

Norfolk Audit Services – Newsletter for schools Summer 2012

Welcome to the summer 2012 edition of the Norfolk Audit Services (NAS) Newsletter for Schools.

There are more useful topics in this edition, including articles on receiving post during school holidays, managing your assets and the use of purchasing cards.

In addition, there is a link to the Governors' Guide to Law which was updated and reissued in May 2012. The purpose of this guide is to help Governors understand how a school operates, their legal obligations and the way in which these should be delegated. All Governors should be familiar with this document.

We also wanted to let you know about an update to the Finance Procedure Manual. Paragraph 1.3.1 discusses the self-evaluation tools available for schools. The manual currently states all tools should be used and reviewed every two years. However, the manual is being updated to reflect that only Keeping Your Balance (Managing School Resources) must be completed and reviewed every two years.

Lastly, having audited all schools over a four year period, in April we began the new school audit programme. In the next issue of this newsletter we will include an article on how this programme is progressing and the feedback we have had from those schools that have been audited.

Please make sure your Headteacher, Governors, and all staff involved in the finances at your school see a copy of this newsletter. Click on the 'Print this issue' button in the top left hand corner, followed by the 'Print this page' button, if you would like a printed copy to distribute.

If you haven't seen any of the previous issues please visit [Norfolk Audit Services](#).

We welcome your feedback so continue to email [Andrea Doe](#) or [Jackie Haynes](#) or call 01603 223162 with your comments or ideas for future topics.

Useful documents and websites:

[Norfolk Audit Services](#)

[Purchasing card procedures](#)

[Governors' Guide to Law](#)

[Children's Services Finance Procedure Manual](#)

[Norfolk's Scheme for Financing Schools 2011-12](#)

Post during school holidays

There is often a period of time during the school holidays where no one is on site and as there is a significant amount of post, some of which could be confidential or contain cheques, we often get asked for advice on how this should be handled.

There are three options available to schools:

- Ensure there is a large-enough, secure and locked post box, to enable the post for the period to be stored safely.
- Arrange for a member of staff to be available to check for deliveries, often the caretaker will be in school during the holidays.
- The Royal Mail provides a service called Business Keep-safe which allows post to be held until the school opens again. There is a small charge for this but we strongly recommend making use of this service.

Post should **never** be redirected to a home address.

Please contact [Andrea Doe](#) 01603 223162 or your Finance Support Officer if you would like any more guidance.

Purchasing cards

We recommend schools consider the use of purchasing cards for low value, high volume purchases. They reduce the need for large volumes of petty cash and ensure staff are not making purchases with their own money and waiting for cheque reimbursements.

However purchasing cards do present different risks so we thought it would be useful to look at the Headteacher's responsibilities.

Each member of staff requiring the use of a card is issued with their own individual card. Governors and the Headteacher set a monthly and individual transaction limit for the card and the approved cardholder can make purchases to these limits, but only from suppliers that have also been approved by the Governing Body.

The Purchasing Card Procedures and particularly the Purchasers in Schools documents detail how the cards should be used.

As with all financial procedures robust controls are required to prevent any misuse of the cards and these are included in the above guidelines. Any unauthorised spend on a purchasing card is treated as a disciplinary offence.

The key points the Headteacher needs to consider are:

- Are all transactions necessary, appropriate and value for money.
- Have all transactions been recorded on a transaction log.
- Are all transactions supported with valid receipts or invoices.

Appendix 1 specifically states the Headteacher's responsibilities which include:

- Ensuring all cardholders maintain a transaction log of all purchases made throughout the month.
- Ensuring once all cardholders have received their monthly statement they check this within three days and reconcile it to their transaction log.
- Ensuring each month, a transaction log and statement is submitted to the Headteacher.
- Ensuring all the entries are for valid purchases.
- Ensuring there are valid invoices or receipts for each purchase.
- Ensuring the cardholder has obtained a VAT receipt from any non VAT enabled suppliers.
- Ensuring the transaction log reconciles to the monthly statement.
- Ensuring the transaction log is signed and dated by the cardholder.
- Ensuring the Headteacher signs and dates the transaction log, as evidence of the checks made.
- It is most important that Headteachers ensure a transaction log is submitted by each card holder for each month even if there have been no

transactions. This will provide a sequence of logs throughout the year. Barclaycard does not issue statements if there have been no transactions and where there is a 'nil' spend recorded on the log, the Headteacher should check the monthly download report to verify that there have been no purchases for the month.

As it is important that all forms are authorised and signed by someone other than the cardholder, where the Headteacher holds a purchasing card, the monthly reconciliation should be checked and signed by a Governor or the Deputy Headteacher. The procedures also state that in the absence of the Headteacher the Deputy Headteacher can carry out the above checks for other cardholders other than themselves.

The front page of this newsletter includes a link to the Purchasing Card Procedures for Schools or please contact your Finance Support Officer if you are interested in discussing the use of a purchasing card at your school.

Asset management

Schools possess a large number of valuable assets and as we have found some weaknesses in the controls regarding the safeguarding of these, we have included this section which outlines the requirements for asset management. Asset management involves the purchase of assets, the school's asset register and the security and disposal of assets. The purchase of assets and security marking assets will be covered in the following newsletter.

All schools must maintain an asset register which can be in an electronic or in a manual form. ICT Shared services can provide the Asset Management software package.

The Governing Body should approve a value above which all assets are recorded on the register and details of this should be recorded in the school's finance policy. However, whatever the level, all high-value, portable and attractive items must be included.

The following information should be held in the register: date of purchase, description including serial number, cost, location and details of disposal or write-off. For the asset register to be useful new assets should be added to the register as soon as possible after delivery at the school. In addition, all sales or disposals of assets should be approved by the Headteacher and the register should be updated with these as soon as possible.

A copy of the register should be held off-site and only authorised staff should have access to the register.

Annually, an independent person should carry out a full check on all the assets and confirm all assets are available in the expected location. Any discrepancies should be investigated and any discrepancies greater than £100 reported to the Governing Body or those greater than £500 reported to the Finance Business Partner (Children's Services). A printed copy of the annual check should be certified by the Headteacher and retained.

Where schools do not have a register or it is not kept up-to-date there may not be adequate information in the event of an insurance claim. Also, loss of equipment may remain undetected which could mean the risk of fraud is increased.

Further details can be found in [Section 6](#) Assets of the Finance Procedure Manual.