



**CHELMSFORD
LEARNING
PARTNERSHIP**

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FINANCIAL REGULATIONS

APPROVED BY THE BOARD OF TRUSTEES ON

25th March 2019

Chair of Trustee's Signature	
Print Name	Ruth Bird
Date	25 th March 2019

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1. GENERAL

- 1.1 In accordance with the Academies Financial Handbook and Education Schools Funding Agency (ESFA) updates, the Trustees of The Chelmsford Learning Partnership and The Academies hereby recognise the need to lay down formally a policy for the overall management of the individual Academy budgets and the day-to-day management of the Academy's financial affairs.
- 1.2 The purpose of this manual is to ensure that the academy maintains and develops systems of financial control which conform to the requirements both of regularity, propriety, and value for money. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Schools Funding Agency (ESFA).
- 1.3 The academy must comply with the principles of financial control outlined in the academies guidance published by the ESFA. This manual should be read in conjunction with the Chelmsford Learning Partnership Financial Regulations and expands on that and provides detailed information on the academy's delegated responsibilities, accounting procedures and systems. This manual should be read by all staff and governors involved with financial procedures and it should be readily available.
- 1.4 The general conditions that follow are subject to annual review and consideration by the Board of Trustees, whom must formally minute both the review and any subsequent amendments and approval each year
- 1.5 The Board of Trustees confirm that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.
- 1.6 The Board of Trustees confirm that day-to-day financial management of the Academy is delegated to the Headteacher subject to exceptions contained in these regulations.
- 1.7 Throughout these conditions, delegation to the Headteacher shall imply further delegation to the Deputy Headteacher when the Headteacher is not on the Academy site. Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Board of Trustees in writing and incorporated in these conditions.
- 1.8 Whilst the main financial responsibilities are listed for the Board of Trustees and the Local Governing Body, their terms of reference are not included in this document. Similarly, all the financial duties of academy staff are not listed but may be found in their job descriptions.

2. DAY-TO-DAY DELEGATION OF AUTHORITY

2.1 Expenditure Limits

A sequence of orders all within the below limits to cover a larger order or orders is not permitted. Authorisation Limits are attached for each Academy within the trust.

2.2 Staff Appointments

The Board of Trustees have approved a personnel establishment for the Academies.

- 2.22 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the ACADEMY FINANCE LEAD whose appointments must follow consultation with the Board of Trustees. The ACADEMY FINANCE LEAD maintains personnel files for all members of staff which include

contracts of employment. All personnel changes must be notified, in writing, to the ACADEMY FINANCE LEAD.

- 2.23 All relevant forms and paperwork with regard to the appointment of, or amendment to contracts, of staff should be sourced from the academy's Human Resources (HR) service provider.
- 2.24 All personnel pre-employment checks should be completed and relevant clearances obtained for all staff before they start their employment and renewed as per the academy's personnel policies.
- 2.25 The Board of Trustees have authority to approve individual special staff severance payments and compensation payments as per section 2.4.13 of the Academies Financial Handbook 2017, providing any non-statutory/non-contractual element is under £50,000. Above £50,000, prior approval must be sought for the non-contractual element from HM Treasury via the ESFA.

2.3 Virement Limits

- 2.31 Please see attached authorisation limits for individual academies.
- 2.32 All virements, including increases to income, are to be formally recorded on controlled stationery that is sequentially numbered/individually referenced on the academy's financial accounting system. All virements must be reported immediately to the Chief Financial Officer and to the Local Governing Body at the next meeting.
- 2.33 Significant changes to budget plans must be notified to the Chief Financial Officer.

2.34 MAT Virements will be authorised by the CEO up to £5000, the Chair of Trustees up to £10000, Finance Committee up to £25000 and the Full Board for virements above £25000.

2.4 Write offs and liabilities

Please see attached authorisation limits for individual academies. All bad debts written off by the ACADEMY FINANCE LEAD or Headteacher will be reported to the Chief Financial Officer and the Local Governing Body at the next meeting.

- 2.41 The Academy should always pursue recovery of overpayments within practical and legal limitations. The Academy should only consider writing off losses if no feasible alternative. For any write offs above the value in the annual funding letter or as defined by the Academies Financial Handbook 2013 section 2.4.10 and 2.4.11, authorisation will be required from the Education Schools Funding Agency (ESFA).
- 2.42 A sequence of smaller write offs within the above limits to cover a larger write off, is not permitted.

2.5 Disposal of Surplus Stocks, Stores and Assets

- 2.51 Please see attached authorisation limits for individual academies.
- 2.52 All disposals must be formally recorded in the minutes and in addition, where the amount exceeds £5,000 a separate report will be issued to the Chief Financial Officer and the Trustees Finance Committee for their approval.
- 2.53 Disposals of a freehold of land or buildings or a heritage asset as defined by the Academies Financial Handbook 2013 section 2.4.22 must be pre-approved by the Secretary of State via the ESFA.

2.6 Receiving of Goods/Acknowledgment of Service

Receiving of goods and signing of delivery notes will not in normal circumstances be undertaken by the person authorising payment. For day to day operations therefore, receiving and signing for goods and services etc. will be by the Admin or premises staff who are not involved in the authorisation process.

2.7 Mileage Allowances and Subsistence Claims

- 2.71 The Academy will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs.
- 2.72 The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers and that indemnifies the Academy against any claim.
- 2.73 A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered (approximately 27% of the mileage claimed) in order for the Academy to be able to reclaim VAT.
- 2.74 All expense claims are to be authorised by the Headteacher.
- 2.75 The CEO/CFO must sign any claims relating to the Headteacher/Head of Schools. All expense claims relating to the CEO or CFO must be signed by the Chair of Trustees.
- 2.76 Receipts or other appropriate evidence of expenditure must be attached to the claim in respect of all purchases, i.e. rail/bus fares, subsistence, telephone calls, postage and any other purchases that may be approved.
- 2.77 Rates of subsistence will be paid up to the rates below, will not include claims for alcohol and must be supported by receipts whatever the expenditure:

Breakfast	£5
Lunch	£7.50
Evening Meal	£15

- 2.78 The Academy may not reclaim VAT without a proper VAT receipt.

2.8 HMRC Expenses and dispensations.

- 2.81 You don't have to report some routine employee expenses to HM Revenue and Customs (HMRC). This is called an 'exemption'.

Exemptions have replaced dispensations.
You cannot apply for a dispensation any more.

- 2.82 Expenses covered by an exemption:

You don't have to report certain business expenses and benefits like:

- Business travel
- Phone bills
- Business entertainment expenses
- Uniform and tools for work

To qualify for an exemption, you must either be:

- Paying a flat rate to your employee as part of their earnings – this must be either a benchmark rate or a special ('bespoke') rate approved by HMRC
- Paying back the employee's actual costs.

You must deduct and pay tax and National Insurance on all other expenses and benefits you give to your employees, and report them to HMRC as normal.

For further information see the HMRC employer reporting expenses, benefits and dispensations guidance available at <https://www.gov.uk/employer-reporting-expenses-benefits/dispensations>

2.8 VAT Returns

2.81 It is the responsibility of ACADEMY FINANCE LEAD to ensure that the academy's VAT is correctly accounted for in accordance with HMRC requirements to enable the Central Team to claim the VAT in a timely manner.

2.82 Specific advice on VAT matters should be sought from the Chief Financial Officer, HMRC, Academies Financial Handbook/Education Schools Funding Agency bulletin updates and from the academy's external auditors.

2.9 Financial Notice to Improve

2.91 Aforementioned delegated authorities will be waived if the academy trust is subject to a Financial Notice to Improve.

2.92 Terms of the Financial Notice to Improve will be adhered to.

3. ORGANISATION

The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:

3.1 The Board of Trustees

The Board of Trustees has overall responsibility for the administration of the academy's finances. The main responsibilities of the Board of Trustees are prescribed in the Funding Agreement between the academy and the ESFA and in the academy's scheme of government. The main responsibilities include:

- ensuring that funds are used only in accordance with the law, the board's powers under the Funding Agreement and the Academies Financial Handbook 2013
- ensuring proper stewardship of the funds and for ensuring economy, efficiency and effectiveness in their use ensuring the proper governance and conduct of the trust under the terms of the Charity Commissions guidance for academies in Academy Schools: guidance on their regulation as charities, and guidance notes: CC3: The Essential Trustee and CC8 – Internal Controls for Charities
- being aware of their statutory duties as company directors, which are set out in sections 170 to 177 of the Companies Act 2006
- appointment of a clerk who is someone other than a Trustee, Governor or the Headteacher
- approval of the annual budget
- appointment of the Headteacher /Head of School for the academy schools.
- ensuring an adequate process exists for independent checking of financial controls, systems, transactions and risks under section 2.2 Academies Financial Handbook 2018.

