



## **Finance Policy and Procedure Manual**

**2020/21**

**Learning at Charville is underpinned by the Core Values, which are as follows:**

**Respect**

**Independence**

**Self-belief**

**Honesty**

**Caring**

**Determination**

Outline of updates:

Index updated where needed

3.1 Added Executive team to index (*CFO is SBM AO SEL is Head*)

3.2 Added to main responsibilities Clerk

3.3 Header Changed RARF (*Resources, Audit, Risk and Finance Committee – formerly known as RAF*)

3.4 & 3.5 Added Executive Team to the Headers

Executive Team – Accounting Officer and Chief financial officer should be employees, the trust must get approval from the ESFA if it wants to appoint someone that is not an employee in exceptional circumstances

3.6 Header changed to **Auditors (External & Internal Scrutiny)**

Auditors Wilkins Kennedy have changed their name to AZETS name changed in policy for external auditor

Internal Scrutiny Company TBC

20.Header changed to School Resource Management Self Assessment (SRMSA Tool)

Required to publish information on the number of employees whose benefits exceed £100,000 (Executive pay)

## Contents:

1. Introduction
2. Principles
3. Organisation and Responsibilities
  - 3.1 Reporting Structure
  - 3.2 Governing Board
  - 3.3 Resources, Audit, Risk & Finance Committee RARF
  - 3.4 Head Teacher – Senior Executive Leader form part of executive team
  - 3.5 School Business Manager – Chief Financial Officer form part of executive team
  - 3.6 Auditors (External & Internal Scrutiny)
  - 3.7 Other Staff
  - 3.8 Register of Business Interests
  - 3.9 Gifts
4. Financial Planning
5. Setting the Annual Budget
6. Budget Management
7. Accounting System
  - 7.1 Financial Accounting System
  - 7.2 Transaction Processing
  - 7.3 Accounting System for Other Income
8. Payroll
  - 8.1 Staff Appointments
  - 8.2 Payroll Administration
  - 8.3 Payments and Monitoring
9. Value for Money Procedures
  - 9.1 Orders below £0.01 but less than £7,000
  - 9.2 Orders over £7000 but less than £50,000
  - 9.3 Orders over £50,000 but less than the E U Threshold
  - 9.4 Orders over E U Threshold
10. Forms of Tender
  - 10.1 Open Tender
  - 10.2 Restricted Tenders
  - 10.3 Negotiated Tender
  - 10.4 Preparing for Tender
  - 10.5 Invitation to Tender
  - 10.6 Aspects to consider
  - 10.7 Tender Acceptance Procedures
  - 10.8 Tender Opening Procedures
  - 10.9 Tender Evaluation Procedures
11. Purchasing
  - 11.1 Orders for Goods and Services
  - 11.2 Delivery of Goods
12. Payment of Accounts
  - 12.1 Payment of invoices
  - 12.2 Payments to individuals

- 13. Other Purchases
  - 13.1 Internet Orders
  - 13.2 Reimbursement of expenditure to individuals
- 14. Income
  - 14.1 Income collected by the Academy
  - 14.2 Trips/Activities
  - 14.3 Lettings
  - 14.4 Custody
  - 14.5 Debtors
- 15. Cash Management
  - 15.1 Academy Banking Arrangements
  - 15.2 Deposits
  - 15.3 Payments and withdrawals
  - 15.4 Bank Reconciliations
  - 15.5 Petty Cash Accounts
  - 15.6 Cash Flow Forecast
- 16. VAT
  - 16.1 VAT 126
  - 16.2 VAT Registration non- business activities
- 17. Fixed Assets
- 18. Computer Systems
- 19. Reporting to the DfE
  - 19.1 FMG
  - 19.2 Annual Budget
  - 19.3 Budget Monitoring
  - 19.4 Annual Accounts
- 20. Self Assessment of Governance and Management
- 21. External Auditors
- 22. Whole of Government Accounts
- 23. Key Inventory
- 24. Whistle Blowing Policy

**Appendix 1. Scheme of Delegation**

**Appendix 2. Budget Annual cycle**

**Appendix 3. Purchase Order Requisition**

**Appendix 4. Authorised Signatures**

**Appendix 5. Trips/workshop Form**

**Appendix 6. Cash Reimbursement**

## Appendix 7. Credit Card Form

### 3. Introduction

The purpose of this policy is to ensure that the Academy maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of Charville Academy's Funding Agreement with the Department of Education

The Academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This policy expands on that guidance and forms the manual detailing information on the academy's accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

This policy builds on the financial principles and requirements established and adopted in previous finance policies and reflects the organisational changes that have occurred over the last 12 months and includes key amendments outlined in the academies financial handbook

### 2. Principles

The Governing Body will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

- **Selflessness** Holders of public office should take decisions solely in terms of the public interest.
- **Integrity** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance or their official duties
- **Objectivity** In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
- **Accountability** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness** Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demands
- **Honesty** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.
- **Leadership** Holders of public office should promote and support these principles by leadership and example.

### 3. Organisation and Responsibilities.

**3.1** The Academy has defined the responsibilities of each person involved in the administration of the Academy's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff. They Include:

- Ensuring that grants from the EFSA are used only for the purpose intended.
- Approval of the annual budget
- Regular monitoring of income and expenditure
- Completion and submission of statutory returns, including the annual return.
- Appointment of senior executive leader (SEL) and accounting officer (AO) – Head Teacher (**Executive Team**)
- Appointment of the chief finance officer (CFO) – School Business Manager (SBM) (**Executive Team**)
- Appointment of the responsible officer (RO) and External Auditor - Azets
- Approve the recruitment/Appointment of trustees
- Appointment of the academy head in line with the scheme of delegation (Appendix 1)

### 3.2 Governing Board

The Governing Board has overall responsibility for administration of the Academy's finances. The main financial

responsibilities of the Governing Board are prescribed in the Funding Agreement between the Academy and the DfE. The main responsibilities include:

- Must appoint a clerk who is not an employee
- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended
- Approval of the annual budget and any material changes
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure Approval of the Annual Statutory Account

### **3.3 Resources, Audit, Risk and Finance Committee (RARF)**

The main financial responsibilities of the Resources, Audit, Risk and Finance Committee are detailed in their terms of Reference, these include:

- Review the Risk Register
- Review and recommendation to the GB of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Reviewing the reports of the external auditors on the effectiveness of the financial procedures and controls. (These reports must also be reported to the Governing Board)
- To review the financial policies of the academy and where necessary make recommendations to the GB

### **3.4 Head Teacher - Senior Executive Leader & Accounting Officer Executive Team**

The Head Teacher has overall executive responsibility for the Academy. The Head Teacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment.
- Authorising orders and contracts up to the amount stated in the Scheme of Delegation (Appendix 1), reporting these decisions to the Finance & Resources Committee.
- Signing cheques as detailed in the scheme of delegation.
- On-Line Banking & BACS Authorisation
- Reconciling Bank Statements

The funding agreement identified the Head Teacher as the Senior Executive Leader/AO who is personally responsible to the Governing Board for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources
- The day to day organisation, staffing and management of the academy

The Senior Executive Leader/AO has the duty to take action if the Governing Board or Chair is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Governing Board details sent to the Permanent Secretary and the academy's external auditors.

