

Whitby Community College
Resources Committee Induction Pack
2010-11

Dear Resources' Committee Member

Welcome to Whitby Community College's Governing Body's Resources Committee, which has responsibility for Finance, Premises, Health & Safety and Personnel.

The Governing Body delegates many of the decisions in the above College areas to this Committee for appraisal and review. The Full Governing Body then hears the committee's recommendations to assist it in its decision-making to effectively and efficiently drive the College forward.

With the Government's drive for Best Value and efficiency savings, it is increasingly important that schools use their resources to maximum effect to achieve the best possible student outcomes.

The Resources' Committee must consider the need for efficiency, effectiveness and economy in its actions to bring about school improvement and raise attainment.

Governors can find further guidance to help them in this role from a number of places including The Guide to the Law, Governonet (<http://www.governonet.co.uk>) and Teachernet (www.teachernet.co.uk) websites, the Department for Education (<http://www.education.gov.uk>) and obviously from the College itself. In addition, the Governor Support Unit at County Hall (via rose.walker@northyorks.gov.uk) can assist with specific queries.

The Resources Committee meets at least once per term and feeds into Full Governing Body meetings.

Thank you for your input to this important committee; I hope you enjoy your involvement in the College through this forum.

Yours sincerely

J Hunter

Jackie Hunter
Finance & HR Manager and
Clerk to the Governing Body

Whitby Community College - Profoma Register of Business Interests

Name of Governor / Member of Staff

Name of Business	Nature of Business	Nature of Interest	Date of Appointment or Acquisition	Date of Cessation of Interest	Date of Entry

I certify that I have declared all beneficial interests which I or any person closely connected with me have with businesses or other organisations which may have dealings with the College.

Signed

Date

Whitby Community College – Budget Management Policy 2010-11

(Approved by Governors on 29 March 2010)

MISSION STATEMENT

Creating a climate for learners to grow in

RATIONALE

It is the aim of the Governing Body to ensure that all financial resources available to the College are used in an efficient and effective manner in order to ensure that Value for Money is achieved from the resources available to the College.

PURPOSES

To conform to the requirements of DCSF (Department for Children, Schools and Families) and NYCC Children and Young People's Service policy. The detailed policy in terms of organisation of responsibility and accountability is based on the NYCC recommended model.

GUIDELINES

Financial decisions will be made after consideration of:

- (i) priorities as identified in the development plan
- (ii) the needs of the students and staff at the College
- (iii) the need to support and deliver the National Curriculum together with any additional elements agreed by the Governing Body
- (iv) the resources delegated to the College
- (v) conditions and requirements laid down in the LA's approved LMS scheme;

ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

1. Roles and Responsibilities

- i) The Governors have a statutory responsibility for the oversight of the financial management of the College and for ensuring adherence to the Authority's LMS Procedure Rules
- ii) A Resources Committee made up of a selection of members of the Governing Body and the Leadership Team will meet at least once a term (usually four times a year). The Committee will work to the agreed Terms of Reference (see Appendix A) as approved by the full Governing Body. The committee will consider termly monitoring statements as a minimum (in some cases monthly reports may be considered to be more appropriate), the College's budget and long term financial forecast, and the end of financial year outturn statement. The Committee will submit a brief summary report to the full Governing Body at least once per term.

- iii) The Headteacher and Finance & HR Manager will assume day to day responsibility for the budget and will, under a scheme of delegation approved by the Governing Body (see Appendix B), have the delegated authority to determine spending within approved budget headings. The College's Finance Assistant will ensure the proper processing of orders and invoices generated by the College and the checking of goods received. All individuals who are involved in the spending, collection and custody of College resources must observe satisfactory probity and regularity as reflected in the Authority's LMS Procedure Rules for Schools with delegated budgets.
- iv) The Governing Body has elected to employ the services of a Financial Management Services (FMS) Team Support Officer who will assist with the preparation of the College's annual and revised budgets, and longer term spending plans and expenditure, in line with the DCSF recommendations for Consistent Financial Reporting, and assist with monitoring procedures, as required in liaison with the Finance & HR Manager.

2. Procedures

All documentation of accounts and finances will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's LMS Procedure Rules. A copy of the College's most recent auditor's report will be available for inspection by Governors, OFSTED Inspectors and Officers of the LA.

3. Pecuniary interests

Governors and staff at the College will be required to complete a Register of their Business Interests and declare any links they have with any firm from which the College may wish to buy goods or services.

BUDGET

1. Aims and Objectives

The Resources Committee together with the Headteacher and Finance & HR Manager will consider the ongoing development plans and will provide costings both for maintaining the required level of educational provision and proposals to develop the short, medium and long term aims and objectives as identified in the College Development Plan. Such consideration will include the determination of an appropriate level of general contingency and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the College Development Plan. It is recognised that finite resources will lead to a need to place proposals into priority order and to accelerate/delay spending plans as circumstances change.

2. Budget Timetable

The Headteacher and/or the Finance & HR Manager (as their representative), will prepare for consideration by the Resources Committee:

- i) Draft/consultation papers on issues to be addressed in preparation for the following year's budget – Spring Term,
- ii) Proposed start budget and long term financial forecast in March / April when the Section 251 statement of resources has been received for the full financial year, which will be approved by Governors as soon as possible and submitted to the LA by the end of May.
- iii) Outturn statements in May for the Governing Body to consider performance in the previous financial year.
- iv) Revised budget and updated long term financial forecast in the Autumn Term to reflect any staffing changes or updating of spending plans, or changes to student numbers. This will then be submitted to the LA before the end of December.
- v) Monitoring reports to be considered by the Resources Committee at least once a term with a brief report to the Full Governing Body. Reports will reflect both sums paid and sums committed but not yet paid and estimated expenditure and income for the remainder of the financial year, against approved budget headings. This will reconcile to the LA's ORACLE statements and College bank statements.