- ensuring the maintenance and regular review of a register of the risks arising from the operation of the trust including the likelihood and materiality of each risk and how they are being managed or mitigated
- approval of the academy's Financial Regulations and Scheme of Delegation
- approval of the annual financial statements and the accounting policies used to prepare the financial statements
- approval of the Trustees' Annual Report and Governance Statement
- approval of the Terms of Reference of the Finance Committee
- approval of the Term of reference of the Audit Committee

3.2 The Local Governing Body

The Local Governing Body may only conduct business when quorate. The Local Governing Body meets once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Local Governing Body are detailed in written terms of reference which have been authorised by the Board of Trustees. The responsibilities include:

- Initial review and preparation of the annual budget (final approval must be by the Board of Trustees)
- Receiving monthly management reports, to facilitate the monitoring of the Academy's actual financial performance compared with budgeted priorities and to take remedial action as necessary. Such action will be reported to the Chief Financial Officer and the Board of Trustees; in all cases liaison must be maintained with other appropriate committees.
- Reviewing and monitoring of budget projections / medium term financial plans to ensure the Academy's budget is realistic and any financial decisions are sustainable.
- Determining the Academy's financial priorities through the Academy Development Plan (ADP) the Asset Management Plan (AMP) and ICT Development plan.
- Making decisions on requests from other committees that will have an impact on the Academy's financial position.
- Making decisions on expenditure within the Committee's delegated powers.
- Making decisions on virements within agreed budgets, within the Committee's delegated powers, and authorising any budgetary adjustments made. Informing the Chief Financial Officer of all virements and budgetary adjustments.
- Advising the Chief Financial Officer and the Board of Trustees on the appropriateness, or otherwise, of virements to be made outside of the Committee's delegated powers.
- Ensuring the Register of Business Interests is kept up to date.
- Annually reviewing all on going contracts.
- Reviewing the various leasing agreement schemes and options available to the Academy.
- Awarding of contracts by tender up to a specified limit.
- Monitoring all spending and income received in the Academy including Trading Accounts
- Ensuring that funding from the Education Schools Funding Agency and other sources is used only in accordance with any conditions attached.
- Receiving and commenting on the content of any audit report or Responsible Officer report relating to Education Schools Funding Agency funding and monitoring the implementation of the agreed action plan. These reports must also be reported to the Board of Trustees.
- Agreeing and determining appropriate charges for lettings of the premises, in line with the Academy's lettings policy.
- Ensuring the Academy has appropriate internal financial controls in place and adheres to the policies and procedures as set out within the Academy Financial Handbook / Education Schools Funding Agency updates.

3.3 The Chief Executive Officer

Within the framework of the academy development plan as approved by the Local Governing Body the Headteacher has responsibility for the academy's activities including financial activities with responsibility for:

- assuring the Trustees that there is compliance with the Handbook, the Funding Agreement and all relevant aspects of company and charitable law
- the propriety and regularity of the public finances for which they are answerable
- keeping proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- economic, efficient and effective use of all the resources in their charge (value for money)
- the management of opportunities and risks
- acting under section 1.5.17 of the Academies Financial Handbook if they consider at any time that the Board is failing to act under the terms of the Handbook or the Funding Agreement
- Much of the financial responsibility has been delegated to the Headteacher who is responsible for :
 - ensuring that, financial systems and financial records are operated by more than one person
 - safeguarding the trust's property to prevent losses and misuse including maintenance of adequate fixed asset registers
 - keeping full and accurate accounting records
 - preparing accruals accounts in accordance with existing accounting standards
 - approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
 - authorising contracts up to £50,000.
 - signing cheques/authorising BACS payments in conjunction with the ACADEMY FINANCE LEAD or other authorised signatory.

3.5 The ACADEMY FINANCE LEAD

The ACADEMY FINANCE LEAD works in close collaboration with the Headteacher/Head of School through whom they are responsible to the Chief Financial Officer and The Board of Trustees. The ACADEMY FINANCE LEAD also has direct access to the Local Governing Body. The main responsibilities of the ACADEMY FINANCE LEAD are:

- the day to day management of financial issues including the operation of the accounting system
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees;
- the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly prepared and adequately supported by the underlying books and records of the academy
- the preparation of monthly management accounts
- Ensuring invoices are processed in accordance with VAT rules in preparation for the Trust to claim the VAT through the S126.
- ensuring forms and returns are sent to the CFO in line with the timetable
- the monthly monitoring of the Academy Cashflow
- follow the process for BACS payments as detailed in Section 7

3.6 Other Staff

Other members of staff, primarily the Deputy Headteacher, Administrative Officer and Administrative Assistant will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Academy property,

for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

3.7 Register of Interests, Gifts & Hospitality

- 3.71 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 academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services.
- 3.72 The register is reviewed annually and is open to public inspection. It should include all business pecuniary interests such as directorships or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse/ cohabitee or business partner where influence could be exerted over a governor or a member of staff by that person.
- 3.73 In addition to the register of business interests, all governors and staff must declare interests whenever they are relevant to matters being discussed by the Local Governing Body or a committee at each meeting. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting. The opportunity should also be given for governors and staff to declare previously undeclared interests at every meeting.
- 3.74 The trust has a policy on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgement or integrity. Where a gift has a value of £30 but no more than £50 this needs to be declared and approved by the Head of School/Headteacher/Principal or Chair of trustees and recorded on the Gifts & Hospitality Register in each Academy. Any gifts higher than this value should be declined. Gifts provided by the Academy must not include alcohol and not be greater than £50. They all need to be added to the Gifts and Hospitality Register. For more information see the CLP Gifts & Hospitality Policy.

3.8 Related Party Transactions

The Trust must report all transactions with related parties to the ESFA in advance of the transaction taking place using the ESFA online form.

4. ACCOUNTING SYSTEM

4.1 The Trust Accounting System is SIMS- Finance, a web based system supported by Capita.

4.2 System Access

- 4.21 The academy must be registered under the GDPR.
- 4.22 Entry to the FAS system is password restricted and the ACADEMY FINANCE LEAD is responsible for implementing a system which ensures that employees' passwords are changed at least every term.
- 4.23 The password for each user will be held securely by the ACADEMY FINANCE LEAD in each academy

4.24 The ACADEMY FINANCE LEAD is responsible for allowing access by designated employees to authorised levels only.

4.3 System Back-up Procedures

4.31 Capita manages the web based financial system SIMS-Finance and are responsible for maintaining its integrity.

4.4 Transaction Processing

4.41 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. [Finance Procedures for MAT October 2018.pdf](#). The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

4.42 Bank transactions should be input by the designated member of the Finance Team and the input should be checked, and signed to evidence this check, by the Headteacher or the ACADEMY FINANCE LEAD.

4.43 Detailed information on the operation of the FAS system can be found in the user manuals held in the Finance Office.

4.5 Transaction Reports

The ACADEMY FINANCE LEAD will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- Master file amendment reports for the payroll, purchase ledger and sales ledger
- Trial balance
- Management accounts summarising expenditure and income against budget at budget holder level, i.e. cost centre summaries.

4.6 Reconciliations

4.61 The ACADEMY FINANCE LEAD is responsible for ensuring the following reconciliations are performed each month either by them or a designated member of the finance team, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- Any balance sheet holding Accounts

The bank reconciliation is performed centrally by the central team. The ACADEMY FINANCE LEAD must ensure all income and expenditure is entered on to the FAS by the publicised deadlines.

4.62 Any unusual reconciling items or those older than 6 months must be brought to the attention of the ACADEMY FINANCE LEAD. The Academy Finance Lead/Headteacher/Head of School/CEO will review and sign all reconciliations as evidence of the review. (If the Academy Finance Lead has completed the reconciliations, the Headteacher/Head of School/CEO must review and sign the reconciliations)

5. FINANCIAL PLANNING AND REVIEW

The Academy must prepare both medium term (3 years) and short-term financial plans. The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years and provide the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year. The development planning process and the budgetary process are described in more detail below:

5.1 Development Plan

5.11 The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. The form and content of the development plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the Education Schools Funding Agency.

5.12 Development Planning Cycle

All academies must meet the deadlines issued by the Trust for all planning and budgeting cycles. These must include:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and feedback into the next planning cycle – "what worked successfully and how can we improve?"

5.13 Development Plan Content

The completed development plan will include detailed objectives for the coming academic year. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

5.14 Development Plan Monitoring

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an Academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the Local Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

5.2 Annual Budget

5.21 The ACADEMY FINANCE LEAD is responsible for preparing and obtaining approval for the annual budget for presentation to the Trustees. The budget must be reviewed by the Headteacher and the Local Governing Body before submission to the Trustees for approval.

5.22 The approved budget must be submitted to the Chief Financial Officer in accordance with their published deadline each year and the ACADEMY FINANCE LEAD is

responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

- 5.23 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 are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 5.24 Detailed records will be kept of all information used in preparing the budget including estimation of staffing requirements and calculations of all costs cross referenced to any assumptions made.
- 5.25 The annual budget will be profiled to facilitate a cash flow estimate for each month.

5.3 Budget Planning

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable;
- review of other income sources available to the Academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- consideration of asset management plans and surveys.
- ensuring that the academy has budgeted business plans in place for all trading activities e.g. catering, uniform sales etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from the budget to cover a budgeted deficit, then this must be formally approved by the Board of Trustees and recorded in the minutes of the meeting at which it was discussed and agreed. All budgeted business plans should be clearly linked to the Academy Development Plan.

5.4 Balancing the Budget

- 5.41 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This must be reflected in the three year plans submitted to the Trust. Carry forward income must not be spent without ensuring the income is not needed in future years. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. Academies should plan to have £50,000/£250,000 in contingency depending on whether they are in the Primary or Secondary sectors respectively. It is important that, if the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils; hence all academies must provide detailed information on how the carry forward will be spent. If this is being used to balance future budgets there must be a clear plan on how the academy is working towards an in year balance.
- 5.42 If a significant deficit is expected, after having reviewed all possible avenues, i.e. cuts and redundancies, the Headteacher/Head of School/Principal, should contact the Chief Financial Officer and the Chief Executive Officer for further instruction before setting a deficit budget.

5.5 Finalising the Budget

- 5.51 Once the different options and scenarios have been considered, a draft budget should be prepared by the ACADEMY FINANCE LEAD for consideration by the Headteacher/Head of School/Principal and the Local Governing Body , for submission to the Trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 5.52 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.
- 5.53 The budget must be approved by the Board of Trustees. Once approved, the budget should be promptly loaded on to the FAS and “fixed” as at the approval date. Any subsequent changes to the budget (virements, including changes to funding) should be in accordance with Section 2.3 and must be reported to the Chief Financial Officer.
- 5.54 A copy of the signed budget plan should be placed in the Board of Trustees minute file and a further copy retained by the Headteacher/Head of School/Principal, Chief Financial Officer and the ACADEMY FINANCE LEAD
- 5.55 Budget holders will be informed of the budget available to them as soon as the budget is approved. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
- 5.56 In year changes to the MAT budget and the constituent academy budgets must be presented to the Board of Trustees for approval.

