



Mill Lane Primary School

Financial Administration of Schools Policy

June 2021

Adopted and amended by: Sue Skillcorn
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Mill Lane Primary School

Financial Administration Policy

Introduction

- The Governing Body of Mill Lane Primary School is committed to establishing high standards in financial management, control, administration and the achievement of value for money, to ensure that resources are used efficiently and effectively.
- To achieve this, the Governing Body will require the Head Teacher to report to them annually by using a self-assessment questionnaire, on the seven key areas for each of which this school has determined standards.
- The Governing Body will work proactively with the Head Teacher and other school staff to rectify any areas of concern which are identified.

Statement of Intent

This policy and the attached procedures are intended to identify and clarify the responsibilities of different groups of individuals, who deal with or work with the finances of the school.

The practices outlined in the policy or in the attached procedures are not to be interpreted as implying lack of trust, as this is most definitely not the case. They should be seen as a safeguard, against misunderstandings and duplication of roles.

Aims of the School

This policy supports the following aims of the school: -

- Supporting staff
- Giving staff structured systems and procedures
- Keeping a well-managed budget
- Outlining the role of the Governing Body.

Evaluation and Review

This policy and its implementation will be reviewed annually by the Governing Body Finance Group.

The implementation of the policy is described in the attached 'Procedures' document.

Summary of the Standards

1. Governance: the responsibilities of the Governing Body, its Committees, the Head Teacher and staff are clearly defined and limits of delegated authority established.
2. Financial Planning: the budget reflects the school's prioritised educational objectives, seeks to achieve value for money and is subject to regular, effective monitoring.
3. Budget Monitoring: regular monitoring of income and expenditure against the agreed budget is central to effective financial management.
4. Purchasing: the school ensures that purchasing arrangements achieve the best value for money. This endorses the principles of quality and not just cost.

5. Internal Controls:
 - a. Financial Controls: the school has established sound internal financial controls to ensure the reliability and accuracy of its financial transactions
 - b. Income Controls: all income due to the school is identified, a charging policy is established, all collections are received, recorded, banked promptly and accounted for accurately
 - c. Banking Controls (applies to petty cash and voluntary fund accounts): the school properly controls the operation of bank accounts and reconciles bank balances with the accounting records
 - d. Payroll Controls: there are efficient procedures for the administration of personnel matters including the payroll where this applies
 - e. Petty Cash: the school controls the use of petty cash
 - f. Tax: complies with VAT and other tax regulations

6. Voluntary Funds: school voluntary funds are administered as rigorously as public funds.

7. Assets and Security:
 - a. Assets: stocks, stores and other assets are recorded, adequately, safeguarded and recorded in an inventory. Plans for the use, maintenance and development of school buildings are maintained and linked to the LA's asset management plan as part of the school's development plan
 - b. Insurance: the school is adequately insured against exposure to risk
 - c. Data Security: the Data Protection Act 1998 is complied with in relation to personal data that is held electronically on manual records. All data is protected against loss.

Self-Assessment Questionnaire

This form was completed by the Headteacher with the findings reported to the Governing Body annually as a method of monitoring the financial procedures in schools, to ensure that they meet the standards laid down in the policy for financial administration.

Schools defines the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff.

1. Governance

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Have the roles of the Governing Body, its Committees, the Headteacher and other staff been defined in writing?	✓			1
Are the terms of reference and membership of all committees set out in writing including limits of delegation? See Appendix 1 for suggested model for Finance and Pay Review Committees	✓			2
Has the Governing Body agreed with the Headteacher the frequency, content and	✓			3

general formal of the financial information to be provided to it?				
Has the Governing Body appointed someone to minute all of their meetings, including committee meetings?	✓			4
Has the Governing Body set up a register of pecuniary interests for governors and any staff who influence financial decisions?	✓			5
Does the Headteacher ensure that school administrative arrangements comply with LEA financial regulations, standing orders and LMS Scheme?	✓			

2. Financial Planning

The budget should reflect the school's prioritised educational objectives, seek to achieve value for money and be subject to regular effective monitoring.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the school have a written statement of its aims and objectives?	✓			
Does the school have a medium term development plan and financial plan?	✓			6
Is there a clear link between the schools annual budget and its development plan?	✓			7
Have any budget surpluses been earmarked to meet specified future needs?	✓			8

