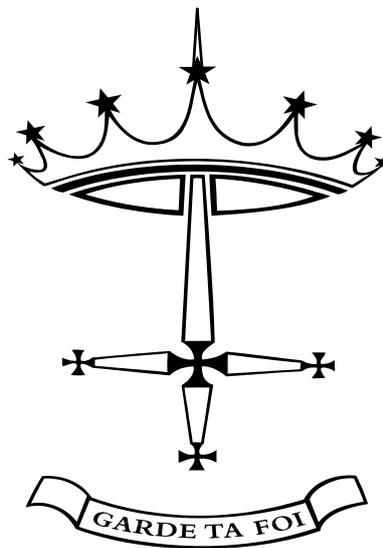


Saint John Houghton Catholic Voluntary Academy



Financial Procedures Manual From September 2015 onwards

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Introduction

The purpose of this manual is to ensure that the Academy maintains and develops systems of financial control which comply with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Secretary.

The Academy must comply with the principles of financial control outlined in the guidance published by the Education Funding Agency (EFA) in the Academies Financial Handbook. This manual expands on that and provides detailed information on the Academy's accounting procedures. The manual should be read by all staff involved with financial systems.

Responsibilities

INTRODUCTION

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 governors and staff.

PROPER AND REGULAR USE OF PUBLIC FUNDS

In accordance with the academies financial handbook, the Academy must ensure that:

- Spending has been for the purpose intended.
- No trustee, governor, employee or related party has benefited personally from the use of funds.
- All trustees have completed the register of business interests and there are measures in place to manage any conflicts of interest.
- There are no payments to any trustee unless such payment is permitted by the articles and, where applicable, comply with the terms of any relevant agreement entered into with the Education Secretary.
- Their senior officers' payroll arrangements fully meet their tax obligations and comply with the Treasury's directions regarding the employment and contract arrangements of individuals on the avoidance of tax.
- There is probity in the use of public funds.
- A competitive tendering policy is in place and applied.
- There is no disposal of publicly funded assets without the Education Secretary's consent, where such consent is required.

THE TRUSTEES OF SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST

The trustees and directors of the trust have responsibility for ensuring that the Academy's funds are used only in accordance with:

- The law.
- Their powers under the funding agreement, including the articles of association which set out the powers of the Academy and its governance arrangements.

- The academies financial handbook.

The multi-academy trust (MAT) is responsible for the proper stewardship of the Academy's funds and for ensuring economy, efficiency and effectiveness in their use. It must also ensure that it uses its discretion reasonably, and take into account relevant guidance on accountability or propriety.

The members of the governing body are charity trustees and company directors.

As charity trustees they are required to:

- Ensure compliance with legal obligations.
- Report on the Academy's activities.
- Fulfil the charitable object of the charity as set out in the articles of association.
- Comply with the rules of the charity, as set out in the articles of association.
- Act with integrity and avoid any personal conflicts of interest.
- Not to misuse charity funds or assets.
- Act prudently in the financial management of the charity, avoiding putting the assets, funds or reputation of the charity at risk.
- Exercise reasonable care and skill, using personal knowledge and experience to ensure the charity is well run and efficient.
- Act responsibly, obtaining advice from others, including professional advisers, where appropriate.

As company directors, they are required to:

- Exercise their powers only for a proper purpose of the company.
- Promote the company's success.
- Exercise independent judgement.
- Exercise care and skill.
- Avoid conflicts of interest.

The specific tasks of the trustees and directors which has been delegated to the Finance & General Purpose Committee (F&GP) are to:

- Approve the Academy's budget and minute their approval.
- Submit the budget to the EFA in the form they require by the specified date.
- Notify the EFA of significant changes to the budget.
- Comply with the EFA's requirement to obtain its permission before entering into certain transactions.

- Manage the Academy's tax affairs in accordance with legislation and avoid any penalties.
- Have in place:
 - Sound internal control procedures.
 - Risk management procedures.
 - Adequate insurance cover.
 - A business continuity plan.
- Approve the Academy's accounting policies.
- Maintain proper accounts.
- Appoint a registered auditor, avoiding conflicts of interest.
- Prepare annual financial statements.

Finance & General Purpose Committee (F&GP)

The local governing body has established a F&GP committee, which meets once a term, or more frequently if necessary. This committee is responsible for monitoring and making recommendations to the trust on matters related to finance. The trust has:

- Defined its terms of reference.
- Prescribed the extent of its delegated authority.
- Ensured it receives minutes of the committee's meetings.
- The trust committee reviews the F&GP committee's remit and membership annually.
- The F&GP committee is also responsible for monitoring and making recommendations to the trust on matters related to audit.

AUDIT COMMITTEE

The Academy Trust has an audit committee who's principal role is to provide assurance to the Trust Directors on the following issues:

- The discharge of its financial responsibilities according to the requirements of the EFA.
- The efficient, economical and effective management of resources and expenditure, including funds, capital assets and equipment, and staff.
- The introduction and maintenance of sound internal financial controls.
- That financial consideration are taken fully into account in reaching decisions and in their execution.

The programme of checks carried out is agreed with the Trust. An internal assurance assessor will carry out and will provide the F&GP committee with a written report explaining any material control issues and remedial action required.

