



Financial Regulations Policy

November 2018

Signed (Chair of Trustees):	
Date:	November 2018
Date of Review:	November 2019

The Arbor Academy Trust reviews this policy annually. The Trustees may, however, review the policy earlier than this, if the Government introduces new regulations, or if the Trust receives recommendations on how the policy might be improved. This document is also available in other formats e.g. e-mail and enlarged print version, on request to the School Offices and is displayed on the schools' websites.

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Introduction

1. The purpose of this manual is to ensure that the Arbor Academy Trust (The Trust) maintains and develops systems of financial control, which conform 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 Secretary of State for Education, through the Education & Skills Funding Agency (ESFA).
2. The Arbor Academy Trust must comply with the principles of financial control outlined in the Academies Financial Handbook (September 2017). This manual expands on that and provides detailed information on the academy's accounting procedures and system manual should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

Financial Planning

4. The Arbor Academy Trust prepares rolling 3 to 5 year budgets.

Budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-monthly)
 - Reconciliation and closure of previous academic year
 - Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Pre-planning new academic year
 - Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The **Finance Director (or equivalent)** is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the **CEO, Finance and Resources Committee** and the **Trust Board**.
7. The annual budget will reflect the best estimate of the resources available to the Trust for the

forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

8. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
 - latest estimate of other ESFA funding e.g. pupil premium or other specific funds
 - expected Local Authority Income for High Needs top up, Growth Fund and Early Years funding
 - estimated top-up funding from other institutions, schools and commissioning Local Authorities
 - review of other income sources available to the academy to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the academy cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous academic year
 - any funds held in Trust
9. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
10. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the **Finance and Resources Committee** as part of the termly management accounts procedure with sufficient explanation and recovery plans where necessary.
11. The approved budget is then entered onto the finance system at the start of the new academic year.

Other Government Funding

12. In addition to GAG funding from ESFA the Trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited

externally annually.

13. The **Finance Director (or equivalent)** is responsible for overseeing the recording of income and expenditure for each grant, providing a reconciliation within the monthly/termly management accounts.

Other Grants and specific funding

14. In addition to the GAG funding from the ESFA and other government funding, the Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
15. The Finance Director (or equivalent) is responsible for overseeing the recording of income and expenditure for each grant, providing a reconciliation within the monthly/termly management accounts.

Funds held in Trust

16. Where funds are held in trust the **Finance Director (or equivalent)** is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

17. Substantial virements shall be approved and minuted by the **Governing Body** and should be within the agreed criteria and financial limits.
18. The **CEO** is given delegated power to vire from one budget to another and shall seek approval from the **Finance and Resources Committee** and retrospectively where the amount exceeds £5,000.
19. All virements exceeding the lower of £20,000 or 5% of the budget shall require prior approval from the **Finance and Resources Committee**.

Budget Forecast Return

20. The approved budget must be submitted to ESFA by 31 July each year by **the Accounting Officer (or delegated authority)**. The **Finance Director (or equivalent)** is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

21. Monthly/termly reports are prepared by **Finance Director (or equivalent)**. The reports include:

- actual income and expenditure against budget (shown as period to date and outturn to year end)
 - balance sheet reconciliations
 - cash flow forecast
 - one-page commentary highlight and explaining variances
22. Any potential overspend against the budget of any academy must in the first instance be discussed with **the CEO**.
23. The termly reports are sent to the accounting officer, **Finance and Resources Committee** and the Chair of Local Governing Body.

Independent checking procedures to deliver

Assurance

Extract from Academies Financial Handbook 2017

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

- *the appointment of an internal audit service (either in-house, bought-in or provided by a sponsor)*
- *the performance of a supplementary programme of work by the trust's external auditor*
- *the appointment of a non-employed trustee with an appropriate level of qualifications and/or experience to check the trust's internal controls, who neither charges, nor is paid by the trust for their work. This appointment is not mandatory but is one way trusts are able to conduct their internal checks*
- *a peer review, with the work being performed by the chief financial officer, or a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer*

The trust may wish to commission a programme of work that combines the above options. For example, a trustee appointed under the third bullet above to carry out checks can delegate some of the detailed checking to an external contractor or peer reviewer. The adequacy of the arrangements at each trust will be established as part of the process leading to the accounting officer's annual statement, and, where appropriate, through the self-assessment review of financial management and governance or other review of the governance arrangements.

24. Arbor Academy Trust will use option 2 using an external auditor.

Review of regularity

25. The CEO (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions

- value for money practice
26. The Accounting Officer has delegated the following responsibilities to Finance Director (or equivalent):
- adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
 - review of trustees/governors' minutes
27. A checklist is completed for each review undertaken. Please see **Appendix A**.