5.6 Budget Monitoring and Review

- 5.61 Monthly reports will be prepared by the ACADEMY FINANCE LEAD. The reports will be system generated including actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher/Head of School/Principal and the Chief Financial Officer
- 5.62 A narrative report should accompany the system reports, including reasons for significant variances against budget and with a forecast of income and expenditure to the year end.
- 5.63 Any potential overspend against the budget must in the first instance be discussed with the ACADEMY FINANCE LEAD and Headteacher/Head of School/Principal. The accounting system may be set up to not allow payments to be made against an overspent budget without the approval of the ACADEMY FINANCE LEAD.
- 5.64 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, budget virements must be reported to the Headteacher/Head of School/Principal and the CFO in accordance with Section 2.3.
- 5.65 The ACADEMY FINANCE LEAD must update the Academy cashflow and present this to the CFO on a Monthly basis and more often when concerns are identified.
- 5.66 The reconciled bank statement/s must be updated and presented to the CFO Monthly and more often when there are significant overspends.

- 5.67 Trading accounts to cover Catering will be produced and presented to the Headteacher/Head of School/Principal and CFO on a monthly basis. The trading account will clearly identify purchases, contract payments to providers, other associated costs, stock balances and the operating surplus or deficit.

5.7 Financial Returns

- 5.71 The ACADEMY FINANCE LEAD will be responsible for ensuring that all financial transactions are recorded on the FAS in accordance with the guidelines issued by the Education Schools Funding Agency.
- 5.72 The ACADEMY FINANCE LEAD will be responsible for ensuring that Value Added Tax (VAT):
- is correctly accounted for on the academy's financial accounting system in accordance with Education Schools Funding Agency and HMRC requirements
- The **central team** will be responsible for ensuring that VAT:
- is properly and promptly prepared on a monthly basis and supported by relevant system reports and documentation to facilitate HMRC inspection and external audit.
- 5.73 The ACADEMY FINANCE LEAD will be responsible for preparing information for all the financial returns as required by the Chief Financial Officer for the Education Schools Funding Agency including Budget Forecast, Annual Accounts, Land and Buildings and any other returns for organisations whose funding is linked to conditions of spending. All requests will be completed in the required timescales.
- 5.74 The Board of trustees are responsible for approving the Trust annual accounts and annual report and ensuring the annual accounts are audited and submitted to the Education Schools Funding Agency by the required deadlines. Details of the all financial information required are as set out in the latest Accounts Direction for the year being reported.
- 5.75 The CFO must ensure the accounts are filed with Companies House by 31st December .
- 5.77 Re the Companies Act 2006 the Academy Accounts must be published on all Academy websites. This can be done via a link to the trust website.

6. PAYROLL AND PERSONNEL PROCEDURES

6.1 Staff Appointments

- 6.12 Staff appointments will be authorised in accordance with Section 2.2
- 6.13 The ACADEMY FINANCE LEAD to be notified when appointments, terminations and contract amendments take place. The ACADEMY FINANCE LEAD can then ensure that all correct paperwork is completed and sent to the appropriate departments for processing. After payroll has been processed but before payments are dispatched a file of salary payments by individual and showing the amount payable in total should be obtained from the system. The payments should be checked to ensure that all amendments have been made.

6.2 Payroll Administration

- 6.21 The Academy's payroll is administered via their chosen payroll providers. Access to the systems are password controlled. Password control procedures and backup arrangements are described in Section 4.2

6.3 Payroll Process

- 6.31 All staff are paid monthly via BACS through their chosen Payroll provider. A master file or personnel data file is created for each employee which records:
- salary;
 - bank account details;
 - taxation status;
 - personal details and
 - any deductions or allowances payable.
- 6.32 All amendments to pay including overtime, additional hours, contract changes, appointments and terminations must be documented using the required paperwork by the HR and Payroll providers and authorised by the Headteacher/Head of School/Principal. All changes to the Headteacher's must be authorised by CEO/CFO. All changes to the CEO and CFO must be authorised by the Chair of Trustees.
- 6.33 New master files can only be created by the ACADEMY FINANCE LEAD with the express approval of the Headteacher/Head of School/Principal. Any master file amendments made by the ACADEMY FINANCE LEAD must be printed out each month prior to the payroll run and must be authorised by the Headteacher/Head of School/Principal.

6.4 Payroll Returns

- 6.41 The ACADEMY FINANCE LEAD will be informed of any sickness/absences which will be processed on a monthly basis. Authorised staff returns should be sent to Payroll and all personnel files updated and data placed on Sims Personnel.
- 6.42 Each month the ACADEMY FINANCE LEAD will ensure all data for payroll processing meets the key dates for the month in question. (This timetable should be set annually to ensure processing dates are met by the payroll provider). Data input into Payroll should be undertaken by the ACADEMY FINANCE LEAD /Finance Officer in accordance with the timetable. Before the payroll is processed a file of all data input should be obtained and this should be checked against source documentation by the ACADEMY FINANCE LEAD/Finance Officer and then reviewed and initialled by the Headteacher/Head of School/Principal or ACADEMY FINANCE LEAD (for documentation prepared by F.O.).
- 6.43 All staff employed by the Trust must be paid through PAYE. Any exceptions to this must be approved by the CFO who will ensure all checks are completed to comply with any avoidance of tax rules issued by HMRC. Any contractor employed by the school must be checked by the ACADEMY FINANCE LEAD through the HMRC website as detailed here. <https://www.gov.uk/guidance/check-employment-status-for-tax?user=guest>

6.5 Payments and Control Checks

- 6.51 After the payroll has been processed but before payments are dispatched a file of salary payments by individual and showing the amount payable in total should be obtained from the system. The file/print must be reviewed and authorised together with authority to release payment by the ACADEMY FINANCE LEAD and the Headteacher/Head of School/Principal where the payroll has been processed and agreed by the ACADEMY FINANCE LEAD. This must be evidenced via signatures on a full printout or via personal electronic authorisation.

- 6.52 The ACADEMY FINANCE LEAD/Finance Officer should prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed and signed by the Headteacher/Head of School/Principal or ACADEMY FINANCE LEAD if reconciled by F.O.
- 6.53 The Payroll provider automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.
- 6.54 The Heateacher/Head of School/Principal or ACADEMY FINANCE LEAD should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 6.55 After the payroll has been processed, the nominal ledger will be updated on the system by the ACADEMY FINANCE LEAD/Finance Officer. Postings will be made both to the payroll control account and to individual cost centres via update mechanism, i.e. journal. The ACADEMY FINANCE LEAD/Finance Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
- 6.56 On an annual basis the ACADEMY FINANCE LEAD must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

6.6 Retention of Records

- 6.61 Payroll records should be kept for 6 years plus current.
- 6.62 Pension records must be retained for current plus 6 years, except for opt outs which must be retained for 4 years.
- 6.63 All other records must be retained in accordance with current DfE/HMRC / Insurance guidelines.
- 6.64 Maternity pay records should be kept for current plus 3.

7. PURCHASING AND PAYMENT PROCEDURES

The Trust wants to achieve the best value for money from all purchases. A large proportion of purchases will be paid for with public funds and in order to maintain the integrity of these funds the general principles below should be followed:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy
- Accountability, the Academy is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Procurement advice for academies is available from the Department for Education's website:

<http://www.education.gov.uk/schools/leadership/typesofschools/academies/open/a00205176/procurementresource>

7.1 Routine Purchasing

Budget-holders will be responsible for requesting the purchase of items or services from their own budgets. This will be done by the appropriate budget-holder notifying the ACADEMY FINANCE LEAD/Finance Officer of his or her requirements via an Internal Order Form authorised by the Headteacher/Head of School/Principal or ACADEMY FINANCE LEAD.

7.11 On receipt of the Internal Order Form, the ACADEMY FINANCE LEAD / Finance Officer will determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified, the ACADEMY FINANCE LEAD/Finance Officer will raise an official sequentially numbered Purchase Order to send/transmit to the supplier/ contractor. Internal Order Forms will be kept in a file in the Finance Office.

7.12 Orders are to be authorised by the relevant person in accordance with Section 2.13. Paper copies of official orders will be kept in numerical sequence in a file in the Finance Office. Where appropriate, a copy of the official order will be sent to the budget-holder.

7.13 Urgent orders must be given to the finance office immediately for processing. These should be approved in the same way as all other orders. Caretakers have emergency limits as per Section 2.1. This should only be used in out hours situations.

7.14 Invoices received must be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the Academy's financial accounting system. Extra vigilance must be taken when processing Invoices received by email to ensure the Trust is not exposed to fraud.

7.17 The ACADEMY FINANCE LEAD must ensure that all prime records are retained for six financial years plus the current year and are stored in a secure and logical manner.

7.193 For any order or purchase which is estimated to be less than £5,000 in value, for the supply of goods, materials or services, the budget holder must ensure best value for money.

7.194 Amounts between £5,000 and £50,000, will be subject to the receipt of at least 3 competitive quotations. Documentary evidence of the various quotations must be obtained and attached to the purchase order and appropriately authorised. All documentation including the three quotes must be attached to the SIMS-Finance system generated order as evidence. Where a quotation other than the lowest is accepted, the reasons (in line with the MAT's best value policy if there is one) for its acceptance must be documented, attached to the purchase order, and reported signed by the authorising signatory.

7.195 Approval of contracts over £50,000 will only be made after following the tendering procedure as set out in Section 8.