ACCOUNTING OFFICER – J MCCARTHY

Mrs J McCarthy is the Accounting officer who has personal responsibility to the Multi Academy Trust (MAT), Parliament and the accounting officer of the EFA for the resources under their control. The essence of the role is:

- Personal responsibility for the propriety and regularity of the MAT's funds.
- Keeping proper accounts.
- Prudent and economical administration.
- The avoidance of waste and extravagance.
- Ensuring value for money.
- The efficient and effective use of all of the resources in their charge.
- The day-to-day organisation, staffing and management of the MAT.

The accounting officer must advise the board of trustees in writing if, at any time, in his or her opinion:

- Any action or policy under consideration by the governing body is incompatible with the terms of the academies financial handbook or the funding agreement.
- The board appears to be failing to act where required to do so by the terms and conditions of the academies financial handbook or the funding agreement.

If the board proceeds, contrary to the advice of the accounting officer, and the accounting officer believes that they are in breach of the academies financial handbook or the funding agreement, the accounting officer must advise the EFA's accounting officer of the position in writing.

SPECIFIC FINANCIAL TASKS DELEGATED TO THE HEADTEACHER

The Headteacher has delegated responsibility for:

- Leading and managing the Academy development plan which is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increase teachers' effectiveness and secure improvement of the Academy's performance.
- Ensuring that all relevant EFA financial requirements are implemented.
- Establishing and maintaining sound internal financial controls which are managed on a daily basis by the Headteacher and finance director/Finance Director.
- Ensuring the effective implementation of current financial systems and procedures described in the financial procedures manual.
- Ensuring that the funds delegated to the Academy are in accordance with their legal entitlement.
- Ensuring draft budgets are compiled for the appropriate committees.
- Ensuring the efficient and effective deployment of the Academy's resources.

- Ensuring that financial reports are produced for the governing body, EFA and Companies House as required.

FINANCE DIRECTOR

The Finance Director is the principal finance officer and is responsible for the following financial duties:

- The day-to-day management of financial issues.
- The maintenance of effective systems of internal control.
- The maintenance of the Academy's accounting records.
- Preparing and monitoring the budget.
- Reporting the Academy's results to the Headteacher, F&GP committee and trust committee.
- Providing financial advice to the Headteacher F&GP committee and trust committee.
- Ensuring that the annual financial statements are properly presented and adequately supported by the underlying books and records of the Academy.
- Ensuring that the Academy receives all of the income to which it is entitled.
- Ensuring the accuracy and integrity of the Academy's payroll.
- Making purchases in accordance with the Academy's procurement policy.
- Managing specific projects, eg capital projects.
- Obtaining legal advice when appropriate.
- Ensuring regular communication with the responsible officer and auditors.
- Lead officer for the finance committee.

FINANCE OFFICERS

The finance officers are responsible for:

- Maintaining the Academy's accounting records.
- Liaising with budget holders and providing regular reports.
- Ensuring financial procedures are adhered to at all times.
- Preparation of monthly payroll information.
- Managing petty cash.
- Maintaining sample signature lists.
- Ensuring the register of business interests is updated.

Other Staff

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.

Whistleblowing & Fraud - see ANNEX 1 & 2

The staff and directors of Saint Robert Lawrence Catholic Academy Trust seek to run all aspects of Academy business and activity with full regard for high standards of conduct and integrity. If members of Trust, staff, parents, governors or the Academy community at large become aware of activities which give cause for concern, we have a Whistle Blowing policy. This acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the Academy's disciplinary procedure.

We are committed to tackling fraud and other forms of malpractice and treat these issues seriously. We recognise that some concerns may be extremely sensitive and has therefore developed a system which allows for the confidential raising of concerns within the Academy environment but also has

The headteacher will be responsible for monitoring the implementation and effectiveness of this policy. It will be reviewed by the governing body as necessary.

Register of business interests policy

Trustees, directors, the governing body and members of staff who can influence buying decisions recognise their responsibility to avoid any conflict between their business and personal interests and those of the Academy.

The Academy therefore maintains a register of the business interests of each governor, member of staff with significant financial responsibilities, their relatives and other individuals who may exert influence. The register includes:

- Interests with suppliers from which the Academy may wish to buy goods or services.
- Interests in the appointment, salary, promotion or conditions of service of members of staff.

The information in the register is taken into account whenever buying or staffing decisions are made. Any governor or member of staff who has an interest in a business tendering for a contract does not form part of the committee awarding the contract. Any governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Governors and members of staff are required to inform the Academy of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate. Any governor or member of staff who is unwilling to declare their interests or complete a nil return is not permitted to influence a buying or staffing decision.

The minutes of the trust committee, full governing body, F&GP committee, or any other committee which can influence a buying decision record a standard agenda point seeking updates to governors' business interests.

The only exception to the requirement to disclose a business interest is that if the interest is so distant or small that no ordinary right-thinking person would expect it to influence a person who might have dealings with the firm concerned. In such cases, it need not be disclosed. An example is a modest

shareholding in a large public company even if the Academy has or may have dealings with the company.

The register is freely available for inspection by governors, staff and parents on the trust website.

