



Financial Regulation and Scheme of Delegation

Statutory Policy

Created by: Mrs A Mitchell

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For internal use

Link to other policies:

- DfE Governance Handbook, January 2017
- ESFA Academies Financial Handbook, September 2017
- Governors' Expenses
- Debt Management
- Disposal of Assets

**THE FINANCIAL REGULATIONS AND SCHEME OF DELEGATION RELATING TO
St Wilfrid's Church of England Academy**



APPROVED BY THE GOVERNING BOARD ON

07.12.2017

Date _____

SIGNED

Signed David R. Boul

CHAIR OF GOVERNORS

St. Wilfrid's C of E Academy
Financial Regulations and Scheme of Delegation



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Financial Regulations

Authorisation Limits

Expenditure

Budget Holder	£1,000
Senior Vice Principal/Finance & Operations Manager	£20,000
Principal	£30,000
Business & Resources Committee	£40,000
Full Governing Board	Over £40,000

Virement

Principal	£30,000
Business & Resources Committee	£40,000
Full Governing Board	Over £40,000

Writing off bad debts

Finance & Operations Manager	£150
Principal/Senior Vice Principal	£1,500
Business & Resources Committee	£5,000
Full Governing Board	Over £5,000

Disposal of Surplus Stock, Stores & Assets

Asset Owner	£500
Finance & Operations Manager	£1,000
Principal	£2,500
Business & Resources Committee	£5,000
Full Governing Board	Over £5,000

Mileage and Subsistence Allowance HM Revenue & Customs approved rate

Safe Cash/Cheque limits as defined by the Academy's Insurance

Ordering Procedures – Goods & Services

Competitive quotations - evidence required	£1,000 - £20,000
Tendering procedure	Over £20,000

Minor Building Repairs

Site Supervisors (IN EMERGENCIES ONLY)	£50
Facilities Manager	£2,500
Finance & Operations Manager/Senior Vice Principal	£20,000
Principal	£30,000
Business & Resources Committee	£40,000
Full Governing Board	Over £40,000

Please note that financial records should be retained for six years plus the current year.

These limits are taken from the financial regulations that were approved by the Governing Board on: 7 December 2017

1. General

- 1.1 In accordance with the ESFA Academies Financial Handbook, the Governors of St Wilfrid's Church of England Academy hereby recognise the need to lay down formally a policy for the overall management of the school budget and the day-to-day management of the Academy's financial affairs.
- 1.2 This document supplements the ESFA Academies Financial Handbook & ESFA Accounts Direction for Academies.
- 1.3 The general conditions that follow are subject to annual review and consideration by the Full Governing Board, which must formally minute both the review and any subsequent amendments and approval each year.
- 1.4 The Governing Board confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.
- 1.5 The Governing Board confirms that overall management of the Academy budget is delegated to the Business & Resources Committee subject to exceptions contained in these regulations.
- 1.6 Financial Matters
 - a) Approval of the annual budget, where this has been delegated to the Business & Resources Committee for recommendation to the Full Governing Board to approve the annual budget plan and cash flow forecasts for the forthcoming financial year in accordance with the timescales dictated by the ESFA.
 - b) Determining the Academy financial priorities through the Academy Development Plan (ADP) and the Asset Management Plan.
 - c) Receiving periodic management reports, to facilitate the monitoring of the Academy's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Business & Resources Committee. In all cases liaison must be maintained with other appropriate committees.
 - d) Making decisions on requests from other committees that will have an impact on the Academy's financial position.
 - e) Making decisions on expenditure within the Committee's delegated powers.
 - f) Receiving financial reports on community-focused extended school activities to ensure such activities are not subsidised by the school to a value greater than Grants provided.
 - g) Making decisions on virements within agreed budgets, within the Committee's delegated powers, and authorising any budgetary adjustments made.

- h) Advising the Governing Board on the appropriateness, or otherwise, of virements to be made outside of the Committee's delegated powers. Reviewing annually the Academy Financial Regulations and Scheme of Delegation and the Terms of Reference of the Business & Resources Committee.
 - i) Ensuring the Register of Business Interests is kept up to date.
 - j) Annually reviewing all ongoing contracts (Including Local Authority Contracts).
 - k) Reviewing the various leasing agreement schemes and options available to the Academy.
 - l) Awarding of contracts by tender up to a specified limit.
 - m) To agree and review the value for money for the annual accounts.
 - n) Ensuring that all purchases follow the guidelines of the governors' best value review as included as part of these regulations.
 - o) Monitoring **all** spending and income received in the Academy.
 - p) Ensuring that funding from the ESFA and other sources is used only in accordance with any conditions attached.
 - q) Receiving and commenting on the content of any audit report relating to ESFA funding, and monitoring the implementation of the agreed action plan.
 - r) Annually reviewing and appointing the independent examiner / auditor to the School Fund (must be a qualified auditor if turnover in excess of £100,000).
 - s) Receiving and approving / ratifying the annual audited accounts of the Academy Fund.
 - t) Agreeing and determining appropriate charges for lettings of the premises, in line with the Academy lettings policy.
 - u) Ensuring the Academy adheres to the policies and procedures as laid out within the ESFA Academies Financial Handbook.
 - v) Ensuring the Academy has appropriate internal financial controls in place.
 - w) Reviewing appropriate financial benchmarking data, in order to compare the school's financial performance with other similar school's.
 - x) Reviewing and monitoring of budget projections / medium-term financial plans to ensure the Academy's budget is realistic and any financial decisions are sustainable.
- 1.7 The Governing Board confirms that day-to-day financial management of the Academy is delegated to the Principal, subject to exceptions contained in these regulations.
- 1.8 Throughout these conditions, delegation to the Principal shall imply further delegation to the Senior Vice Principal when the Principal is not on the Academy site. Where the Principal 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 Governing Board in writing, and incorporated in these conditions.