3. Best Value

The Governing Body will have regard to the principles of Best Value when making decisions about how the available resources are to be utilised. In order to do this the Governing Body will have regard to any guidance provided by the LA and to other relevant documentation and guidance (eg OFSTED, Audit Commission and DCSF publications). A Best Value Statement detailing actions taken and proposed will be considered annually, in the Spring Term, by the Resources Committee for recommendations to the Governing Body. After consideration by the Governing Body the Best Value statement will be submitted to the LA by the due date.

4. Financial Benchmarking

The Headteacher or Finance & HR Manager (as their representative) will prepare for consideration by the Finance Committee financial benchmarking comparisons on an annual basis each Autumn Term. The benchmarking data will be extracted for similar schools from either the local financial benchmarking database for North Yorkshire schools or the national DCSF financial benchmarking database. The conclusions and recommendations resulting from this process will be used to inform the financial planning and resource allocation process.

5. Review of Contracts for Services

The Resources Committee will review the quality, cost and impact of services purchased from outside providers (including the LA) on an ongoing basis and before contracts are renewed. To assist in this process the Headteacher will prepare a schedule detailing the service contracts, together with values and renewal dates in order that priorities for review can be determined. After each review the Resources Committee will make recommendations to the Governing Body.

6. Financial Management Standard (FMSiS) and Toolkit and Self Evaluation

The Governing Body will have regard to The Financial Management Standard and Toolkit in order to evaluate the quality of their financial management and to aid in training staff to become better financial managers.

The Governing Body through the Resources Committee, the Headteacher and College finance staff will self-assess themselves against the Standard by completing the self evaluation of Governor and key staff competencies matrices to satisfy themselves and external stakeholders that they are managing their finances well and to learn how they could improve their policies and practices.

Every three years the College will have a statutory external assessment against the FMSiS

7. Level of Balances

The Resources Committee will annually review the balances situation of the College and make recommendations to the Governing Body. In making its recommendations the Resources Committee will indicate an optimum level of balances which has regard to the specific issues facing the College and acknowledge that resources are allocated to schools on an annual basis based on the number of students in the school at that time. The Resources Committee will have regard to the balance limits placed on schools: Nursery, Primary and Special Schools – 8% of budget or £20,000, whichever is the higher; Secondary Schools – 5% of budget. Any balances over these limits may be clawed back and redistributed by the LA. If balances over this limit are considered essential, for example to allow planned class restructuring in the case of falling rolls, a licensed surplus application, giving full reasons for the request will be submitted to the LA before the end of the Autumn Term. Regard will always be given to the most current advice available from the LA and DCSF.

8. Submission to the LA

The Governing Body, after approving the Start Budget, is required to send copies to the LA by the end of May each year. The Governing Body will not submit a deficit budget unless there are exceptional circumstances and advice and written agreement have been received from representatives of the LA bearing in mind that deficits require the prior approval of the Corporate Director – Finance and Central Services and the Corporate Director of Children and Young People's Service

In addition to the budget, the College will also submit the following documents to the LA in accordance with required timescales:-

- a Best Value Statement for the financial year (by 31st May)
- a Statement of Internal Control in respect of the previous financial year (by the end of the Summer Term)
- a Consistent Financial Reporting return (dates to be notified on an annual basis)
- an updated Budget and Long Term Financial Forecast (by 31st December).

9. Virement Procedures

Unless the level of change does not warrant it the budget will be revised each Autumn Term and the Resources Committee will be able to vire funds between budget headings within the College's overall budget (with the exception of certain earmarked funds) or from unallocated resources as appropriate. Requests by the Headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the Headteacher (Appendix B) will also be considered by the Resources Committee and be subject to their minuted approval.

10. Quality of Information

Governors expect that the financial information they receive will be relevant, timely, reliable and understandable.

11. Extended Activities

The Governing Body will discuss, decide and minute their intention to use the College's budget funding or Standards Grant to aid in the funding of Extended School activities. The following Extended School activities are provided by the College:

- After-school sporting activities
- Summer and holiday clubs/activities
- Revision clubs
- Study support sessions
- One-off enrichment events

12. Capital Expenditure

The Resources Committee will give consideration to the use of the devolved capital allocations available to the College in the light of the priorities identified in the College Development Plan and then make recommendations to the Governing Body. Once considered by the Governing Body, any plans for capital expenditure will be submitted to the authority for approval in accordance with the Authority's LMS Procedure rules.

13. Documentation

All financial systems and procedures carried out will be in accordance with the LA's LMS Procedure Rules, Scheme of Delegation to Headteacher and the Bank Accounts For Schools Scheme. A copy of these documents will be readily available and kept up to date.

14. Purchasing

Before purchases are made, consideration will be given to economies of scale available to the College from the goods and services offered by any LA negotiated corporate contracts. Information available from the LA's Procurement Services for Schools will also be given due consideration.

Consideration will be given to obtaining quotations for all purchases in order to ensure that Value for Money for Money is achieved and, where a single purchase of more than £5000 is involved, quotations will be sought from at least three suppliers and Governors consulted before a purchase is made. For purchases in excess of £50,000 tenders will be obtained as laid down in the LMS Contract Procedure Rules.

The Governing Body require that staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmatory order. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the College's computerised financial system. Orders made on-line should also be followed by an official order.

When making major purchases, staff must adhere to NYCC LMS Procedure Rules.

15. Procedures and Security

The College will make use of a computerised financial monitoring package approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the College. Information will be input from and reconciled to the LA's financial statements and College bank statements every month. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable. Security passwords will

be maintained on the computer and documentation will be kept in a secure location. Regular backups will be made of the information held on the computer with the backups stored securely and separately from the computer.

16. Security of Stocks and Equipment

An inventory will be kept in the College and updated and checked on an annual basis in accordance with the LMS Procedure Rules and the Authority's guidance. The Governing Body will ensure appropriate and adequate insurance arrangements are in place to protect the College's assets and a copy of the policy document will be available for inspection.