RECEIPT OF GIFTS, HOSPITALITY, ENTERTAINMENT AND OTHER SERVICES

Directors, Governors and members of staff involved in making buying decisions do not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. The Academy maintains a register of gifts and favours offered and whether these were accepted or rejected. Governors and members of staff are required to inform the Academy of such offers as they arise.

EXPENDITURE ON GIFTS, HOSPITALITY, ENTERTAINMENT AND FAVOURS

The Trust approves any expenditure on gifts, hospitality, ex-gratia payments and losses to be written off. The Academy maintains a log of these. Such expenditure is only authorised if the governing body can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches. Modest hospitality is occasionally provided outside the workplace. The Finance Manager maintains a register of the occasions when hospitality is provided, the number of people involved and the costs incurred.

PRIVATE USE

The Academy does not obtain goods or services for the private use of directors, governors and members of staff. Governors and members of staff may not:

- Hold any interest in any equipment or property held or used for the Academy.
- Acquire any interest in the disposal of Academy equipment or property at the end of any contract between the Academy and any third party.

Saint John Houghton Catholic Voluntary Academy

Register of business or pecuniary interests

Name of governor or member of staff: _____

Date of appointment to governing body: _____

Date of resignation/retirement: _____

Name of business	Nature of business	Nature of interest	Date of appointment or acquisition	Date of cessation of interest	Signature of governor or member of staff

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

Record of review

Date of review	Reviewed by	Signature		Date of review	Reviewed by	Signature

Audit

The Academy Trust has appointed statutory auditors, Mazars LLP, who are registered under the requirements of the Companies Act, to carry out an audit and certify that the accounts are 'true and fair'.

The auditors' engagement letter explains the external audit service. Additional services, should they be supplied, will be subject to a separate letter of engagement.

The letter of engagement:

- Provides for the removal of the auditors before the expiry of their term of office in exceptional circumstances. Proposals to remove the auditors require a majority vote of the members of the trust board.
- Requires the auditors to state their reasons if they resign from office.

The board must notify the EFA immediately of the removal or resignation of the auditors:

- In the case of removal, the trust board must notify the EFA of the reasons for the removal.
- In the case of resignation, the auditors must copy to the EFA a statement of their reasons.

An accounting officer's statement on governance, regularity, propriety and compliance is included in the Academy's annual report. A review of this statement is included within the external auditors' remit and their opinion on this is addressed jointly to the Academy and the EFA.

The accounting officer also has a responsibility to advise the academy trust and the EFA of any instances of irregularity or impropriety, or non-compliance with the terms of the Academy's funding agreement.

EFA Risk Protection Arrangement

Saint Robert Lawrence Catholic Academy Trust has opted in to the Risk Protection Arrangement (RPA). The RPA is an alternative to commercial insurance.

Funds for insurance are delegated to the Academy and it must demonstrate it can cover insurable interests under a policy arranged by the governing body.

The Trust has engaged Franklands – Insurance & Risk Management - to ensure that the sums insured are commensurate with risks.

The main types of risk cover which are in place are:

- Premises and contents. These should be insured at replacement cost against damage by subsidence, fire, lightning, explosion, storm, flood, riot, malicious damage, terrorism and similar risks.
- Business interruption.
- Governing body and employer liability. The currently recommended minimum level of cover for academies is £10m for each.
- Any statutory motor transport insurance.

- Loss of assets through fraud or dishonesty on the part of employees.
- Personal accident.
- Fidelity insurance.

Details of the RPA and any additional commercial insurance is held by the Academy are kept in the office of the Finance Director.

Franklands are notified of all new risks, property and equipment and vehicles which require insurance or any other alteration affecting existing insurance on a timely basis.

The Academy does not give any indemnity to a third party without the written consent of their insurers.

The Academy immediately informs Franklands (who act on the Trust's behalf) of all accidents, losses and other incidents, which may give rise to an insurance claim.

Claims under an insurance policy are authorised by the Finance Director prior to submission to the EFA.

Minibus insurance, motor occasional business use, engineering and overseas travel is covered by a commercial insurance Zurich Municipal.

Any member of staff using their car for Academy purposes is covered by the Academy's insurance policy.

Taxation

The Academy abides by the procedures issued by the HMRC (Her Majesty's Revenue & Customs) in connection with VAT.

The Academy keeps potential 'trading' activities under review and considers whether to set up a subsidiary trading company.

The Finance Director will claim refundable VAT from HMRC for the Academy Trust

Academy development plan and budgeting

BUDGETING

The local governing body has an Academy development plan, which explains how it intends to use its resources to achieve its aims and objectives. A three year budget derives from this plan.

The plan takes account of:

- The educational priorities for the Academy.
- Likely demographic changes affecting pupils and staff.
- The building and repair maintenance programme.
- Repair and renewal programmes for furniture, fittings and equipment.

The plan is reviewed on an annual basis and updated in the light of new information and changed priorities.

