SPARKEN HILL
ACADEMY

Finance Policy

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1. INTRODUCTION.

Academy Trusts are companies limited by guarantee and, under the terms of the Academies Act 2010, exempt charities. The Board of Directors (the Board) of the Sparken Hill Academy (the Trust) are therefore subject to the duties and responsibilities of charitable trustees and company directors as well as any other conditions that the Secretary of State agrees with them.

The Board has responsibility under statute for ensuring that the Trust's funds are used only in accordance with the law, their powers under the Funding Agreement (including the Trust's Articles of Association which sets out the powers of the Trust and its governance arrangements), and the Education Funding Agency (ESFA) 'Academies Financial Handbook.

The Board have wide discretion over the use of the Trust's funds. They are responsible for the proper stewardship of those funds and for ensuring value for money in their use through the principles of economy, efficiency and effectiveness. They must also ensure that any discretion is used reasonably, and takes into account any and all relevant guidance on accountability and propriety.

The Board recognise the need for good financial control over the Trusts' resources and has formulated this policy in order to achieve the required standards of financial management across the Trust.

2. ORGANISATION OF RESPONSIBILITY & ACCOUNTABILITY

2.1 The Board of Directors

Role:

The Board have a strategic role in determining the educational and financial priorities of Trust, ensuring that the financial resources are used effectively and that adequate internal controls are in place throughout the schools within the Trust.

Responsibilities:

The Board have overall responsibility and ultimate decision making authority for all the work of the Trust, including business planning and monitoring of budgets. However, the Board is permitted to delegate various functions to the Governing Body in accordance with clause 5 of the Scheme of Delegation for the Academy.

The following powers **shall not be delegated** and will remain with the Board:

- The powers set out in Articles 5 (a), (c), (e), (g), (l), (m), (n), (o) and (q) of the Articles of Association of the Trust.
- Ensuring compliance with the Trust's duties under Company Law and charity law, and agreements made with the ESFA (including the Master Funding Agreement and any Supplemental Funding Agreement).

- Ensuring the solvency of the Trust, safeguarding its assets and delivering its charitable outcomes.

- The approval of the Trust and Academy's financial policies.

- Approving the statutory Trust Report and Accounts to Year End 31 August.

- To receive reports from the Governing Body and make recommendations to the Governing Body.

- Selling or otherwise disposing of any asset which is of a value in excess of 10% of the total net book value of all assets belonging to an Academy.

- Creating or allowing to come into being any third party interest (other than a lien on assets arising in the ordinary course of trading or a charge operating as a result of a title retention clause).

- Giving any guarantee or indemnity other than in the ordinary course of business, the value of which exceeds £1,000.

- Entering into a contract or arrangement which is of a value of in excess of 10% of the General Annual Grant (GAG) for the Academy per year or which the termination provisions require more than six months' notice.

- Acquiring assets having a market value in excess of 5% of the GAG for the Academy.

- Entering into, varying or terminating any lease, licence, tenancy or other similar arrangement.

- Any lending.

- Entering into any other arrangement in the nature of borrowing (including debts factoring, invoice discounting, hire purchase, equipment leasing, conditional or credit sales or any off balance sheet borrowings) if the value of the amount borrowed exceeds 5% of the GAG for the Academy.

- Terminating or varying the terms of any contract which has a value in excess of 10% of the GAG for the Academy.

- Engaging any employee or consultant whose annual pay per annum exceeds the total pay per annum of the Principal / Head of School of the Academy.

- Varying the terms and conditions of that engagement so that they are no longer comparable to the equivalent engagement in one or more of the academies in the Trust.

- To appoint a Chief Executive who will act as an ex-officio trustee who will also be the Accounting Officer of the Trust.

- To approve the writing off of irrecoverable debts in excess of £500 and the disposal of surplus and damaged equipment.

2.2 Accounting Officer

Role:

The Chief Executive has a role, under the Board's guidance, for the Trust's overall management and staffing, however, their appointment as Accounting Officer confers specific responsibilities for financial matters. The Accounting Officer is personally responsible to Parliament and to the accounting officer for the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Responsibilities:

- **Regularity –** dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement, the ESFA Academies Handbook and compliance with internal Trust procedures.

- **Propriety** – ensuring that all expenditures and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards, of conduct, behaviour and corporate governance.

- **Value for Money** – achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration not only for the Trust, but for the taxpayer in general.

- To advise the Board in writing if, at any time, any action or policy under consideration by them is incompatible with, or appears to be failing to act where required to do so, by the terms of the ESFA Academies Financial Handbook or the Funding agreement.

2.4 Governing Body

Role:

The Governing Body will maintain a role in determining the educational and financial priorities of the Academy, ensuring that the financial resources delegated to it are used effectively and that adequate controls are maintained over these.

Responsibilities:

- To set out in writing the roles and responsibilities of the Governing Body, its committees, the Principal and other relevant staff in relation to financial decision making in the Trust approved Finance Policy.

- To undertake an annual review of the agreed roles and responsibilities by completing the School Governors' Decision Planner.

- To set up a Finance Committee to consider strategic financial issues on behalf of the Governing Body, and to review the committee's remit and membership on an annual basis.

- To establish the financial limits of delegated authority of the Academy to enter into commitments, to authorise invoices and the subsequent payment of these (e.g. cheques, BACS).

