

CROMWELL COMMUNITY COLLEGE

INTERNAL FINANCIAL CONTROL PROCEDURES

IMPORTANT - PLEASE NOTE!

Please make sure that you follow *Internal Financial Control Procedures*. Failure to do so could mean that you are in breach of Cambs County Council Financial Regulations.

The Finance and Administration Manager should be consulted wherever you require any further help or clarification.

**Jed Roberts
(Principal)**

<p style="text-align: center;">CROMWELL COMMUNITY COLLEGE INTERNAL FINANCIAL CONTROL PROCEDURES</p>

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INTRODUCTION

This document has been produced to:-

- ⇒ ensure that policies and procedures exist to protect the interests of individuals who manage or deal with the College's finances and funds;
- ⇒ promote efficiency and accountability in the management of the College's finances and funds;
- ⇒ assist everyone's understanding of the need for sound management of the College's finances and funds;
- ⇒ reflect the requirements of Cambridgeshire County Council and the Local Education Authority concerning the management of educational finance.

These procedures are issued with the approval of the **Governors' Finance Committee** who will seek confirmation from the College that they are being complied with. Regular checks will be carried out by the Senior Management Team to ensure compliance.

The procedures contained in this document must be adhered to at all times - **please do not ignore them**. Any difficulties or concerns should be discussed with the **Finance and Administration Manager**.

SECTION 1: BUDGET MONITORING

1.1 Register of Pecuniary Interests

1.1.1 The **Clerk to the Governors'** holds a *Register of Pecuniary Interests* which lists the business interests for each member of the Governing Body, Headteacher, members of the teaching and support staff and the Finance and Administration Manager and any member of their immediate family to demonstrate that, in spending public money, they do not benefit personally from any decision made.

1.1.2 The *Register* is maintained and updated annually by the **Clerk to the Governors'** and is open for inspection by governors, staff, parents and the Local Authority.

1.2 Schools' Census

1.2.1 The School Census takes place three times a year – October, January and May.

1.2.2 The information contained on the form is of considerable importance to the College as it is from here that the bulk of the budget allocation is made by County. Therefore it is essential that all the information supplied is up-to-date and accurate.

1.2.3 The **Network Manager** is responsible for overseeing the collection of information and will request the information from staff on or prior to the due date. Information is required on pupil numbers, staff numbers and hours worked, special educational needs, free school meals, who is teaching and who is not teaching and the number of pupils in each class.

1.3 Budget Planning

Budgets are notified to schools at the end of March each year. Schools plan their expenditure linked to their Improvement Plans. The budget has to be approved by Governors and submitted to County by 12 May each year. A school cannot plan a deficit budget without approval from the LA and should aim to stay within budget during a financial year. Bank Account Schools receive their funding from the County in twelfths, ie monthly instalments. It is therefore important to plan expenditure carefully over the financial year.

1.4 Audit

College finances are subject to both Internal Audit by the LA and External Audit from auditors appointed by the Audit Commission. *This audit is in the form of an FMSis assessment which occurs every three years.*

SECTION 2: DEPARTMENTAL BUDGETS

2.1 Budget Holders

- ✓ **Budget Holders** (approved by the Principal and responsible for monies allocated under their control) will be advised of the amount allocated to them as early as possible in the financial year.
- ✓ **Budget Holders**, once advised of their allocation, will be expected to project their expenditure in advance of the new financial year in accordance with the College Improvement Plan. This is to enable the Senior Management Team to see where any pressure points may arise during the new financial year. Departments should review their spending for the current financial year when planning for the next one.
- ✓ **Budget Holders** can only submit Requisitions and are **not** authorised to place orders - *Internal Financial Control Procedures* must be strictly adhered to. Regular checks are in place to ensure that procedures are being followed.
- ✓ Each **Budget Holder** is responsible for ensuring that their Department spending (actual and outstanding commitments) remains within their allocated budget. Overspending is **not** allowed. The **Finance Office** will issue regular printouts of accounts to Budget Holders, which give details of all transactions through the account, including committed and cleared items, balance and percentage of budget remaining.
- ✓ All **Budget Holders** should keep adequate records - help and advice on the management of budgets can be sought from the **Finance and Administration Manager**.
- ✓ All **Budget Holders** should be aware that expenditure can only be authorised from their **approved** budget and **not** from anywhere else!