The budget is constructed using the following processes:

- An estimation of income, including grant and other income such as income from lettings, catering and the school shop.
- An estimation of staffing costs, based on a staff salary calculator and taking into account known appointments, retirements and rates of pay.
- An estimation of other expenditure based on service level agreements and likely cost trends.
- The identification of potential savings.
- The allocation of curriculum budgets to departments, using a transparent formula to allocate funds equitably in line with need and Academy priorities.
- Managing planned levels of unspent balances – ensuring that the resulting annual surplus or deficit is in line with plans to recover from an overall deficit position, or build up unspent balances to fund future development plans.

The budgeting process starts at the beginning of the spring term each year. The Finance Director draws up a draft budget for the following financial year. This is submitted to the F&GP committee for their review, discussion, amendments if appropriate and their approval, before sending to the EFA by their specified deadline.

The governing body may not set a deficit budget. If an unplanned deficit occurs during the financial year, the Academy must notify the EFA as soon as it is aware of this.

The budget can only be amended for virements after it has been approved by the governing body and sent to the EFA. Budget holders cannot exceed their budget allocation, unless they have the written approval of the Headteacher.

The F&GP committee formally monitors the implementation of the Academy's budget on behalf of the academy trust.

Reporting financial results

BUDGET MONITORING REPORTS

The Academy's budget monitoring reports display the following information in columnar format:

- The annual budget approved by governors.
- The actual spend to date.
- Commitments.
- The percentage of the budget spent and committed.
- End-of-year projections.

The Finance Director carries out monthly reviews of actual performance against budget and produces a schedule explaining variances and recommending virements.

A monthly balance sheet is also prepared.

The F&GP committee reviews these reports.

Budget holders receive monthly reports showing budgeted expenditure, actual expenditure on an accruals basis and commitments.

Cash flow

The Finance Director is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps are taken to invest the extra funds. Similarly plans are made to transfer funds from another bank account or to re-profile general annual grant to cover potential cash shortages.

Computerised accounting system

The Finance Director has prepared a business continuity plan which includes the actions the Academy would take in the event of loss of accounting facilities or financial data. This links in with the annual assessment made by governors of the major risks to which the Academy is exposed and the systems that have been put in place to mitigate those risks.

The Academy's use Capita SIMS FMS accounting system to record all financial transactions. The software and data files are hosted in the cloud by Capita. Access to the system is restricted to the Academy's employees and those authorised by the Finance Director. The system is accessed by passwords, which are changed routinely. Passwords are only known by the relevant member of staff. Passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. If an outside provider uses the computerised accounting system, they are given their own user id and password.

Hosted SIMS FMS is securely hosted at a Microsoft Azure hosting centre. As part of this fully-managed service all upgrades and backups are carried out by Capita, thus ensuring that the system is working at optimum efficiency.

Reviews are carried out to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the Academy is removed as soon as the staff member leaves.

A hard copy of the nominal ledger is printed each month.

The Academy complies with the requirements of the Data Protection Act.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements etc are retained in hard copy for six years, plus the current year, in a secure area.

TRANSACTION PROCESSING

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. All journal entries must be documented on the appropriate journal form, recorded in the journal book and authorised by the Finance Director before being input to the accounting system.

The Finance Director obtains and reviews system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed includes:

- Weekly audit trails.
- Amendment reports for payroll, the purchase ledger and the sales ledger.
- Management accounts summarising expenditure and income against budget at budget holder level.

RECONCILIATIONS

The Finance Director is responsible for ensuring that the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account.
- Purchase ledger control account.
- Payroll control account.
- All suspense accounts.
- Bank balance per the nominal ledger to the bank statement.

The Finance Director signs all reconciliations as evidence of review.

Authorised signatories list

An authorised signatory list, including specimen signatures and covering all key financial systems, is held in the finance office for reference purposes.

Payroll

The Academy Trust formally approves all appointments, terminations and salary levels. They have established procedures to:

- Ensure personnel are competent, suitably qualified and trained to a level consistent with their responsibilities.
- Provide clear statements of criteria for personnel selection.
- Provide formal job descriptions.
- Ensure that the cost of all appointments, re-gradings and any other changes in conditions of service of staff can be met within the resources available to the Academy.

The Finance Director maintains a list of staff employed by the Academy and their current salaries, which has been authorised by the Headteacher/Trust Pay Committee.

The Academy uses the services of Derbyshire County Council as a payroll agent and the contract between the Academy and the agent includes:

- The responsibilities of the Academy and the payroll bureau.
- The responsibility for making returns to HMRC and the dates by which these returns should be made.

- Details of ownership of programs and data files.
- Responsibilities for the control and accuracy of data.
- Details of authorised signatories for payroll amendments.
- Back up provisions.
- A schedule of reports to be sent to the Academy for financial and personnel monitoring purposes.
- An agreement as to the response time and costs that will be charged for any additional data or reports required by the Academy.
- Provision for access for Academy staff and auditors.

Derbyshire County Council processes the staff payroll only on the written instructions of the Headteacher, Deputy Headteacher and the Finance Director. They do not process salary changes authorised by the person whose salary is changing. The chair of governors notifies any changes to the Headteacher's salary to the payroll agent.

Payments are made as follows:

- Net payments to staff, by BACS, to employees of the Academy.
- HMRC payments, by the Academy, to HMRC.
- Pensions payments, by the Academy to the pensions authorities.
- Overtime claims, as part of net payments to staff, through the payroll.