Annual accounts

28. The Trust must prepare annual audited financial statements for the accounting period to 31 August.
29. The accounts are prepared by Buzzacott from information provided by the academies
30. The accounts are then submitted as follows:
- by 31 December – to ESFA
 - by 19 December - AAR
 - by 31 January – published on our own website
 - by 31 May – to Companies House

Value for money statement

31. As part of the annual accounts the trust must include 3 focussed examples of value for money.
32. The **CEO** is responsible for collating the examples which are then confirmed by the **Finance and Resources Committee**.

Audit arrangements

33. External auditors must be appointed in accordance with the Academies Financial Handbook.
34. The **Finance Director (or equivalent)** is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

35. The **Finance Director (or equivalent)** is responsible for ensuring the following tasks are undertaken during the month to facilitate a smooth audit process:
- reviewing the monthly accounting transactions
 - preparation and submission of Trust VAT
 - ensure month intercompany transactions have been recognised in all schools and the

trust

- review of income and expenditure records (including filing of invoices) – delegated to school finance team
- reviewing aged debtors and creditors for any provisions required – delegated to school finance team
- control account reconciliations (bank, wages, debtors, creditors)
- Monitoring & reporting to the Accounting Officer and Local Governing Body / trustees

Work undertaken for the year end

36. The **Finance Director (or equivalent) and finance team** are responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- stock take value have been calculated
- end of year prepayments and accruals for income and expenditure items
- control account reconciliations (bank, wages, debtors, creditors)
- ensure pension valuations are received by the trust in time for audit preparation
- ensure all assets, income and expenditure are recognised in the accounts at year end
- Intercompany accounts between academies and trust have been balanced
- Audit folders have been completed by finance team

Accounts Return

37. The Trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 19 January.

38. The accounts return is prepared by Buzzacott on behalf of the Trust

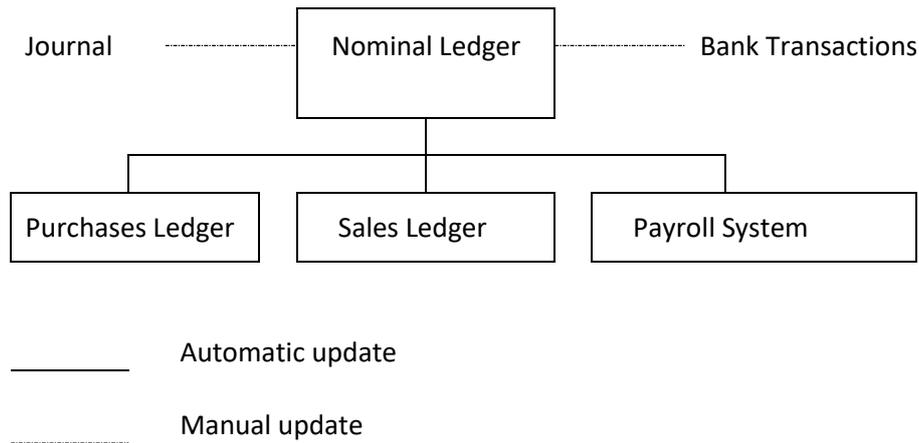
Document retention

39. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left
- All student files until the student reaches the age of 21

Accounting system

40. All the financial transactions of the academy trust must be recorded into PS Financials the computerised financial information accounting system. This system is operated by the Finance Department and consists of:



System Access

41. Access to the system is password restricted to **Finance Team**.
42. The system is managed by the Finance Director (or equivalent) via a PSF admin system. This system allows for the addition or removal of users and resetting of passwords.

Back-up Procedures

43. PS financials is a cloud based system which is hosted by PS financials on their servers. They back up the system every night which ensures any data loss would be minimal reducing risk in this area.

Transaction processing

44. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
45. All journal entries are allocated a system generated journal number and are reviewed on a monthly basis by the Finance Director (or equivalent) during the month end process
46. Bank transactions are input by **finance team and the finance consultant** and reviewed by **Finance Director (or equivalent)**.