7.2 Internet Purchases

An internal order should be completed for internet purchases and the order placed through the finance office using the school credit card. These items should be entered onto the FAS as soon as possible after the purchase to ensure the expenditure is recognised in the budget. These purchases must be authorised according to expenditure limits.

7.23 The internet order must be raised in the name of the Academy with the Academy's address, not to an individual.

- 7.24 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the Academy's normal payment route. If the supplier is unable to supply an invoice in advance, the ACADEMY FINANCE LEAD/Finance Officer will be authorised to use the Academy's purchase card to make payment (the same rules for card authorisation apply).
- 7.25 Payment by an individual's personal credit card should only be considered when the above options have been exhaustively attempted and failed. The correct authorisation procedure for purchases should still be adhered to and the Academy retains the right to refuse to reimburse the individual if the Academy's procedures are not followed. Reimbursement to individuals should be made in the normal manner upon production of an original invoice/receipt.
- 7.26 Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system. This is especially important if the Academy is to recover any VAT element.
- 7.27 All purchases should only be made from secure websites that the ACADEMY FINANCE LEAD has gained reassurance they are safe and free from fraudulent activity. The use of online auction websites should not be used.

7.3 The Academy does not use Petty Cash.

7.4 Credit Cards

- 7.41 Credit cards may be issued by the academy to key staff members to purchase items for the academy instead of using petty cash.
- 7.42 All Credit cards must be signed in and out of the Finance Office and relevant paperwork completed with all receipts attached. The form must be authorised by the Headteacher.
- Card is issued in the academy's name
 - Card is approved by the Board of Trustees the card is kept in the school safe
 - expenditure is approved by the Headteacher or Chair Local Governing Body
 - personal use is not permitted
 - retention of receipts, delivery notes and invoices
 - card can only be used to purchase goods via internet by the ACADEMY FINANCE LEAD/Finance Officer, and only once all other avenues of payment has been exhausted
 - the ACADEMY FINANCE LEAD/Finance Officer will reconcile each monthly statement and ensure transactions are entered onto the FAS according to the deadlines set by the Central Team
 - any misuse of purchase cards by individuals will result in disciplinary procedures

7.5 Lease Agreements

- 7.51 The Academy may only take out operating leases. An operating lease means entering into an agreement to rent equipment.

Academy trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years; and

- granting a leasehold interest, including a tenancy agreement, on land or buildings to another party, pursuant to the obligations on the academy trust in the Academies Act 2010.

7.52 The Academy will consider the following when taking out/renewing lease agreements: The DfE and the National Association of School Business Management has produced some useful Tips for Successful Leasing in Schools.

<http://media.education.gov.uk/assets/files/pdf/p/tips%20for%20successful%20leasing.pdf>

- Schemes that include 'cashback' or 'free' or subsidised equipment/goods should be avoided.
- Leasing agreements will only be made where the financial arrangements are such that they benefit the Academy and the Chief Financial Officer and Local Governing Body/Board of Trustees have given their approval.
- For leases above £10,000 over the term of the lease, approval must come from the Board of Trustees before any lease is signed.
- Once approval has been given, lease agreements should be signed by the Chief Financial Officer on behalf of the Board of Trustees.
- The Chief Financial Officer will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals. Some agreements will require the academy to give notice of termination even though an expiry date has been specified (check the small print).

7.53 Any lease entered into must meet the following criteria:

- Ownership of the asset must remain with the leasing company and there is no option for the Academy to purchase the asset at any time;
- Any extension of the lease must be at open market values;
- The Academy will not benefit from any sale proceeds of the asset;
- The termination value of the lease is equal to or exceeds 10% of the value of the asset at the commencement of the lease.

Trusts that are in any doubt as to whether or not any particular lease involves an element of borrowing should take advice from a professional.

7.6 Novel and contentious transactions

7.61 Novel payments or other transactions may arise where the academy has no experience or is outside the range of normal business activity and may give rise to criticism of the trust by the public or media.

The above must always be referred to the ESFA for explicit prior authorisation.

8. TENDERING PROCEDURES

8.1 Introduction to Tendering

8.11 Approval of contracts over £50,000 will only be made following the MATs tendering procedure. If the academy undertakes a high-value or EU-Qualifying purchase an Invitation to Tender will need to be issued as part of the process. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid.

- 8.12 For more specialist or complex works and purchases, the MAT may choose to appoint a professional third party to carry out the tender process on their behalf i.e. consultant, architect etc who is authorised to evaluate the tender bids and make recommendations to the Board of Trustees. If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are adhered to.
- 8.13 Contracts for supplies and services whose values equal or exceed €207,000 Euros and for works whose values equal or exceed €5,186,000 Euros, are subject to further requirements as per the Public Contracts Regulations 2006. Such contracts require advertisement in the Official Journal of the European Union (OJEU). This is the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation must be published. These thresholds are net of VAT. Further advice may be found on the following websites:

www.education.gov.uk/schools/adminandfinance/procurement/b0069810/buying-basics/purchasing/ojeu
www.ojec.com/DESFAult.aspx

8.2 Forms of Tenders

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

- 8.21 Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Headteacher/Chief Financial Officer how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- 8.22 Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders 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's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- 8.23 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 the existing supplier are justified.

8.3 Preparation for Tender

Full consideration should be given to the objective of project, overall requirements, technical skills required, after sales service requirements and form of contract. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

8.4 Invitation to Tender

8.41 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

8.42 An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender
- form of response.

8.5 Aspects to Consider

8.51 Financial

Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision

Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs. Is there scope for negotiation

8.52 Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

8.53 Other Considerations

- Pre sales demonstrations
- After sales service, warranties
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

8.6 Tender Instructions

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

8.7 Tender Opening Procedures

8.71 All tenders submitted should be opened at the same time and the tender details recorded. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

8.72 Two people should be present for the opening of tenders as follows:

- For contracts up to £50,000 – Headteacher + Academy Finance Lead
- For contracts over £50,000 – Headteacher + Academy Finance Lead + CFO/CEO

8.8 Tendering Evaluation and Acceptance

- 8.81 The Trust has set a minimum requirement of 3 tenders for fair evaluation purposes and in the Interest of achieving best value. In any consideration of less than that number being received, the Trust should consider whether this is sufficient and consider re tendering. Decisions to go ahead should fully document the justification.
- 8.82 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 8.83 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 8.84 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Chief Financial Officer and the Board of Trustees highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Local Governing Body.
- 8.85 Where required by the conditions attached to a specific grant from the DfE/ESFA, their approval must be obtained before the acceptance of a tender.
- 8.86 The accepted tender should normally be the one that is economically most advantageous in terms of best value to the academy that meets all the requirements. All parties should then be informed of the decision. Where a tender other than the lowest has been accepted, the reasons for its acceptance must be documented and reported to the Governing Body. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.
- 8.87 A copy of the tender documentation should be held on site for easy reference as required.
- 8.88 Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.
- 8.89 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Governing Body.

9. INCOME

9.1 General

- 9.11 The sources of income for the academy are the grants from the Education Schools Funding Agency and from Essex County Council, School trips and School meals. It is the responsibility of the ACADEMY FINANCE LEAD to ensure that all income due to the academy has been received, banked and that all income due to the academy is collected and reconciled to its financial accounting system.
- 9.12 All income received should be recorded immediately on a Daily Income Collection Record or other electronic system and entered onto the academy's financial accounting system. The collection record should contain the amount received, the name of the person/organisation making the payment, the date the payment is received, and the method, i.e. cash or cheque.

- 9.13 All income received by the academy should be banked at a minimum of weekly and *in full*. The insurance policy cover for cash and cheques held on site must not be exceeded – during business hours and cash in transit - £5000. Outside of business hours £2000. However, if a high level of income is expected e.g. proceeds from a fete, the insurer must be informed to obtain additional short term cover, and the income must then be banked as soon as is practicable.
- 9.14 Personal cheques must not be cashed.
- 9.15 When income is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.
- 9.16 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.
- 9.17 Income received by the academy will be acknowledged to the payer by either i) issue of a receipt when the value of the payment exceeds £30 or, ii) by the collector signing an official collection record i.e. Residential Trip Payment Card. No category of income should be excluded from the issue of a receipt e.g. academy meals. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.
- 9.18 No debts should be written off without the express approval of the Headteacher for amounts up to £5000. The CEO/CFO up to £10,000 or the Board of Trustees over £10,000. The ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter or above the delegated limits as set out in section 3.4 Academies Financial Handbook 2018.

9.2 Custody

- 9.21 Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking.
- 9.22 Monies collected must be banked in their entirety (intact) in the appropriate bank account. The ACADEMY FINANCE LEAD/Finance Officer/Admin Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system and related system generated reports, i.e. SIMS Dinner Money module. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the ACADEMY FINANCE LEAD.

9.3 Trips

Manual system

- 9.31 The Administrative/Finance staff who are responsible for the collection of sums due for school trips must prepare a record for each student intending to go on school trip showing the amount due. A copy of the record must be given to the ACADEMY FINANCE LEAD. The ACADEMY FINANCE LEAD/Finance Officer will bank all monies collected and reconcile all trips.
- 9.32 Students should make payments to the office. A receipt must be issued for all monies collected over the value of £30 – payment cards are issued for residential trips.

- 9.33 The ACADEMY FINANCE LEAD/Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. Trips income will be recorded by ACADEMY FINANCE LEAD/Finance Officer/Parents using the online payment system. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

Automated System

- 9.41 Trips should only be added to the automated system upon the receipt of a trip budget. Those students who are invited to go on the trip should have the information added to their account.
- 9.42 When the statement is received the income and charges must be reflected in the FAS within a week of receipt.

9.4 Catering/Meals Income - Primary Schools

- 9.41 School lunches are ordered and paid for manually by the Admin Assistant or the parents using the online payment system. The value of income collected must be reconciled to the number of paid-for meals provided. The value of academy meal income banked must be supported by a consolidated summary sheet of income printed from the payment system. The bank paying in slip reference number should be entered on the consolidated summary sheet.