Access to personnel files is restricted to the Headteacher, the Company Secretary and the Office Manager.

No individual is treated as 'self-employed' without the clearance of HMRC.

MONTHLY PROCEDURES

- The Office Manager provide information to the Finance Director to allow her complete standing data amendment forms and summarises overtime worked.
- The Finance Director ensures that expenses and overtime have been validly incurred and appropriately authorised. Claims are not returned to claimants after this check has been carried out.
- The Headteacher ensures these checks have been carried out and authorises the information to be sent to the payroll agent.
- The Finance Director checks the payroll printout received from the payroll agent to ensure that it is only paying its own staff at the correct rates – using the 5% variance report.
- The Headteacher or Finance Director and the Headteacher(retrospectively) authorise the payroll agent in writing to make the salary payments.

- A monthly print-out of amounts paid to employees is retained by the Academy and initialled by Finance Director as evidence of the checking and authorisation procedure.
- The Finance Director checks gross pay as per the payroll to personnel records annually.

FAILURE OF THE PAYROLL SYSTEM

Monthly salary payments are transmitted via the payroll agent. The transmission to bank takes place at least three working days before the payment date. Therefore the Academy should be aware of any difficulties at least three working days in advance, thus minimising risk.

The Academy's bank has been consulted regarding a possible failure to the payroll system or the usual method of transmission. In the event that pay details could not be transmitted to the bank via the usual system, the payroll database would be emailed directly to the bank and the content checked via telephone. The bank would arrange payments directly.

In the event of total IT failure at the Academy, payments would be discussed directly by telephone with the payroll agent.

Purchasing

The governing body makes their buying decisions in accordance with the principles of 'best value' probity and accountability.

- **Probity** – it must be demonstrated that there is no corruption or private gain involved in the contractual relationships of the Academy;
- **Accountability** – the Academy is 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.

Contracts are placed on a competitive basis and the reasons for selecting a supplier are minuted. Divisible contracts are prohibited. The health and safety competence of contractors is assessed.

Only contractors registered with their professional or trade association are employed to carry out major work at the Academy.

APPROVED SUPPLIERS

The finance office maintains a database of approved regular suppliers.

The finance office selects suppliers on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account. Consortia are used where they provide value for money.

Suppliers are selected from:

- Business directories.
- Trade journals.
- Supplier catalogues and mailshots.
- Information from other academies.

- Information provided by the EFA.

The listing of approved suppliers is reviewed and approved on an ongoing basis by the Finance Director and on an annual basis by the Headteacher.

TENDERING

All purchases with a value of £50,000 or more are put out to formal tender. The Academy advertises throughout the member states of the European Community where there is a legal requirement to do so. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by the finance office.

Where required by the conditions attached to a specific grant from the DFE/EFA, the relevant body's approval is obtained before accepting a tender.

The following tendering procedures are followed:

- The budget holder prepares a specification, which is authorised by the Headteacher and sent to at least three suppliers.
- The invitations to tender include:
 - An introduction/background to the project.
 - The scope and objectives of the project.
 - Any technical requirements.
 - Implementation details for the project.
 - The terms and conditions of the tender.
 - The form and date of response to the Academy.

The use of brand names is avoided and, where appropriate, a European or British Standard or other quality guideline is sought. Reference is made to appropriate safety standards and fire and health and safety regulations.

- All replies are addressed to the Finance Director in a plain sealed envelope marked 'Tender'.
- No supplier is allowed to amend their tender after the fixed date for receipt.
- All tenders are opened at the same time by staff authorised to do so. Two persons should be present for the opening of tenders as follows:
 - For contracts up to £55,000 – two of the budget holder, the Finance Director or Headteacher.
 - For contracts over £55,000 – either the Finance Director or the Headteacher plus a member of the CELE.
- The following information is recorded:
 - The date and time of opening.

- The names and signatures of those present.
- The value of each tender.
- Details of suppliers who declined the invitation, or failed to submit a tender.
- Any omissions in the submission, for example, documents, signatures, missing data.
- Late tenders are rejected and retained unopened until the contract is awarded. They are then returned to the tenderer with an explanatory note.
- Where contracts under seal provide for payments to be made in instalments, the Headteacher ensures a contract register is maintained which shows the state of the account on each contract together with related professional fees and other payments.
- The decision as to which tender to accept is made by the CELE committee.
- The reasons for accepting a particular tender are in accordance with the Academy's best value policy.
- Suppliers: the following points are considered when deciding which tender to accept:
 - Qualifications, technical ability and experience.
 - Pre-sales demonstrations.
 - After sales service.
 - Quality procedures.
 - References from existing customers.
 - Financial status.
 - Professional indemnity insurance.
- Cost: the following points are considered when deciding which tender to accept:
 - Overall price.
 - Unit price for parts of the product or service.
 - The possibility of 'hidden costs'.
 - Scope for negotiation.

QUOTATIONS

Quotations are obtained as follows:

- Purchases up to £500 – catalogue price lists.
- Purchases of £500 to £2,999 – at least one written quotation, but three if possible

- Purchases of £3,000 to £49,999 – three written quotations.