The Senior Executive Leader/AO may delegate, or appoint others to assist in these responsibilities.

### **3.5 School Business Manager - Chief Financial Officer Executive Team**

The SBM works in close collaboration with the Head Teacher who reports to the Resources and Finance Committee.

The main responsibilities of the SBM are outlined in the approved job description and include -

- The financial day to day management of financial issues including the establishment and operation of suitable accounting systems
- Secure additional funding
- The management of academy's financial position at strategic and operational level

- The maintenance of effective systems of internal control
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy
- Preparation of monthly management accounts
- Ensuring forms and returns are sent to the DfE/ESFA in line with their reporting deadlines
- Management of the Academy's Service Level Agreements
- Award of contracts up to the amount stated in the Scheme of Delegation ( Appendix 1)

### 3.6 Auditors (External & Internal Scrutiny) – Responsible Officer

Every academy trust must have in place a process for independent checking of financial controls, systems, transactions and risks.

Academy trusts may manage this programme of risk review and checking of financial controls in the way that they deem most appropriate to their circumstances. Options include:

- The work of an **internal audit service** (either in-house, bought-in or provided by a sponsor);
- The performance of a supplementary programme of work by the trust's **external auditor**;
- The work of a '**responsible officer**' who will be a non-employed trustee with an appropriate level of qualifications and/or experience, and who neither charges nor is paid by the trust for their work. The appointment of a responsible officer is not mandatory but is one of the options that trusts can use to conduct their internal checks;
- Completing the work by **peer review** (i.e. the work being performed by the PFO, or a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer)

The Responsible Officer is appointed by the Governing Board and is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the Governing Board within on-going independent assurance that:

- The financial responsibilities of the Governing Board are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The Governing Board appointed Azets to act as an external Body & (new company tbc) to act as internal auditors to independently undertake the risk review of financial controls within the school to be reviewed at the end of each contracted period. The auditors will carry out financial reviews in order to provide the Governing Board and indirectly the Department for Education with the required assurance. Azets & (new company tbc) will undertake the checks and balances in line with the recommendations shown in the Finance Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Resources Committee)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting receipts
- Review all major contracts and ensure formal tender procedures exist and are being followed.

Azets & (new company tbc) will produce a full report after each visit to the SBM/Head Teacher who will personally report findings of each visit to the Resources, Audit, Risk and Finance Committee and these will be reported back to the Governing Board.

Azets will perform a supplementary programme of work on behalf of the school in order to manage its risk review. Therefore the role of responsible officer is not required, in accordance with Academies Financial Handbook.

### 3.7 Other Staff

Other members of staff, primarily the SBM or Finance team and responsible budget holders will have some financial responsibility. All staff are responsible for the security of academy property, for avoiding loss or damage, for insuring economy and effectively in the use of resources for the conformity with the requirements of the academy's financial procedures and statute.

### 3.8 Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all trustees, directors, governors and staff with significant financial or spending powers are required to declare any financial interest they have in companies and/or individuals from whom the academy may purchase goods or services. The register is open to public inspection; a copy of the form is appended to this policy.

The register should include all business interests such as directorship, shareholdings and/or other appointments of influence within the business or organisation which may have dealing with the academy trust. The disclosure should also include business interest of relatives such as parent or spouse or business partner where influenced should be exerted over a director or a member of staff by that person.

The existence of the register of business interests does not, of course, distract from the duties of the trust and its staff to declare interest whenever they are relevant to matters being discussed by the trust or a constituted committee. Where an interest has been declared, trustees, directors, governors and staff should withdraw from that part of any committee or other meeting.

From 1<sup>st</sup> April 2019 all transactions with related parties must be reported to the CFO prior to taking place. The CFO will submit the appropriate details to the ESFA for approval. There is no provision for retrospective approval for any related party transactions.

Any related party transactions arising on the year must be recorded on a monthly basis and submitted as part of the month end procedure.

The academy financial handbook has been updated to provide further clarity on governance;

- Trustees must understand their duties as company directors
- Trustees must provide details of its governance arrangements in their governance statement published with the annual accounts on the trust website
- The board should identify the skills they require and address any gaps through recruitment or training
- The scheme of delegation to be published on the trust website
- The chair of the governing body and the accounting officer must manage their relationship with connected parties to avoid both real and perceived conflicts of interests
- Academy trusts must recognise that their relationship with some connected parties attract greater public scrutiny and require high standards of accountability and transparency.
- AT's must capture relevant business and pecuniary interests of members, trustees, local governors, accounting officers and senior employees – Trustees, accounting officer and members published on website – and consider whether other individuals should be included in the register (in support of transparency and accountability)
- Above the de-minimums threshold of 2.5K AT's must pay connected parties at no more than cost.

### 3.9 Gifts

The academy trust has a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit that might be seen to compromise their judgement or integrity, and should ensure all staff are aware of it. When making gifts, the trust **must** ensure the value is reasonable, is within its scheme of delegation powers, the decision is documented and has due regard to propriety and regularity in the use of public funds.

## 4 Financial Planning

The Chief finance officer/SBM will prepare both medium and short-term financial plans. These plans are prepared to inform the academy's strategic development planning processes for the next 3 years.

The Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available.

The Academy's School Development Plan provides the framework for the annual budget. The Annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources during the year. SLT will provide the SBM with the SDP framework by the end of June of each year.

## 5. Annual Budget

The budget process follows a planned annual cycle (Appendix 2).

The SBM, in liaison with the Head Teacher is responsible for the preparing and obtaining approval for the annual budget from the Resources, Audit, Risk and Finance Committee and the Governing Board must approve the budget each year.

The approved budget must be submitted to the DfE/ESFA by the published timetable each year. The SBM is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the DfE/ESFA is met.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School Improvement Plan.

The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.
- A staffing structure that fulfils statutory requirements and supports academy improvement – The staffing costs must not exceed 80% of the total in year funding without the approval of the head.

The draft budget should be presented to governors at the Resources, Audit, Risk and Finance Committee and full Governing Board together with a supporting report for approval. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change, any revision should be reported to the Resources, Audit, Risk and Finance Committee through the SBM report to Governors. Any substantial changes must be approved in accordance with the Scheme of Delegation – Appendix 1.

## 6. Budget Management

The SBM will reconcile all Bank Accounts fortnightly and Budgets monthly and these are signed off by the Head Teacher.

The Chair of Governors and the Clerk receive monthly reports and a report showing income and expenditure from the bank. The Head Teacher and Resources, Audit, Risk and Finance Committee will receive half termly budget monitoring reports from the SBM on current spend against budget and forecast outturn expenditure.

Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at the Resources, Audit, Risk and Finance Committee.

The Governing Board may delegate elements of the budget to staff where this is appropriate. These budget holders must

operate within the same objectives and controls as those agreed for the Academy as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Head Teacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budget must in the first instance be discussed with the SBM. The accounting system will not permit payments to be made against an overspend budget without the approval of the SBM and these will then reported to the Head and Resources, Audit, Risk and Finance Committee.

The Resources, Audit, Risk and Finance Committee will continually monitor the quality of the financial Information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The Original Budget must be set in the FMS Accounting systems and up-to-date changes monitored against a Master budget which will record in-year changes. An audit trail of all virements made after the approval of the original budget must be made and should be reported regularly at the Resources, Audit, Risk and Finance Committee.

## **7. Accounting Systems**

### **7.1 Financial Accounting System**

The Academy uses FMS Accounting System and all financial transactions must be recorded using this System. Access rights within FMS are defined for each user with a unique ID and password. Users are detailed in the Scheme of Delegation (Appendix 1). All finance staff have been trained in the use of FMS. Log in details can be reset by the SBM or the ICT support providers for FMS.

- All financial transactions relating to the Academy's budget must be recorded using FMS. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures. Turn it On have set an automatic back up of our system which they monitor and alert our IT technician is something is wrong. The system is backed up in the cloud Red Store and also on the NAS box each night

### **7.2 Transaction Processing**

- All journal transfers and transactions in the Nominal Ledger will be processed by the SBM
- Cash Book entries will be made by the SBM/Finance Officer
- Fixed Asset transactions will be made by the Finance Team
- Purchase orders on requisitions authorised in accordance with the scheme of delegation (Appendix 1) will be raised by the Finance Team
- Invoices will be processed ready for payment by the Finance Team
- Sales Ledger & Purchase Ledger transactions will be processed by the Finance Team
- BACS or manual payments should be raised by the finance department and countersigned in accordance with the Bank Mandate as per Scheme of Delegation (Appendix 1)
- The SBM will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The SBM will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book

### **7.3 Accounting for 'Other' Income using Parent Pay/ Card payments**

The Academy uses Parent Pay to deal with the collection of 'other income'. This system is set up for access by all Office staff; each user is defined with a unique ID and password. Payees' are required to make payments on line.

- The Finance Team are responsible for the day to day management of Parent pay.
- The Finance Team are able to process card payments using debit cards for emergency payments
- The Finance Team produces reports for data input into FMS
- The Finance Officer will provide a reconciliation of parent pay payments
- The SBM is responsible for overseeing this system and receiving information from the Finance Team

Detailed user guidance can be found at [www.parentpay.com](http://www.parentpay.com) or call 02476994820

If cash is collected in school the Finance Officer/Assistant will count the money together. The Finance Officer will record the monies collected on FMS and arrange for deposit of money into bank account – Via G4s.

## 8. Payroll

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

### 8.1 Staff Appointments:

The Governing Board approves a personnel establishment for the Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the full Governing Board who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff.

The Head Teacher has the authority to appoint staff within the authorised staffing structure. The SBM, Finance Officer & Finance Assistant will maintain personnel files for all members of staff, which include contracts of employment.

### 8.2 Payroll Administration

The Academy's payroll is outsourced to Dataplan [www.dataplanpayroll.co.uk](http://www.dataplanpayroll.co.uk) 03331 123456

All Payroll transactions relating to Academy staff, permanent or casual, will be processed through the payroll system.

All new appointments, leavers, changes to contracts or personal details are to be notified to Dataplan payroll on the appropriate forms (for guidance contact payroll.) Forms should be completed by the Finance Officer and signed by the Head Teacher. In the case of changes to the Head Teacher's salary, forms should be signed by the Chair of Governors as per the Scheme of Delegation (Appendix 1). Copies should be retained on the employees personnel file and notification sent to payroll.

All personnel files shall be stored in a lockable cabinet. Only the Head Teacher, SBM, Finance Staff and Head's PA (Chair Governors and Chair of Resources should also have access where necessary) will have access to staff files but individuals can request to see their own files in line with data protection policies.

The SBM and Finance Staff are responsible for keeping the staff personnel database up-to-date via SIMS Personnel recording system.

Absence records are maintained by the Finance Officer. Both paid and unpaid leave is notified to payroll using the Absence recording system.

Staff claims for overtime must be checked by the SBM and verified by line managers. Claims for overtime /variance of grade of duties, casual claims and supply claims will be entered on to the spreadsheet provided monthly by Dataplan. It will be countersigned by the Head Teacher and sent to payroll by the 2<sup>nd</sup> of each month for claims up to the end of the previous month. Any overtime forms or expenses claims for the Head Teacher must be signed of by the Chair of Governors

Where the member of staff is claiming overtime their line manager should sign the form and then it should be verified by the Head Teacher

### **8.3 Payments and Monitoring**

All salary payments are made by BACS.

Dataplan submit payroll reports prior to salary payments being dispatched detailing costs and individuals payment details. A BACS report is also submitted. The SBM will undertake a sensibility check whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The SBM will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll provider automatically calculates the deductions due from salaries to comply with current legislation. Dataplan are authorised to make BACS payments from the Academy's Bank Account by direct payment for the amounts of the deductions to the following agencies: Local Government Pension Scheme, Teachers Pensions, Prudential Teachers AVC's, Unison & GMB by the 8<sup>th</sup> of the month following the pay run and to HMRC by the 19<sup>th</sup> of the month following the pay run.

The SBM/Finance Officer will enter the payroll data into FMS via Journal Transfer at the earliest opportunity.

### **9. Value for Money (VFM) Procedures**

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

#### **9.1 Orders of 0.01 but less than £10,000 - preferred supplier**

Consideration to be given to alternative suppliers and evidence attached to requisition if quotes have been sought

#### **9.2 Orders over £10,000 but less than £50,000**

At least 3 written quotations should be obtained for all orders to identify the best sources of the goods/services. Written details of quotations should be attached to the requisition form for audit purposes

#### **9.3 Orders over £50,000 - £100,000**

A minimum of 5 tenders to be obtained for purchases and contracts valued between £50,001 and £99,999.using the correct tender method as detailed in section 10.

#### **9.4 Orders over £100,001 – EU Thresholds**

A minimum of 6 tenders to be obtained for purchases and contracts valued between £100,001 and EU Thresholds using the correct tender method as detailed in section 10

#### **9.5 Orders over £172,514 (supplies), £172,514 (Services) and £4,322,012 (works) – E U Threshold (check up to date limits<http://www.ojec.com/Thresholds.aspx>)**

Goods, services or works ordered with a value over the amounts stated above must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be kept in the SBM's office. Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and Award of Contracts.