- 9.42 Academy Meal Income Software Packages: the bank paying in slip reference number should be entered onto the academy meal system to provide a simple and clear audit trail from income received to income banked. Receipts for academy meal income should be issued when the value of the payment received exceeds the value set out in Section 9.17.

9.43 Academy Meal Income – Boswells Academy

Payments can be made via an on-line payment system or re-charge points in school. Payments made by parents on-line are automatically reconciled to the catering system through the software. Payments made using a re-charge machine credit directly to the students account. The cash is collected from the machine daily by 2 members of the catering team who confirm the amounts and follow the school banking procedures for income received. The sealed bags are kept in the school safe until taken by secure transport to the bank.

9.5 Lettings

- 9.51 The Board of Trustees recognises the position of the academy in the local community and that encouragement should be given to the use of the academy premises by outside organisations. The Board of Trustees wishes to take every possible care to ensure that all children / young people and others using the academy premises out of academy hours are safe from abuse and that they are treated with dignity and respect.
- 9.52 The letting of the academy is the responsibility of the Local Governing Body and the administration of the letting is the responsibility of the Academy Office/Site Management Team.
- 9.53 The CEO/CFO should approve the charging rate structure for lettings annually. This must be minuted as having been reviewed Trustees Finance Committee.
- 9.54 The ACADEMY FINANCE LEAD/Finance Office/Premises Team are responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation.

9.55 All hirers will complete the appropriate lettings application form. Long term hirers must complete a letting application form at least annually. Day to day approval of requests for hire will be the responsibility of the ACADEMY FINANCE LEAD who will sign the letting application form in the designated space, after:

- Agreeing the scales of charges to be applied. Abatement of charges can only be made, subject to Local Governing Body approval.
- Checking to ensure the application form has been properly signed by the hirer.
- Confirming if the hirer is affiliated to any national association that has its own child protection policy.
- Checking that the hirer has a child protection policy if not affiliated to a national association,
- Checking that a copy of the academy's own child protection policy and guidelines has been passed to the hirer and that the hirer has signed to confirm receipt and acceptance.
- Deciding if it is necessary to seek references for the hirer
- Obtaining a copy or signed confirmation of the hirer's:
 - public liability insurance
 - PPL licence

9.56 All requests for hire will be logged in the lettings or office diary or on the lettings booking system by the ACADEMY FINANCE LEAD/ Finance Officer. Payment will be required in advance for all one-off lettings or if the hirer is not known to the academy. In other instances it may be appropriate to require a deposit. All deposits will be banked immediately and should a refund of the deposit be subsequently required, then a cheque will be issued.

9.57 Details of organisations using the academy's facilities should be sent to the ACADEMY FINANCE LEAD/Finance Officer who will produce a sales invoice from the accounting system where payment is not made in advance.

9.58 Organisations using the facilities should be instructed to send all payments to the Finance Office.

9.59 In the absence of specific terms agreed with the hirer, payment terms will be 28 days from date of hire. If payment has not been received by the due date, the following will apply:

28 days after date of hire	First reminder letter to be issued. At this point all future hire dates will be suspended pending payment in full.
14 days after first reminder letter	Second reminder letter to be issued advising the hirer that non-payment could result in referral to the academy's legal services provider.
14 days after second reminder letter	Issue report to the Governing Body for advice on how to proceed e.g. referral to academy's legal services provider for recovery of debt.

If, having taken legal advice, it is determined that the debt is not recoverable it will need to be 'written off' as set out in Section 2.4.

10. CASH MANAGEMENT, BANKING AND INVESTMENTS

10.1 The ACADEMY FINANCE LEAD is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. The EES for schools Cashflow Calculator should be used which is available on the EES for schools website: <http://www.eesforschools.org/Finance/academy-support>

10.2 If significant cash shortfalls have been identified and are unexpected, this should be promptly investigated, ensuring all income due for the period has been received and that expenditure is not irregular. The investigation and its results should be reported to the CFO. If fraud is suspected, the academy's Whistleblowing policy should be followed, including notifying the Education Schools Funding Agency if the fraud is above £5,000.

School Fund Bank Account

10.3 Academy's with a total pupil number of 1000+ can request to open a school fund account. The opening of all accounts must be authorised by the Board of Trustees who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds, i.e. Direct Debits and Standing Orders must also be subject to the same level of control.

10.4 The academy's bank and / or building society must be informed that the accounts must never become overdrawn. The academy must seek the Secretary of State's approval for borrowing (including overdraft facilities). The Secretary of State's normal policy is that academies should not be granted permission for medium and long term borrowing.

10.5 The school fund account should only be used for the management of trips and visits, performance ticket sales, 100 club. All regular academy activity should go through the main school account.

10.6 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include the amount of the deposit, split between cash and cheques with cheques listed separately and a reference i.e. receipt number or the name of the debtor.

10.7 Transfers between the academy's bank accounts if using a School Fund account, should have a suitable narration to facilitate audit trail, especially where on line banking facilities are used.

10.8 Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure. This provision applies to all accounts operated by or on behalf of the Board of Trustees of the academy.

10.9 All cheques and other instruments authorising withdrawal (including direct debits and standing orders) from academy bank accounts must bear the signatures of two of the following authorised signatories (specify job titles only):

- Chair of Trustees
- Headteacher
- Deputy Headteacher
- CEO
- ~~Academy Finance Lead~~

~~The ACADEMY FINANCE LEAD has authority to sign cheques for the School Fund.~~

- 10.10 For any Direct Debit or Standing Order authorisation from the School Fund Account over £10,000 one of the signatories must be the CEO and this should be included in the academy's bank mandate.
- 10.11 A current bank mandate for the School Fund account Direct Debits and Standing Orders must be retained on file and the mandated signatories should be consistent with those detailed above.
- 10.12 Academies may use BACS facilities to replace cheques. The control principles and authorisation remain the same as for cheque payments. Care must be taken regarding the creation and amendment of Supplier's bank details for BACs payments.
- 10.13 The ACADEMY FINANCE LEAD must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's accounting system
 - reconciliations are prepared by the ACADEMY FINANCE LEAD within one week of receipt;
 - reconciliations are subject to an independent monthly review carried out by the Headteacher or in their absence the Chair of Local Governing Body
 - adjustments arising are dealt with promptly, i.e. any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken and recorded.
- 10.14 Investments must be made only in accordance with written procedures approved by the Trustees and clearly held in the academy's name. Aspects to consider include:
- objectives
 - risk
 - type of investment and term
 - academy's financial position
 - financial limit for type of investment
 - spreading investments between providers to ensure savings are covered by the Financial Services Authority
 - security of access
 - rate of return
 - charges
 - business interests of Governors and academy staff
 - ethical, social and environmental considerations
 - review including review of performance
- 10.15 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received and recorded on the financial accounting system.

11. FIXED ASSETS

11.1 Introduction

Fixed assets include:

- land including freehold
- buildings including freehold
- equipment
-

Fixed assets are depreciated as per the academy's depreciation policy

11.2 Fixed Asset Register

11.21 All items purchased with a value over the academy's capitalisation limit of £10000 must be entered in an asset register. Other attractive items below the limit could be included to assist with insurance claims. The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system
- support insurance claims in the event of fire, theft, vandalism or other disasters.

11.22 The ACADEMY FINANCE LEAD/Admin Assistant/Finance Officer are responsible for maintaining the asset register.

11.23 The asset register should include the following information:

- book value of items transferred in
- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from ESFA grant and % funded from other sources)
- expected useful economic life
- depreciation (incl. brought forward and carried forward)
- current book value
- location
- name of member of staff responsible for the asset
- disposals

11.24 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

11.25 All the items in the register should be permanently marked as the academy's Property. If the academy chooses to use an invisible form of marking then the item of equipment must carry a visible reference to the fact that the equipment has been security marked. Items not security marked are potentially not covered by insurance.

11.26 There should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

11.3 Disposals

11.31 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher up to the value of £250, up to the value of £5,000 by the Local Governing Body, over £5,000 by the Board of Trustees. Where significant, the items should be sold following competitive tender.

11.32 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

11.33 All disposals of a freehold of land and buildings must be agreed in advance with the Secretary of State.

11.4 Assets on Loan

11.41 Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

11.42 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

12. MEMBERS, TRUSTEES and GOVERNORS' ALLOWANCES

12.1 The policy of the governors in respect of payment of allowances must be openly available to parents and governors. The Governing Body must consider the payment of allowances annually, and the outcome must be recorded appropriately in the minutes.

12.2 The Education (Governors' Allowances) Regulations 2003 provide the legal framework for governing bodies to pay 'out of pocket' expenses to their governors. The then DCSF (now DfE) guidance which accompanied those regulations states, "It is good practice to pay such allowances as governors should not be out of pocket for the valuable work they do".

12.3 Legitimate allowances include: travel allowances to Governing Body, Committee meetings or training courses, cost of child-care while attending meetings or / training, cost of photocopying / printing papers for governing body business.

12.4 The Academy will reimburse mileage expenses to Governors for journeys at a rate in accordance with the limitations set out by HM Revenue & Customs.

12.5 Rates of subsistence will be paid up to the rates below, will not include claims for alcohol and must be supported by receipts. The same conditions apply as set out in section 2.7 covering mileage and subsistence.

Breakfast	£5
Lunch	£7.50
Evening Meal	£15

12.6 Authorisation of governors' expenses will be by the Chair of Trustees. Claims by the Chair of Trustees will be authorised by both the Vice Chair of Trustees and the Chair of the Local Governing Body. Where a separate Local Governing Body does not exist the Trustees will appoint a second authorising Trustee.