2.2 Reprographics

Copying costs are incurred on all copiers/risographs in the College. The cost per copy charges are reviewed annually. Transfers will be made at the end of each half-term. Any queries should initially be raised with the **Reprographics Managers**.

2.3 Inventories

- 2.3.1** We are required by County Auditors to keep up-to-date Inventory Records.
- 2.3.2** **Heads of Faculty/Department** are responsible for keeping their Inventory up-to-date and they are stored in the *Finance Office*.
- 2.3.3** Stock Checks should be carried out annually by each department.
- 2.3.4** No items can be “**written off**” without prior permission by the Principal or his delegated nominee ie **Finance & Administration Manager**.
- 2.3.5** The Finance and Administration Manager will check inventories each year, usually at budget time in March.
- 2.3.6** Inventory Books and instructions for their completion can be obtained from the *Finance Office*.

2.4 Inspection Copies

- 2.4.1** Whenever Inspection Copies are requested, a *Requisition* must be raised and passed to the **Finance Office**. The College reserves the right to reject any copies received where this is **not** the case.
- 2.4.2** Generally, invoices become payable within **14 days** of receipt of goods. Therefore, books must either be returned within 14 days, or the Finance Office will process the Requisition and pass the Invoice for payment.
- 2.4.3** If the books are not required, they should be returned as soon as possible and a Certificate of Posting obtained from the Post Office. The Certificate of Posting should be passed to the Finance Office so that they can attach it to the cancelled Requisition and a copy of the Invoice. It will be retained in the *Finance Office* in case of any queries in the future. Any postage costs for the return of books is the responsibility of the Department returning the books.
- 2.4.4** Any staff who wish to purchase books direct from Booksellers who visit College should complete a *Requisition* and ask the Budget Holder to approve the expenditure in the usual way. The Requisition should be passed to the Finance Office for processing.

SECTION 3: ORDERING GOODS & SERVICES

3.1 Estimates/Quotations

Where an estimate or quotation is required for goods/services the following procedures must be complied with:-

<u>Total Value</u>	<u>Requirements</u>	<u>Shortlisting</u>
Under £5000	1 oral quote (<i>confirmation in writing should be sought if over £500</i>)	Budget Holder
£5001-£30000	3 written quotes	Principal
£30001 - £75000	- Formal written specification to at least 4 candidates	Principal and Chair of Governors

3.2 Agreements/Contracts

Every contract over £2,000 must be in writing. All Agreements/Contracts must be signed as follows:-

<u>Total Value</u>	<u>Signature Required</u>
up to £10,000	Principal
£10,001 - £75,000	<i>Main Governors</i>

Under no circumstances should any member of staff, other than the **Principal**, sign any contract document provided by a supplier. Such documents can create legally enforceable obligations and financial commitments on the College and are against County Council regulations, eg:-

- Hire & Lease documents
- Maintenance Agreements
- Standing Orders & Direct Debits

3.3 Requisitions

- 3.3.1** A (*yellow*) **Requisition Form** must be raised for all goods/services and must contain enough detail, eg Supplier's Name, Catalogue/Part No., ISBN etc, for the Finance Office to raise and place an official order. **Illegible handwriting leads to a delay in processing orders.**
- 3.3.2** *Requisitions* must be signed by the **Budget Holder** responsible for the cost of the goods/services.
- 3.3.3** The **Finance Office** will always endeavour to seek the best value for money when securing supplies and services. Staff can suggest preferred suppliers if they have a valid reason.
- 3.3.4** Where a **New Supplier** is to be used, a trading account may have to be opened and *Requisitioners* should supply the Finance Office with details of the Company, Address, Tel No, Fax No, Contact Name and Position. A copy of the brochure/ order form should accompany the order. Please allow at least 5 working days to enable the Finance and Administration Manager to open an account and obtain Bank and Trade References.