### **10. Forms of Tender**

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below:

#### **10.1 Open Tender:**

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the SBM how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

### **10.2 Restricted Tenders:**

This is where suppliers are specifically invited to tender and are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs,
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

### **10.3 Negotiated Tender:**

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available
- Extreme urgency exists
- Additional deliveries by existing supplier are justified

### **10.4 Preparing for Tender**

Full consideration should be given to:

- Object of project
- Overall requirements
- Technical skills required □
- After sales service requirements
- Form of contract

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **10.5 Invitation to Tender**

- An invitation to tender should include the following:
- Introduction/background
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Form of response

### **10.6 Aspects to consider**

#### **Financial**

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be borne in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price.
- Is there scope for negotiation?

#### **Technical**

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM
- Certificates
- Quality control procedures
- Details of previous sales and references

## **Other Considerations**

- Pre sales demonstrations
- After sales service
- Financial status of supplier

## **10.7 Tender Acceptance Procedures**

The tender invitation will state the time and date by which the completed tender document should be received by the academy. Tender submissions should be received in plain envelopes clearly stating they contain tender documents they must be

- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

## **10.8 Tender Opening Procedures**

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders this would normally be the SBM and the Head Teacher, in some circumstances this could be delegated to an agent who has been employed by the Academy to undertake the tendering process i.e. a firm of architects:

## **10.9 Tender Evaluation Procedures**

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process. Those involved must take care not to accept gifts or hospitality from potential suppliers that could be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the Resources & Finance Committee.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

## **11. Purchasing**

The Academy will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. The Head Teacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the Academy are dealt with on a fair and equitable basis.

The SBM will ensure that there is a clear separation of duties within the finance team, which would, if combined, enable one individual transaction to record a complete transaction.

### **11.1 Orders for Goods and services**

Budget Holders should raise an order for goods or services using a requisition form (Appendix 3) available from the finance office.

Where the value of an order is over £10,000, the requisition must be accompanied by evidence of appropriate number of quotes /or proof that VFM exercise has taken place – as per section 10. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the SBM

- Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be authorised by a

signatory in line with the Scheme of Delegation (Appendix 1).

- Official orders will be raised through FMS and emailed or posted to the supplier by the Finance Assistant/Officer
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval from the SBM. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.
- Purchase Order forms must have the FMS generated purchase order recorded on it and filed in number order in the office.

## 11.2 Delivery of Goods and Services

On receipt of goods the Resources Assistant will check the goods received match the delivery note and sign the note to confirm this.

The Finance Assistant will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file

The Finance Assistant will raise any discrepancies with the Finance Officer for investigation

The Resources Assistant will dispatch goods to the budget holder

The budget holder must ensure that the goods received are of acceptable quality any goods that rejected must be notified to the Finance Assistant within 2 days of delivery.

## 12. Payment of Accounts

### 12.1 Processing of Invoices

Payment for supplies and services will be paid upon receipt of an Invoice when

- It is confirmed that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Finance Officer will do the above checks and enter the invoices on to FMS as soon as possible. All invoices are to be processed through FMS, payments generated via BACS or cheque and authorised in accordance with the Bank Mandate.

### 12.2 Payments to individuals

Payments can be made to individuals on production of an invoice. An enquiry must be carried out on the individual using the HMRC, Employer Status Indicator Tool. <https://esi2calculator.hmrc.gov.uk/esi> . The generated reference number must be kept with the invoice. If the enquiry shows that the payment cannot be made to the individual via the invoice produced, the appropriate PRISM form should be completed and the individual paid through the academy's payroll provider.

## 13. Other Purchases

The academy recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Also purchasing goods and services over the internet which requires payment at the time of ordering is becoming more common in practice. It is the function of the Finance Officer/Assistant to support petty cash reimbursements up to the value of £20.

### 13.1 Credit Card Purchases

- When making a request for an Internet / Telephone order where immediate payment is required.
- Permission to spend forms are required as per 'ordering goods and services' procedures above and must be signed off by the Head Teacher prior to ordering.
- The two Assistant Heads hold the credit cards for orders placed over the Internet/telephone and orders may be placed by them after authorisation by the Head Teacher.
- The cardholder must then countersign the permission slip to confirm their card has been used to make the purchase
- The full invoice must be attached to the Permission to Spend form before giving it to the SBM. The transaction is recorded in FMS as a journal as soon as possible and the journal number recorded on the documentation
- The debit cards should be held securely by the Assistant Head Teacher's at all times and the PIN code not disclosed

to any other party.

### **13.2 Reimbursements to individuals**

For reimbursement of cash transactions:

- Requests for re-imbusement to individuals are limited to £20 and are to be made on the Staff reimbursement form. Prior permission must be sought and the request MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the SBM considers maverick purchasing methods have been used, or the budget holder has already spent their full allocation and did not seek prior approval to exceed the funds available.
- The person being reimbursed signs for receipt of the reimbursement
- The reimbursement is recorded in FMS via the Petty Cash system as soon as possible.
- For reimbursements over £20, a cheque or Bacs payment will be made.

## **14. Income**

The main source of income for the Academy are the Grants from the ESFA and the Local Authority. The receipt of these funds are monitored by the SBM who is responsible for ensuring all grants due to the Academy are collected and recorded correctly on FMS.

### **14.1 Income received by the Academy**

The Academy collects income from parents or the public for:

- School Meals
- Uniform
- Trips and residential visits
- Breakfast Club & After School (CAST)Club
- Reimbursements from various parties for activities in which the academy plays an active role.
- The Finance Assistant/Officer is responsible for the day to day administration of parent pay and the processing of card payments and updating FMS for the collection of Income. Detailed user guidance can be found at [www.parentpay.com](http://www.parentpay.com) or call 0247699482.

### **14.2 Trips / Activities**

A lead teacher must be appointed for each trip. For every trip or activity a Trip/workshop form and a Risk assessment form must be completed (Appendix 5). The Finance Team is responsible for budgeting for the trip and input the information on the parent pay website for payments to be made and liaising with the Lead Teacher over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity.

### **14.3 Lettings**

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed periodically and approved by the Resources, Audit, Risk and Finance Committee

The Finance Officer is responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for these facilities whenever possible.

The Finance Officer/Assistant will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the Governing Board. (the DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

### **14.4 Custody**

All cash and cheques received must be held in the Academies safe prior to banking. Banking will take place as required if the sum held exceeds £3,000. Banking is collected by G4S when required during term time.

The Finance Assistant/Officer is responsible for preparing summary banking reports from parent pay for the SBM. The Finance Officer inputs the banking amounts into FMS and completes reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

### **14.5 External Debtors**

Debts under £50 may be written off by the Head Teacher.

Debts over £50 may be written off only with the approval of the Resources, Audit, risk and Finance Committee

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £50, a threat will be issued and may be put into the hands of a nominated Debt collector if payment is not received within the next 7 days.
- If not received after 7 days, the debt will be pursued by appropriate means and the debtor will be notified accordingly.
- Debts of £50 will continue to be pursued by the Finance Office and will be reported on at Resources, Audit, Risk and Finance Committee meetings where governors will decide on action to be taken.
- The current debtors report together with details of any debts written off (under £50) and legal based letters sent will be provided for each Resources, Audit, Risk and Finance Committee meeting.