13. GOVERNORS' WHISTLEBLOWING POLICY

Existing good practice within the academy in terms of its systems of internal control, both financial and non-financial and the external regulatory environment in which the academy operates will ensure that cases of malpractice rarely occur. This whistleblowing policy is provided as a reference document to establish a framework within which issues can be raised confidentially internally, and if necessary outside the management structure of the academy. This document is a public commitment by the Local Governing Body that concerns are taken seriously and will be acted upon.

13.1 Governors' Statement

13.11 The Board of Trustees are committed to tackling all forms of malpractice, fraud etc. and treat these issues seriously. The Trustees recognise that some concerns may be extremely sensitive and have therefore developed a system which allows for the confidential raising of concerns within the academy environment but also has recourse to an external party outside the management structure of the academy.

13.12 The Trustees are committed to creating a climate of trust and openness so that a person who has a genuine concern or suspicion can raise the matter with full confidence that the matter will be appropriately considered and resolved. The provisions of the policy apply to matters of suspected malpractice and fraud and not matters of more general grievance which would be dealt with under the academy's grievance procedures.

13.2 Background and Context

This policy on 'whistleblowing' has the following background and context:

- (a) Any version of the code adopted by the Board of Trustees will form part of the Conditions of Employment. The code currently states:
 "Academy employees are expected to give the highest possible standard of service to the public through the performance of their duties. Employees will be expected through agreed procedures and without fear of recrimination, to bring to the attention of their line manager any deficiency in the provision of service.
 Employees must report to the appropriate manager any impropriety or breach of procedure."
- (b) The legal background relating to "whistleblowing" is covered by the Public Interest Disclosure Act 1998 which affords protection against dismissal penalty where an employee discloses in good faith, with reasonable grounds for belief in the disclosure, certain information relating to the following examples:

Malpractice	Fraud
Failure to comply with legal obligations	Manipulation of accounting records / finances
Child protection issues	Inappropriate use of academy assets / funds
Miscarriages of justice	Decision making for personal gain
Criminal offences	Abuse of position to influence decisions
Danger to Health & Safety	Fraud and deceit
Damage to the environment	
Concealment of evidence relating to the above	

- (c) This policy sets out the agreed procedures that should be followed where employees have concerns about what they regard as such impropriety or neglect of duty. Such breaches of acceptable standards may be in relation to ethical or professional standards, as well as the academy's expectations on money, gifts, hospitality, health and safety and welfare, equal opportunities, relationships and outside interests. The Code of Conduct gives greater details.
- (d) This procedure should be used where concern is about the consequences for other employees or the public. If the concern is about the individual being disadvantaged, by the action or failure to take action, then that should be pursued through the Academy's Grievance Procedure.

13.3 What Should an Individual Do if "Whistleblowing"?

- 13.31 Judgement will need to be exercised here if the inaction or lapse of standards seems to be minor, then it may well be sufficient just to bring the matter to the attention of the employee who appears to be at fault.
- 13.32 If the matter is more significant, particularly if it involves breaches of the academy's Code of Conduct or where a previous informal response has been apparently disregarded, then the matter should be raised formally with the line manager and as a matter of urgency if it appears serious. If given verbally, confirmation of the complaint should be made in writing as soon as possible.
- 13.33 Where the complaint concerns the line manager, or having made the report it is believed that appropriate action has not been taken then the complaint should be brought to the attention of a more senior manager.
- 13.34 If it is believed that fraud, theft or other potential gross misconduct is involved; the matter should be raised quickly as mentioned above. It must not be mentioned to the subject of the complaint or other colleagues as this could prejudice subsequent investigation.
- 13.35 The Academy must notify the CEO who will inform the Secretary of State via the Education Schools Funding Agency of any instances of fraud or theft where the value exceeds £5,000.
- 13.36 Where there are genuine and justified suspicions of wrong doing, even though at the time of "whistleblowing" there is no concrete evidence of serious wrong doing, this should not deter anyone from going ahead and reporting the matter, particularly where it may involve potential risk to vulnerable people.
- 13.37 The Local Governing Body encourages the "whistleblower" to raise the matter internally in the first instance to allow those academy staff and governors in positions of responsibility and authority the opportunity to right the wrong and give an explanation for the behaviour or activity.

The Local Governing Body has designated a number of individuals to specifically deal with whistleblowing and if the "whistleblower" feels that appropriate action has not been undertaken after following the actions in paragraphs (b) and (c) above then the matter should be referred to one of the individuals shown below:

Headteacher
 Chief Executive Officer
 Chair of Trustees

If the concern is about the behaviour of a Headteacher then the matter should be referred to the CEO. If the concern is related to the behaviour of the CEO then the matter should be referred to

the Chair of Trustees. If the concern is related to the Chair of Trustees, then the matter should be referred to the Vice Chair of Trustees and/or the CEO.

- 13.38 The “whistleblower” may prefer to raise the matter in person, by telephone or in written form marked “private and confidential” and addressed to one of the above named individuals. All matters will be treated in strict confidence and anonymity will be respected wherever possible. Alternatively if the “whistleblower” considers the matter too serious or sensitive to raise within the internal environment of the academy, the matter should be directed to the Education Skills Funding Agency.
- 13.39 In addition, information and advice can be obtained from the charity – ‘Public Concern at Work’. This charity offers free legal advice in certain circumstances about serious malpractice at work. Their literature states that matters are handled in strict confidence and without obligation. Contact details for the charity are as follows:

Public Concern at Work
3rd Floor, Bank Chambers
6-10 Borough High Street
LONDON
SE1 9QQ

Telephone number – 0207 404 6609

Website: www.pcaw.org.uk

13.4 What Should a Line Manager Do When a Complaint is Received?

- 13.41 It is essential that problems raised are tackled effectively and quickly and with the aim of righting wrongs, this may well be best achieved in many less serious cases by discussion with the “offending” employee and securing a commitment as to future standards and corrective action. In other more serious cases, the matter may well have to be referred to a senior manager. It may be necessary to instigate disciplinary proceedings.
- 13.42 Complaints received from outside of the academy environment must be dealt with by following the procedures as outlined in the academy’s own Code of Conduct/Customer Care Code of Practice.
Any written complaint / allegation should be given a written acknowledgement and confirmation that the matter will be looked into. Unless clearly made in a very low key way about minor matters, verbal complaints/allegations should receive a written acknowledgement in the same way.
In the event of the allegation being of a serious nature e.g. relating to a fraud or other gross misconduct offence, there may well be a need to involve other organisations immediately – see paragraph no. 13.45. This should normally be agreed initially by the Chair of Trustees and/or the CEO and the Headteacher who, in turn, should keep the ACADEMY FINANCE LEAD informed.
- 13.43 When any complaint or allegation has been looked into and resolved or dealt with, the person who raised the matter in the first instance should be notified – normally in writing unless common-sense indicates that it can be done more appropriately verbally. How much detail to provide in such cases is a matter of judgement.

13.5 Protecting “Whistleblowers” and Complainants

- 13.51 “Whistleblowers” have an expectation that their identity can be kept concealed. In the majority of cases this may be possible, but in more serious cases where disciplinary action may have to be taken against an individual, it may well be judged that they have a right to know the source as well as the nature of such complaints. In any case the Local Governing Body is committed to doing as much as possible to ensure that the wellbeing of the “whistleblower” at work does not suffer as a result of the tensions that may result from the making of or investigation of complaints.

13.52 Individuals are encouraged to bring to the attention of their managers any harassment or victimisation they may suffer as a result of whistleblowing. All necessary action will be taken to ensure that such harassment or victimisation is stopped.

13.53 It may be that “whistleblower” will find the process of reporting wrong-doing and making statements etc. stressful, particularly where there may be feelings of divided loyalties. In such cases the opportunity should be given for the “whistleblower” to talk through these anxieties and feelings, either with their manager or possibly, someone from an external counselling service. The Governing Body encourages this action.

13.6 Individuals receiving a complaint about themselves

13.61 If the complaint or allegation is at all significant or made in a formal way, particularly by a member of the public or other external users, then the line manager, or Chair of Trustees and CEO in the case of a Headteacher, should be informed even if it is believed that the complaint is groundless or unjustified.

13.62 Where a complaint or “grumble” clearly does not justify the issue being pursued in this way, then a brief file note or diary entry will often be appropriate and in the best interests of the individual.

13.7 A Sense of Perspective

As stated in the Code of Conduct, all staff have an obligation under the code to raise concerns where it is seen that proper standards have clearly been breached or ignored. Nevertheless it is important that where deficiencies in service provision standards are involved rather than in areas of malpractice, staff should satisfy themselves that the failing is serious and that the potential disadvantage to the academy or public is significant. Any unnecessary over-zealous reporting might be inappropriate and counter-productive. However, Governors re-iterate that individual staff members are encouraged to raise genuine concerns with the knowledge that they will be taken seriously.

13.8 Malicious Accusations

If on investigation, it is considered that an individual has made malicious allegations without any real substance, then these too will be taken seriously and may constitute a disciplinary offence or require some other form of penalty appropriate to the circumstances.

14. INTERNAL CONTROLS

14.1 Introduction

The academy trust’s system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Local governing body
- regular reviews by the Chief Financial Officer of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

14.2 Responsibilities

14.21 The ACADEMY FINANCE LEAD /Finance Manager is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. All

discrepancies are to be investigated immediately and reported to the Headteacher and, if appropriate, the bank.