3.4 Orders

- 3.4.1** All Orders originate from a **Budget Holder** using a *Requisition Form* bearing the **Budget Holder's** signature.
- 3.4.2** Staff are **not** permitted to place Telephone/Verbal Orders.
- 3.4.3** All Official Orders must be placed by the **Finance Office** who will make sure that Financial Regulations are complied with. Orders will be raised through SIMS FMS6, an official order will be printed and signed by an **Authorised Signatory** (Principal or Vice-Principal). The Order Number and Date of Order will be noted on the *Requisition* and a copy of the order issued to the **Budget Holder** if requested.
- 3.4.4** Any single order valued at £10,000 or more will require the approval of the **Governors' Finance Committee** before any commitment is entered into by the College.
- 3.4.5** Staff are **not** permitted to use County Council Orders for private purchases.
- 3.4.6** **Budget Holders** must advise the Finance Office if they wish to cancel an order so that the order (commitment) can be cancelled in SIMS.

3.4.7 ORDERS WILL NOT BE PROCESSED DURING THE LAST WEEK OF EACH HALF-TERM.

3.5 Petty Cash

The purpose of Petty Cash is for purchasing small items of expenditure for which it is not practical or cost-effective to pay through the normal creditors system. Generally such payments will be small in value - (**under £25**). It is expected that payments to regular suppliers will be made through the normal creditors system.

Claims for Petty Cash expenditure incurred must be supported by a VAT invoice/receipt to enable the VAT to be reclaimed. Failure to obtain a VAT invoice/receipt means that your budget will have to bear the VAT element of any expenditure.

As a minimum, we need to know:-

- a) The reason for/details of the expenditure
- b) Date the expenditure was incurred
- c) Amount of Expenditure
- d) Signature of person incurring expenditure

Staff should not purchase orders over £25 with their own debit/credit cards. There is no guarantee this will be reimbursed.

3.6 Internet Order

The College is able to order goods via the internet up to a single transaction of £250 and a total monthly spend of £750. If you wish to place an urgent order via the internet please contact the **Finance and Administration Manager** who holds the College credit card. Please complete a requisition form and include details of the web site.

SECTION 4: PAYMENT OF ACCOUNTS

4.1 Deliveries

4.1.1 All deliveries should be checked off, as soon as practicable, against the Requisition by a member of the office/department, other than the Requisitioner. All items should be ticked off, signed and dated, and the signed *Delivery Note* sent to the **Finance Office** certified as correct. The Budget Holder must contact the supplier immediately if any items are incorrect, damaged or missing.

4.1.2 No deliveries may be made to a member of staff's home address.

4.2 Purchase Invoices

4.2.1 All Purchase Invoices are passed to Budget Holders who should get the person who checked the delivery to sign at (1) to confirm that the goods have been received and the **Budget Holder** should also sign the invoice at (2) and (3) to authorise payment. This must be two different signatures. An entry made at (4) to confirm completion of the Inventory if appropriate.

4.2.2 A Rubber Stamp will be used to record the following details:-

GOODS REC'D/ CHECKED ON ORDER	INITIAL / DATE	(1)
NOT PREVIOUSLY PASSED FOR PAYMENT	INITIAL / DATE	
PRICE CORRECT	INITIAL / DATE	(2)
BUDGET HOLDER	INITIAL / DATE	(3)
ADDED TO INVENTORY	INITIAL / DATE	(4)

4.2.3 Signed Invoices are returned to the **Finance Office** as soon as possible for processing and payment.

4.2.4 County Council regulations must be complied with and all approved *Purchase Invoices* should be paid within 30 days of invoice date.

4.2.5 Copy Invoices are not accepted for payment except in exceptional circumstances, eg the original has been lost or mislaid.