#### **14.6 Internal Debtors**

It is acknowledged that the school may incur internal debts relating to certain activities and school meals

- Debts under £50 may be written off by the Head Teacher.
- Debts over £50 may be written off only with the approval of the Resources, Audit, Risk and Finance Committee
- Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery procedures will be applied:

10 days is the maximum level of school meal debt which any child should be able to accumulate

- Letter 1 - stating debt and payment due in 48 Hours
- Letter 2 - reminder letter, stop service
- Letter 3 - 14 days' notice for payment or further action
- Set up payment plan if agreed (could be set up at any point)
- Letter - Advising legal action will be taken (10 days)
- Letter sent to inform that debt has been passed on to debt recovery agency
- Passed on to debt recovery agency.

## **15. Cash Management**

### **15.1 Bankers**

The Academy have appointed Lloyds TSB as their bankers for all funds. The opening of all bank accounts must be authorised by the Governing Board who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

### **15.2 Deposits**

Particulars of any bank deposit must be entered in a paying in slip and should include:

- The amount of the deposit
- The G4S Collection Bag Reference Number if used
- Signature of person preparing the banking
- Signature of person checking the banking
- G4S collection receipt attached
- Parent pay report detailing all transactions

### **15.3 Payments and withdrawals**

All cheques and other instruments authorising withdrawal from any of the Academy's bank accounts must bear signatures in line with the scheme of delegation.

#### **15.4 Bank Reconciliations**

The SBM must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure:

- All Bank Accounts are reconciled to FMS system
- Adjustments are dealt with promptly.

#### **15.5 Petty Cash Accounts**

Deposits into petty cash can only be made by cash withdrawal from cashing a cheque on the Academy's main bank account. Deposits from other sources cannot be allowed.

The Academy will maintain a maximum of £200 as petty cash.

The SBM / Finance Officer will

- Ensure Petty cash is held securely
- Make reimbursements only on the 'Reimbursement to individuals' form
- Reconcile Petty Cash monthly
- Make the petty cash available for checking at any time
- Record all petty cash transactions in FMS as soon as possible

#### **15.6 Cash Flow Forecasts**

The SBM is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to transfer the funds to an interest bearing account.

### **16. VAT**

#### **16.1 VAT 126 Claims**

Under legislation VAT claims can be made on expenditure supporting the Academy's core business purposes according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued in June 2011. Claims will be made to the HMRC on form 126 by the SBM at the end of the term following full reconciliation of all accounts.

#### **16.2 VAT Registration**

Separate to the activities mentioned above the Academy may choose to register for VAT in relation to its non- business activities. I.E production of Adult Meals.

Guidance on VAT can be found at <http://www.hmrc.gov.uk/vat/start/introduction.htm>

### **17. Fixed Assets**

Details of the schools fixed assets are kept in the data safe and a working document is shared on Google for updating.

### **18. Computer Systems**

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

### **19. Reporting to the DfE**

The Academy is required to submit reports to the DfE in the following areas

Financial Management and Governance Evaluation FMGE

- Annual Budget
- Budget Monitoring
- Statutory Accounts to be submitted to the ESFA in December after the close of accounts on 31<sup>st</sup> of August.
- An annual summary report of Internal scrutiny must be submitted to the ESFA alongside the audited annual accounts.

### 19.1 FMGS

New academy trusts that are not yet producing financial statements will be asked to complete a short Financial Management and Governance Self-assessment (FMGS) for their first year only, and submit it to the ESFA, or to agree an alternative method of providing assurance for this interim period, 4 months after Academy conversion.

Established trusts that are already producing timely audited financial statements and undergoing a regularity audit will not be required to submit an FMGS, as the ESFA will place reliance on the work of the regularity auditor.

### 19.2 The Annual Budget

The Academy is required to send a copy of its annual budget to the DfE. This will be in the format of an income and expenditure statement on an accrual basis.

The SBM must ensure that a final budget is submitted setting out the Academy's plans for the forthcoming academic year in more detail in the required format and by the required deadline as notified by the DfE year on year.

### 19.3 Budget Monitoring

The Academy will submit budget-monitoring returns to the DfE, on an accrual basis in the required format by the required deadlines as notified by the DfE year on year.

### 19.4 Annual Accounts

As a Charitable company the Academy must comply with company law as set out in the Companies Act 1985. This includes a requirement to prepare a governors' report and financial statement ('annual accounts') and for these to be independently audited by a registered auditor. Financial Statements should be prepared to 31st August each year. They should include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of the Academy at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts
- The Annual accounts must be submitted by 31<sup>st</sup> December including a summary report of Internal Scrutiny

As soon as the DfE deadline, but by no later than 30<sup>th</sup> June (10 months after the end of the accounting year), a copy of the governors annual report and audited final accounts must be sent to Companies Register and to the Charity Commission.

## 20 Self Assessment of Management and Governance SRMSA Tool

All trusts **must** complete the School resource management self-assessment tool and submit their completed checklist to ESFA by the specified annual deadline. <https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool>

The Governing Board and the SBM will ensure that annually a self assessment is undertaken in order to provide the ESFA with an annual assurance on the adequacy of the Academy's arrangements for financial management and governance.

The self-assessment will provide assurance to the Academy's Senior Executive Leader/AO that conditions of funding are being met, and that appropriate systems of control are in place.

The *summary* version can be found at <http://www.ypla.gov.uk/aboutus/ourwork/guidance/finance/academies-fmge/> and is in two sections:

Part A sets out those aspects of financial management and governance required of Academies by the Academies financial handbook and their funding agreements.

Part B is a short series of open questions asking Academies to describe how they discharge key elements of financial management and governance that are not absolute requirements.

The *summary* version is best suited to those Academies that have had more time to establish financial management and governance and are confident in their arrangements.

The *full* version can be found at <http://www.ypla.gov.uk/aboutus/ourwork/guidance/finance/academies-fmge/> and is also in two sections:

Part A, which is the same as above

Part B, which sets out key aspects of financial management and governance and lists a full range of recommended and best practice. This is to allow Academies to self-assess against comprehensive guidance.

## **21. External Auditors**

The Academy appointed Azets as their external auditors in July 2016. This will be reviewed on a 3-yearly basis. The appointment of Auditors must be approved by the Full Governing Board.

## **22. Whole of Government Accounts**

Apart from its own year-end date of 31<sup>st</sup> August, the academy is required to supply information to the DfE as of 31<sup>st</sup> March to support the Whole of Government Accounts. The SBM will complete the WGA return with the information requested and within the published deadlines for that year.

## **23. Key Inventory**

The key inventory is the responsibility of the PA to maintain and is kept up to date at all times. It is the responsibility of the staff to report all lost or stolen keys to enable new security to be put in place and the inventory to be updated.