The Academy keeps a record of suppliers who have been contacted but who have declined to provide a quotation.

PURCHASE ORDERS

Computerised, pre-numbered orders are used for all goods and services and all orders are placed through the finance office.

Orders are only made by telephone in exceptional circumstances and then confirmed in writing. A copy of any spoiled order is retained on the computer, and marked as such. Official Academy orders are not generated for the private use of individuals.

THE ORDERING PROCESS

- The budget holder raises and signs a requisition form stating the number of items and price of the order to be raised.
- The budget holder sends the requisition to the finance team who check that the budget holder has sufficient funds for the purchase.
- The finance office generates a two-part official computer order.
- The Finance Director approves the official order before it is despatched and signs the official order.
- The finance office distributes the copy orders as follows:
 - Top copy (official order) to the supplier.
 - The second copy is retained in the finance office.
- The computer records all orders placed that have not yet been invoiced. The finance office provides a list of orders to the relevant budget holders on request.
- Cancelled orders are marked as such, with the reason for cancellation, and retained in the finance office.

RECEIPT OF GOODS

- All goods received are delivered to the budget holder who carries out a prima facie check to ensure that the delivery is complete and signs a 'goods received and checked' voucher.
- If the delivery is only partly fulfilling an order, the budget holder notifies the finance office which maintains a record of this.
- The finance office follows up any shortages or defective items with the supplier.
- The finance office records shortages or defective items in a central goods returned file.

PURCHASE INVOICES

- The finance office records invoices on the computer as soon as they are received by the Academy.

- The finance office attaches a payment processing voucher to the invoice and passes it to the budget holder for approval.
- The finance office checks the invoice against the order and delivery note and evidences this on the payment voucher.

PAYMENT OF INVOICES

The finance office reviews the creditors' ledger regularly and selects invoices for payment.

It is the policy of the Academy to pay all invoices by the due date and to take advantage of any discounts available for early settlement where this is to the Academy's advantage.

Invoices are paid within 30 days unless they are disputed.

Payment is made when the finance office has made the following checks:

- The purchase is recorded on the purchase ledger.
- The purchase represents valid Academy expenditure.
- Goods or services were ordered using the Academy's ordering policy.
- Goods or services have been received and checked to the order and delivery note.
- Payment has not already been made.
- Prices agree with quotations, tenders, contracts or catalogue prices.
- The arithmetic on the invoice is correct.
- The invoice has been correctly coded.
- Discounts have been taken where applicable.
- VAT is properly accounted for and not claimed on pro-forma invoices.

The finance office completes the relevant sections of the payment voucher. Two of the bank mandate signatories authorise the payment, having ensured that the budget holder has signed the order and that all of the Academy's procedures have been followed.

BACS/CHEQUE PAYMENT

All supporting documentation is passed to the bank mandate signatories for signing. The bank mandate signatories initial the invoices they have seen as a record to show that they were signing for valid Academy expenditure and that the relevant pre-checking process had been carried out by the finance office.

CREDIT NOTES

Credit notes are attached to the relevant invoices when they are received.

COMPLETENESS OF SUPPLIER BALANCES

Invoices and credit notes are posted to the computer as soon as the Academy receives them.

The finance office reconciles individual supplier balances to supplier statements, where available, on a monthly basis.

CONTROLS OVER EXPENDITURE

Individual budget holders are able to authorise for goods and services up to £1,000 (for individual items) and within their budget. Authorisations over this amount must be referred to the Headteacher who can authorise expenditure up to £50,000 (for individual items) or the Finance Director who can authorise expenditure up to £10,000 provided they have already been budgeted for. Over this, authorisation must be sought from the Governing body.

VIREMENTS

Virements (internal transfers) of up to £10,000 may be authorised by the Headteacher. For virements over £10,000, consultation is required with the Headteacher and agreement sought from the Governing body who may authorise any virement of funds.

BUDGET HOLDERS

Budget holders are informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A printout detailing actual expenditure against budget is supplied to each budget holder at the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

Petty cash

Petty cash is used for the purchase of minor items, which have been budgeted for. The maximum balance is £500. The float is only reimbursed from the main bank account. The petty cash tin is held in the safe.

Payments from petty cash are only made if there are sufficient funds in the budget and on production of a till receipt or other proof that payment has been made and cannot exceed £50 in value. An exception to this amount is made to accommodate the requirements of the Duke of Edinburgh team where petty cash is available up to £300 (to cover camping fees and incidental costs). Petty cash payments are subject to the same authorisation procedures as purchases/invoices. They are passed for payment by the budget holder. The person receiving reimbursement signs for the amount received.

The petty cash float is reconciled on a monthly basis by the finance assistant. The reconciliation is checked by another member of the finance team and initialled as evidence of this review. The Finance Director carries out a surprise count of petty cash at least once a year.

In no circumstances are:

- Personal cheques cashed through petty cash.
- Staff loans paid through petty cash.

Income

The governing body has overall responsibility for ensuring that all income due to the Academy is properly accounted for. Day-to-day responsibility for this is delegated to the Finance Director. Income, including valuations for donated services and gifts in kind, is accounted for in accordance with the requirements set out in the academies financial handbook.