14.22 The ACADEMY FINANCE LEAD / Finance Manager is responsible for completing the monthly VAT returns in the prescribed format and forwarding them to the CFO

14.23 The Headteacher is responsible for periodically checking the following (at least once per term, ideally once per month), and signing and dating to confirm that the checks have been made:

- All payments made to suppliers have been correctly authorised
- No payments have been made that could be classed as 'fee payments' to individuals without completing the necessary checks to confirm self-employed status
- Income received by the academy can be traced from source to financial system entry and bank statement
- Bank account reconciliations are being completed each month for all academy bank accounts
- The funding budget entered on the academy's financial accounting system is reconciled promptly to the sources of income, i.e. ESFA statement of funding
- VAT returns are being submitted on time
- Direct debit and standing order arrangements are appropriate and have been correctly authorised
- Individual staff salary payments are reconciled to the employee's contract on a regular basis (at least each term)
- All balance sheet accounts i.e. Creditors, Debtors, control accounts are reconciled each month.

14.3 Separation of Duties

It is the responsibility of the Headteacher to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:

- Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
- Authorisation – the authorisation of transaction such as a purchase order and the payment.
- Payment – the raising of cheques / BACS and cheque / BACS signatories.
- BACS payments – Creation and amendment of Supplier's bank details must be double checked.
- Custody – the holding of goods and services.
- Recording – the completion of the accounting records
- Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation
- Income collection process must adhere to the regulations laid out in section 9 of this document, including appropriate separation of duties.

It is accepted that the Trustees are aware of the need for separation of financial duties, however if, due to the small size of the academy, there are insufficient staff to separately perform these tasks, extra additional checks will be made by the Headteacher Principal or a nominated member of the Local Governing Body.

15. INSURANCE

15.1 The Trustees must ensure the academy has adequate insurance cover to support its activities and to comply with statutory requirements. Unless otherwise agreed with the DfE/Education Schools Funding Agency, this should include cover as follows:

- buildings and contents of the academy, in accordance with normal commercial practice or under the terms of any leases held by the academy, against damage by subsidence, fire, lightning, explosion, storm, flood, riot, malicious damage, terrorism and similar risks, and theft.

- business interruption, for example to provide alternative temporary accommodation (suggested minimum cover £10m):
- employer's and public liability cover against the governors' responsibility for injury or illness of staff of third parties, or damage to third party property (suggested minimum cover £50m each);
- cover required by statute for vehicles operated by the academy

15.2 Other insurance cover to be arranged should include:

- libel and slander
- cash in transit
- personal accident
- fidelity guarantee
- off-site activities insurance, covering comprehensive travel risks for official trips and activities taking place off site
- insurance for hirers
- cover for extra costs arising from a major disaster or tragedy over and above normal business interruption provision such as counselling services for pupils
- staff sickness insurance
- engineering inspection contract to cover statutory inspection requirements relevant to lifts, boilers, air receivers and fume cupboards etc.

15.3 It is the responsibility of the ACADEMY FINANCE LEAD/Headteacher/CFO to arrange and renew insurance for the academy.

Authorisation and Monetary Limits Barnes Farm Infant School

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Authorisation Limits

Expenditure Limits

Caretaker (emergency minor building repairs)	Up to £500
Headteacher	Up to £5,000
CFO/CEO/Local Governing Body	Expenditure exceeding budget or is from £5,001 to £10,000
Board of Trustees	Over £10,000

Virement Limits (including budget increases in LA funding) All Virements must be reported to the Chief Financial Officer

Headteacher	Up to £5,000
CFO/CEO/Local Governing Body	From £5,001 to £10,000
Board of Trustees	Over £10,000

Writing off bad debts

Academy Finance Lead	Up to £25
Headteacher	From £26 to £250
CFO/CEO/Local Governing Body	From £251 to £500
Board of Trustees	Over £500 up to amount in annual funding letter and approval from ESFA.

Disposal of Surplus Stock, Stores & Assets (estimated value)

Headteacher	Up to £250
CFO/CEO/Local Governing Body	From £251 to £5,000
Board of Trustees	Over £5,000

Other Monetary Limits

Mileage Allowance

HM Revenue & Customs approved rate

Safe Cash/ Cheque limits

During business hours and cash in transit - £5000. Outside of business hours £2000

Ordering Procedures

3 Competitive quotations - evidence required

£5,000 - £50,000

Tendering procedure

Over £50,000

OJEU Tendering procedure (January 2014)

Over 209,000 Euros

Pre-Authorisation Approval Procedures

Personal Expenses

Headteacher

CEO/Chair of Local Governing

Body/Chair of Trustees

Other Staff

Headteacher

Credit Card Expenditure

Headteacher

CEO/Chair of Local Governing Body/

Chair of Trustees

Inventory Register	£500 plus items that are portable and attractive	
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Authorisation and Monetary Limits Barnes Farm Junior School

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Authorisation Limits

Expenditure Limits

Caretaker (emergency minor building repairs)	Up to £500
Headteacher	Up to £5,000
CEO/CFO/Local Governing Body	Expenditure exceeding budget or is from £5,001 to £10,000
Board of Trustees	Over £10,000

Virement Limits (including budget increases in LA funding) **All Virements must be reported to the Chief Financial Officer**

Headteacher	Up to £5,000
CEO/CFO/Local Governing Body	From £5,001 to £10,000
Board of Trustees	Over £10,000

Writing off bad debts

Academy Finance Lead	Up to £25
Headteacher	From £26 to £250
CFO/CEO/Local Governing Body	From £251 to £500
Board of Trustees	Over £500 up to amount in annual funding letter and approval from ESFA

Disposal of Surplus Stock, Stores & Assets (estimated value)

Headteacher	Up to £250
Trustees Finance Committee	From £251 to £5,000
Board of Trustees	Over £5,000

Other Monetary Limits

Mileage Allowance

HM Revenue & Customs approved rate

Safe Cash/ Cheque limits

During business hours and cash in transit - £5000. Outside of business hours £2000

Ordering Procedures

3 Competitive quotations - evidence required

£5,000 - £50,000

Tendering procedure

Over £50,000

OJEU Tendering procedure (January 2014)

Over 207,000 Euros

Pre-Authorisation Approval Procedures

Personal Expenses

Headteacher

CEO/Chair of Local Governing

Body/Chair of Trustees

Other Staff

Headteacher

Credit Card Expenditure

Headteacher

CEO/Chair of Local Governing Body/

Chair of Trustees

Inventory Register	£500 plus items that are portable and attractive	
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Authorisation and Monetary Limits Perryfields Infant School

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Authorisation Limits

Expenditure Limits

Site Manager (emergency minor building repairs)	Up to £500
Headteacher	Up to £5,000
CFO/CEO/Local Governing Body	Expenditure exceeding budget is from £5,001 to £10,000
Board of Trustees	Over £10,000

Virement Limits (including budget increases in LA funding) the Chief Financial Officer

All virements must be reported to

Headteacher	Up to £5,000
CFO/CEO/Local Governing Body	From £5,001 to £10,000
Board of Trustees	Over £10,000

Writing off bad debts

Academy Finance Lead	Up to £100
Headteacher	From £100 to £5000
CFO/CEO/Local governing Body	From £5001 to £10,000
Board of Trustees	Over £10,000 Up to amount in annual funding letter and approval from ESFA

Disposal of Surplus Stock, Stores & Assets (estimated value)

Headteacher	Up to £500
CFO/CEO/Local Governing Body	From £500 to £5,000
Board of Trustees	Over £5,000

Other Monetary Limits

Mileage Allowance

HM Revenue & Customs approved rate

Safe Cash/ Cheque limits

During business hours and cash in transit - £5000. Outside of business hours £2000

Ordering Procedures

3 Competitive quotations - evidence required

£5,000 - £50,000

Tendering procedure

Over £50,000

OJEU Tendering procedure

Over 209,000 Euros

Pre-Authorisation Approval Procedures

Personal Expenses

Headteacher

CEO/Chair of Local Governing Body

Other Staff

Headteacher

Credit Card Expenditure

Headteacher

CEO/Chair of Local Governing Body

Inventory Register	£500 plus items that are portable and attractive	
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Expenditure Limits/Ordering Procedures Roding Valley

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £300 up to £3000	Budget Holder SLT line manager
Order Approval	Up to £25,000	Headteacher/Academy Finance Lead
Order Approval	Up to £50,000	CFO/CEO/Local Governing Body
Order Approval	Over £50,000	Chair of Trustees
3 competitive quotations	£5,000 to £50,000	
Formal Tender Process required	Over £50,000	
OJEU Tendering Procedure	Over £113,057 – Supplies/Services Over £4,348,350 – Works Rates as at Sept 2012	
Authority to accept other than lowest quote		Headteacher but must be reported to Local Governing Body
Authority to accept other than lowest tender		Board of Trustees

BACS Signatories for Payments for other Schools by Central Team

Value	Delegated Authority	Additional Guidance
Bacs where single item included to a value of £15,000	Central Team Head of School and Academy Lead	Ensure bank mandate is complied with.
Bacs where single item over £15,000	Head of School, Academy Lead, CEO or CFO	

Virement Approval

Value	Delegated Authority	Additional Guidance
Up to £15,000	Headteacher	All virements must be recorded on a sequential numbered virement form and reported to the Chief Financial Officer
Over £15,000 upto £50000	CEO/CFO	
Over £50000	Board of Trustees	

Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CFO/CEO	
Over £5000	Board of Trustees	Plus prior approval of ESFA Freehold land & Buildings /heritage assets as per section 3.8 Academies Financial Handbook 2017

Write off of Bad Debts

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CEO/CFO	
Over £5,000	Board of Trustees	Upto amount in annual funding letter and approval of the ESFA.

Authorisation and Approval of Returns & Reconciliations

Return	Delegated Authority	Time Frame
VAT Return	Headteacher/Academy Finance Lead	Preparation Monthly in accordance with LA timetable
Bank Reconciliation	Headteacher	Monthly
Funding Reconciliation	Headteacher	Monthly

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	45p/mile	
Petty Cash Imprest	N/A	
Safe Cash/Cheque Limits	Cash £5000 in transit, business hours	Outside business hours £2000
Inventory Register	£500 plus items that are portable and attractive	

- Mileage allowance is based on current HMRC guidance and the Trust will always adopt HMRC rates.