4.2.6 Invoices are presented with cheques for signature in accordance with the Bank Mandate, together with all backup documentation.

4.3 Credit Notes

4.3.1 A Credit Note is issued by a supplier where goods/services that have been ordered have been cancelled or returned.

4.3.2 Credit Notes should be treated in the same way as Purchase Invoices and must be passed directly to the **Finance Office** for processing.

4.4 Bank Account

4.4.1 The name of the Bank Account shall read:-
“**Cambs County Council Cromwell Community College County Fund**”

4.4.2 The signatories, as per the Bank Mandate are:-

- G J Roberts (Principal)
- C. Terry (Vice Principal)
- J. Chudleigh (Vice Principal)
- D C Robinson (Assistant Principal)
- H Y Roberts (Assistant Principal)
- C Middlemass (Finance & Administration Manager)

4.4.3 The Mandate states that there must be two signatories on each cheque.

4.4.4 A cheque signatory cannot be a signatory on a cheque made payable to themselves.

4.4.5 Cheque Books must be kept locked in a safe in the **Finance Office** and must not be pre-signed. Cheques are sequentially numbered and all counterfoils are kept.

4.4.6 An acceptance limit of £40,000 has been agreed with the bank for presentation of cheques. For cheques over that amount the bank will first have to contact the Principal for approval to pay.

4.4.7 *Personal cheques will not be cashed.*

SECTION 5: INCOME

5.1 Income/Receipts

5.1.1 **All** income received must be accounted for and must be receipted by the Finance Office using an official Cambridgeshire County Council Receipt Book, including income where invoices are raised. No money should be retained in classrooms.

5.1.2 Where receipts are not physically issued, ie in the case of Sales Invoices, they should be attached to the paperwork to which they refer.

5.2 Catering

5.2.1 *From 1 September 2008, the management of the catering facility was contracted out to Innovate at a nil cost. The College is still responsible for the cost of pupils on Free School Meals.*

5.3 Sales Invoices

5.3.1 Sales Invoices must be:-

- a) Dated.
- b) Numbered sequentially
- c) State that cheques should be made payable to:
“Cambs County Council Cromwell Community College County Fund”

5.3.2 State that remittances should be forwarded directly to the College.

5.4 Music Tuition Fees

All Music Tuition Fees will be invoiced annually at the start of the new academic year. The **Head of Music** will pass details to the **Finance Office** of all students who receive Music Tuition and they will then enquire as to whether the parents want to pay by standing order or on an invoice for the cost of the fees (tuition and instrument) and send by post to a student's parents. Where payment is not received following a reminder to parents and where lessons have commenced, a student may be withdrawn from further lessons or enquiries made for the CIMA Hardship Fund, this is done with a request from parents to the Finance Office.

5.5 Examination Fees

The **Examinations Officer** will pass details to the **Finance Office** of all students who fail to sit a GCSE Examination on the day of the examination. The **Finance Office** will then consult with the **Principal** to enquire if an invoice is to be raised for the cost of the exam entry fees and send by post to a student's parents.

5.6 Resources

All staff should make sure that Year 11 students hand in all books/resources/locker keys before their last GCSE Examination. Parents will be charged for any resources not returned by their son/daughter according to the College's Charging Policy.

Staff should make sure that any students who leave the College during the year have completed a 'Leavers Form'.

5.7 Cash Security

5.7.1 All monies received in College from students must be placed in the box outside the **Finance Office**. The **Finance Assistant** will collect the contents regularly during the day for recording/receipting.

5.7.2 Under no circumstances should cash be left unattended in the **Finance Office**. The **Finance Office** must be kept locked at all times when unoccupied.

5.7.3 All monies should be kept in the safe pending banking.

5.7.4 Cash Floats required for school Trips/Visits will be limited and Travellers Cheques/*currency* should be requested well in advance of the date required - please advise the **Finance Office**.

5.7.5 In the event of an emergency, eg attempted theft, evacuation of premises etc, no member of staff should put themselves at any risk to their own person.