1. A register will be maintained of equipment removed from the College for use off-site and when it was returned.
2. The Governing Body will authorise all write-offs and disposal of surplus stocks and equipment in accordance with LMS Procedure Rules.
3. When it is considered appropriate, the Governing Body will request and act upon the advice of a Crime Prevention Officer.

17. Petty Cash

The amount of cash in the College will be kept to a minimum and all monies and financial records kept in secure storage. There will be a limited use of petty cash.

18. Income

The Governing Body will implement a charging policy. Steps will be taken to ensure the early collection of income due and receipts issued and records kept in line with LMS Procedure Rules.

A copy of the Governor's Charging and Remissions policy for activities will be available in the College for inspection.

19. VAT Returns

VAT returns will be made promptly and accurately using the computerised system.

20. Staffing

The Resources Committee will be responsible for the Pay Policy annually within the provision of the Resources Committee and will consider appointments, terminations, promotions and performance management as necessary.

21. Insurance

The Resources Committee will annually make recommendations to the Governing Body about the insurance requirements of the College. The recommendations will have regard to the minimum cover requirements of the LA and to the costs of insurances services offered by the LA and other providers. The College will consider the additional "voluntary" insurance arrangements offered by the LA (eg, staff absence insurance, contents insurance). The Resources Committee will have due regard to the terms of the insurance documents and these will be considered on an annual basis.

22. Computer Systems

The College will maintain approved software for the administration of financial records. The Headteacher will be registered in accordance with the Data Protection Act 1998.

23. Audit

The systems for finance and administration will be subject to review from time to time by the Authority's Internal Audit Service provider and the County Council's external auditors. The Governors, Headteacher and staff will co-operate with auditors in accordance with the requirements of Procedure Rules and will consider and implement their requirements in a timely manner.

Whitby Community College

RESOURCES COMMITTEE OF THE GOVERNING BODY (2010 - 11)

(Including the matters of finance, health & safety, premises and personnel)

1. This committee shall comprise seven members of the Governing Body and may invite third parties to attend meetings as appropriate. (Such persons shall not have a vote, but shall be entitled to speak at the meeting.)
2. Members of the College's Strategic Team may attend meetings of the Committee as necessary to present agenda items.
3. The Chair will be selected by the committee.
4. The quorum for the meetings shall be three members.
5. The committee will meet at least three times per year.

Terms of Reference

1. To prepare, adopt and ensure the implementation of policies and procedures relating to finance, health and safety, premises and personnel.
2. To cost the priorities of the College Development Plan and prepare an annual budget plan.
3. To undertake financial benchmarking on an annual basis using the nationally and locally available comparative statistics.
4. To monitor all income and expenditure and prepare and submit financial reports and recommendations to the Governing Body.
5. To determine the amount that can be vired between budget headings by the Headteacher and other committees, without requiring the prior agreement of the committee.
6. To keep under review the limits of expenditure permitted to the Headteacher under the Scheme of Delegation and make recommendations to the Full Governing Body.
7. To receive and consider related reports of the Local Authority's Auditors and Advisers and implement any recommendations arising from these.
8. To determine the annual insurance requirements of the College.
9. To evaluate the standard, cost and impact of services purchased from all outside providers, including North Yorkshire County Council, and ensure full compliance with the principles of 'Best Value'.
10. To arrange audits of non-public funds for presentation to the Governing Body including compliance with the Charity Commission's requirements where the Governing Body are Trustees of the School Fund Charity and implement any recommendations arising from such audits.
11. To prepare and maintain, in conjunction with the Headteacher and the County Council, an Asset Management Plan for the College.
12. To approve the costs and arrangements for maintenance, repairs and redecoration, within the allocated budget and to oversee the preparation and implementation of building contracts.
13. To formulate and implement proposals for the use of the Devolved Formula Capital.
14. To agree procedures to be followed for carrying out emergency work and to make recommendations to the Governing Body about delegation to the Headteacher for taking appropriate action on behalf of the Governing Body in the event of an emergency.
15. To regularly monitor the College's security measures and implement appropriate action as necessary.
16. To prepare and adopt a lettings policy and oversee implementation of this policy.

17. To ensure appropriate performance objectives are set, in accordance with statutory requirements and oversee, adopt and monitor the implementation of a staff performance management policy.
18. To review the performance of the Strategic Team and all staff salaries annually, as required by the regulations contained in the School Teachers' Pay and Conditions Document and in the County Council's support staff pay and conditions.
19. To establish the annual and long-term salary budgets and other costs relating to personnel, staff development and training.
20. To review the staffing structure, at least annually, in relation to priorities for College improvement.
21. To implement formal consultations on finance, health & safety, premises and personnel matters as required, and liaise with relevant Local Authority officers regarding such matters as appropriate.
22. To prepare, adopt, monitor and review all staffing policies and procedures relating to staffing adjustments; recruitment and selection; equal opportunities; employee relations; conduct and capability; grievance; dismissal and similar related matters.
23. To provide support and guidance for the Headteacher on matters relating to finance, personnel, health & safety and premises and ensure training is provided to assist staff and governors in this work.

Reporting Procedures

1. The Clerk to the Governing Body shall act as Clerk to the Committee, other than for Finance items when the Headteacher shall take minutes.
2. At each meeting, the minutes of the last meeting shall be taken as an agenda item and, if agreed to be accurate, signed as a true record.
3. The committee shall provide a report of its work to the Governing Body at each Full Governors' meeting. This report should consist of all recommendations put forward by the committee for consideration by the Governing Body.
4. A file of agendas, reports and minutes (excluding confidential items agreed by the committee) will be held in College by the Clerk.