Transaction reports

47. The **Finance Director (or equivalent)** reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
 - transaction detail reports
 - control account reports for the payroll, purchase ledger and sales ledger;
 - management accounts summarising expenditure and income against budget at nominal level

Reconciliations

48. The **Finance Director (or equivalent)** is responsible for ensuring 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
 - VAT control account
 - bank balance per the nominal ledger to the bank statement
49. The **CEO** signs all bank reconciliations and payroll reports as evidence of review.
50. Any unusual or long outstanding reconciling items are brought to the attention of **Finance Director (or equivalent)** and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

51. The following procedures must be followed when opening a bank account and operating it:
- the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
 - the Trust must authorise the opening of all bank accounts
 - the Trust will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
 - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
 - the Trust must inform the bank, in writing, that their accounts must not become overdrawn
 - the Trust must ensure there are sufficient funds to cover large payments

Deposits

52. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
 - a breakdown of the deposit for example (student meals, trips etc)

Payments and withdrawals

53. All cheques and other instruments authorising withdrawal from academy bank accounts must bear two signatures one of which must be **the CEO** and any one of the following:
- **Executive Principal**
 - **Head of School**

Administration

54. The **Finance Director (or equivalent)** ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's accounting system
 - reconciliations are prepared by the finance team
 - reconciliations are subject to an independent termly review carried out by **Finance Director (or equivalent)** or in their absence the **CEO**
 - adjustments arising are dealt with promptly

Petty Cash

55. The Trust maintains a maximum cash balance of £ 250 for the purchase of minor items, which is held in the office safe and is the responsibility of **the finance team**
56. The petty cash float must not be used for:
- cashing personal cheques
 - paying staff loans

Payments

57. In the interests of security, petty cash payments are limited to £25. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

Administration

58. The petty cash float is maintained on the imprest system and the float is only reimbursed from the main bank account.
59. The petty cash float is reconciled monthly by **the finance team**. The reconciliation is then reviewed by **the Office Manager** and initialled as evidence of review.

E-procurement & Payments

60. The school Business Charge Card is used only when it is not practical to use the purchase order/cheque system.
61. The card is kept in the safe and is only used by:
- **Lisa Bogle and Bronwen Charmers (Headteachers)**
62. Any department wishing to make a purchase on Business Charge Card must complete an order form and pass this to the finance team or admin staff to make the purchase. All order forms detailing the purchase must be signed by the Executive Headteacher, Headteacher or CEO
63. Occasionally the Business Charge Card is used to purchase small items where it is not possible

to order this elsewhere. This must be recorded and countersigned by the Headteacher, Executive Principal or CEO

When the Business Charge Card statement arrives there will be a signed order form relating to each entry on the statement, a VAT invoice is preferred for all purchases and it is sometimes necessary to chase suppliers for this.

BACS Payments

64. On receipt of an invoice, the CEO, Headteacher or Executive Headteacher signs the invoice, to signify:
 - an official purchase order has been raised for the purchase
 - the delivery note has been checked
 - the delivery is of correct quantity, quality and price
 - it has not been previously paid
 - funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
65. The payment is then prepared and the BACS payment then passes it on to two of the cheque signatories who check in ensure that the invoice values match the payment amounts.
66. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.
67. The finance team ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the finance team should request that the individual states his self-employment reference number on any invoice issued to the school.

Investments

68. Investments are made in accordance with written procedures approved by the governing body. See **Appendix B for Policy**.
69. All 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.

Reserves

70. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year. See **Appendix C for Policy**.
71. The **CEO** as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
72. If the Trust is anticipating a deficit at the end of any academic year, the **Trustees** and **CEO** have

a responsibility to ensure action is taken at the earliest opportunity to address this issue. The **Trustees** must ensure that a recovery plan is submitted and approved by the ESFA.

73. The Trust undertakes to ensure that a contingency reserve of **2%** of the previous year's total GAG is kept.

Capital Reserves

74. Any overall surpluses at the end of the year are carried over to the following year.
75. It is the responsibility of **Finance Director (or equivalent)** to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Endowments

76. The **Finance Director (or equivalent)** is responsible for accounting for the transactions within the endowment fund.
77. Any transactions are in line with the memorandum and articles.

Payroll

Staff Appointments

78. The **Board of Trustees** has approved a personnel establishment for the Trust. Changes can only be made to this establishment with the express approval in the first instance of the **Finance and Resources Committee** who must ensure that adequate budgetary provision exists for any establishment changes.
79. The **CEO** has authority to appoint staff within the authorised establishment except for **Finance Director (or equivalent), Executive Headteacher, Head of HR and Headteacher** whose appointments must follow consultation with the **Trustees**. The **Head of HR** maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to **Head of HR** immediately.
80. The **Head of HR** is responsible for obtaining the relevant DBS checks and ensuring these are retained on file

Payroll Administration

81. Payroll is administered through the Trust's payroll provider.
82. All staff are paid monthly through the payroll provider. A master file is created on the payroll providers portal for each employee which records:
- salary
 - bank account details
 - taxation status