- 1.9 The Governing Board and the Academy have a responsibility to avoid any conflict between their business and personal interests and the affairs and interests of the Academy. Any Governor or member of staff having direct or indirect involvement in a business, which is tendering for a contract, must declare his or her interest using the 'Register of Business Interests'.
- 1.10 All Directors, Governors and Academy staff with significant financial responsibility and/or influence must complete the appropriate questionnaire to ensure that the 'Register of Business Interests' is kept up to date. Nil returns are also required.
- 1.11 All Directors, Governors and Academy staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at **every** committee and Governing Board meeting
- 1.12 Throughout these regulations, the same financial limits and restrictions will apply to both the delegated Academy budget and school funds, unless specifically identified and defined limits are set for individual funds.

2. The Business and Resources Committee Structure

2.1 Membership

The committee shall consist of a minimum of 5 governors.

Non-voting participants may be invited to meetings by the committee as and when required. These will include:

- Senior leaders;
- Middle leaders;
- Academy advisers;
- Operations and Finance Manager;
- Facilities Manager.

The membership of the committee will be reviewed and determined annually.

The Governing Board will appoint a clerk to the committee, who will not be another governor.

2.2 Quorum

The quorum shall be 3 governors where the number of staff governors is not greater than the other categories of governors.

2.3 Meetings

The clerk to the committee shall be responsible for convening meetings of the committee. Any meeting held must be minuted and those minutes presented to the next meeting of the Governing Board.

The committee will elect a chair from within its own membership.

The committee shall meet at least once a term and otherwise as required.

1. Day to Day Delegation of Authority

3.1 Expenditure Limits

Limits as set out previously are on any one item (excluding utility charges and annual contracts and where the approximate cost has clearly been documented and approved in the annual budget) so long as an adequate budget provision exists. A sequence of orders all within limits to cover a larger order or orders is not permitted.

3.2 Virement (Budget Transfer) Limits

The Principal is able to authorise virements between individual cost centres up to a limit of £30,000. Virements over this amount are to be referred to the Business & Resources Committee, which has authorisation to approve virements up to a limit of £40,000. Authorisations over £40,000 are to be referred to the Business & Resources Committee.

3.3 Bad Debts

Finance & Operations Manager can authorise minor write-offs and system corrections up to a value of £150. The Principal/Senior Vice Principal is able to authorise the writing off of bad debts up to a value of £1,500. Requests for write offs between £1,500 and £5,000 are to be referred to the Business & Resources Committee. Write offs exceeding £5,000 must be authorised by the Full Governing Board.

All bad debts written off by the Finance & Operations Manager, Principal or Senior Vice Principal will be reported to the Business & Resources Committee at the next meeting.

Approval required for write-off of debts or liabilities owed to the Academy over a specified value are set out in the annual funding letter issued by the Secretary of State.

A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

3.4 Disposal of Surplus Stock, Stores and Assets

The Asset Owner is able to dispose of surplus stock to the value of £500. The Finance and Operations Manager is able to dispose of stock, stores and assets to the value of £1,000. The Principal can dispose of surplus stock, stores and assets up to the value of £2,500 without prior authorisation from the Governing Board.

Authority from the Business and Resources Committee must be sought for the disposal of surplus stocks, stores and assets between the value of £2,500 and £5,000.

Authority for disposals above £5,000 can only be given by the Full Governing Board.

All disposals must be dealt with in line with the Academy's Disposal of Assets policy.

The Secretary of State's consent is to be obtained before the disposal of any asset for which a grant of over £20,000 was made, or where land and buildings had been transferred from the Local Authority at no cost to the Academy.

3.5 Mileage Allowances and Subsistence Claims

a. St Wilfrid's will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by (HMRS) Her Majesty's Revenue & Customs. Claimant's are entitled to be notified of this rate in advance of commencing their journeys. The claimant must have

suitable insurance in place to cover both the vehicle and passengers and that indemnifies the Governing Board against any claim. All expense claims are to be authorised by the Finance & Operations Manager or the Budget Holder within the limits defined.

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.

Rates of subsistence will be paid in accordance with HMRC guidelines. Overnight accommodation will also be payable in accordance with HMRC guidelines.

NB – Actual expenditure only can be claimed up to the value as set out in the guidance, and must be supported with receipts, whatever the expenditure.

b. Individual claims for the purchase of alcohol will not be reimbursed.

c. The Academy may not reclaim VAT without a proper VAT receipt.

d. Properly completed claims will be remitted by BACS and all papers kept together for six financial years plus the current year. It may be necessary to submit details of payments made and mileage travelled to HMRC.

3.6 Receiving of Goods/Acknowledgement 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 via the 'goods in' process or the Budget Holder who is not involved in the cheque authorisation process.

3.7 Minor Building Repairs

a. Emergency Repairs; The Site Supervisors are able to authorise minor building repairs, where they are of an emergency nature, up to a value of £50 on any one repair. Emergency repairs above £50 are to be authorised in accordance within limits set out earlier.

b. Routine Repairs must be authorised with limits set out earlier. A sequence of orders all within the limit to cover a larger authorisation is not permitted.

