only be made for trips approved in advance by the appropriate member of staff. It is acceptable to give approval for categories of trips rather than each individual event. Travel claims for unauthorised trips may be approved, but only:

- after the reasons for the trip have been made clear, and
- if the person authorising the trip is satisfied that it is for legitimate school business.

The mileage for each trip must be accurately recorded and verified. Claims should only be made for mileage that exceeds the normal journey from home to school. For example, if someone makes a journey from home directly to a course venue, they should claim those miles, less the miles for the normal home to school journey.

VAT receipts for fuel and receipts for parking, tolls and public transport fares must be submitted with the claim.

All claims should be submitted on an official travel claim form for inputting on to the ESS system and the school should keep the form and any receipts for four years.

The provision of lease cars or payment of car allowances must be agreed in advance by the Governing Body and must comply with County Council procedures. You can find details of these at <http://intranet.hants.gov.uk/ctdept/carleasing.htm>

### **Approval for attending seminars and conferences**

Headteachers who wish to attend seminars or conferences should seek prior approval from the Governing Body if:

- the cost of accommodation and attendance fees will be more than £1,000, or
- the event means being out of school for more than three days.

The benefits of attending and the approval for attendance should be formally minuted, together with the estimated costs.

### **Travelling abroad**

Any educational visit the Headteacher wishes to take abroad as part of their professional development must be agreed in advance by the Governing Body, and the Governors' decision recorded in minutes. Agreement for visits during term time should normally be given only if the Governing Body is satisfied that the school will gain significant benefit and the visit will benefit the Headteacher's professional development. The Governing Body may wish to seek advice on this from the County Education Manager (School Improvement).

Often educational visits abroad are partly or fully funded by an external body, such as the EEC, the DfE, the SSAT or UNESCO. However, if the school budget will be covering part of the costs, the Governing Body must satisfy itself that the balance of cost represents value for money for the school.

If a Headteacher chooses to extend the time abroad on an educational visit to enable them to take a holiday, they should pay an appropriate proportion of any costs themselves. The school budget must not pay any personal and private foreign travel costs.

### **Claims for other expenses**

Parking, public transport fares and meals can only be claimed in accordance with County Council rules and on production of receipts.

The Governing Body may agree to provide the Headteacher with a mobile phone for authorised business use. If the Headteacher also uses the mobile phone to make personal calls, they must reimburse the school for the cost of these calls. In addition a pro rata of the rental charge should be paid, e.g. if private use is 50%, 50% of the rental charge should be paid. The school should obtain itemised bills for any mobile phone, and keep them for three years. There should be robust arrangements for ensuring that the Headteacher complies with the terms under which a mobile phone is provided.

Purchases for school use must be made against an order, resulting in an invoice for processing in the normal way. Low value purchases, i.e. under £250 for school business use may be reimbursed from petty cash on production of a VAT receipt.

### **Hospitality**

The costs of entertaining visitors on or off the school site should only be incurred if this is likely to substantially benefit the education of the pupils, and school funds should be used for these. If such spending is likely to be more than £100, it should be approved by the Governing Body.

### **Staff team-building activities**

The school may think it appropriate for staff to do some training in the form of a team-building activity. Although these can be valuable and ultimately benefit pupils, to the public they may look like a holiday in disguise at public expense. So we recommend that:

- the estimated costs and benefits to the school of the activity are identified before the event
- Governing Body approval is obtained before making any commitment to the event.

### **Budget monitoring**

Approval of the school budget by Governors should be recorded in the minutes of the Governor meeting and SAP budgetary control reports should be reviewed and retained either electronically or hard copies held to show the financial budget position.

Any changes to the budget should be approved by the Governors and justification for the change recorded within the minutes of the relevant meetings.

### **Income (also see below Insurance levels: Cash on premises)**

Any cash held in excess of the school's insurance arrangements would not be recoverable in the event of loss or theft. Schools income management arrangements should therefore conform with the insurance cover at the school.

Keys to the safe should be restricted to appropriate staff and must be taken off site overnight to comply with insurance requirements.

### **Receipting of income**

Following a review of the guidance on receipting of income, it has been agreed that the limit for receipting cash received will increase from its current level of £10 to £15. This increase will take effect from September 2016.

### **Payroll**

The Headteacher must ensure that there are robust arrangements for checking monthly that the payroll is accurate, in terms of the staff shown and the amounts they are paid. It is recommended that a nominee of the Governing Body (not a parent or staff Governor) should check the payroll at least once every three years.