- personal details
- any deductions or allowances payable
- other legal and relevant details

83. New master files can only be created by the Office Manager with the express approval of **Head of HR**. Any master file amendments made by the Office Manager must be printed out each month prior to the payroll run and must be authorised by **the CEO, Executive Principal or Headteacher**. Any master file amendments made by **Head of HR** must be authorised by **the CEO**.
84. The Head of HR should collate information regarding new appointments, resignations, loss of pay or additional payments and send this to the Office Manager during the last week of each month, in time for the payroll submission. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is prepared by the Office Manager and signed off by the Headteacher, Executive Principal or CEO

Payments

85. Before payments are dispatched a printout of all data should be obtained, including an exceptions report from the payroll provider and this should be checked against source documentation by the Finance Department and then reviewed and initialled by CEO or Executive Principal Authority to release payment will be by Office Manager and the **CEO**.
86. All salary payments are made by BACS.
87. The Finance Department prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by **CEO**
88. After the payroll has been processed a monthly payroll journal will be entered into the accounting system. Postings will be made both to the payroll control account and to individual nominals. The Finance Director (or equivalent) should review the payroll control account at least termly to ensure the correct amount has been posted from the payroll reports, individual nominals have been correctly updated and to identify any amounts posted incorrectly.

Annually, the Head of HR checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

Salary advances

89. The Trust does not award salary advances.

Overtime

90. Overtime is recorded by the individual and submitted by 19th of each month to **the**

Headeacher for authorisation, The **Office Manager** completes the claim forms and copies of the time sheets in the main office in the appropriate folder

91. Claim forms must not be submitted prior to work having been undertaken.
92. No payments for work undertaken will be made other than via the payroll system.

Severance payments

93. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
94. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
95. The Accounting Officer (**CEO**) must sign off and review each business case.

Ex-gratia payments

96. Any ex-gratia payments must be submitted to ESFA for prior approval.

Income

ESFA grants

97. The main sources of income for the academy are the grants from the ESFAs. The receipt of these sums is monitored directly by **Finance Director (or equivalent) and the finance team** who are responsible for ensuring that all grants due to the academy are collected.

Other grants

98. The receipt of these sums is monitored directly by **the Finance Director (or equivalent and the finance team** who are responsible for ensuring that all grants due to the academy are collected.

Trips

99. Students should make payments to the Admin/Finance team. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
100. The Finance team should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.
101. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the

school decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.

Catering

If cash payments

102. Cash payments must be reconciled on a daily basis by **the admin team** to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The weekly banking sheet must be reconciled to actual receipts banked.

If electronic cash collection

103. The fortnightly bank credits are reconciled to the **Parent Pay** reports in the first instance.

Lettings

104. The **finance team** are responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.

105. Details of organisations using the sports facilities will be held by the finance team who will establish a sales ledger account and produce a sales invoice from the accounting system.

106. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Sundry income

107. Income from other sources (for example educational consultancy) is priced in consultation with **CEO**. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed pricing Policy. The **CEO** approves all credit agreements.

Gift aid

108. To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to the **Finance Director (or equivalent)**:

- reconciles income against records to confirm expected amounts have been received by the donor
- ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

Bad debts

Write offs need to be in line with the delegated authorities set out in the Academies Financial Handbook.

109. The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issues, by telephone or letter.
110. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the **Office Manager** submits a report to **CEO and Chair of Governors** for approval of write off.
111. The following write off limits apply:
 - Up to £500 – Finance Director (or equivalent)
 - £501 to £1500 – CEO
 - £1501 to £5000- Finance and Resources Committee
 - Over £5000 – Trust Board and refer to debt collecting agency

Purchasing

112. The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
 - Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
 - Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis
 - See **Appendix D for Policy.**

Routine Purchasing

Orders

113. All orders must be made, or confirmed, in writing using an official order form, stocks of which are held by the finance team. Orders must be signed by the CEO, Executive Headteacher or Headteacher and must be forwarded to the finance team. Orders will only be recorded in the purchase order module of the financial information system when approved. Orders will be dispatched to the supplier by the finance team.
114. On receipt of the goods the finance team must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies

between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

115. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the finance team should be notified. The finance team will keep a central record of all goods returned to suppliers.
116. All invoices should be sent to the finance team. Invoices will be recorded by the finance team in the accounting system. The Finance Department will stamp invoices with a grid against which the following can be evidenced by the authorising signatory:
 - invoice arithmetically correct
 - invoice authorised for payment
 - payment authorised
 - payment made
117. The Finance Department will then produce details of payments to be made to the purchase ledger and generate the cheques/BACS required. The cheques/BACS run and associated paperwork must be authorised by two of the nominated cheque signatories.
118. BACS payments are produced by the Finance Team and authorised by two signatories in accordance with the bank mandate, they are then uploaded to the banking system for approval by the Office Manager or the Finance Director. (see E-procurement and Payments above).