3.8 Building Improvements

The Principal is able to authorise work and expenditure for minor building improvements where funded from revenue up to a limit of £30,000 on any one improvement (so long as an adequate budget provision exists). Authorisations for minor building improvements between £30,000 and £40,000 are to be referred to the Business & Resources Committee. Authority for building improvements above £40,000 can only be given by the Full Governing Board.

3.9 Devolved Formula Capital Grant (DFCG)

The Principal is able to authorise work and expenditure for building improvements, approved by the LA and funded from the DFCG up to a limit of £30,000 on any one authorisation. Authorisations for work and expenditure between £30,000 and £40,000 can only be made by the Business & Resources

Committee. Authority for work and expenditure above £40,000 can only be given by the Full Governing Board.

3.10 Inventory/Asset Register

a. Governors recognise the need to maintain an inventory of equipment in the Academy in order to:

- ensure proper physical control of equipment;
- provide a basis for insurance cover and claims if equipment is damaged or destroyed;
- provide an up-to-date record of the equipment available for teaching purposes.

b. All items of equipment will be visibly marked with an asset number and the school details. As and when they are received entries will be made in the inventory for:

- items valued at £500 or more at the time of purchase, either individually or as a set;
- attractive and portable items;
- items especially considered by the Principal as being worthy of inclusion;
- items hired to or leased by the Academy, that match any of the above criteria, will be included, but identified accordingly.

c. The inventory will be maintained by Operations Team.

d. The inventory will be checked annually by the Finance & Operations Manager (who cannot be part of the team as per 3.10 (c) above) and certified correct. All discrepancies are to be notified to the Principal immediately.

e. All disposals should be recorded promptly, showing the method of disposal and the authority for such action (see Section 3.4). This must be reported to the Operations Team to facilitate the inventory.

f. A separate 'Off-Site Register' of items removed from the Academy site shall be kept for all items loaned to members of staff and pupils. In the event of any items not being on site when the inventory is checked, reference shall be made to this register in the first instance.

3.11 Staff Appointments

The Principal is authorised to appoint staff, subject to the agreed establishment and budget constraints and in accordance with the Governing Board's Appointment Policy. The Full Governing Board (or committee appointed by the Full Governing Board) is authorised to appoint the Principal in accordance with the Governing Board's Appointment Policy. All relevant forms and paperwork with regard to the appointment of, or amendment to contracts of staff should be obtained from the PA to the Principal.

a. All new appointments are to be notified to the Finance and Operations Manager by means of the appropriate payroll form. This form is to be completed by the successful applicant and submitted to the PA to the Principal. For all appointments, the PA to the Principal will email a copy to the Finance and Operations Manager. A hard copy will be kept in the employee's personal file. All new employees must complete a Disclosure and Barring Service (DBS) form electronically and produce the required identification.

b. Amendments to an employee's terms of employment are to be notified to the Finance and Operations Manager by saving a copy of the correspondence in a shared drive, which can only be accessed by the PA to the Principal and the Finance and Operations Manager. This documentation is to be completed by the PA to the Principal, on the authorisation of the Principal.

- c. Termination of employment is to be notified to the Finance and Operations Manager by saving a copy of the correspondence in a shared drive, which can only be accessed by the PA to the Principal and the Finance and Operations Manager. This documentation is to be completed by the PA to the Principal, on the authorisation of the Principal. Due regard is to be taken of the last day of service, annual leave etc. to be paid/deducted and any special instructions regarding final payment.
- d. With regard to staff overtime etc., the Principal is authorised to incur expenditure up to the level of expenditure agreed within the annual budget. Beyond this limit, authorisation can only be made by the Business & Resources Committee to the value of £40,000, any amount above this limit must be approved by the Full Governing Board. Claims for additional duties/variations of hours etc. will be entered on the appropriate spreadsheet by the Finance & Operations Manager. The spreadsheet is forwarded to Payroll for processing. Payroll Reports after approval are posted by the Finance Officer. No overtime should be undertaken without the prior approval of the Principal or the Finance & Operations Manager.
- e. It is the responsibility of the PA to the Principal to ensure that systems are in place to record all staff contract details and that they are updated termly to take account of new appointments, amendments and terminations of employment. This information is passed to the Finance & Operations Manager who will then ensure that the Academy's financial accounting system is correct. The Finance and Operations Manager must in return provide clear information to the PA to the Principal about the timescale for any incremental pay adjustments in March each year, for all support staff. This information will be used to generate an annual pay statement for all support staff.
- f. Any payroll transactions relating to the Principal will be authorised only by the Chairperson of Governors or Chairperson of the Business & Resources Committee with the exclusion of expenses claims which will be authorised by the Finance & Operations Manager.

3.12 Supply Staff

- a. All supply staff will be appointed by the Principal/Senior Vice Principal or as otherwise directed by the Principal. The Principal may delegate the use of supply staff to the Cover Manager.
- b. It is the responsibility of the individual member of staff to agree with the Cover Manager the hours worked in the particular payment period. The Cover Manager will then authorise all claims and forward to the Finance Office. If a dispute arises over hours claimed, the Principal will be informed immediately and, if necessary, advice sought from the Academy HR service provider.

Payments to supply staff will be administered as part of the payroll process or will be invoiced from the supply agency for processing by the Finance Officer in accordance with purchasing procedures.

