

# Orders and invoices

## Table of Contents

Key Contacts.....	1
Orders for work, goods and services (non-employee) .....	1
Invoices and accounts for payments .....	2
Contracts for building and civil engineering works.....	4

## Key Contacts

Bursarial team [BursarialServices@ealing.gov.uk](mailto:BursarialServices@ealing.gov.uk)

## Orders for work, goods and services (non-employee)

### Introduction

Orders create contracts and commit the Governing Board (GB) to expenditure from the School's Budget Share. It is vital that the ordering process fully protects the interests of the GB and Ealing LA and that the ability to sign or authorise orders is strictly controlled at the School.

This applies to electronically prepared and/or transmitted orders as well as those in paper form. Governors and staff need to be aware of potential conflicts of interests and to declare all such interests as contractors or suppliers are selected. It is essential orders are populated through the schools relevant accounting system for all works, goods and services prior to contacting relevant suppliers with actual orders.

### Regulations

1.1 Within the LA's requirements for value for money, considering quality and convenience for the School as well as price, Schools may purchase goods and services from whatever source they see fit. Schools are however, encouraged to participate in the LA's central purchasing and contract arrangements and headteachers should seek the advice of the LA's procurement team before arranging a contract for goods or services.

1.2 No Governor or member of School Staff may authorise the purchase of goods or services for themselves, their relatives, or any organisation in which they have an interest. Neither can they authorise payment vouchers relating to expenditure incurred or services supplied by them, their relatives, or an organisation in which they have an interest. A register in which all such interests shall be recorded must be maintained at the School. An interest is defined as one in which the individual stands to gain direct or indirect benefit or reward from a transaction made with the school, e.g. ownership or interest in local businesses or where members of their family are either working at or attending the school.

1.3 If sources of supply outside the LA's central purchasing arrangements are selected, schools must comply with the procedure for contracts and tenders as laid down in the standing orders.

1.4 All orders placed must be covered by the relevant Financial Budget Provision.

## Orders and invoices

1.5 The Headteacher, within powers delegated by the GB, shall be responsible for all orders issued from the School for goods, works to be carried out or services rendered.

1.6 A list of Employees empowered to authorise orders on behalf of the GB shall be prepared annually and personally certified by the Headteacher, who shall also authorise any amendments to the list. This list must be approved by the GB and, as far as possible, ensure a proper division of duties.

1.7 Each Headteacher shall control the use of the electronic order book within his/her School.

1.8 All paper orders shall be generated from software approved by Ealing LA. Where an order has been placed over the telephone, the order must be entered onto the Finance system immediately and authorised in the proper manner. Orders are not required for small cash purchases properly paid out of petty cash accounts. Rents and business rates payments are managed through the Accounting System either by invoicing or by Direct Debit payment. Metered supplies of utility services, (gas, electricity, water and telephone), should be processed as service orders (again within the accounting system) or by direct debit or standing orders, where appropriate.

1.9 Orders should be processed through the Accounting System to ensure that the Expenditure is committed. Where other ordering methods are undertaken, these should be limited to exceptional cases. The details should be entered into the Accounting System within a limited period to ensure that the Expenditure is recorded and that the Budget information reports are accurate.

### Invoices and accounts for payments

#### Introduction

It is important that adequate arrangements are made at School for proper control to be exercised over the payment of invoices. These financial regulations seek to provide a consistent framework throughout schools, for the certification of and payment of invoices for goods and services received. As far as possible, different people should be involved in authorising Orders, checking deliveries and where appropriate checking and authorising invoices, to reduce the risk of fraud. Payments must be made within specified periods as identified by appropriate legislation and regulation, usually this is within 28-30 days.

#### Regulations

2.1 Invoices submitted by suppliers should quote the name of the school site where the work was done or to where goods were delivered, together with a reference to the purchase order number (PO) and where appropriate delivery note(s).

2.2 Only invoices in the name of Ealing LA or the school must be paid from the school's delegated budget.

2.3 No amendments shall be made to Value Added Tax (VAT) invoices. All VAT invoices shall be returned to the Supplier for any amendment as necessary in accordance with VAT regulations.

2.4 The examination, verification, and certification of an invoice for payment will be the responsibility of the Governing Board (GB) or member(s) of the nominated staff member. All expenditure must be supported by appropriate documentation.