## **24. Whistle-Blowing**

Governors (Trustees) have an agreed policy for Whistle-blowing (SHR Policy)

Staff are aware of the policy and sign a form to confirm that they have read the policy – they are then highlighted when there are any changes

## Appendix 1

### SCHEME OF FINANCIAL DELEGATION

*(information in italics is not intended for inclusion in policy but as guidance for schools)*

Level of Responsibility				
Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
<b>Financial Management</b>				
To review the school's Finance Practices & Policy and all corresponding financial policies for approval by the Governing Board annually ( <i>obligatory for statutory policies and best practice for other policies</i> )		✓		
Approval of the school's Finance Practices & Policy.	✓			
Approval of the school's financial policies (Schedule of Financial Delegation, Scheme for Financing Schools, Financial Regulations, charging, refunds, debt recovery, asset disposal, etc)	✓			
To review the governor induction pack to ensure that the information is still relevant and up to date.	✓		✓	
Ensure that there is an induction pack for new governors, tailored to reflect the individual structure of the school.	✓		✓	
Ensure that all relevant financial updates are brought to the attention of the Resources * Finance Committee / Governing Board.			✓	SBM
To consider all relevant financial updates and advise the Governing Board of any issues affecting the school's financial administration.		✓		SBM

Level of Responsibility				
Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member

School Improvement/Development Plan – financial implications				
Prepare a fully costed improvement / development plan setting out the aims of the school. ( This should cover the same period as the three year budget plan)			✓	SLT
Consider the draft school improvement / development plan, review and monitor it.	✓		✓	SLT
Approve an ongoing improvement plan and take stock of the progress of the plan on a termly basis.	✓		✓	SLT
Secure the implementation of the improvement plan with the collective support of the school staff.	✓		✓	
Financial Planning				
Prepare a three-year medium term budget (MTFP) on the basis of the cost of current policies, the proposals for change (drawn from the school's improvement plan) and estimates of the level of future resources.			✓	SBM
Consider the school's MTFP in the light of the development plan and the level of future resources.		✓		
Approve the school's MTFP and review this document in the light of any significant factors that come to the attention of the Governing Board.	✓			

**Level of Responsibility**

Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
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<b>Annual Budget Plan and Best Value Policy</b>				
Undertake benchmarking exercises on an annual basis for review by the Finance Committee.				SBM We use ESFA's Benchmarking tool.
Consider the benchmarking work undertaken by the school and propose changes, as required, to ensure that the school budget achieves value for money.		✓		
Prepare the school's draft annual budget, based on the agreed objectives of the school as set out in the improvement plan, MTFP and key issues paper for consideration by governors			✓	SBM
Approve the school's annual budget.	✓			
Monitor the level of balances held at the end of the financial year. Prepare a plan for the use of any balances held		✓		
Approve the plan for balances held	✓			
Review the school's guidance for obtaining Best Value and ensure that appropriate steps have been taken by the school to obtain best value.			✓	SBM
Approve the Best Value guidance based on the work undertaken by the school and Finance Committee to ensure value for money has been established	✓			

**Level of Responsibility**

Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
------------------------	-----------------	--	-------------	--------------------

<b>Annual Timetable for Budget Management</b>				
Prepare a timetable with key dates for annual budget management				SBM
Ensure that meetings are timetabled taking into consideration financial deadlines			✓	Clerk to Governors
<b>Budget Monitoring and Control</b>				
Approve virements of money between budget headings. Movements above this value are to be referred to the Finance Committee before being undertaken. <i>(School to specify own limits and ensure consistency with Terms of Reference for Committees)</i>			< £5,000	
Approve virements of money between budget headings. Virements in excess of this amount are to be approved by the Governing Board. <i>(School to specify own limits and ensure consistency with Terms of Reference for Committees)</i>		unlimited		
Approve virements between budget headings in excess of the delegation to the Finance Committee. <i>(School to specify own limits and ensure consistency with Terms of Reference for Committees)</i>	n/a			
Advise the Resources, Audit, Risk and Finance Committee and Governing Board of all budget movements (e.g. virements, allocation of additional funding, etc) undertaken where not otherwise approved in advance by the Finance Committee or Governing Board.				SBM

**Level of Responsibility**

Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
------------------------	-----------------	--	-------------	--------------------

<b>Budget Monitoring and Control</b>				
Review all budget movements undertaken (including virements), ensuring that the reasoning for the movements is sound.	✓	✓		
Monitor and control expenditure against the budget during the financial year, including preparation and approval of reports for the Resources & Finance Committee.				SBM
Production of a register of staff responsible for managing budgets.			✓	
Review the budget monitoring reports and the projected out-turn position	Termly	✓		
The control and monitoring of delegated budgets		✓	✓	Budget Holders & SBM
Ensure that earmarked funds and large or trading activities are separately monitored and reported to governors.				SBM
Monitor earmarked funds, trading activities and large school operations, (e.g. catering, sports facilities, extended school activities, hirings, etc) to ensure that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.		✓		

**Level of Responsibility**

Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
------------------------	-----------------	--	-------------	--------------------

<b>Financial Reporting to the ESFA</b>				
Submission of all returns required by the ESFA in accordance with the Academies Financial Handbook				SBM
The preparation of the year-end accounts and other returns required by the ESFA for consideration by the Headteacher.				SBM
In conjunction with the Chair of Governors, approve all year-end accounts and any financial returns required by the ESFA	Chair		✓	
Ensure that an annual return or audit certificate is submitted to the Governing Board for every private, voluntary or trading account controlled by the Governing Board (excluding any accounts specifically set up to hold the DFE capital allocations for VA schools).		✓	✓	
<b>Audit and Inspection Reports</b>				
Produce a formal response to the Audit report and an action plan showing how the recommendations will be implemented.		✓	✓	SBM
Consider the recommendations set out in the Audit report and the action plan proposed by the Headteacher for implementing these.	✓			
Ensure that the recommendations agreed by the school have been implemented.	✓	✓	✓	SBM

<b>Level of Responsibility</b>				
<b>Area of Responsibility</b>	<b>Governing Board</b>	<b>Resources, Audit, Risk and Finance Committee</b>	<b>Headteacher</b>	<b>Other Staff Member</b>
<b>Retention and Disposal of Accounting Records</b>				
Ensure maintenance of complete financial accounts and full supporting records for all accounts (both official and unofficial). (Refer also to the Financial Systems section below.)			✓	Finance Officer & Assistant SBM
The retention, secure storage and disposal of accounting records in accordance with legal requirements.				Finance Officer & Assistant SBM
The maintenance of full financial records for all accounts.				Finance Officer & Assistant SBM
<b>Computer Systems and the Data Protection Act 1998</b>				
Ensure that the school complies with the requirements of the Data Protection Act 1998.			✓	
Ensure that the school's Data Protection registration is renewed annually				SBM
The setting up and maintenance of access profiles for system users and the production and security of back-up disks and files / online			✓	SBM & School Administrator
<b>Financial Systems</b>				
Undertake an annual review of the controls as required by the Schools Financial Value Standard			✓	SBM
To consider the annual review of the controls as required by the Schools Financial Value Standard for approval by the Governing Board, taking into consideration the school's self-assessment of the controls within its financial systems and other members of its financial management.		✓		
Approval of the Schools Financial Value Standard based on the recommendations made by the Finance Committee.	✓			
<b>Banking Arrangements</b>				
Open bank accounts and approve or vary signatories thereto, taking into consideration the restrictions set out in the Scheme for Financing Schools and any effect that this may have on the way the annual budget is advanced to the school.		✓		