Receipts are given for all amounts of non-grant income, including transfers between staff.

CONTROLS OVER INCOMING FUNDS

Catering Income

The income received daily by the Catering department must be reconciled against the till receipts by the Catering Manager or her Deputy.

The income is then taken to the safe in the finance office for safe custody prior to banking.

Each week a banking paying in slip is completed and the income is handed over to the finance officer for banking.

The finance officer will reconcile the till receipts against the paying in slips totals.

Payments made by the on-line payment system – Schoolcomm - are paid directly into the Academy bank account and are reconciled by the Finance Manager.

Postal receipts

All incoming cheques and cash are recorded immediately and entries verified by someone other than the person who has made the entry.

Fund-raising events

Records are maintained for each fund-raising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred.

For all events for which there is ticket income or gate money, reasonableness checks are carried out to ensure the takings equate to the number of tickets issued multiplied by the price per ticket.

Similar records are maintained for sponsored events.

The gift aid scheme

To ensure that the charity receives all the money to which it is entitled, the Finance Director:

- Makes regular checks against records to ensure that expected amounts have been received from the donor.
- Ensures that in the case of gift aid donations from individuals, the tax reclaimable has been obtained from HMRC.
- Is careful not to overclaim tax repayments.

Letting of Academy facilities

All lettings are subject to a letting agreement, setting out the terms and conditions of the Academy letting, including the agreed charge.

The governing body, on the recommendation of Finance & General Purposes committee, approves letting rates. Free use and charges below economic cost are not permitted.

- All hiring of Academy equipment and facilities is recorded by the Finance Manager in a lettings diary.

- The lettings diary is reviewed by the Finance Director on a monthly basis to ensure that all lettings have been invoiced.
- When a letting is booked the hirer completes a hire form.
- The finance team generates sales invoices from the computer.
- All monies are received at the end of each term.
- One member of the finance team collects the cash and banks all receipts intact.
- The Academy ensures that relevant insurance is in place for each letting.

Academy trips

Information relating to the charges made for trips and visits is included in the 'Charging and Remissions Policy' and is included as an attachment at the end to this document – ANNEX 3

A lead teacher must be appointed for each trip to take overall responsibility for the trip. A full costing of the trip must be carried out before financial commitments are made and this must be approved by the Headteacher and the information shared with the finance officer. The lead teacher must also prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Office.

All monies received for trips are paid to the finance office or electronically via the online payment system – Schoolscomms.. The finance office is responsible for keeping adequate records of income and expenditure.

All receipts are banked intact.

The finance office prepares a final income and expenditure account for each trip which has taken place and reports these to the Headteacher. The Headteacher ensures that money collected and expended for each trip is in accordance with the Academy's charging policy.

Private use of facilities

It is expected that should a member of staff use the Academy's facilities for private use (eg telephone calls) he/she should pay for that service and the money will be receipted by the finance team.

Invoices will be generated for private use of the photocopier.

The payphone must be emptied and counted termly by at least 2 people one of which must be a member of the finance team.

Bad debts

The Academy chases all money due to it, which has not been paid within 30 days of an invoice being issued, by telephone, email, text and/or letter, depending on how much time has elapsed since the money was due to be paid.

If a debt remains unrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid, authority to write off the debt is as follows:-

- Up to £500 - The Headteacher
- Over £500 – F&GP committee

Bad debts are only written off when the Academy has followed all reasonable practical procedures to ensure their recovery.

The DfE/EFA's prior approval is obtained if debts to be written off are above the value set out in the annual funding letter.

Debt escalation protocol – companies

- First statement sent if invoice remains unpaid after 30 days.
- Second statement sent if invoice remains unpaid after a further 14 days.
- Recovery letter sent if invoice remains unpaid for a further 14 days
- Referred to CELE committee at next available meeting if invoice still remains unpaid.

Debt escalation protocol – trip payments

- Memo to trip organiser of any debt outstanding after closing date of final payment.
- First letter home if trip organiser has not managed to contact parent after 7 days
- If payment is not received before the date of departure then the students will not be permitted to travel
- Recovery letter sent to parent recoup financial losses incurred by Academy due to default in payment

Bank and cash

BANK FACILITIES

Only the Trust Finance Director can authorise the opening or closing of bank accounts.

The Academy does not overdraw its bank account or arrange with its bankers for overdrafts, loans or any other form of credit or deferred purchases. The bank has been informed that the Academy is not allowed to borrow funds and that no account should be allowed to become overdrawn. The Academy does not offer any security to the bank. All funds surplus to immediate requirements are invested in accordance with the governing body's investment policy – see ANNEX 4

The Academy holds separate bank accounts for public and private funds, and public and private funds are separately accounted for.

All cheque payments from the bank accounts require two authorised cheque signatories. The four cheque signatories are the :-

- Headteacher
- Company Secretary
- Finance Director
- Assistant Head
- Finance Manager

The Finance Director maintains an approved list of signatories (including specimen signatures). Cheques are not pre signed.

All cheques drawn are crossed 'account payee only'. All chequebooks and other stationery are kept in safe. All bank statements are filed sequentially.

Authorised signatories must not sign a cheque relating to goods or services for which they have solely authorised the expenditure.