2.5 The matters to be certified by the Headteacher or his/her authorised representative include:

- Goods have been received, examined, and approved as to quality and quantity, or services rendered, or work done satisfactorily
- Conformity with the Purchase Order
- Any specific authorisation e.g. Governing Board minutes
- Price(s) charged, and totals are correct
- Expenditure is covered by an Approved Budget
- Invoice has not previously been passed for payment (see paragraph 2.10 below)
- Allocation of expenditure and relevant VAT classification code(s) are correct

2.6 The Employee certifying each of the foregoing matters shall sign in his/her own name or initial with his/her own initials, where appropriate, any required section of the invoice and the Headteacher, or his/her authorised representative shall then certify the invoice by signing his/her own name in ink on the invoice.

2.7 Wherever possible the duties attaching to each transaction of ordering the item, certifying its receipt, and certifying the invoice as correct for payment shall be performed by different employees. As a minimum, the employee who certifies the invoice as correct shall not be the person who has authorised the order.

2.8 Where the invoice deals with an article to be recorded in an inventory, a reference to the appropriate entry in the inventory must be entered on the invoice before it is certified as correct.

2.9 Where an invoice is for part of an order, the Purchase Order number must be referenced to the invoice. Where appropriate a copy of the relevant purchase order will be retained with the final invoice.

2.10 The Headteacher shall ensure that appropriate controls are in place to prevent duplicate payment of invoices. Where the Headteacher or his/her authorised representative wishes to make payment on a copy invoice, he/she must ensure that there is no previous record of the invoice having been passed for payment. If the original invoice appears later, internal controls should exist to ensure that the invoice will not be passed for payment again.

2.11 Under no circumstances should payment be made against statements.

2.12 For Schools operating a local bank account, the Headteacher shall make safe and efficient arrangements for the procurement, security, signature and control of cheques and for the safe retention of paid invoices and other prime documents for the periods specified.

2.13 For Schools operating a local bank account, adequate arrangements for the separation of duties shall be made by the Headteacher in relation to the authorisation of orders, certification of invoices, signature of cheques and the preparation and monitoring of accounts.

2.14 The Headteacher shall, as soon as possible after the end of the financial year notify Accountancy of all outstanding items of expenditure in excess of an agreed sum relating to goods received or services rendered in the previous financial year.

2.15 Since 1 August 1999 the new construction industry scheme (CIS) has applied. See Section 3 on this document below, contracts for building and civil engineering works for more information.

2.16 Where an overpayment or duplicate payment arises and has been certified for payment by the authorised officer within the School, the cost will be charged against the Delegated Budget. The School Delegated Budget may also be charged with the administrative cost involved in attempting or recovering such amounts.

2.17 Under the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 amended and supplemented by the Late Payment of Commercial Debts Regulations in 2002, Ealing LA may be charged statutory interest on any amounts which are due to Suppliers but which are not paid within the relevant period for each debt. Any interest charge of this type, which is incurred by the LA as a result of late or delayed payment by the school (or submission by the school for payment of the item by their payment services provider), will be charged to the delegated budget of the school involved.

### Contracts for building and civil engineering works

#### Introduction

Contracts for Building and Civil Engineering Works at Schools may involve substantial payments on account spread over a long period, followed by a final settlement based on a detailed final account agreed by both Contractor and School. These financial regulations are designed to ensure that the GB makes proper arrangements for the control and/or authorisation of interim payments, variation orders and detailed accounts relating to the final contract payment. Advice should be obtained from the schools property team in Ealing children's services before undertaking any building and civil engineering works.

#### Regulations

3.1 Contracts for building and civil engineering works at Schools shall be awarded in accordance with the procedure for contracts and tenders.

3.2 As given in financial regulations capital expenditure document point 1.2, Schools must follow the approval procedure for self-financed building, engineering and grounds improvements projects before undertaking any works. No work can be undertaken until written approval has been received from the schools property team in Ealing children's services.

3.3 The GB shall ensure that proper arrangements are made for checking and authorising interim payments and detailed final accounts in support of the final settlement, before payment is made to the Contractor. Accounting arrangements for capital expenditure differ from those relating to revenue expenditure.

3.4 The GB shall ensure that proper arrangements are made for authorising every extra or variation on a contract for building or civil engineering work.