**Level of Responsibility**

Area of Responsibility	Governing Board	Resources, Audit, Risk and Finance Committee	Headteacher	Other Staff Member
The signing of cheques/approval of BACS payments, at least two signatories / approvers required. 3 signatories if over £7500 see bank mandate <i>(NB the school should always ensure that the cheque signatory has no connection to the cheque payee.)</i>			✓	Deputy & Assistant Heads
The signing of cheques/approval of BACS payments for reimbursements to the Headteacher				Deputy & Chair of Governors
The control and reconciliation of the school's bank accounts for consideration by the school's Head Teacher.				SBM
Approve the bank reconciliation on a fortnightly basis.			✓	Deputy Head & Chair of Governors
<b>Petty Cash</b>				
Agree, with the Governing Board, the amount of petty cash to be held and the periodic check of completeness of financial records.			✓	
The maintenance of accounting records, the security and regular reconciliation of petty cash.				Finance Officer / SBM
<b>Personnel and Payroll</b>				
Review the staff structure of the school biennially to develop a structure that achieves value for money.	✓	✓	✓	
Approval of any changes to the staffing Structure.	✓	✓		
The maintenance of an authorised signatory list for employment contracts and pay documents submitted to HR and payroll providers.				SBM
The filing and storage of personnel and pay records (including person specifications and interview notes for a least 12 months).				Finance Staff PA to Head
Reconcile gross pay with contracts and other authorised documents			✓	Finance Officer & SBM
Determine employee status for all individuals working on behalf of the school.			✓	Finance Officer & SBM
Authorise all employee-related expenses to be paid through payroll (e.g. employees' overtime, special allowances, travel expenses, etc). In the case of the HT, expenses need to be authorised by Chair or Vice Chair.			✓	SBM

Approve all changes in the contract pay rate of the Headteacher in accordance with Performance Management Policy.	✓			
Implement the school pay policy and appointment procedures for all staff employed through the school.		✓	✓	
<b>Purchasing – provision of goods and services</b>				
Set house rules for a purchasing policy, monitor and review the rules in accordance with local authority guidelines.	✓			
Monitor purchasing regulations to ensure compliance by the school.			✓	
Act as 'Chief Officer' for the letting of contracts.			✓	
Appoint Contracting Officer and Contracts Manager for each contract taken out.	✓			
Maintain a Contracts Register			✓	Finance Team
Review contracts on an on-going basis (and ensure the school continues to achieve 'best value')		✓	✓	SBM
Ensure that written quotes are obtained for purchases and contracts in accordance with the minimum requirements set out in the Finance Policy		✓	✓	
Ensure that a minimum of 5 tenders are obtained for purchases and contracts valued between £50,000 and £99,999	✓	✓		
Ensure that a minimum of 6 tenders are obtained for purchases and contracts valued between £100,000 and <a href="#">EU Threshold</a> .	✓	£100,000 to EU threshold		
Ensure that EU regulations are applied for all contracts over the <a href="#">EU threshold</a> .	✓			
Approve Revenue contributions to Capital Expenditure	✓	✓		
Supervise contractors and service providers to ensure the receipt of best value for money and compliance with legislation.			✓	Site Manager & any other staff member responsible for a specific project
Agree use of Purchase/Charge cards.	✓	✓		
Set limits for spending on Purchase/Charge cards Up to £3000 per month	✓			
Agree card authoriser	✓			

Approve cardholders, card operator and individual card spending limits.		✓		
<b>Leasing</b>				
Seek approval for any operating leases over £10,000, so that capital controls imposed by Government can be taken into consideration.			✓	
The maintenance of a register of all leases held by the school				SBM & Finance Team
<b>Orders for Goods and Services and Payment of Accounts</b>				
The maintenance of an authorised signatory list for orders (subject to the limitations agreed).				Finance Officer & SBM
The authority for the signing of official orders for the purchase of goods and services up to the value of £10,000, other than by the Headteacher.				Deputy Heads Chair of Governors
Control the placing of orders for the purchase of all goods and services, up to the value of the approved budget.			✓	Finance Staff
Approve capital projects.	✓			
The confirmation of the receipt of goods and services.				Resources Assistant /Site Manager
The preparation of cheques for payment of services.				Finance Staff
<b>VAT</b>				
To monitor the regulations on VAT, ensuring compliance by the school.				SBM
To complete and submit the reimbursement claim for VAT on a termly basis.				SBM
The signing of the VAT reimbursement claims.			✓	Deputy Head in Head's absence
<b>Income</b>				
Set a charging policy for consideration by the Governing Board.		✓		
Approve the charging policy annually.		triennially		
Set a Gifts and Hospitality policy for consideration by the Governing Board.		✓		
Approve the Hospitality and Gifts policy Bi annually		biennially		
Draw up proposed charges for the various areas of school income, including lettings, music tuition and school meals, on an annual basis.		✓	✓	SBM

Consider the proposed charges for the various areas of school income for approval by the Governing Board annually.		✓		
Approve the annual review of charges for the various areas of school income (the approval to be formally recorded in the Governing Board minutes).	✓			
Set suitable controls for the recording and collection of monies due, and for the movement and banking of monies for all accounts under the control of the school.			✓	SBM
The control and collection of all income.				Finance Staff
The preparation of receipts for banking.				Finance Staff
The physical banking of monies and reconciliation against internal systems.				Finance Staff
The authorisation of income on the system and cash banked				Finance Officer
Approve procedures for chasing outstanding income due to the school as per the Finance Policy	✓			
Write off bad debts. Amounts in excess of this limit to be approved by the RARF Committee.			✓ Up to £50	
Approve and write off bad debts accruing to the school up to the value of £50; items above £50 must be referred to the RARF committee		✓ Over £50		
Ensure the security of monies held on site and that it is within insured limit.			✓	SBM
<b>Security of Assets, Stocks and Other Property</b>				
Produce and implement a policy for security arrangements at the school (including procedures for call-out and key replacements)			✓	
Approve and periodically review the policy for security arrangements at the school.	✓			
Ensure the physical security of the school's assets, and maintain and periodically inspect an up-to-date inventory for items over £1000 in value.			✓	Finance Staff
The security of physical assets				Resources assistant
The notification of any changes in physical assets				Finance Staff
To determine a value above which discrepancies in the inventory should be reported to the Governing Board.	✓ £250			