Orders over £1,000 but less than £10,000

Best value should be sourced for orders up to £10,000 before any order is placed. Orders over £10,000 and up to £100,000

All goods/services ordered with a value between \$10k and £100k should have three written quotes if possible. This may be waived if the item is bespoke and can only be delivered by a limited number of suppliers

Orders over £100,000

Orders over £100k should be subject to a tendering process.

Forms of Tenders

119. 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 Headteacher or Executive Headteacher must discuss and agree with **the CEO** how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- **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.

Preparation for Tender

120. Full consideration should be given to:
- objective of project
 - overall requirements
 - technical skills required
 - after sales service requirements
 - form of contract.
121. 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.
122. A tender brief must always be prepared and is reviewed by the **Executive Head teacher** or **CEO**

Invitation to Tender

123. 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.
124. An invitation to tender should include the following:
- introduction/background to the project
 - scope and objectives of the project
 - technical requirements
 - implementation of the project
 - terms and conditions of tender
 - form of response
 - dates for decision and work to be delivered

Tender Acceptance Procedures

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

Tender Opening Procedures

126. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- –All contracts over £100k the **CEO** plus a member of the **Finance and Resources Committee**.

127. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

128. 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.

129. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

130. Full records should be kept of all criteria used for evaluation and for contracts over £100,000 a report should be prepared for the **Finance & Resources Committee** highlighting the relevant issues and recommending a decision. The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

Insurance

131. The **Finance and Resources Committee** reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

132. We have opted in to the Department for Education's Risk Protection Arrangements.

133. All staff must ensure all valuable are kept under lock and key when not being used in a supervised manner.

134. Separate insurance arrangements will be made for overseas trips as this is not covered by the RPA.

Governors/Trustees Expenses ARE you happy with the below?

135. Governors/Trustees of this Trust are entitled to claim the actual costs, which they incur as follows:
- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
 - the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
 - telephone charges, photocopying, stationery, postage etc.
 - any other justifiable allowances
136. The trustees acknowledge that:
- Governors/Trustees are not being paid attendance allowance
 - Governors/Trustees are not reimbursed for loss of earnings
137. Governors/Trustees wishing to make claims under these arrangements, must complete a claims form from **the finance team** together with the relevant receipts. The form must be submitted to the finance team within two weeks of the date when the cost were incurred, when they will be submitted for approval by the **Chair of Governors/Trustees or Chair of Finance and Resources** to be presented to the **Finance and Resources Committee** for final approval.
138. Claims will be subject to independent audit and may be investigated by the **Chair of Governors (or Chair of Finance in respect of the Chair of Governors)** if they appear excessive or inconsistent. **See Appendix E for policy.**

Gifts

139. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Donations Policy for further details).
140. Gifts that have been reported are entered onto the gifts and hospitality register. **See Appendix F for policy**

Energy Management

141. The **Premises Manager** is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual readings should be raised with the finance team immediately.
142. The **Premises Manager** ensures that the school's heating system is operated and run as efficiently as possible.
143. The **finance team** ensures that the school is purchasing energy at the most competitive prices available.
144. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

145. The trust does not tolerate fraud. Where instances of fraud are found the **CEO** will notify the ESFA. **See Appendix G for policy**

Whistleblowing

146. **See Appendix H for policy.**

Fixed assets

Asset register

147. All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register with the following details:
 - asset description
 - asset number
 - serial number
 - date of acquisition
 - asset cost
 - location
 - name of member of staff responsible for the asset
148. The asset register helps:
 - ensure that staff take responsibility for the safe custody of assets
 - enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
 - to manage the effective utilisation of assets and to plan for their replacement
 - help the external auditors to draw conclusions on the annual accounts
 - support insurance claims in the event of fire, theft, vandalism or other disasters
149. Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

Security of assets

150. All the items in the register are permanently and visibly marked as the academy trust's property.
151. Equipment is, where possible, stored securely when not in use.

Disposals

152. Disposals, where applicable, are in line with the Academies Financial Handbook.
153. Items which are to be disposed of by sale or destruction must be authorised for disposal by **Executive Headteacher and the Finance Director** and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
154. See Appendix I for policy.

Loan of Assets

155. Items of academy property must not be removed from academy premises without the authority of the **CEO**. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
156. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.