3.13 Academy's Computer System for Financial Applications

Access: The school must be registered under the Data Protection Act. Access to the system is determined by the Principal and protected by the use of passwords. It is essential therefore that each person having access to the system uses only their individual user identification and password which should be changed at least termly.

Back-up: In the event of an emergency it may be necessary to restore data to the computer system as soon as possible. It is essential, therefore, that back-ups are made on a daily basis. It is the responsibility of the Manager of ICT to ensure that this is done. For security reasons all back-ups will

be stored in a suitable safe that is secure, preferably fire resistant and remote from the server. For data protection purposes, and in line with internal audit guidance for financial data, back up media should not be taken off-site.

3.14 Keyholders

a. Keys for all buildings and rooms in the Academy will be held by the Facilities Manager and the Site Supervisors. Where keys are held by other individual members of staff or Governors, then these will be recorded on the Academy Asset record.

b. Academy Safe Keys for the school safes will be held by the Finance & Operations Manager and the Finance Officer. Keys will be kept in their possession at all times and taken off the school site when not on duty. Where only one key is in use, due regard to security is to be made when considering the location of the spare.

c. Other safes located in the Academy include:

- Catering, of which the Catering Manager is a key holder;
- Site Supervisors Office, of which the Facilities Manager and Site Supervisors are key holders;
- Community Office, which is currently unused.

3.15 School Fund

Governors recognise that they have the same responsibility for the management and security of the School Fund as for the delegated budget.

a. All monies relating to School Fund will be kept separate from those of the delegated budget.

b. Day-to-day transactions through the School Fund are the responsibility of the Finance Officer.

c. The School Fund will be maintained in accordance with the rules and regulations laid down in the Academies Financial Handbook.

d. The cheque signatories are designated in accordance with the bank mandate.

e. Where items are purchased through the School Fund for re-sale to pupils and/or parents, then appropriate trading accounts will be maintained for each area of activity.

f. Statements of the accounts will be presented to the Business & Resources Committee.

g. All suspected irregularities are to be reported immediately to the Principal who will refer matters to the ESFA and the School Fund auditor as necessary.

h. The annual verified/audited accounts will be presented to the Governing Board at the appropriate meeting in the Autumn Term.

i. Any independent examination/audit must be completed within 90 days of the School Fund financial year end.

j. The accounts must be recorded on the charities website within 6 months of year-end.

3.16 Leasing Policy and Arrangements

By law an operating lease is the only type of lease available to Academy's. These leases involve the Academy paying a rental for the hire of an asset for a period of time and have the character of a rental agreement. No other lease, such as finance leases or hire purchases, may be entered into by the school as this is a form of borrowing. Rentals under an operating lease should be charged on a linear basis over the lease term unless another more systematic and rational basis is more appropriate. Finance leases should not be taken out by Academy Trusts without the consent of the Secretary of State as they represent borrowing. The DfE's current policy is that consent for finance leases and other borrowing by Academy Trusts should not be given.

- a. Leasing agreements will only be made where the financial arrangements are such that they benefit the Academy and the Business & Resources Committee has given its approval.
- b. All leasing agreements are to be referred for approval in accordance with the guidance and procurement limits. In any case, any item procured under a lease arrangement must be in line with the Academy's best value statement.
- c. Once approval has been given, leasing agreements are to be signed by the Principal on behalf of the Governors.
- d. The Principal will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals.
- e. 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 school to purchase the asset at any time; any extension of the lease must be at open market values; the school 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.

3.17 Insurance

The Principal must ensure that insurance cover meets or exceeds the requirements of the Academy. The extent of insurance cover for the Academy will be considered on an annual basis by the Business & Resources Committee

3.18 Public Liability

It is the responsibility of the Finance & Operations Manager to ensure that the Academy has arranged Public Liability Insurance cover at least within the following parameters:

- indemnity limit of not less than £5,000,000, relating to any one incident, and unlimited in any one year of insurance;
- Products' Liability with an indemnity limit of not less than £5,000,000 relating to any one incident and in the aggregate;
- include cover for volunteers/parents, persons on work experience schemes and governors, whilst acting in their official capacity;
- jointly indemnify employees.

3.19 Employers' Liability

It is the responsibility of the Finance & Operations Manager to ensure that the Academy has arranged Employers' Liability cover at least within the following parameters:

- indemnity limit of not less than £5,000,000, relating to any one incident, and unlimited in any one year of insurance;
- jointly indemnify Blackburn with Darwen Borough Council as the LA;
- jointly indemnify the Governors and volunteers, whilst acting in their official capacity;
- provide an indemnity for employees.

3.20 Officials' Indemnity

It is the responsibility of the Finance & Operations Manager to ensure that the school has arranged Officials' Indemnity cover at least within the following parameters:

- indemnity of not less than £1,000,000, relating to any one incident, and in the aggregate;
- jointly indemnify Blackburn with Darwen Borough Council as the LA;
- jointly indemnify the Governors and volunteers, whilst acting in their official capacity;
- provide an indemnity for employees.

3.21 Libel and Slander

It is the responsibility of the Finance & Operations Manager to ensure that the school has arranged Libel and Slander cover at least within the following parameters:

- indemnity of not less than £1,000,000, relating to any one incident and in the aggregate;
- jointly indemnify Blackburn with Darwen Borough Council as the LA;
- jointly indemnify the Governors and volunteers, whilst acting in their official capacity;
- provide an indemnity for employees.