**Level of Responsibility**

<b>Area of Responsibility</b>	<b>Governing Board</b>	<b>Resources, Audit, Risk and Finance Committee</b>	<b>Headteacher</b>	<b>Other Staff Member</b>
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<b>Security of Assets, Stocks and Other Property</b>				
The physical inspection of the inventory on an annual basis or through an on-going programme.			✓	SBM
Prepare a policy for the disposal of surplus stock and equipment and property, other than land and buildings, and authorise items for disposal up to a maximum value of £500.			✓	
Approve the policy for disposal of surplus stock and equipment and the sale of property, other than land buildings.	✓			
Authorise items for disposal above a residual value greater than £500	✓ >£500			
Maintain a register of key holders.			✓	
<b>Insurance</b>				
Initiate adequate insurance cover for the school, and maintain a register of policies taken out.			✓	SBM
Undertake an assessment of risk management for insurance purposes at the school.		✓		
Ensure the school has an appropriate business continuity or disaster recovery plan.	✓			

**APPROVED BY GOVERNORS:**

**DATE:**

Signed By Chair of Governors -----

Date.....

## Appendix 2 Annual Budget Cycle

January	School Administrator completes the census return which is used by Government as the basis for the funding for the next financial year.
February	The Senior Leadership Team start work on next year's priorities and possible staffing needs. The priorities will be discussed with the various committees of the Governing Board
March	Academy receives its Draft Recurrent grant for the following year from the Education Funding Agency (ESFA) The SBM starts to construct next year's budget A mid-year review of current budget takes place
April / May	SBM completes Whole of Government Accounts The Headteacher and SBM discuss detail of next year's budget and present to Resources & Finance Committee
June	Full Governing Board approve final budget for the following year. The SBM then prepares return to DfE which is signed by Headteacher and Chair of Governors and returned to the ESFA.
July	Appointed Auditors start their preparative work on the Annual Accounts
Aug / Sept	Financial Year end (31st August) Start of new Financial Year (1 <sup>st</sup> Sep) SBM & Headteacher support governors in preparation of Governors Report
Oct	Appointed Auditors continue audit filed work and produce draft Annual Accounts for governors to review
Nov / Dec	Appointed Auditors present accounts to full governors. Governors approve Finance Statements
Dec	By 31 <sup>st</sup> Dec Financial Statements are published.



## Appendix 4

### AUTHORISED SIGNATORIES LISTING

Charville Academy Governing Board has delegated the following responsibilities:

1. Authorisation of Purchase Orders up to £10000
2. Authorisation of Invoices for payment
3. Authorisation of Virements up to the value of £5000.00
4. Signing of cheques on a day to day basis
5. Authorisation of timesheets / sickness / absence records
6. Authorisation of Bank reconciliation
7. Authorisation Overtime
8. Authorisation Payroll
9. Authorisation of Petty Cash Monthly summary
10. Authorisation of Petty Cash Payment
11. Credit Card Operator
12. Credit Card Holder
13. Process BACs payments
14. Authorise BACs payments

<b>Job title</b>	<b>Delegated Responsibility</b>
Chair of Governors	1,2,3,5,6,7,8,
Head Teacher	1,2,3,4,5,6,7,8,9,10,14
Deputy Headteacher	1,2,3,4,5,6,7,8,9,10,14
Assistant Headteacher	4,7,14
Assistant Headteacher	4,7,11,12,14
Assistant Headteacher - LI	4,,5,7,11,12,14
SBM	2,5,6,7,8,9,10,11,13
Finance Officer	10,13

**Appendix 5**

Please complete this form and send to the finance office at least **four weeks before** you intend to go on a school trip or have a workshop coming into school. The finance staff will complete the relevant sections of this form and arrange transport and the cost of the trip.

<b>Destination (please give full postal address and telephone number):</b>	
<b>Date of proposed trip:</b> <b>Leaving time:</b> <b>Return time:</b>	<b>Date of workshop:</b> <b>Start time:</b>
<b>Year Group / Number of pupils:</b>	<b>Leader of Group:</b> <b>Tele Number:</b> <b>Number of Helpers:</b>
<b>Cost for event</b>	£
<b>Travel arrangements (please circle):</b> <i>(Office use only):</i> <b>Cost of travel</b>	<b>COACH / UNDERGROUND/ OTHER PLEASE SPECIFY</b>  £
<i>(Office use only):</i> <b>Total Cost</b>	£
<b>Total per child:</b>	£
<b>Cost centre subsidising:</b> <b>Budget Holder Signature:</b> <b>Authorised by</b>	£ ..... ..... <b>Date</b> .....
<i>(Office use only):</i> <b>Event added to Parent Pay Y/N</b>  To be signed by finance dept when booked: P/O number for Transport P/O number for Trip / Workshop	
<b>Subsidised Y/N</b> <b>Cost centre subsidising.....</b> <b>Amount £.....</b> <b>Funds collected £.....</b>	

Appendix 6

CHARVILLE PRIMARY SCHOOL

STAFF EXPENSES REIMBURSEMENT REQUEST

Curriculum area (if applicable) to be debited \_\_\_\_\_

Nature of Expenditure \_\_\_\_\_ Amount claimed \_\_\_\_\_

Total:

Name of claimant \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

PLEASE ENSURE THAT THE RECEIPT(S) RELATING TO THIS EXPENSE CLAIM IS ATTACHED. FAILURE TO SUPPLY DOCUMENTATION MAY RESULT IN A DELAY IN PAYMENT.

CLAIMS UNDER £20.00 WILL BE PAID OUT IN CASH. CLAIMS OVER £20.00 WILL ALWAYS BE PAID BY CHEQUE.

I acknowledge receipt of the above amount

Signature \_\_\_\_\_

Date \_\_\_\_\_

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FOR OFFICE USE:

Payment voucher number \_\_\_\_\_

Authorised \_\_\_\_\_

Cheque number \_\_\_\_\_

Paid from petty cash \_\_\_\_\_

Appendix 7

<b>Cardholder:</b>
<b>Last 4 digits:</b>

**SCHOOL CREDIT CARD**  
**TO SPEND FORM**

This form is required to be authorised **before** any expenditure on behalf of the school is undertaken by a member of staff.

<b>Staff Name</b>			
<b>Reason For Expenditure</b>			
<b>Cost Centre</b> <small>eg Literacy</small>			
<b>Estimated Cost</b>			
<b>Supplier</b> <small>eg Amazon</small>		<b>Further Details</b> <small>See Attached sheets</small>	
<b>Contact Number for Supplier</b>			

If at the point of purchase the actual cost is more than 5% over the estimated price then the purchase will not be made. A new Permission to Spend should be completed with a more accurate spend.

AUTHORISED  
Date:

(Budget holder)

AUTHORISED  
Date:

(Headteacher)

AUTHORISED  
Date:

(Cardholder)

<b>Finance Team use only:</b>
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