SCHEME OF DELEGATION TO THE HEADTEACHER

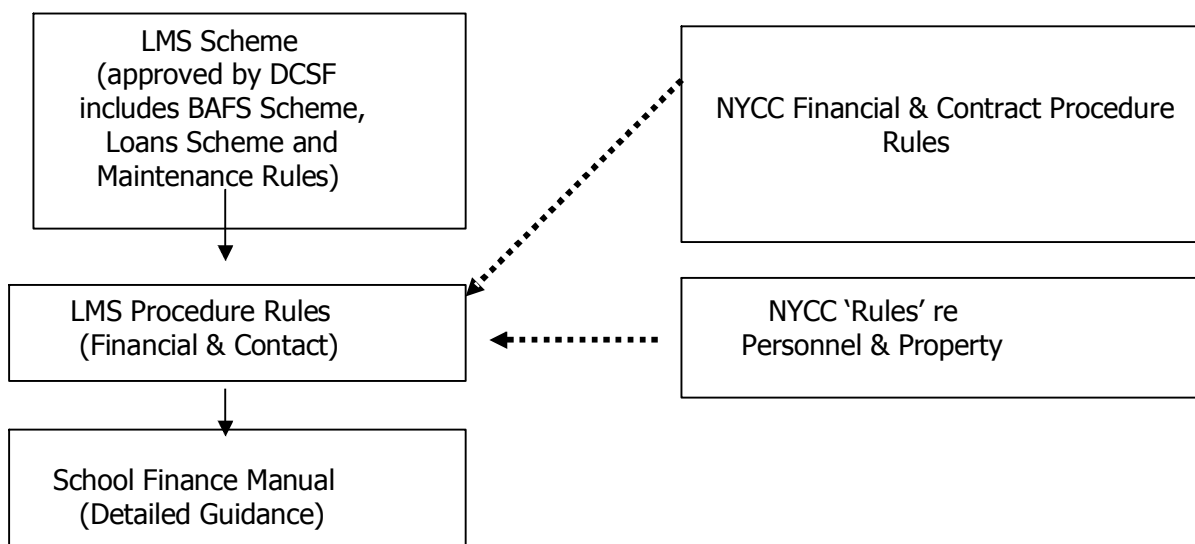
The Headteacher shall have delegated power to undertake all functions delegated to the Governing Body relating to the LMS Scheme except that:

- (a) he/she shall comply with all policy directions given to them from time to time by the Governing Body;
- (b) he/she shall have the authority to expend all monies allocated to individual or specific items in the approved budgets without further reference to the Governing Body; but where no such specific item exists in the budget he shall not enter into any financial commitment without the consent of the Governing Body or in the case of an urgent matter, the Chairman thereof;
- (c) the above delegation shall not apply in respect of the appointment of staff. It shall be for the Governing Body to determine from time to time the extent of the power of the Headteacher to deal with staffing matters;
- (d) the Headteacher shall not vire from one budget head to another any sum exceeding 0.5% of the delegated budget or £5,000, whichever is the lesser, without the consent of the Governing Body or, in the case of an urgent matter, the Chairman thereof;
- (e) the Headteacher shall maximise College funds by careful use of agreed investment opportunities; the Headteacher shall not transfer funds between current and investment accounts established under the BAFS policy unless a policy to do so has been agreed by the Governing Body;
- (f) the Headteacher (or their representative - ie, the Finance & HR Manager) shall submit to the Governing Body at least one each term, and on such further occasions as the Governing Body may specify, reports on all expenditure incurred and commitments entered into, together with details of any income generated, since the last such report to the Governing Body; this report to include a comparison of these latest figures with the budget for the year;
- (g) any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Headteacher/Finance & HR Manager to the Governing Body; the report to include details of cost in both the current and future years;
- (h) the Headteacher shall have the power to nominate the Deputy Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any periods of absence;
- (i) the Headteacher and any other person nominated under Regulation (h) above shall ensure that at all times the LMS Procedure Rules relating to schools with delegated budgets are complied with.

SUMMARY OF LMS PROCEDURE RULES

LMS PROCEDURE RULES FOR SCHOOLS - FINANCIAL CONTROL FRAMEWORK

The framework can be summarised as follows:



LMS PROCEDURE RULES – KEY ISSUES

The purpose of this note is to briefly summarise the key provisions of the LMS Procedure Rules.

This is not substitute for reading the actual provision as and when required.

GENERAL

The LMS Financial Procedure Rules:

- Specify the statutory role of Corporate Director – Finance & Central Services (CDFCS) re “Proper Administration of Financial Affairs” including Accounting, Potential Illegal Spending, Budget Deficits and Internal Audit.
- Give CDFCS and the Corporate Director – Children & Young People’s Service (CDCS) the right to attend Governors meetings.
- Set out the responsibilities of the Internal Audit Service and require schools to co-operate with them.
- Set out the responsibility of Governing Bodies to comply with these rules, spend resources only on permitted purposes, delegate some responsibilities to Headteachers, maintain register of business interests and provide LA with the information it requires.
- State that losses from negligence, failure to adhere to these rules or to advice from the LA, are chargeable against the school’s budget.
- Give details of a Legal Services help line on these Rules (01609 – 532347) or legal.services@northyorks.gov.uk

LMS FINANCIAL PROCEDURE RULES

The key requirements placed on schools are listed below. They must:

1. Determine their systems and procedures for effective financial management.
2. Prevent waste, loss and fraud.
3. Determine a budgetary control policy (model budget management policy provided as an Appendix to the rules).
4. Demonstrate the principals of Best Value.
5. Use best endeavours to meet special educational needs.
6. Prepare Forward Financial Plan linked to School Development Plan (Start Budget, 31 May; Indicative Budget for next 3 years done in either Summer or Autumn Term.)
7. Spend money on authorised purposes.
8. Report to Governors on commitments which exceed the budget in the current and/or future years.
9. Ensure that staffing establishment changes are subject to prior approval of Governors.
10. Not go into deficit unless approved (licensed) by CDFCS/CDCS.
11. Establish rules on virement of budgets.
12. Report on spending against the budget at least termly to GOVERNING BODY (or half termly through routine monitoring delegated to a sub-committee).
13. Reconcile year end school accounts.
14. Spend grants, e.g. Standards Funds, in accordance with their rules.
15. Pay all school income into the BAFS account.
16. Not use school budget share to subsidise lettings or community facilities.
17. Not dispose of property but consult CDCS if property sale is proposed; proceeds go to the LA (other than VA Schools).
18. Determine lettings policy including annual review of fee levels.
19. Achieve separation of duties on collection of income and ordering and payments for goods and services.
20. Pay all income direct and intact into BAFS accounts unless specifically authorised by CDFCS, e.g. use of Post Office 'intermediate' account.
21. Write off unrecoverable debts up to £250.
22. Ensure Headteachers oversee income collection arrangements.
23. Send returns on time to LA.
24. Procure all goods & services required by the school within budget and to the correct quality.