Expenditure Limits/Ordering Procedures The Boswells School

These limits are taken from the financial regulations that were approved by the Board of Trustees on:
25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £300 up to £3000	Budget Holder SLT line manager
Order Approval	Up to £25,000	Headteacher/Academy Finance Lead
Order Approval	Up to £50,000	CFO/CEO/Local Governing Body
Order Approval	Over £50,000	Chair of Trustees
3 competitive quotations	£5,000 to £50,000	
Formal Tender Process required	Over £50,000	
OJEU Tendering Procedure	Over £113,057 – Supplies/Services Over £4,348,350 – Works Rates as at Sept 2012	
Authority to accept other than lowest quote		Headteacher but must be reported to Local Governing Body
Authority to accept other than lowest tender		Board of Trustees

Cheque/Standing Order/Direct Debit/BACS Signatories – School Fund Account

Value	Delegated Authority	Additional Guidance
Up to £15,000	Two signatories	Ensure bank mandate is complied with.
Above £15,000	Chair or Vice Chair of Local Governing Body plus one other	

Virement Approval

Value	Delegated Authority	Additional Guidance
Up to £5,000	Headteacher	All virements must be recorded on a sequential numbered virement form and reported to the Chief Financial Officer
Over £5,000 upto £10000	CFO/CEO/Local Governing Body	
Over £10,000	Board of Trustees	

Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CFO/CEO/Local Governing Body	
Over £5000	Board of Trustees	Plus prior approval of ESFA Freehold land & Buildings /heritage assets as per section 3.8 Academies Financial Handbook 2017

Write off of Bad Debts

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CFO/CEO/Local Governing Body	
Over £5,000	Board of Trustees	Upto amount in annual funding letter and approval of the ESFA.

Authorisation and Approval of Returns & Reconciliations

Return	Delegated Authority	Time Frame
VAT Return	Headteacher/Academy Finance Lead	Preparation Monthly in accordance with LA timetable
Bank Reconciliation	Headteacher	Monthly
Funding Reconciliation	Headteacher	Monthly

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	45p/mile	
Petty Cash Imprest	N/A	
Safe Cash/Cheque Limits	See Roding Valley for limits	
Inventory Register	£500 plus items that are portable and attractive	

Expenditure Limits/Ordering Procedures Beaulieu Park School

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £300 up to £3000	Budget Holder SLT line manager
Order Approval	Up to £25,000	Headteacher/Academy Finance Lead
Order Approval	Up to £50,000	CFO/CEO/Local Governing Body
Order Approval	Over £50,000	Chair of Trustees
3 competitive quotations	£5,000 to £50,000	
Formal Tender Process required	Over £50,000	
OJEU Tendering Procedure	Over £113,057 – Supplies/Services Over £4,348,350 – Works Rates as at Sept 2012	
Authority to accept other than lowest quote		Headteacher but must be reported to Local Governing Body
Authority to accept other than lowest tender		Board of Trustees

Cheque/Standing Order/Direct Debit/BACS Signatories – School Fund Account

Value	Delegated Authority	Additional Guidance
Up to £15,000	Two signatories	Ensure bank mandate is complied with.
Above £15,000	Chair or Vice Chair of Local Governing Body plus one other	

Virement Approval

Value	Delegated Authority	Additional Guidance
Up to £5,000	Headteacher	All virements must be recorded on a sequential numbered virement form and reported to the Chief Financial Officer
Over £5,000 upto £10000	CFO/CEO/Local Governing Body	

Over £10000	Board of Trustees	
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Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CFO/CEO/Local Governing Body	
Over £5000	Board of Trustees	Plus prior approval of ESFA Freehold land & Buildings /heritage assets as per section 3.8 Academies Financial Handbook 2017

Write off of Bad Debts

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CEO/CFO/Local Governing Body	
Over £5,000	Board of Trustees	Upto amount in annual funding letter and approval of the ESFA.

Authorisation and Approval of Returns & Reconciliations

Return	Delegated Authority	Time Frame
VAT Return	Headteacher/Academy Finance Lead	Preparation Monthly in accordance with LA timetable
Bank Reconciliation	Headteacher	Monthly
Funding Reconciliation	Headteacher	Monthly

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	45p/mile	
Petty Cash Imprest	N/A	
Safe Cash/Cheque Limits	See Roding Valley for limits	
Inventory Register	£500 plus items that are portable and attractive	

Authorisation and Monetary Limits - Tyrrells Academy

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Authorisation Limits

Expenditure Limits

Site Manager (emergency minor building repairs)	Up to £500
Headteacher	Up to £10,000
CFO/CEO/Local Governing Body	From £10,001 to £15,000
Board of Trustees	Over £15,000

Virement Limits

Headteacher	Up to £10,000
CFO/CEO/Local Governing Body	Up to £20000
Chief Financial Officer	Up to £30000
Board of Trustees	Over £30000

All Virements MUST be reported to the Chief Financial Officer

Writing off bad debts

ACADEMY FINANCE LEAD	Up to £25
Headteacher	From £26 to £5,000
CFO/CEO/Local Governing Body	Up to £10000
Board of Trustees	Over £10000 up to Amount in annual funding letter and approval from ESFA

Disposal of Surplus Stock, Stores & Assets (estimated value) -

Headteacher	Up to £250
CFO/CEO/Local Governing Body	From £251 to £5,000 Trustees Finance
Committee Over £5,000	
Board of Trustees plus prior approval of ESFA	Freehold land & buildings/heritage assets as per section 3.8 Academies Financial Handbook 2017

Other Monetary Limits

Mileage Allowance

HM Revenue & Customs approved rate

Cash limits

During business hours and cash in transit - £5000. Outside of business hours £2000

Ordering Procedures

3 Competitive quotations (written evidence required)	£5,000 - £50,000
Tendering procedure	Over £50,000
Tendering procedure + OJEU	€207,000+ (Euros) for supplies and services
Tendering procedure + OJEU	€5,186,000+ (Euros) for works

Inventory Register	£500 plus items that are portable and attractive	
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Expenditure Limits/Ordering Procedures The Chelmsford Learning Partnership

These limits are taken from the financial regulations that were approved by the Board of Trustees on: 25th March 2019

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £300 up to £3000	Budget Holder SLT line manager
Order Approval	Up to £15,000	Headteacher/Academy Finance Lead
Order Approval	Up to £25,000	CFO/CEO/Local Governing Body
Order Approval	Over £25,000	Chair of Trustees
3 competitive quotations	£5,000 to £50,000	
Formal Tender Process required	Over £50,000	
OJEU Tendering Procedure	Over £113,057 – Supplies/Services Over £4,348,350 – Works Rates as at Sept 2012	
Authority to accept other than lowest quote		Headteacher but must be reported to Local Governing Body
Authority to accept other than lowest tender		Board of Trustees

Virement Approval

Value	Delegated Authority	Additional Guidance
Up to £5,000	CEO	All virements must be recorded on a sequential numbered virement form and reported to the Chief Financial Officer
Over £5,000 upto £10000	Chair of Trustees	
Over £10000 upto £25000	Finance Committee	
Over £25000	Board of Trustees	

Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CFO/CEO/Local Governing Body	
Over £5000	Board of Trustees	Plus prior approval of ESFA Freehold land & Buildings /heritage assests as per section 3.8 Academies Financial Handbook 2017

Write off of Bad Debts

Value	Delegated Authority	Additional Guidance
Up to £500	Headteacher/Academy Finance Lead	
Up to £5000	CEO/CFO/Local Governing Body	
Over £5,000	Board of Trustees	Upto amount in annual funding letter and approval of the ESFA.

Authorisation and Approval of Returns & Reconciliations

Return	Delegated Authority	Time Frame
VAT Return	Headteacher/Academy Finance Lead	Preparation Monthly in accordance with LA timetable
Bank Reconciliation	Headteacher	Monthly
Funding Reconciliation	Headteacher	Monthly

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	45p/mile	
Petty Cash Imprest	N/A	
Safe Cash/Cheque Limits	See Roding Valley for limits	
Inventory Register	£500 plus items that are portable and attractive	

Updates to Financial Regulations:

Date	Change
25 th March 2019	Additions: 2.34 – MAT Virements Page 52 MAT Authorisation Limits Item 12: Members and Trustees Added Item 10.9 Chair of Trustees Added, Academy Finance Lead deleted Item 5.56 – In year changes to budgets added Page’s 43, 46 and 48 – Headteacher/School Lead Limits increased, CFO/CEO, Limits increased and amount for authorisation by Chair of Trustees increased to assist with day to day school management. Page 55 and 56 added – Gifts Given and Received registers added. Page 50: Tyrrells Virements - Trustee Finance Committee changed to Board of Trustee’s.

Register of Gifts and Hospitality Received and Given 2018/19

Gifts Received:

Recipient	Name of Business Providing Gift or Hospitality	Nature of Business	Relationship of Business to School	Nature of Gift or Hospitality	Date of receipt of Gifts or Hospitality	Value of Gifts or Hospitality	Approval

The Gifts Received Register should be completed for all gifts over £___ as specified in the academy trust’s Gifts and Hospitality Policy dated _____.

It is recommended that the Gifts Received Register is periodically signed by an appropriate member of staff or governing body to confirm nil returns.

Gifts Given2018/19:

Name of Member of Staff Providing Gift or Hospitality	Recipient	Relationship of Recipient to School	Nature of Business of Recipient	Nature of Gift or Hospitality	Date of receipt of Gifts or Hospitality	Value of Gifts or Hospitality	Approval

The Gifts Given Register should be completed for all gifts over £___ as specified in the academy trust’s Gifts and Hospitality Policy dated _____.

It is recommended that the Gifts Given Register is periodically signed by an appropriate member of staff or governing body to confirm nil returns.