2. Financial Planning cont'd

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Has the Governing Body established formal procedures and timetables for planning the budget?	✓			
Is the annual budget prepared sufficiently in advance of the financial year to enable governors to consider all issues, including resources available, the medium term financial plan and the use of surpluses from previous years?	✓			
Are details of your budget plan sent to the LEA within the specified deadline?	✓			

3. Budget Monitoring

Regular monitoring of income and expenditure is central to effective financial management

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note

Has the Governing Body established formal procedures and timetables for monitoring the budget?	✓			
Is the accuracy of the system data verified on a regular basis?	✓			
Does the Headteacher provide regular reports to the Governing Body to allow comparisons of actual and budgeted financial performance to be undertaken? (should include adjustments and known commitments where appropriate)	✓			9
Does the Headteacher consult with governors and staff to ensure that the financial management information they receive is relevant, timely, reliable and understandable?	✓			
Are staff made accountable for funds delegated to departments?	✓			
Are there adequate rules in place for the virement of funds?	✓			
Do the Headteacher and Governing Body assess progress against the objectives in the development plan regularly?	✓			
Does the Headteacher report to the Governing Body the expected budget implications of any proposed policy changes?	✓			

3. Financial Planning Cont'd

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Has the Governing Body sought the approval of the LEA to any purchases of a capital nature, agreed with them the method of finance, and obtained the signature of authorised officers to the signing of any contracts including operating leases or rentals?	✓			

4. Purchasing

The school should ensure purchasing systems ensure best value for money

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the school obtain value for money by using the LEA purchasing arrangements or testing the market by considering price, quality and fitness for purpose?	✓			
Are at least three written quotations obtained where the estimated value of goods or services exceed £6,000?	✓			
Does the Governing Body review all quotations for expenditure above £6,000 and require reasons if the lowest quotation is not accepted?	✓			
Are all staff with purchasing responsibilities informed of the expenditure limit above which quotations or Governing Body prior approval must be obtained?	✓			
Is a quotations register maintained?	✓			
Does the Governing Body put all purchases out to tender exceeding £50,000 for goods and £100,000 for the execution of works, following all LEA requirements detailed in Standing Orders?	✓			
Has the Headteacher received appropriate external approval for any financial agreement with capital implications?	✓			
Are all orders made using the SIMS system following the agreed procedures?	✓			10
Are all orders signed by Headteacher or 'designated member of staff'?	✓			
Does the school keep a copy of the list of authorised signatures as supplied to the LEA?	✓			
Are staff expressly told that official orders may not be used for private purchases?	✓			

4. Purchasing cont'd

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Are verbal orders only issued in cases of emergency?	✓			
Are firms used for repairs and maintenance appropriately qualified?	✓			
Are all goods and services checked and recorded on receipt to ensure they are in accordance with the order?	✓			
Are invoices always paid within the time limits specified in law for payment of debts?.	✓			
Does a member of staff approved by the Governing Body certify invoices for payment?	✓			
Is the certifying member of staff different from the person who signed the order and from the person who checked receipt of goods/services?	✓			11

5. Internal Controls

a) Financial Controls

The school must establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Are the duties of staff concerned with financial transactions distributed so that at least two people are involved with both receipts and payments?	✓			
Are there up-to-date written descriptions of all financial systems and procedures with staff trained in their use?	✓			
Are staff trained in financial procedures to cover for the absence of key staff?	✓			
Is the duty of calculating, checking and recording money due to, or from, the school separated from the duty of collecting or paying out money?	✓			
Are there rules for the alteration of original documents such as cheques and receipts? (ink or biro only - with initials)	✓			
Are accounting records retained in accordance with arrangements specified by the LEA?	✓			

5 a) Financial Controls continued

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Are transactions traceable from the original document to the accounting record?	✓			
Is access to the accounting records limited to authorised staff?	✓			