25. Use official orders (which themselves are contracts) for all purchases except for gas, electricity, telecommunication services, rent, rates, sewage, water, training courses or petty cash or purchasing card purchases.
26. Record spending commitments and check deliveries/services provided to order.
27. Not allow individuals to use official orders for private purposes or behalf of third parties.
28. Specify who signs orders, checks invoices, authorises invoices and signs cheques (maximise separation of duties).
29. Follow guidance on VAT.
30. Pay bills on time.
31. Have a petty cash imprest if considered useful (rules in School Finance Manual).
32. Keep up to date inventory records of all assets over £100 and check inventory at least annually – report any losses to CDFCS.
33. Look after cash in school and bank it regularly and promptly (see advice in School Finance Manual).
34. Not pay staff – must use payroll provider (either LA or provider approved by LA); provide all statutory information required by LA even if using alternative payroll provider.
35. Follow advice in Personnel Notes for Guidance; GOVERNING BODY are liable to meet costs where LA advice has not been followed.
36. Use only bankers approved by CDFCS.
37. Process all financial transactions relating to the budget share through the BAFS account.
38. Not go overdrawn on the BAFS account.
39. Not use credit and debit cards except purchasing cards approved by CDFCS.
40. Ensure cheques require two signatories. Blank cheques must not be signed in advance.
41. Have arrangements for securing and recording blank cheques.
42. Receive monthly bank statements and send statements as at 31 July, 31 December and 31 March to CDFCS.
43. Submit monthly VAT returns to CDFCS.
44. Reconcile the account to bank statements every month and send a copy of each reconciliation to CDFCS.
45. Not use a private account for budget share, income and expenditure.
46. Account to the LA for year end balances.
47. Not withdraw any funds from the BAFS accounts for deposit in any private fund, or other account, without the written approval of CDFCS. However, it is possible to transfer money between a current and investment account of an approved financial institution.

48. Not borrow money, except with the written permission of the Secretary of State for Education, and seek only loans in accordance with LMS Scheme.
49. Not plan for a deficit budget unless in accordance with the terms for licensed deficits.
50. Not go into deficit unless previously licensed by CDFCS/CDCS – see detailed provisions in Section 16 on Licensed Deficits.
51. May take advantage of the LMS Loans Scheme to enable a school to bring forward a major capital purchase – see detailed provisions of Loans Scheme at Annex F of the LMS Scheme.
52. Meet legal costs incurred where the Governing Body has not acted in accordance with the advice of the Council.
53. Ensure that the Governing Body has responsibility for the correct administration of voluntary funds.
54. Appoint a Treasurer and an Independent Examiner for voluntary funds. Ensure there are at least two cheque signatories, observing the high standards of financial probity, keeping satisfactory records, providing regular reports, producing annual accounts which after audit are supplied to CDFCS and presented to the Governing Body (further detailed advice in the School Finance Manual).
55. May make their own insurance arrangements but the Council will require a school to demonstrate that the cover is at least as good as the relevant minimum cover arranged by the Council; if not the Council can charge the excess costs involved – list of policies in School Finance Manual.
56. Promptly notify CDFCS of incidents giving rise to an insurance claim.
57. Note that the Council does not accept any liability for private property such as employee's possessions brought on to school premises.
58. Note that it is the school's responsibility, not Internal Audit's, to maintain satisfactory internal control procedures or achieving the effective and efficient use of resources.
59. Ensure that an Internal Audit report shall receive prompt consideration by the Governing Body.
60. Notify CDFCS immediately of any financial irregularity or suspected irregularity or circumstances which may suggest the possibility of irregularity in the exercise of any of the school's functions; CDFCS will then determine the scope of any internal enquiry or investigations subject to consultation with the Chairman of the Governing Body.
61. Follow the principles of Best Value; statement of key principles set out in Annex C of the LMS Scheme. These arrangements are entirely consistent with the development of 'Self Evaluation' and the linking together of school Development Plans and Forward Financial Plans.
62. Determine a budget management policy and have it approved by the Governing Body; a model budget management policy is enclosed as an appendix to the Financial Procedure Rules. This includes model terms of reference for a Finance Committee to the Governing Body and a model scheme of delegation to the Headteacher.

CONTRACT PROCEDURE RULES

Please read the full LMS Contract Procedure Rules before entering into any quotations, tenders or contracting arrangements.