The operation of systems such as bankers automatic clearing system (BACS) and other means of electronic transfer of funds are subject to the same level of control.

BANK RECONCILIATIONS

All bank accounts are reconciled on a monthly basis by the finance manager and the Finance Director reviews all reconciliations, signing them as evidence of review.

CASH BANKING

Cash and cheques are locked in the safe prior to banking to safeguard against loss or theft. All cash is banked intact, without delay and recorded on paying-in slips. Bank paying-in slips show the split of cash and cheques and reference cheques to the related debt. Cheques are identifiable by reference names of the drawers and cash by reference to the payer.

The finance office banks all cash and cheques. Unbanked receipts are kept in a safe to safeguard against loss or theft. In no circumstances do cash holdings on the Academy premises exceed the insured limit.

Cheques and cash are collected fortnightly by Security Plus cash collection service and deposited in the bank. Additional deposits can be made via the Post Office or taken directly to local branch of the Bank in Derby.

GOVERNMENT PROCUREMENT/DEBIT CARDS

Procurement cards are allocated on the understanding that the user adheres to the Academy regulations and makes appropriate use of the card as if they were handling actual cash. All transactions must follow the bank mandate and have 2 signatories per transaction.

The following procedures apply for the use of Government procurement card system:

- All procurement card purchases must be for the Academy and no personal purchases can be made.
- The Academy's cards will be charged to the Academy main bank account.
- Authorised users are established as approved by the governing body ie the Finance Director and the finance officer.
- Procurement cards must not be used for regular payments to creditors
- Each purchase is to be backed up by a receipt or internet confirmation of payment.
- Only secure websites must be used to make purchases
- If any purchases contain any charges for VAT; a proper VAT receipt or invoice should be obtained
- Each purchase must be authorised by the budget holder and by two bank signatories prior to the purchase being made. The Finance Director will not be one of the authorising signatories for purchases made with the Finance Director's card.

- Sales vouchers, invoices and requisition forms are checked by the finance team against the amounts entered and reconciled with the bank statements and credit card statements.
- The balance on the card is automatically paid in full each month.

Security of the Procurement Card

- All transactions to be recorded and authorised and entered onto the accounting software
- The safety of the card and PIN will be the responsibility of the named person.
- The PIN notification should be destroyed immediately following receipt and after memorisation.
- The card number will not be disclosed to any third party except for the purpose of a card transaction or to report the loss or theft of the card
- All procurement cards will be kept in the safe when not in use.
- If the card is lost or stolen or for any reason liable to misuse, the Academy must immediately notify the bank on 0845 800 2468.
- The Academy will provide the bank with all the information in their possession as to the circumstances of the theft, misuse, loss of the card or disclosure of the PIN number and take all steps deemed necessary by the bank to assist in the recovery of the missing card
- A card that is reported as lost, stolen or liable to misuse will not be subsequently used but will be destroyed by cutting it up into pieces and written confirmation of its destruction will be forwarded to the bank immediately.
- Cardholder will surrender their procurement card when the cardholder leaves the employment of the Academy.

Fixed assets – see also Asset Management Policy ANNEX 5

ASSET REGISTER

The Finance Director and ICT manager maintain the asset registers. The Academy includes details of all assets with a cost greater than £1,000, and 'attractive' items below that value, in the asset register. The register records:

- Asset description.
- Asset number.
- Serial number.
- Date of acquisition.
- Asset cost.
- Source of funding.
- Expected useful economic life.
- Depreciation.

- Current net book value.
- Location.
- Name of member of staff responsible for the asset.

Items used by the Academy but owned by others are included, with a note of ownership. Leased items are identified as such with the termination date of the lease.

The Finance Director checks that the asset register has been checked to assets in the Academy annually. Any discrepancies are investigated and reported to the Headteacher who informs the governing body of the loss and any known reason for this. The insurers are notified as appropriate.

Any assets removed from the Academy site are recorded in a loan book.

The length of time the asset will be off site is recorded together with the appropriate authority. The appropriate authority is the Finance Director. The finance office checks that assets will be insured before they are removed from the Academy. No assets are removed from the Academy for a period of time, which would unreasonably deny the Academy use of those assets.

All assets are security marked.

DISPOSAL OF ASSETS

All disposals and write-offs of assets are authorised by the Headteacher. Items no longer required are sold when their estimated residual value exceeds £500.

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.

The following records are kept for disposals:

- The item disposed of.
- The date of disposal.
- The method of disposal.
- The proceeds of sale or how disposed of if scrapped.
- The person authorising the disposal.

No item is sold, leased or hired to a third party without the approval of the Finance Director.

LOSSES

All losses are reported to the finance office. The finance office informs the police if the loss is a result of burglary or theft and the insurance company is informed at the same time. Action is taken immediately to prevent further loss.

The finance office maintains a record of losses and insurance monies received. The governing body is informed of all losses.

Leasing

The F&GP committee is responsible for approving all leasing (rental) and hiring arrangements.

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing-off, donating, re-leasing, subletting or any other form of disposal.

Investments – see Annex 4

Investments are made only in accordance with written procedures approved by the governing body.

Investments are 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.