5.7.6 No money is to be kept in classrooms.

5.8 Banking

The **Finance Assistant** will be responsible for making sure that the banking of all monies (both official and unofficial [*Voluntary Funds*]) is done on a regular basis. Banking routines are varied, as far as is possible, in order to reduce any risks and these procedures are reviewed on a regular basis. In the event of an emergency eg attempted theft, no member of staff should put themselves at any risk to their own person.

SECTION 6: INSURANCE

Please be aware that any items of personal property which are brought into College by staff and students are **not** covered by County Insurance.

6.1 Insurance Claims

- 6.1.1** Any item of College property that is stolen or damaged must be reported to the **Finance and Administration Manager** immediately. **The Finance and Administration Manager** will contact the Insurance Section at Shire Hall, where necessary, and advise staff on what other procedures are required to meet the claims procedure and policy conditions. An 'Insurance Claim Form' will be issued and must be completed as soon as possible. In **all** cases of theft or malicious damage, we are required to notify the Police.
- 6.1.2** The College is insured under the County Council Insurance Scheme for All Risks and this covers damage or loss caused by Theft, Malicious Damage and Accidental Damage. The excess for any claim is £350.
- 6.1.3** The College is insured under the County Council Insurance Scheme for Fire and Perils, ie Fire, Lightning, Storm, Flood, etc. The excess for any claim is £100.
- 6.1.4** We are insured up to £3000 in cash in *each* locked safe overnight.
- 6.1.5** The College is insured up to a value of £5000 for cash in transit, in the custody of employees.

6.2 Equipment taken “Off Site”

- 6.2.1** Staff are responsible for the safe-keeping of any College property taken ‘off-site’ for use at home and must confirm that they have Home Contents Cover before removing any property.
- 6.2.2** No College property can be taken off the College premises without prior permission from the **Head of Faculty/Department**. Details of all equipment taken “off site” must be recorded and should include Serial Numbers, in order that the College can advise the Police and/or Insurance Company of any loss of property in the case of break-ins during weekends and holidays.
- 6.2.3** If you take home the College laptop that has been allocated to you please ensure you adhere to the Laptop Security Policy (a copy of which can be found on the “G” Drive of the shared network).

SECTION 7: MID-DAY SUPERVISION

Mid-day Supervision duties are decided at the beginning of each term and displayed in the Staffroom.

SECTION 8: INSET

A ‘*INSET Request Form*’ must be completed and passed to the **INSET Co-ordinator** together with details of all related expenses, ie Travel, Subsistence, Supply Cover, etc and full details of the Course, Application Forms etc. The **INSET Co-ordinator** will note course details and arrange supply cover as necessary. The coded ‘*INSET Request Form*’ will be forwarded to the **Finance Office** for an official order to be initiated.

SECTION 9: TRAVEL EXPENSES

Expense Claim forms for both INSET and other travel are available from the **Finance Office** and **Staff Workroom** and should be completed promptly. *Travel & Subsistence Expenses*, with supporting receipts attached, must always be claimed in the month in which the expense incurred.

SECTION 10: CHARGES FOR PRIVATE USE

- 10.1 Personal Telephone Calls** - The College is operating an "Honesty" scheme for all personal telephone calls made. The box is located in the Main Office and all private calls must be paid for and VAT must be accounted for.
- 10.2** Charges for personal use of Photocopiers, Fax Machine, etc will be billed and must be paid within 5 working days of receipt of bill and VAT must be charged.
- 10.3 PLEASE NOTE:** "Personal use" means something that is personal to a member of staff, where a cost is incurred, that has no relation to the day to day business or activities of Cromwell Community College.