5. Internal Controls

b) Income Controls

All income due to the school should be identified, collections should be receipted, recorded and banked promptly.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the Governing Body have an agreed charging policy and is this reviewed annually?	✓			12
Does the school separate the responsibility for identifying sums due to the school from the responsibility for collecting and banking such sums?	✓			
Are requisitions for invoices requested promptly following LEA procedures?	✓			
Does the school record and sign for all transfers of money between staff?	✓			
Are receipts, tickets and records of income retained securely?	✓			
Are cash and cheques locked away to safeguard against loss and theft?	✓			
Are collections banked promptly in their entirety?	✓			
Are staff aware never to cash personal cheques or make payments from cash received?	✓			
Does the school reconcile cash receipts with banking's and accounting transactions?	✓			13
Do school procedures ensure that all lettings are authorised by the Headteacher and recorded in a diary or register?	✓			
Do school procedures ensure that any coin machines are emptied and counted by 2 people?	N/A			

5 c) Internal Controls

c) Banking

The school should control the operation of bank accounts and reconcile bank balances with accounting records.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
<i>School <u>does not</u> have an Imprest Account – we use a credit card. Staff are paid directly back through Aggresso.</i>				
Does the school in operating the imprest account follow LEA procedures for the use of cheque books?				
These include:				
• Payments to individuals may not be paid from this account				
• Two authorised signatures are required on cheques				
• A limited number of authorised signatories				
• Supporting vouchers should be made available to cheque signatories				
• All cheques drawn on the account are crossed "account payee only" to avoid the possibility of improper negotiation of the cheques				
• That only manuscript signatures should be used and cheques should not be pre-signed				
• That the school should retain cheque books securely when not in use				
• That the school should not overdraw or negotiate overdraft facilities on the account				
Does the school obtain bank statements on both a monthly basis and prior to replenishment of the imprest and at these times reconcile them to the accounting records?				
Does the school separate the duties of bank reconciliation from that of processing payments from the imprest account?				
Do members of staff use their private accounts for any payment or receipt related to the school budget?				

5 Internal Controls

d) Payroll Controls

There should be efficient procedures for the administration of personnel and payroll matters.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Has the Governing Body adopted the procedures recommended in the LEA or similar recommended model - Pay Policy for Schools?	✓			
Does the school ensure that all payments to individuals are transacted through the payroll except where a valid exemption certificate is provided?	✓			
Does the Headteacher follow LEA procedures for appointments, terminations and variations to contracts?	✓			
Do school procedures ensure that at least 2 people are involved in the processes of completing, checking and authorising all documents and claims related to appointments, terminations and expenses?	✓			
Does the Headteacher ensure that adequate arrangements are in place to check the accuracy of the personnel element of SIMS, supply teacher costs, and all employee related elements of the management information system?	✓			
Are specimen signatures provided to the LEA of all staff authorised to certify timesheets and other employee related documents?	✓			
Does the Headteacher check that payments have been made to the correct staff at the correct rate?	✓			14

5. Internal Controls

e) Petty Cash

The school should control the use of petty cash.

<i>School <u>does not</u> hold petty cash</i>	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the Governing Body agree on appropriate level for the amount of the imprest account to be held in cash?				
Is access to petty cash limited to authorised members of staff, and payment for minor items for which there is proper authority and provision in the budget?				

5 e) Petty Cash Continued

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Is each employee authorised to manage the imprest account including the cash holding, made responsible for following proper procedures? These would include:-				
• Obtaining vouchers and receipts for all payments				
• Obtaining a receipt or acknowledgement of payment which identifies any VAT paid				
• Ensuring the safe custody of cash and cheques				
• Producing on demand to the Headteacher, auditor or other authorised person, cash or vouchers, to the value of the cash withdrawn from the imprest account				
• Submitting regular claims for reimbursement properly certified and supported by vouchers and receipts				
Are reconciliations of imprest account records regularly undertaken to the imprest level and the balance in SIMS system?				
Are staff made aware that personal cheques should not be encashed from petty cash?				
Does the Headteacher arrange for periodic checks of the completeness of the fund held in the imprest account?				