63. The key requirements placed on schools are listed below. They must follow the requirements of the LMS Contract Procedure Rules; the rules to apply to all contracts except Contracts of Employment and Property Contracts. Where values are quoted it is the gross value of a contract (not the annual value) but excludes any VAT.
64. Retain contracts worth £20,000 or more for 6 years, successful tenders for 3 years and other key information for 2 years.
65. Ensure that LMS Contract Procedure Rules are applied by any person, such as a Consultant engaged by school, who administers a contract on behalf of a school.
66. For all buildings and grounds issues, follow the guidance issued by Building Design & Management in the Building Users Handbook and any other guidance relating to the management of risk, health & safety and security matters; Governing bodies must also act on any instructions by the Council as Landlord (this does not apply to Voluntary Aided Schools).
67. Follow the statutory requirements on health & safety, Construction (Design and Management) Regulations, asbestos, building regulations, planning approval and other statutory and regulatory requirements.
68. Bear any loss arising from the failure to follow the advice of the Landlord (this does not apply to Voluntary Aided Schools).
69. Seek the consent of the Council to proposed building work whatever the source of funds and submit all spending proposals for Capital (whatever the sources of funds) to the Council for approval, noting that further guidance is available in the Building Users Handbook, the Capital Self-Help Scheme and the Guide to Managing Property Risks.
70. A note that schools are permitted to use a revenue budget share to meet the costs of capital expenditure on school premises. The Devolved Capital allocation must be used in accordance with any Rules and Conditions specified in the grant which funds the allocation.
71. Must take into account any advice from the CDCS as to the merits of the proposed spending, if the anticipated capital spending exceeds £12,000. This is in addition to notifying the Council of any proposed Capital expenditure regardless of the source of funding.
72. Provide timely information as required by CDFCS on the allocation, monitoring and accounting claim for grant on Devolved Capital.
73. Follow DCSF Conditions on Devolved Capital.
74. Note that contracts in a nationally recognised form or in a format approved by the Head of Legal Services can be signed by Headteachers but subject to maximum limits for Primary Schools of £10,000, except in the case of building contracts where the limit is £20,000. The equivalent limits for Secondary Schools are £20,000 for non-building contracts and £50,000 for building contracts. Contracts above these values should be submitted to CDFCS for signature.
75. Note that contracts should only be awarded to contractors who have provided evidence to the school or the Contract Management Unit of the current employer's and public liability insurance policy with cover of at least £5M.
76. Note that the above rules on contract signature apply also to leasing agreements and Headteachers must consult CDFCS before signature on all proposed agreements in excess of the limits of £10,000 Primary and £20,000 Secondary.

77. Ensure that Leasing Agreements, because they may prejudice the County Council making maximum use of its Capital allocations, follow detailed criteria set out in paragraph 5.2 of the LMS Contract Procedure Rules – if in doubt contact CDFCS.
78. Ensure that every contract over £100 is evidenced in writing – including the use of an order form, exchange of correspondence or other written medium – there shall be a written agreement for all contracts exceeding £20,000. The agreement shall specify the work to be done, the standards to be provided, the price payable, the time of contracts to be carried out and the remedies of any breach of contract. There are also requirements as detailed in paragraph 6.5 to deal with potential corruption and data protection issues and where considered appropriate bonds and liquidated damages.
79. Note that potential contracts exceeding £5,000 but less than £50,000 require at least three written quotations to be sought from potential contractors. Schools can also apply this approach if they wish to contracts of less than £5,000; the key requirements on quotations are that all potential contractors shall be provided with identical information and instructions including the same opportunity to submit variant quotations. There are detailed rules (see paragraph 8.4) regarding the format of quotations, their receipt and their opening, including crucially that before quotations are open it must be recorded in writing whether the lowest price or the “Most Economically Advantages” (MEA) quotation will be accepted. Where both price and quality are to be taken into account (i.e. where MEA applies) the quality of the criteria must be identified and the weighting between price and equality established and recorded before quotations are opened.
80. Note that if a quotation, other than lowest, or the MEA quotation is to be accepted or less than 3 quotations have been received, the written approval of the Chair of the Governing Body should be sought and obtained before the quotation is accepted. In any event the results of all quotation exercises should be reported to the Governing Body.
81. Note that if the estimated value of the contract is £50,000 or more written tenders must be invited in accordance with detailed rules set out in section 9 of the LMS Contract Procedure Rules. Tenders can also be sought if the estimated value of the contract is less than £50,000. All the requirements relating to quotations also apply to tenders but there are additional requirements in relation to tenders.
82. Consult the Corporate Property Landlord Unit before a tender is invited to contract for works. He will then:-
 - Advise on the appointment of external consultants.
 - Advise on the technical competence of proposed tenderers. On behalf of the Council, as Landlord, Corporate Property Landlord Unit may require that one or more contractors are excluded from the list of contractors from which tenders are sought.
 - Be able, if they so wish, to require other aspects of the tender process subject to his specific approval.
 - Require a copy of the written report on tenders submitted to the Governing Body outlining the decisions on award of the contract.
83. In the case of service or supply contracts, rather than work/building contracts in excess of £50,000, it is CDFCS who should be consulted rather than the Head of Building Design & Management.
84. Note that there are alternative ways of seeking tenders i.e. open tenders where, following an invitation to tender notice given in at least one newspaper, or restricted tenders, using a select list. The select list shall either be an existing select list, contained for that purpose by the County Council, which has been determined after a public advertisement or the school can draw up its own select list but only again after giving all potential contractors the opportunity to join the select list by issuing a public advertisement..

85. Note that when the open tender method is used all respondents of the invitation to tender notice shall be sent the tender documents but where a select list, either an existing one or one specifically drawn up by the school, is used then at least 4 tenderers should be given the opportunity to tender.
86. Ensure that all tenders are opened at the same time in the presence of a Governor and Headteacher or other Officer designated by the Governing Body; late tenders should not be considered other than in very exceptional circumstances as set out in rule 10.4.
87. Maintain a written record of all successful tenderers.
88. The award of tenders shall be made by the Governing Body on receipt of a written report detailing the tenders received and the evaluation in accordance with the pre-determined criteria. Before a contract is awarded after a tender exercise a risk assessment of the contractor's financial stability shall be carried out. For building tenders the school shall provide a copy of the report and the associated Minute to the Corporate Property Landlord Unit and the Council's Chief Internal Auditor. For other tenders such as service contracts the report and associated Minute shall be submitted to the Council's Chief Internal Auditor.
89. Note that there are rules regarding the alteration to tenders and quotations and post-tender negotiations (see section 12 of the LMS Contract Procedure Rules).
90. Note that electronic means of communication may be used for the submission of tenders and quotations, provided suitable provisions and security mechanisms have been agreed with CDFCS.
91. Not enter into property contracts in their own right and only the Head of Legal Services shall sign property contracts.
92. Note that there are some exceptions to LMS Contract Procedure Rules, including:-
 - the school may not need to invite quotations or tenders if the purchase is made through a purchasing consortium such as YPO;
or
 - purchasing goods which have such a specialised nature as to be obtainable from only one contractor or involve repairs or the supply of parts for an existing proprietary, machinery or plant;
 - the Governing Body may, in exceptional circumstances, waive the rules relating to quotations and tenders in respect of any individual purchase. This must be the subject of a written report to the Governing Body providing evidence that Best Value will still be achieved despite the waiving of some aspect of the rules. Such a waiver is not permitted where the value of the purchase required competition by law such as the requirements of the European Union. A copy of such a report should be submitted to CDFCS at least **5 days prior** to the meeting of the Governing Body. In view of the responsibility of CDFCS the proper administration of financial affairs may wish to attend a meeting of the Governing Body which considers such a proposal;
 - where a school, after prior consultation with the Head of Building Design & Management considers that emergency action is generally necessary to make a building or structure safe;
 - where, after consultation with the Chair of the Governing Body and CDFCS considers that other urgent action is generally required.