SECTION 11: VOLUNTARY FUNDS

- 11.1** Cromwell Community College runs a "School Fund" account which is controlled by the Principal. This is used where money is collected from students for a particular purpose, eg a trip, a charity and for "College use" where money has been donated or raised (eg sponsored events). This fund is used at the Principal's discretion, eg Prizegiving, hardship, or to buy things for the College, eg materials, equipment, etc.
- 11.2** The School Fund Account should be used for a defined purpose and individual budgets managed on the School Fund account are the responsibility of the person organising the trip/carrying out the activity. Staff are not permitted to operate deficit accounts. All costs must be covered. The **Finance Office** is responsible for issuing receipts/completing Savings Cards for individual students and for keeping proper records. All income should be placed in the box located outside the **Finance Office**.
- 11.3** Expenditure can only be made against an invoice for goods/services received. Payment should be requested on a '*Cheque Request Form*'.
- 11.4** Cheques will require two signatures.
- 11.5** The Finance Office will accurately record all Income and Expenditure as these records are subject to external audit. All money must be accounted for and VAT Receipts/Invoices should be obtained for all expenditure in case it becomes necessary to register for VAT at some time in the future.
- 11.6** Audit:
- The account period runs from 1st April to 31st March and is audited annually.
 - The Audit report is submitted to the Governors' Finance Committee.
 - A copy is also registered at Education Libraries & Heritage, Shire Hall.

11.7 Reimbursing children when there is a surplus on trips

We are not allowed to profit from trips and any surplus should be reimbursed. It will be stated in the Prospectus, under our Charging Policy, that when we collect money for trips etc, we will aim to break even, but any surplus which is too small to be redistributed (eg less than 10% of the sum paid by the individual) will be retained to offset hardship cases. Any interest from money in the School Fund may also be used for this purpose.

11.8 Details of the School Fund account will be presented to governors annually.

11.9 The name of the Bank Account shall read:-
“Cromwell Community College General Account”

11.10 The signatories, as per the Bank Mandate are:-

- G J Roberts (Principal)
- C. Terry (Vice Principal)
- J. Chudleigh (Vice Principal)
- D C Robinson (Assistant Principal)
- H Y Roberts (Assistant Principal)
- C Middlemass (Finance & Administration Manager)

11.11 The Mandate states that there must be two signatories on each cheque.

11.12 A cheque signatory cannot be a signatory on a cheque made payable to themselves.

11.13 Cheque Books must be kept locked in a safe in the **Finance Office** and must not be pre-signed. Cheques are sequentially numbered and all counterfoils are kept

11.14 The voluntary fund is registered with the Charities Commission and the registration number is 1113978.

The Trustees are: Mr G J Roberts (Principal)
Mr L Kent
Mr A Behagg (Chair of Governors' Finance Committee)
Mrs C Middlemass (Finance & Administration Manager)

11.15 An acceptance limit of £40,000 has been agreed with the bank for presentation of cheques. For cheques over that amount the bank will first have to contact the Principal for approval to pay.

SECTION 12: COMPUTER SYSTEM

12.1 The College is registered in accordance with the Data Protection Act 1984 – Registration number Z4961536 and this is renewed annually via the County Council.

12.2 An **IT User Policy** has been introduced, a copy of which has been issued for all staff to sign that have access to the computer network. The network is password protected.

12.3 Back-Up

<u>Frequency</u>	<u>Retention Period</u>	<u>No. of Copies</u>
Daily: Mon -Thu	1 week	1
Weekly	1 month	1
Monthly	1 year	1
Yearly	6 years	1

12.4 The following staff have access to the SIMS FMS6 Accounts Module:-

- Finance and Administration Manager
- Finance Assistants
- Network Manager

SECTION 13: KEYS

13.1 The **Site Officer** is responsible for issuing keys to all offices and classrooms.

13.2 If keys are lost/missing, the **Site Officer** must be informed. It is the **Site Officer's** responsibility to get any replacement/additional keys cut which will be charged to the relevant budget. Staff are not allowed to do so. Persistent loss of keys may result in the loser being asked to pay for any replacements.

13.3 All keys issued for offices, classrooms, cupboards, filing cabinets etc must be handed in to the **Site Officer** on leaving the College's employment.