5. Internal Controls

f) Tax

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Are all relevant finance and administration staff aware of VAT, income tax and CIS regulations?	✓			15

6. Voluntary Funds

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

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the school ensure that there is a safe and efficient system for the custody and	✓			

control of voluntary funds under the control of the Governing Body?				
6 <u>Voluntary Funds</u> (Continued)	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
These would include:				
• The appointment of a treasurer and independent auditor.	✓			
• Accounting procedures which reflect the standards for accounting for public funds.	✓			
• Receipts are issued for any donations or income entering the voluntary fund.	✓			16
• Regular reconciliations between accounting records and bank statements are undertaken and independently reviewed.	✓			
• An annual audit of the accounts by an appropriate auditor.	✓			17
• Two signatures on cheques.	✓			
• The submission of annual accounts and a report thereon to the Governing Body.	✓			
• Copying the audited accounts to the LEA.	✓			
• The immediate reporting of any suspected irregularities to the LEA auditors.	✓			
• Establishing adequate insurance arrangements.	✓			
• Proper separation of voluntary funds and related records from official school funds.	✓			
Have the school arranged for all private funds to have a separate written constitution?	✓			
Are relevant voluntary funds registered with the Charity Commission?	<i>Not registered as we don't qualify</i>			

7. Assets and Security

a) Assets

Stocks, stores and other assets should be recorded and adequately safeguarded against loss

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the Headteacher take responsibility for the safe custody, insurance and control	✓			

of cash and other property belonging to the school?				
Are stocks maintained at reasonable levels and subject to regular physical checks?	✓			

7 a) <u>Assets</u> Continued	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Are inventories maintained, checked and discrepancies investigated in accordance with LEA advice?	✓			18
Are all portable assets security marked?	✓			
Is all property taken off school site recorded and signed for?	✓			
Do the Governing Body authorise all write-off and disposal of surplus stock and equipment?	✓			
Are there adequate procedures for the security of safes and keys?	✓			

7. Assets and Security

b) Insurance

The school should be adequately insured against exposure to risk.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the Governing Body review annually in liaison with the LEA and Diocese the insurance arrangements?	✓			
Does the Governing Body consider annually whether to cover only risks not insured by the LEA or Diocese?	✓			
Does the school notify the Insurance Section of all new risks, which require insurance, e.g. purchase of new vehicles?	✓			
Do school procedures ensure that no indemnity is given to a third party without the written consent of their insurers, the LEA or their agents?	✓			
Does the school have arrangements to inform the LEA or Diocese of any accidents, losses or other incidents which might give rise to an insurance claim?	✓			
Does the Governing Body make arrangements with the LEA for insurance for school trips?	✓			

7. Asserts and Security Continued

c). Data Security

Computer systems are protected.

	In Place	Action Needed	Not Appropriate Comment	Good Practice Note
Does the school ensure data and hardware security via password protection, do procedures ensure that passwords are changed regularly once per term)?	✓			19
Has the school registered under the Data Protection Act 1998?	✓			
Are there effective back-up procedures?	✓			20
Are there arrangements in place to ensure security of computer hardware and software?	✓			21
Is data properly protected against viruses?	✓			
Is access to the system restricted to appropriate personnel?	✓			
Is access to the Internet secure, ie via a firewall?	✓			
Has the school sent a copy of the Internet Policy to all parents? Have the parents signed to authorise their children's use of the Internet?	✓			
Does the Headteacher or other designated staff member receive and review Internet user logs?	✓			
Are license held for all software applications in use? Are application software discs securely stored?	✓			
Does the schools inventory include both hardware and software?	✓			

APPENDIX 1

GOVERNING BODY COMMITTEE AND WORKING PARTY

LEVELS OF DELEGATION

1. Finance Committee

- to consider the school improvement plan and ensure that priorities are reflected in the annual budget
- to consider the budget allocation from the LEA and to: (a) recommend to the Governing Body, or (b) set a budget which can be formally approved
- to monitor spending against the agreed budget by examining financial statements during the year, at least termly
- to consider the outturn position for the school
- to consider medium term forward planning
- to vire between budget heading as follows:
 - (a) individual virements to a maximum of £10,000 per item with a maximum of £10,000 to be vired from one budget account during the course of the financial year to be delegated to the Head Teacher in consultation with the Chair of Governors) for use with (a) or (b) above
 - (b) individual virements to a maximum of £10,000 per item with a maximum of £10,000 to be vired from any one budget account during the course of a financial year to be delegated to the Finance Committee) for use with (a) above
 - (c) all other virements to be recommended to the Governing Body for approval)
- day-to-day management of the budget to be delegated to the Head Teacher
- to open and consider any tenders
- to advise the Governing Body on the school's changing remissions policy
- to determine the charges for lettings
- to determine a financial procedures policy and to monitor its implementation
- to review the audited accounts of any private schools funds
- to manage and enter into on behalf of the Governing Body and any contracts for work in line with the Local Authority's standing orders