Responsibility of Corporate Director – Finance & Central Services

The LMS Procedure Rules also place some significant responsibilities on the Corporate Director – Finance & Central Services. These include:

1. Production of Accounting Systems.

2. Use of the NYCC accounts as the primary record of school spending.
3. Determining the format of school budgets – now CFR format.
4. Write-off debts of over £250.
5. Determine how long financial records are kept – see School Finance Manual.
6. Decide which grant applications require his specific written approval and which grant claims he wishes to submit; otherwise these tasks are delegated to schools.
7. Determine the invoice certification arrangement – See School Finance Manual.
8. Determine the format of school orders.
9. Specify the procedure for disposal of assets – see School Finance Manual.
10. Determine payroll arrangement, including the vetting of alternative payroll provider.
11. Implement national pay awards.
12. Determine the format of payroll records.
13. Determine travelling system allowance arrangements.
14. Monthly cash allowances to BAFS based upon a pre-determined timetable.
15. Determine the criteria for BAFS accounts.
16. Produce annual accounts in CFR format.
17. Provide guidance on Income Tax, VAT, National Insurance, Construction Industry Scheme, etc.
18. Notify schools of the items to be charged against budget shares by “central recharge” in addition to salary transactions – there is a detailed list included at paragraph 17.5 of the LMS Financial Procedure Rules.
19. Specify the arrangements for the operation of purchasing cards.

WHISTLEBLOWING POLICY

(This Policy applies to all Members, Staff and Contractors except those staff working in Primary Schools – see separate version of Policy)

Updated by NYCC in March 2008 and adopted by Whitby Community College Governing Body on 18 March 2009

Reviewed by Governors on 29 March 2010

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1.0 INTRODUCTION

- 1.1 The County Council is committed to the provision of the highest quality services to its residents and to full accountability for those services. Whilst the County Council has in place rules, regulations, quality standards and procedures to ensure that the highest standards of conduct and commitment to service delivery are followed, irregularities, wrong-doing or serious failures in standards do sometimes occur. The County Council wants to identify and remove such malpractice in the performance and delivery of its services.
- 1.2 The greatest deterrent to malpractice or wrongdoing is the probability that it will be reported and investigated vigorously, that those who are responsible for it will be punished and that the matter will be promptly remedied. This Policy is therefore intended as a clear statement that any malpractice by members, employees or third parties (including contractors) reported to the County Council will be swiftly and thoroughly investigated. The County Council will also look at ways to ensure that such malpractice or wrongdoing can be prevented for the future.

2.0 AIMS AND SCOPE OF THE POLICY

- 2.1 This Policy provides all employees, agency workers, contractors including their staff and members of the County Council with
- avenues to raise concerns and receive feedback on any actions taken
 - reassurances that they will be protected from reprisals or victimisation for whistleblowing in good faith
- 2.2 Set out below is a list which is intended to illustrate the sorts of issues which may be considered as malpractice or wrongdoing and can be legitimately raised under this Whistleblowing Policy:
- (a) any unlawful act, whether criminal or a breach of civil law, failure to comply with legal obligations or where a miscarriage of justice has occurred, is occurring or is likely to occur
 - (b) maladministration, as defined by the Local Government Ombudsman
 - (c) breach of any statutory Code of Practice
 - (d) breach of, or failure to implement or comply with any policy or procedure rules determined by the County Council, Executive or Committee of the County Council
 - (e) failure to comply with appropriate professional standards
 - (f) corruption or fraud including obtaining money (eg grants) without entitlement
 - (g) misuse of assets, including stores, equipment, vehicles, buildings, computer hardware and software
 - (h) endangering the health and safety of any individual with actions which are likely to cause physical danger, or to give rise to a risk of significant damage to property

- (i) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the County Council or would otherwise seriously prejudice the County Council;
- (j) abuse of power, or the use of the County Council's powers and authority for any unauthorised or ulterior purpose
- (k) unfair discrimination in the County Council's employment or services
- (l) causing damage to the environment
- (m) deliberately concealing information in relation to any of the items on this list

2.3 This Whistleblowing Policy is intended to supplement, rather than to replace, the existing grievance procedures as laid down in the Personnel Manual whereby employees of the County Council may already raise complaints or matters of genuine concern. It is therefore **designed to provide a channel for those instances where the person reporting the matter feels that, for any reason, they cannot make use of those existing complaints procedures.**

3.0 EMPLOYEE CO-OPERATION AND SAFEGUARDS

3.1 In many cases it is an employee of the County Council who is most likely to be in the best position to learn of any malpractice or wrongdoing within the County Council and to identify something which falls below the standards which the County Council and its customers are entitled to expect. The County Council expects the fullest co-operation of all its employees in securing the highest standards of service to the residents of North Yorkshire. This means that, where an employee of the County Council becomes aware of or suspects malpractice, the County Council will expect them to report these suspicions. Where an employee fails to report their suspicions, they become themselves implicated in the wrongdoing, and the County Council will treat failure by an employee to report such matters as a serious matter.