3.22 Buildings Insurance

It is the responsibility of the Finance & Operations Manager to ensure that the Academy has arranged an 'All Risks' insurance policy on a full reinstatement basis for buildings and contents at least within the following parameters:

- Work in progress must be insured in accordance with the terms of the form of contract used and with a sum insured adequate to cover the size of the contract;
- covering Business Interruption /Consequential Loss with minimum cover of £1,000,000 and a maximum reinstatement period of one year.
- jointly indemnify Blackburn with Darwen Borough Council as the LA;

- the sum insured must represent the full cost of reinstating the buildings and contents throughout the term of the insurance;
- the policy must cover for the loss of up to £13,000, from the school safe, which would be the combined value of both cash and cheques;
- any standard excess applying to the full scope of the insurance cover should not exceed £500 for any one loss. Additional excesses may be imposed if a risk is seen as sub-standard.

3.23 Other Insurances

It is the responsibility of the Finance & Operations Manager to ensure that the school has arranged insurance cover at least within the following parameters:

- Cash in transit policy to cover the average weekly cash limits held by the school, up to a limit of £10,000. Any policy excess applied should not exceed £500;
- a Fidelity Guarantee policy should be arranged with an indemnity limit of not less than £200,000 with an excess not exceeding £500;
- Personal Accident policy to cover members of staff with a minimum benefit in death of not less than £35,000
- Motor vehicle insurance cover (if applicable) to cover any vehicle(s) owned / used by the Academy for third party claims and jointly indemnifying the LA, for their interest, in respect of such claims. It would also be prudent to cover own damage for the market value of the vehicle, including the LA for its respective interest. It is imperative that such insurance covers business use;
- Insurance for Hirers for an indemnity of not less than £1,000,000 covering the liability of Third Parties hiring the Academy' facilities extended to include damage to the premises and facilities arising out of the hire. Any additional cost of this insurance will be charged to the hirer;
- Off-site Activities Insurance, covering comprehensive travel risks for official Academy trips and activities taking place off site. The insurance should automatically include cover for trips involving:
 1. An overnight stay
 2. Travel Abroad
 3. Adventurous Activities
- An Engineering Inspection contract to cover the statutory inspection requirements relevant to lifts, boilers, air receivers and fume cupboards etc.

4. Financial Planning and Review

Budget Planning/Setting

4.1 The Academy's overall budget plans (both the one year annual plan and multi-year forward financial plans) will be prepared by the Finance & Operations Manager in consultation with the Principal and the Business & Resources Committee. The budget will be prepared having regard to all known needs of the Academy including the Academy Development Plan and the Asset Management

Plan. It is the responsibility of the Finance & Operations Manager to ensure that all the required budgeting paperwork is submitted to the ESFA by the published deadline.

4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements. These will include calculations of costs and all assumptions made and will be filed in a logical order in accordance with the requirements of the Academy's Accounts.

4.3 The Finance & Operations Manager will be responsible for ensuring that the Academy has a business plan in place for all trading activities. The plan will clearly demonstrate the expected profit, or the acceptable level of loss, the Governing Board is prepared to accept for that traded activity. The business plan should be clearly derived from the Academy's Development Plan.

4.4 The Academy's budget must be approved by the Full Governing Board. The annual budget plan, and cash flow statements, must be submitted to Business & Resources Committee for consideration during the summer term prior to it being taken for approval by the Full Governing Board.

A signed copy of the budget plan will be submitted to the Academies Assurance Team by the deadlines set out in the ESFA. (It is the responsibility of the Principal to ensure this is done.) The Chairperson or, in his/her absence, the Vice Chairperson of the Full Governing Board is authorised to sign the approved budget plan.

Budget Monitoring

4.5 The Finance & Operations Manager will submit to the Business & Resources Committee, as soon as possible after the end of the financial year, details of the out-turn statement showing expenditure and income against budgets for the previous financial year. The current year's budget shall be reviewed in the light of the prior year out-turn.

4.6 The Finance & Operations Manager will be responsible for monitoring actual against expected expenditure and income within each budget line and producing appropriate monthly reports for the Business & Resources Committee. Urgent budget problems will be reported to the Chairperson of the Business & Resources Committee immediately.

4.7 The Finance & Operations Manager will submit the appropriate system-produced monitoring reports to the Business & Resources Committee together with a written explanation of significant variances and a projection of expenditure and income to year end. If monitoring reports are given in a non-system based format (e.g. excel spreadsheets/user defined reports) then they will be backed up with a system-generated report.

4.9 Where trading activities take place, e.g. catering, uniform sales, etc. a trading account must be in place that clearly identifies purchases, sales, stock levels and details of profit / loss. Financial monitoring reports must be submitted to the Governing Board or Business & Resources Committee on at least a termly basis.

4.10 It is the responsibility of the Finance and Operations Manager to take all proposed expenditure exceeding £30,000 to the appropriate Governors meeting, as determined in the expenditure limits.

5. Internal Control

The objectives of Internal Control are to give the Governing Board confidence that, as far as reasonably possible, the accounting records are complete, genuine and achieve best value.

5.1 The Finance Officer is responsible for carrying out the monthly bank statement reconciliations for all accounts within one week of receipt. All bank reconciliations must be signed off by the Finance & Operations Manager. All discrepancies are to be reported to the Principal and, if appropriate, the bank and investigated immediately.

5.2 The Finance & Operations Manager is responsible for completing the VAT submissions to HMRC.

5.3 The Governing Board will consider the audit function. They will have considered the need for a specific internal audit function and / or the appointment of an internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal audit will report on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

5.4 The Principal is responsible for regularly checking and signing to confirm that checks have been made on payments made and income received to monitor that transactions have been properly authorised, no payments have been made which could be classified as fee payments to an individual and that income can be accurately traced from the source to the bank. The Principal may delegate some of these checks to the Finance & Operations Manager.