The Headteacher must also ensure that there are robust arrangements for authorising any changes, for example in staff or pay. This includes permanent changes to staffing and changes in an individual's banking details. This task may be delegated to a designated member of staff.

It is a key requirement that payroll claims (overtime, casual, supply etc.) are supported by fully completed and appropriately authorised claim forms.

A Headteacher must not authorise their own pay rise. This should be done by a designated member of the Governing Body in accordance with guidance in the [Manual of Personnel Practice](#).

### **Delegating financial powers to the Headteacher**

Every year the Governing Body must review its policy for delegating financial powers to the Headteacher. They must specify and record the value of

transactions, preferably in the Finance Committee's, or equivalent committee's, Terms of Reference that the Headteacher and staff can approve under delegated powers.

The Headteacher must not authorise any payment to themselves. This includes signing a cheque where the Headteacher is the payee. In these circumstances, the alternative signatory should sign the cheque with the Chair of Governors or Chair of Finance initialling the supporting paperwork.

### **Contracts: tendering and awarding**

All goods, works and services must be procured in compliance with Contract Standing Orders (CSOs) and Financial Regulations. Competitive tendering encourages economy, efficiency and effectiveness in public expenditure and can promote competitiveness among suppliers, contracts and service providers.

No Governor or member of staff with a relevant pecuniary interest may take part in any aspect of tendering and awarding contracts. How the Governing Body acts in overseeing the tendering process is crucial in protecting its integrity and that of the Headteacher and other staff. It is vital that Governing Bodies are scrupulous in their attention to the details of tendering and contract processes, and that they record their activities properly. Their actions could be routinely audited and scrutinised and may be subject to requests under the Freedom of Information Act.

The key corporate principles that ensure the County Council complies with regulations and legislation, and that officers and Governors are not placed in a vulnerable position, are outlined on the 'Best Practice in Procurement' website. An extract is shown below:

<http://intranet.hants.gov.uk/corporateprocurement/procurementbestpracticecontents.htm>

The Officer's Code of Conduct comprises the rules and principles that all employees are expected to comply with in their work. Failure to comply could result in dismissal and criminal proceedings. You as the purchaser, and not the County Council, would be legally liable if any allegations of wrongdoing arose.

By following these guidelines, you can be sure you have dealt with suppliers appropriately, and will be protected from any accusations of corruption, fraud, illegality or misuse of public funds.

### **Contracted suppliers**

The County Council maintains a contracts register which lists all of its current contracted suppliers which can be found at the following link: <https://intendhost.co.uk/hampshire.aspx/ViewContractsRegister.aspx?id=f143f830-fbd2-4d5e-9805-62562613921c>

Where a contracted supplier is available to supply the goods or services that you require they should be used. If non-contracted suppliers are used, as well as ensuring that best value has been obtained, you must also ensure that the County Council's insurance requirements are met.



As a quick reference, below are some links to relevant topics that must be considered in all procurement:

Topic	HantsNet/HantsWeb link	Section/paragraph
<b>The procurement process</b>		
Contract Standing Orders (CSOs)	<a href="http://documents.hants.gov.uk/constitution/Chapter6-ContractStandingOrders.pdf">http://documents.hants.gov.uk/constitution/Chapter6-ContractStandingOrders.pdf</a>	Part 3, Chapter 6
Procurement Best Practice Guide	<a href="http://intranet.hants.gov.uk/corporateprocurement/procurementbestpracticecontents.htm">http://intranet.hants.gov.uk/corporateprocurement/procurementbestpracticecontents.htm</a>	N/a
Separation of duties	<a href="http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc">http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc</a>	Section 9
<b>Use of County Council financial resources</b>		
Value for money	<a href="#">D – Financial systems and procedures</a>	Paragraph 2.35
<b>Register of interests, gifts and hospitality</b>		
Potential conflicts of interest	<a href="http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc">http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc</a>	Paragraph 1.1, 4.3, 4.4, 7.2
	<a href="http://intranet.hants.gov.uk/ccbs/ccbs-business-support/ccbs-admin/ccbs-democratic/pbr-democratic-gifts/pbr-main-newpage-2.htm">http://intranet.hants.gov.uk/ccbs/ccbs-business-support/ccbs-admin/ccbs-democratic/pbr-democratic-gifts/pbr-main-newpage-2.htm</a>	N/a
	<a href="#">D – Financial systems and procedures</a>	Paragraph 2.36
Gifts and hospitality	<a href="http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc">http://documents.hants.gov.uk/constitution/TheConstitution-Part4-AppendixB-OfficersCodeofConduct-2012-08-08.doc</a>	Section 12
<b>Retention of records</b>		
Security of records/ protecting data	<a href="#">D – Financial systems and procedures</a>	Paragraph 2.65
	<a href="http://learnit.hants.gov.uk/learnit/hantsnet-itsecurity.htm">http://learnit.hants.gov.uk/learnit/hantsnet-itsecurity.htm</a>	N/a
	<a href="http://intranet.hants.gov.uk/recordsmanagement">http://intranet.hants.gov.uk/recordsmanagement</a>	N/a