3.2 This Policy statement has been discussed with the relevant trade unions and has their support.

3.3 **The County Council will respect the confidentiality of any whistleblowing complaint received, where the complainant requests that confidentiality.** However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his/her name, and unsupported anonymous complaints and allegations will have to be treated with caution.

3.4 Any reporting system will be of little effect if those who should use it are afraid that, as the result of making their report, they may experience recriminations, victimisation or harassment. The County Council will therefore not tolerate any attempt on the part of any employee or member to take reprisals against any person who has reported a serious and genuine concern. The County Council will treat any such recriminations, victimisation or harassment by any employee or member of the County Council as a serious matter. Individuals may also have statutory protection under the Public Interest Disclosure Act 1998, which aims to protect individuals who make certain disclosures of information in the public interest and who are then victimised in their employment. ***If a whistleblower who has made a valid complaint feels that they have been victimised as a result of raising concerns they can raise the matter directly with the Chief Internal Auditor who will raise the matter immediately with the appropriate Corporate Director.***

- 3.5 The County Council is proud of its reputation for having the highest standards of probity. It will therefore ensure that the necessary resources are put into investigating any complaints which it receives. As a consequence of this it will view very seriously any false or malicious allegations which it receives, and will regard the making of any deliberately malicious or vexatious allegations by any employee or member of the County Council as a serious disciplinary offence.
- 3.6 The Whistleblowing Policy will be publicised to all staff, as a minimum requirement, three times per annum by including a message in pay slips informing them of the Policy and the existence of the confidential telephone number. Other media used to communicate with staff (eg newsletters) will also be used where appropriate.
- 3.7 For contractors, publicity will be arranged via the Corporate Procurement Group on a periodic basis. Particular emphasis will be placed on raising the policy pro-actively with those contractors who are considered strategically important to providing services to the County Council.

4.0 HOW TO RAISE A CONCERN

- 4.1 It is envisaged that a Line Manager will be the first point of contact in the vast majority of cases. It will be their responsibility to initially investigate all matters reported to them promptly in accordance with the procedure notes issued.
- 4.2 It is, however, appreciated that there may be times when an employee of the County Council feels unable to use the above procedure, for example when the Whistleblower feels that their Line Manager may be involved in the malpractice. **The County Council has therefore appointed the Chief Internal Auditor to act as its Whistleblowing Officer**, with the following remit:
- (a) to receive and record any complaints under this Policy
 - (b) to ensure the confidentiality of any whistleblowing complainant who requests that their complaint be treated in confidence
 - (c) to investigate promptly any whistleblowing complaint and to respond directly to the complainant, with a right of access to the Chief Executive Officer and all members and employees of the County Council and to all documents and records of the County Council
 - (d) to report to the appropriate Service Unit Head where the investigation identifies a serious cause for concern within the responsibilities of that officer and to recommend the use of any relevant statutory powers or duties. Where the complaint relates to the conduct of a member or one of the Service Unit Heads, he/she should report to the Chief Executive Officer. Where the complaint relates to the Chief Executive Officer, he/she should report to the Corporate Director – Finance and Central Services
 - (e) to report as appropriate, either jointly with the Corporate Director(s) concerned or in his own right, to the County Council, the Executive and/or any Committee or Sub-Committee of the County Council

- (f) to recommend, in conjunction with the Chief Executive Officer or the Head of Legal Services, to settle appropriate action to resolve a complaint or recompense a complainant, and
- (g) to report every six months to the Corporate Director – Finance and Central Services and to the Standards Committee on the number of concerns raised under this Whistleblowing Policy. Those matters raised which identify fraud or loss to the County Council will be reported to the Audit Committee on an annual basis.

- 4.3 It is better if concerns are raised in writing. This allows the opportunity to set out the background and history of the concern, giving names, dates and places where possible, and the reason why the employee or member is particularly concerned about the situation.
- 4.4 It is anticipated that an employee will know the address to write to for their Line Manager or Service Unit Head.
- 4.5 The Chief Internal Auditor can be contacted by writing a letter in a sealed envelope marked Strictly Private and Confidential, addressed to:

The Chief Internal Auditor
Internal Audit Service
County Hall
Racecourse Lane
Northallerton
North Yorkshire
DL7 8AL

or by telephoning (01609) 780780, extension number 2143. In addition there is a direct and confidential, non switchboard telephone line (01609) 760067, which is connected to an answering machine and is available 24 hours a day. There is also an anonymous on-line form, available on the Internet, which can be completed. This is then forwarded to Internal Audit.

- 4.6 For contractors, a clause will be inserted in all standard County Council contracts highlighting that the Whistleblowing Policy applies to all their staff working on County Council business. It will place a requirement on these contractors to publicise the Whistleblowing Policy to all their key staff involved with their contract for the County Council.
- 4.7 Although whistleblowers are not expected to prove the truth of an allegation, they will need to demonstrate to the person they choose to contact that there are sufficient grounds for concern.

5.0 **HOW THE COUNTY COUNCIL WILL RESPOND**

- 5.1 In order to protect both individuals and the County Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example child protection or discrimination issues) will normally be referred for separate consideration under those procedures.
- 5.2 Some concerns may be resolved by agreed action without the need for detailed investigation.

5.3 **Within 10 working days of a concern being received**, the *line manager or officer who is designated to carry out the whistleblowing investigation* will write to the whistleblower:

- acknowledging that the concern has been received
- indicating how it proposes to deal with the matter
- giving an estimate of how long it will take to provide a final response
- stating whether any initial enquiries have been made, and
- state whether further investigations will take place, and if not, why not.

5.4 The amount of contact between the officers considering the issues and the whistleblower, will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the whistleblower.

5.5 When any meeting is arranged, the whistleblower has the right, if they so wish, to be accompanied by a Union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

5.6 The County Council will take steps to minimise any difficulties which the whistleblower may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the County Council will provide advice about the procedure.

5.7 The County Council accepts the whistleblower needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, information about the outcomes of any investigations will be provided.

6.0 **REVIEW OF THE POLICY**

6.1 The Policy will be subject to review as and when required.