5.5 It is the responsibility of the Principal/Finance & Operations Manager to ensure that financial duties are properly separated between individuals. Functions to be separated between staff will include:

- Execution – the placing of an order, receipt of goods and services or charging and receipt of a fee;
- Authorisation – the authorisation of a transaction such as a purchase order or payment;
- Payment – the completion of cheques or batching procedures;
- 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

6. Banking Arrangements

6.1 The opening of all accounts must be authorised by the Full Governing Board 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 must also be subject to the same level of control.

6.2 The Academy's bank and/or building society must be informed that the Academy accounts must never become overdrawn.

6.3 Reconciliation of the Academy's own financial records to the bank will be made monthly, within one week of receipt of the bank statement. The Finance & Operations Manager is responsible for ensuring this is completed.

6.4 Where the cash flow position is such that the bank account might become overdrawn, immediate reporting to the Business & Resources Committee must be made and approval must be sought from the Secretary of State.

6.5 Governors will wish to maximise income as far as possible and, where appropriate, a high interest deposit account will be maintained, in addition to the normal current account. Surplus balances will, as far as possible, be transferred to a high interest deposit account.

6.6 Direct Debits will only be made with authorisation in accordance with the bank mandate.

6.7 Separate bank accounts will be kept for the School Fund and the delegated budget and must be accounted for separately.

6.8 When banking money received (either cash or cheques) bank paying-in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.

6.9 Purchase Cards are not considered to infringe the borrowing restrictions imposed on schools, providing any balance is cleared in full at the end of each month. The Finance & Operations Manager will administer the signing in and out of cards; they will not be a card signatory themselves, but will maintain a list of those staff members who are authorised signatories. A direct debit will be set up between the bank and purchase card provider to clear the monthly balance in full. When issued, written instruction will be given to card users on the card's scope of use and expenditure limits. All purchases made using a purchase card must be authorised in the same way as any other purchase with an official order being completed and retained for the records.

6.10 Any unrepresented transactions, which are over six months old and are still sitting on the ledger should be reviewed by the Finance Officer and appropriate action taken.

7. Purchasing and Payment Procedure

7.1 Budget Holders will be responsible for requesting the purchase of items or services from their own budgets. This will be done by means of an Purchase Order Request Form, which will be signed by the Budget Holder, if within their authorised expenditure limit. If the purchase is above their authorised expenditure limit the relevant signatory as set out in these financial regulations must sign it off.

The Internal Finance Order Form will then be signed off for authorisation by the Finance & Operations Manager.

7.2 For internal ordering the Purchase Order Request Form will be signed by the relevant budget holder and submitted to the admin office for processing. Where sufficient budgeted funds are identified, the Admin office will raise an official sequentially numbered Purchase Order to send to the supplier/contractor. Both forms will be retained by the Finance Officer and attached to the copy order for processing.

7.3 Orders are pre-authorised by the budget holder and signed by the Finance & Operations Manager when processed. A copy of the order will be kept in numerical sequence in a file in the Finance / School Office. The Finance Officer will send the original to the supplier

7.4 Any urgent order that is placed verbally should be entered onto the accounting system as soon as possible so that a purchase order can be setup to register the financial commitment. A Purchase Order Request Form should be used to notify the Finance Officer so that a commitment may be raised. It is not acceptable to wait until the invoice / delivery note is received before entering a commitment onto the accounting system.

7.5 All invoices received will be checked against the original Purchase Order Request Form for accuracy (and delivery notes where appropriate) and entered promptly on the Academy's financial system by the Finance Officer. The Finance Officer will enter these onto the system as unauthorised. Then the invoice will be passed onto the Budget Holder or the appropriate person to be authorised. Once returned to the Finance Officer they will be marked as authorised and ready for payment.

7.6 The cheque signatories are any two from the following:
Principal; Senior Vice Principal; Vice Principal; Chair of Governors; Company Secretary.

7.7 The Finance & Operations Manager is designated to control cheques and must ensure that:

- where continuous cheque stationery is used, the approved format is complied with;
- all cheques are securely stored;
- all cheques are entered correctly on the financial accounting system;
- spoiled cheques are marked as cancelled and retained;
- minimum remaining cheque levels are established with the bank;
- all cheques are properly accounted for, i.e. they are still in stock or have been used.

7.8 The Finance & Operations Manager 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.

7.9 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise. If not, cheques will be issued in accordance with the trading terms of the individual contractor or supplier. Due regard must be taken of the 'The Late Payment of Commercial Debts Regulations 2013'.

7.10 A copy of the computer-generated remittance advice relating to the payment is filed and the invoice and record of the payment is made on the invoice within the stamped invoice grid.

7.11 Copy invoices are not to be paid unless exhaustive checks have been performed to confirm that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this.

7.12 Under no circumstances are payments to be paid against statements. Statements are reconciled for any invoice not paid. Where there is an invoice due for payment the invoice is located or a copy invoice is requested.

7.13 Where appropriate, adequate checks are to be made that the contractors employed for buildings' work have Public Liability Insurance Cover, minimum value £1,000,000. It is the responsibility of the Facilities Manager to ensure that this is complied with.