## **Consultancy**

Headteachers may do consultancy work or contribute to educational conferences. However, all such work must be authorised in advance by the Governing Body, after taking into account the school's overall effectiveness and its capacity to work effectively in the Headteacher's absence. The extent of consultancy work must be approved by the Governing Body and fully recorded in the minutes of the relevant meeting. The Governing Body should review annually and reapprove any agreement they have with their Headteacher to do paid work outside the school.

All fees from payments to the Headteacher for consultancy must be paid into the school's main account. The Headteacher must be informed in writing of any agreements about all work incurring additional payment to him or her, and this should be kept on file. The Governing Body is responsible for decisions about consultancy work, although it may seek advice from Education Personnel Services.

A Headteacher must not be paid from two sources for the same working time. All payments to the Headteacher arising from consultancy must go through payroll and comply with the guidance in the [Manual of Personnel Practice](#).

## **Gifts**

Headteachers and all other staff must declare and record in Governing Body minutes any gifts exceeding £25 in value that they receive for their personal use. You should courteously but firmly decline gifts by explaining that staff working in public services generally cannot accept them. Offers of gifts should be reported to senior staff and the Governing Body.

## **Purchasing cards**

The Government Procurement Card (GPC) is a purchasing card specifically tailored and contracted for the public sector. It is a corporate charge card allowing cardholders to buy over the telephone, counter and internet from any supplier that can accept payments via a credit card. The aim of the GPC is to assist in more efficient purchasing of goods and services by reduction of transaction times and costs.

Using the card should result in a reduction in the use of the imprest account and removes the need for staff to use their own personal credit cards for ad-hoc and specialist purchases.

Where a Headteacher holds a procurement card, transactions have to be authorised by the Chair of Governors, usually by retrospectively signing the monthly transaction report from the RBS system. The new system for procurement cards does require authorisation on the system and the Governing Body should delegate this to a member of school staff. For full details on this process see School Communication SC011342.

Further information about the cards, including how to apply for one, can be found at the following link: <http://intranet.hants.gov.uk/ccbs/ccbs-business-services/corporateprocurement/pcardspcash/pcards-corporate.htm>

### **Driving on council business**

A recent audit highlighted that many staff who carry out the school banking by driving to the bank in their own car do not have business use cover on their car insurance. Business use cover would also be required for staff driving to courses, other schools etc.

Managers employing staff who are required to drive on the business of the County Council have a responsibility to ensure that those employees are legally entitled to drive and have taken steps to manage their safety on the road. These include ensuring that:

- all individuals have an appropriate full driving licence for the type of vehicle to be driven. The details must be recorded.
- where individuals use their own vehicles on County Council business, they have a current insurance policy, including cover for business use, and a valid MOT certificate where this applies (declaration on the Travelling and Subsistence Expense form refers).

### **Charges and voluntary contributions on school trips**

Following a number of queries around this area, discussions have taken place between the Southern Internal Audit Partnership, Education Financial Services and Legal Services to clarify the key issues. As a result of these discussions, Part 5 of the Schools' Manual of Financial Practice and Procedure has been updated to provide further clarity to schools.

### **Insurance levels: Cash on Premises**

Schools without safes are insured under the Insurance SLA to hold the following levels of official cash on the premises:

- Primary/Junior - £200.00
- Secondary - £400.00

Schools with safes are insured to hold up to £1000.00 or the maximum cash holding limit of the safe (whichever is the lower amount). If you wish to hold funds over £1000.00 and the manufacturer safe holding limit meets or exceeds your preferred cash amount you may subscribe to the Additional Cash on Premises insurance. Cover starts from £21.73 per annum to hold £2000.00. If you wish to subscribe to this policy please contact [insurance.queries@hants.gov.uk](mailto:insurance.queries@hants.gov.uk) and confirm:

- The maximum cash you wish to hold

- The make, model and manufacturer's cash holding limit of your safe
- The Cost Centre and GL Code the premium should be charged to.