2. Pay Review Committee

- to implement the Governing Body's Pay Policy for all staff including the annual review of teachers, Head Teachers and Deputy Head Teachers, as required by law.

GOOD PRACTICE NOTES

Based on Audit Commission website

1. Governance – defining roles

- To set and agree a balanced budget at the beginning of each financial year which supports the school’s development plan and school aims
- To keep a list of the pecuniary interests of members
- To set limits on the use of any surpluses and virements
- To read the reports from the Governing Body Finance Committee, which are included in the mailings before each Governing Body meeting, and ask questions at the meeting about anything which they are unsure of
- To monitor expenditure via the head teacher’s termly reports discussed at full Governing Body meetings
- To set a charging policy

2. Governance – limits of delegated authority

Delegation limits refer to thresholds above which the approval of the governors is needed before goods or services can be purchased or money can be vired between budget headings. The level of these limits will vary according to the size of the school and for Mill Lane the limit is £10,000.

See also suggested scheme of delegation appended to self-assessment questionnaire.

3. Governance – monitoring information

The governors, in consultation with the headteacher, have decided the format and regularity (termly) of financial reporting. This ensures that governors have sufficient information to discharge their duty of financial supervision effectively.

Budget monitoring reports do not contain too many budget heads, as this is confusing and can distract attention from the major items. The headteacher consults with governors to ensure that they are happy with the content and format of the financial monitoring information provided.

4. Governance - Minutes

Minutes log the decision-making process.

Minutes ensure that there is a written record of what action or authorisation has been agreed. This is vital for audit and for general transparency.

Minutes must be agreed and signed at the next meeting of the committee and are consecutively numbered and carefully stored. They include the date and time of the meeting, the names of those present, the agenda items discussed, the decisions taken and the action agreed. Minutes do not have to be long: sometimes bullet points are sufficient. However, the basis for any decisions and the decisions themselves must be clearly stated.

5. Governors - Register of Pecuniary interests

Registers of pecuniary interests aid transparency and provide some assurance that school decisions are not influenced by personal interests.

The format can be very simple:-

<u>Name</u>	<u>Nature of interest</u>	<u>Date interest acquired</u>	<u>Date interest ceased</u>
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Governors and staff declare any financial/business interests which may impact on school-related financial decisions. For example, governors and staff should declare any links they have with local firms from which the school may wish to buy goods or services.

6. Financial Planning - School Development Plan

There is no definitive blue print for SDPs. They should, however, contain the following elements:

A statement of school policy and objectives

Spending priorities for the current financial year

The budget for the current financial year

Allocation of any delegated budgets to named budget holders. Accountability should not be assigned unless the staff member has genuine control over this expenditure.

A three-year plan, containing spending priorities and income and expenditure estimates. The 2nd and 3rd year plans will necessarily be broad brush and will be based on predicted trends and estimates. Their value is in allowing readier calculation of the financial impact of changing circumstances and priorities within the period.

An evaluation framework for the effectiveness of spending priorities/new initiatives

7. Financial Planning - Links between SDP and Budget

It should be possible for anyone reading the SDP to locate in the budget for the same year the proposed expenditure for continuing commitments and new initiatives. The exercise of linking the two documents is intrinsically useful as it forces consideration of how improvements are to be funded, thus ensuring that the budget and the SDP relate to each other. There is no one way of linking spending priorities with the budget. New initiatives will often span several budget heads.

8. Financial Planning – Balances

Governors are informed about the intended use of all money carried forward in balances. Balances are be clearly broken down into items such as redecoration, repairs and replacements, large purchases, capital projects, provisions for roll fluctuations etc, in order to show that these savings do not represent unnecessary under-resourcing in the current year.