7.14 Any order or purchase between £1,000 and £20,000 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. Where a quotation other than the lowest is accepted, the reasons (in line with the Academy's best value policy) for its acceptance must be documented. This will be documented on the best value review or waiver record and attached to the purchase order.

In accordance with agreed procurement standards, approval of contracts over £20,000 will only be made after following the Tendering Procedure (Section 12).

7.15 Internet Purchases

At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.

a. Internet Orders

The Finance & Operations Manager will be authorised to place online purchases, or this can be delegated to appropriately qualified staff. Requests should be made to the Finance & Operations Manager from the budget holder in the normal manner (see 7.2), an official order must be raised on the financial accounting system and authorised in accordance with limits defined earlier. It is the responsibility of the budget holder to ensure the internet is the most appropriate means for procurement. Where possible the official order number must be quoted on the internet order as a cross-reference. The internet order must be raised in the name of the Academy with the Academy's address.

b. Internet Payment

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 Finance & Operations Manager will be authorised to use the Academy's purchase card to make payment (the same rules for card authorisation apply (see 6.9)). 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 (see 7.3), 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. Supplier invoices where available, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system (see 7.7). All purchases should only be made from secure websites that the Finance & Operations Manager has gained reassurance are safe and free from fraudulent activity.

8. Income

8.1 Where required, invoices will be issued in two-part sequentially numbered stationery, with one copy sent to the third party, and the other copy retained in the Academy for the purposes of credit control. VAT must be accounted for appropriately. The Finance Officer is responsible for issuing invoices.

8.2 The Principal shall ensure at termly intervals that all invoices are properly accounted for and that all monies due to the Academy have been collected.

8.3 All income received should be recorded immediately into the 'safe book' and entered onto the Academy's financial accounting system.

8.4 All income shall be acknowledged, either by means of an issue of an official numbered receipt or by signing an official collection record.

8.5 When a receipt is issued the tear-off will be given to the payer and the counterfoil copy kept at the school.

8.6 All monies received must be banked in full as soon as is practicable. The insurance limits set for cash held on the premises should not be exceeded. If this is unavoidable, e.g. proceeds from an Academy fete, the insurer must be informed and the monies banked as soon as is practicable.

8.7 All cheques banked must be entered on the bank paying-in slip.

8.8 For normal day-to-day transactions, the Finance Officer will be responsible for receiving and banking income.

8.9 The Finance & Operations Manager shall periodically check that all the monies due to the school have been collected and banked. For example, cross-checking the collection records to the copy bank paying-in slip and bank statement entry.

8.10 As part of the reconciliation procedures, the Finance & Operations Manager will ensure that the expected monthly budget allocations to the bank account are made on time.

8.11 The Finance & Operations Manager is responsible for ensuring that all other receipts due to the school are made on time by the ESFA and all other relevant agencies.

8.12 Personal cheques will not be cashed from money received by the Academy.

8.13 Catering Income

Catering procedures are detailed in a separate document.

8.14 No cash is to be kept around the Academy and all monies must be banked with the Finance Office. Any monies received out of hours must be banked with the site supervisors in the site safe.

9. Petty Cash

9.1 A petty cash box is held by the Finance Officer during working hours. During non-working hours all monies are held in the safe. Regular banking runs will be completed not less than once a week. The float limit is to be maintained at approximately £200 and a maximum of £500 may be authorised by the Principal to meet unusual circumstances.

9.2 Petty cash claims are to be made using a petty cash 'voucher' form and limited to no more than £50. All claims are to be authorised by the relevant Budget Holder. If items are to be purchased in cash an advance may be obtained.

9.3 The Finance Officer will be available in the Finance Office for staff financial transactions. Claimants are to sign the voucher form as confirmation of receipt of cash payment.

9.4 Receipts into petty cash will be either from the bank account as a top up, or repayment of part or all of an advance drawn from petty cash.

9.5 Petty cash transactions are entered by the Finance Officer onto the computer system.

9.6 The petty cash account is to be reconciled weekly by the Finance Officer.

9.7 A 'safe book', detailing monies to be held in the safe overnight is updated at the end of each day. This book is securely locked away by the Finance Officer daily.

10. Payroll and Personnel Procedures

10.1 All staff appointments and amendments are to be made in accordance with the arrangements laid down in 3.11.

10.2 Neither the Principal nor the Senior Vice Principal can authorise alterations concerning their own contractual and pay conditions. Authorisations must be made by the Chair of the Governing Board.

10.3 All monthly payroll data is to be reconciled by the Finance & Operations Manager to agree Salary, National Insurance, Superannuation and any other deductions.

10.4 All payments made each month to the Payroll Service Provider, together with payments made to outside staff agencies are to be debited against the relevant budgets and credited to the Payroll Control Account. After the appropriate BACS transfers, and the corresponding entries in the Payroll Control and Bank Accounts are made, the balance in the Payroll Control Account must be reconciled, and, if the balance is not nil, any differences noted and explained. It is the responsibility of the Finance & Operations Manager to ensure this is done.

10.5 At least once a month the Finance Officer will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.

10.6 Each month the Finance & Operations Manager will check a sample of the personnel records maintained by the Academy to the payments actually made by the Payroll Service Provider. It is

expected that over the course of a year, every member of staff will have had his/her salary payment checked against personnel records at least once. It is the responsibility of the Principal to ensure this is done.

10.7 Copies of all individual notifications to the Payroll Service Provider will be filed by the Finance & Operations Manager and kept secure.