9. Budget Monitoring – reports

The Headteacher provides termly budget monitoring reports to the finance committee.

Budget monitoring needs to be reinforced with plans of action to tackle any significant budget variances as early as possible. The plan specifies how any overspend is to be addressed, within what timeframe and who is to be responsible. Governors are

consulted on how best to deploy any budget surplus above the virement threshold set out in the delegation framework.

10. Purchasing – ordering

Written orders ensure that the school has a precise record of what has been ordered which can then be compared against delivery.

Pre-numbered orders deter fraudulent orders, as a break in the order sequence will arouse suspicion.

11. Purchasing – checking invoices prior to certification

These checks confirm:

- Receipt of goods or services, cross-reference to the order number
- Expenditure has been properly incurred and that payment has not already been made
- Prices accord with quotations, tenders, contracts or catalogue prices and arithmetic is correct.
- Correct accounting treatment of VAT
- The invoice is correctly coded
- Discounts are taken where available

Note: The school does not make any payment on the basis of a photocopied invoice or a statement from a supplier.

12. Internal Controls – income – charging policy

The school's charging policy is determined by the whole governing body, not by a committee.

The charging policy will cover lettings and charges for the use of school facilities or equipment.

A charging policy ensure that the school has a rational approach to setting charges for the use of its facilities. In developing the policy governors should decide on the level of profits (if any) desired and the suitability of charges in relation to other providers.

The policy should also cover circumstances in which a lower or remitted charge will be levied.

13. Internal Controls – income – reconciliations

This reconciliation involves matching income receipts/other documentation to accounting records on the one hand and bank statements and paying-in slips on the other.

The cash/cheque split on paying in slips will allow the school to ensure that staff have not been encashing personal cheques against income collected, a practice known as teaming and lading (this means "borrowing" from cash to repay by cheque at a later date). If any income is unaccounted for, the separate listing of all individual cheques on the paying-in slip allows the identification of the missing income element.

The person carrying out this reconciliation is not be the person who banked the income. These reconciliations should be reviewed by someone independent of income processing.

14. Payroll – checks

Checks are carried out between payroll reports and school documentation to ensured:-

- there are no ghost employees
- staff are being paid the correct rates and allowances
- old employees have been removed from the payroll

15. Tax - VAT invoices

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:

- the supplier's name, address and VAT registration number
- the date goods/services were supplied
- the name and address of the school
- the goods or services supplied
- amount payable excluding VAT
- amount of VAT
- VAT rate

If the total invoice cost, inclusive of VAT, is less than £100, less detail is required.

16. Voluntary Funds – issue of receipts

Receipts should be issued for all income and donations entering the Voluntary School Fund.

This is to provide audit evidence and to reduce the possibility of theft. This is particularly important in the case of donations as there may be no other proof that the income existed, thus facilitating fraud. The receipts should be numbered and copies kept.

17. Voluntary Funds – audit

If the total fund income or expenditure (whichever is higher) is less than £15,000 and the end of year bank balance does not exceed £1,500, the auditor simply needs to be someone with sufficient experience in financial matters to carry out the audit but does not need to be a qualified accountant.

If the fund income, expenditure or year-end balance exceeds these thresholds, the auditor must be a qualified accountant.

The auditor should not be a member of the Governing Body.

18. Assets and Security – assets – inventory

The inventory contains details covering asset cost, identification number and location within school.

It is vital that the inventory is kept up to date. School procedures ensure that every time an asset is purchased, disposed of or becomes obsolete the inventory is automatically updated. The inventory will quickly become meaningless if not updated.

This helps the school plan its equipment replacement programme. It may also provide evidence in the case of an insurance claim.

19. Assets and Security – data security – passwords

Password protected, graded access should be used to give different levels of access to different staff, ensuring that no one has inappropriate access.

Passwords are changed regularly and cancelled immediately when staff leave.

20. Assets and Security – data security – back ups

The schools computer systems are backed up on a daily basis. Three generations of back up discs are maintained with at least 1 copy kept offsite. Back up discs should be tested to ensure that data can be restored

21. Assets and Security – data security – hardware and software security

All computers and I.T. equipment is security marked and kept in a secure location. Computer servers are always be kept in a locked area.