10.8 Any contract for the services of a Payroll Service Provider will be reviewed regularly to ensure that the school is getting value for money and that the provider is giving adequate service. A copy of the contract should be held in Academy.

10.9 Where cheque/BACS payments are made to employees for expense claims, mileage and subsistence etc., the recipient must acknowledge receipt by signing an official receipt and returning it to the Finance Office. Both the claim form and the receipt are to be kept as prime documents.

10.10 The Finance & Operations Manager will carry out monthly management checks to ensure that all the internal control mechanisms shown above are in place and are being adhered to, and to ensure the accuracy of all payroll working papers.

11. Lettings Policy

11.1 The Governing Board recognises the position of the Academy in the local community and that encouragement should be given to the use of the Academy's premises by outside organisations.

11.2 The Governing Board wishes to take every possible care to ensure that all children/young people and others using the Academy's premises out of Academy hours are safe from abuse and that they are treated with dignity and respect.

11.3 The letting of the Academy is the responsibility of the Governors and the administration of the letting is the responsibility of the Finance and Operations Manager.

11.4 The full lettings policy is detailed separately.

12. Tendering Procedure

12.1 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.

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance and Operations Manager 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 use of public funds.

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

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.

12.2 Preparation for Tender

Full consideration should be given to:

- objective of project;
- overall requirements;
- technical skills required;
- after-sales service requirements;
- 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.

12.3 Invitation to Tender

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.

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; and
- form of response.

12.4 Aspects to Consider

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.
- Decide if there is scope for negotiation.

Suitability of the contract

- 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.

Other Considerations

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

12.5 Tender Acceptance Procedures

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 or to one point of contact within the Academy (e.g. via email) clearly marked to indicate they contain tender documents. Where the tender is submitted by a sealed envelope, it should be time and date stamped on receipt

and stored with the nominated point of contact. Tenders received after the submission deadline should not normally be accepted.

12.6 Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. At least two people should be present for the opening of tenders as follows:

- For contracts up to £20,000 – the relevant Budget Holder, Finance & Operations Manager plus one other nominated relevant employee (e.g. administrator relating to project or department) as appropriate.
- For contracts over £20,000 – The Finance & Operations Manager, Budget Holder and the Principal

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 all people present at the tender opening.

12.7 Tendering Procedures

a. 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.

b. Those involved in making a decision must not to accept gifts or hospitality from potential suppliers. This could compromise or be seen to compromise their independence.

c. Full records should be kept of all criteria used for evaluation and for contracts over £20,000 a report should be prepared for the Business & Resources Committee highlighting the relevant issues and recommending a decision. For contracts up to £40,000 the decision and criteria should be reported to the Business & Resources Committee.

For contracts over £40,000 the decision and criteria should be reported to the Full Governing Board.

d. Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

e. The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.

This section applies where the school chooses to conduct its own tendering process; it is recognised that, especially with regard to specialist or complex works and purchases, the Academy may choose to appoint a professional third party (e.g. surveyor, consultant, architect) to carry out the tender process on the Academy's behalf;. 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 is adhered to.

f. Approval of contracts over £50,000 will only be made following the Academy's tendering procedure and by reference to the standards laid down in the Procurement Standards for Schools contained in the Academies Financial Handbook.

g. Invitation to submit tenders will be made by appropriate means, i.e. invitation to tender through advertising in appropriate trade journals etc. Due regard must be given to the expected total valuation of the contract (spanning all years in the case of multi-year contracts) and publication within the Official Journal of the European Union (OJEU) will be necessary if relevant financial thresholds are met. The invitation to submit tenders (See 12.2) will include the nature and purpose of the contract, where further details can be obtained and the last date and time on which tenders can be received, normally not less than fourteen days after the invitation is published.

h. All tenders received must be in a plain sealed envelope bearing only the words 'tender' and the subject to which the tender refers.

i. All tenders will be opened at the same time and details of contractor, tendered amounts and any other details recorded at the time of opening.

j. No contractor will be allowed to amend the tender after the date and time fixed for receipt of tenders. However, if genuine and obvious errors are found in tenders, contractors will be allowed to withdraw, confirm or amend the tender as appropriate.

k. In accepting any tender, Governors will analyse and compare all possible options to make sure value for money is obtained. This might mean accepting a tender that is not necessarily the lowest. Where a tender other than the lowest is accepted, the reasons for its acceptance must be documented and reported to the Governing Board. All decisions made must be recorded in the minutes of that meeting for future reference.

l. Acceptance of any tender will be confirmed to the contractor in writing and no work should be started until this has been done.

m. 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 Board.

n. All on-going contracts will be reviewed and renegotiated at regular intervals.

o. Governors and school staff should declare their personal interests whether pecuniary or non-pecuniary in any proposal to call for tenders for supply of goods, materials or services or in the decision-making process to accept any such tender.

13. Governors Expenses

Section 36(5) of the Education Reform Act 1988 enables Governing Bodies to decide whether they wish to pay travelling and subsistence allowances from the school budget to individual members of the Governing Body. The policy of the governors in respect of payment of allowances must be openly available to parents and governors.

13.1 All records and papers relating to payment of Governors' expenses will be retained in the school for six financial years plus the current year in a secure and logical manner.

13.2 Authorisation of governors' expenses will be by the Chair of the Governing Board. Claims by the Chair of the Governing Board will be authorised by both the Vice Chair of the Governing Board and the Chair or the Vice Chair of the Business & Resources Committee.

Governors have agreed that travelling and subsistence expenses will be paid to Governors travelling outside of the borough on Academy business.