- To establish a register of business interests of governors, the Principal / Head of School and any other staff who have the ability to influence financial decisions, to ensure that it is open to inspection and to oversee its maintenance through an annual review and/or update.

- To ensure that the priorities, aims and objectives are outlined in the School Improvement / Development plan and are costed and clearly linked to the annual Budget Plan.

- To approve the annual Budget Plan for the Academy and ensure that it is submitted by the required deadline for submission to the ESFA.

- To determine the level of detail, minimum frequency and general format of financial information to be provided to the Governing Body, especially in relation to budget monitoring reports.

- To report suspected financial irregularities to the Trust's Accounting Officer without delay.

- To approve the Academy Management Accounts.

- To respond promptly to any recommendations made in audit reports and monitor the progress of any remedial action identified.

- To approve the writing off of irrecoverable debts up to £500 and the disposal of surplus and damaged equipment.

2.5 Finance Committee

Role:

In order to assist the Governing Body, the responsibilities (as agreed in the School Governors' Decision Planner) have been delegated to the Finance Committee.

Responsibilities:

- To fulfil the statutory responsibility for the administration of financial management within the academy

- To adhere to the financial limits of delegated authority from the Trust and to enter into commitments and to authorise payments

- To oversee the preparation of the Academy's annual budget plan in accordance with the priorities within the School Improvement / Development plan (including the staff complement), for approval by the Governing Body and Board of Directors.

- To monitor expenditure and income by receiving regular reports from the Principal / Chief Financial Officer comparing expenditure to the original budget set, and report back to the full Governing Body.

- To approve virements at the level specified in the school's agreed financial procedures and in accordance with the levels of delegation agreed by the Governing Body.

- To operate the Governing Body's arrangements for obtaining quotations and inviting tenders in accordance with section 5 of the Finance Policy.

- To ensure the maintenance of the inventories and security of assets and to approve in writing the method of disposal and the deletion of items from the inventory.

- To formulate and recommend to the Governing Body a charging and lettings policy in line with the Trust policy.

- To formulate and recommend to the Governing Body a charging and remissions policy for activities in line with the Trust policy.

- To determine arrangements regarding petty cash.

- To determine matters relating to building maintenance, health and safety and lettings outside school hours in accordance with the Governors' delegated responsibilities.

- To report appropriate financial information to parents in a format approved by the Governing Body.

2.6 Audit Committee

Role:
The Academies Financial Handbook requires all Academy trusts to have a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls and risk management procedures are operating effectively. The board has established an audit committee to support their responsibilities for issues of risk, control and governance

Responsibilities
- To maintain an oversight of the Academy Trust's (AT's) financial, governance, risk management and internal control systems.
- To report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the AT's annual reporting requirements.
- The Audit Committee has no executive powers or operational responsibilities/duties.

Authority

- The Audit Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- The Audit Committee is authorised to
- Request any information it requires from any employee, external audit, internal audit or other assurance provider.
- Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

Composition

- The membership of the Committee will comprise a minimum of 3 trustees.
- The chair of the board of the academy trust and the chair of the finance committee shall not serve as chair of the audit committee
- Until otherwise determined by the board of trustees, a quorum shall consist of 2 members of the committee.
- At least one member of the audit committee should have recent or relevant accountancy, or audit assurance, experience.
- Staff employed by the trust may be invited to attend the audit committee to provide information and participate in discussions but should not be members of the committee, will be separate to the finance committee and not have overlapping membership.
- Any trustee may attend a meeting of the audit committee, including those who are not members of the audit committee.
- The chief executive officer/accounting officer and chief financial officer should also attend meetings.

Reporting

- **The Audit Committee will:**
- Report back to the Trust Board regularly every term.
- Provide an annual summary report provided by the internal auditor in areas reviewed by internal audit covering key findings, recommendations and conclusions.

Terms of Reference

The Audit Committee will:

- Oversee the trust's risk register and, on the advice of the accounting officer and CFO, conduct a regular review of risks.
- Take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
- Agree an annual programme of internal scrutiny with the trust's internal auditors for checking financial systems, controls, transactions and risks.

- Ensure that the programme of internal scrutiny delivers objective and independent assurance.
- Provide assurance to the Trust Board that risks are being adequately identified and managed.
- Advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency and effectiveness (value for money).
- Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise senior management on any additional or alternative steps to be taken.
- Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit)
- Monitor the effectiveness of auditors.
- Review the findings of the external auditors and agree any action plan arising from it.
- Ensure there is co-ordination between internal audit and external audit and any other review bodies that are relevant.
- Ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity.
- Consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- Encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees.
- Provide minutes of all Audit Committee meetings for review at board meetings.

2.5 Principal

Role:

To ensure that sound systems of internal control are in place and are implemented. To ensure that the financial administration of the Academy operates in accordance with the Finance Policy. In the absence of the Principal, responsibilities outlined below will be delegated to the Vice Principal.

Responsibilities:

- To prepare the annual budget plan for the Academy for the Governing Body's approval.
- Ensure that the School Improvement / Development Plan priorities are properly costed and clearly linked to the Academy's budget plan.
- To review Academy budget monitoring exercises on a monthly basis.
- To review the cash flow of the Academy on a monthly basis.

- To provide reports to the Governing Body on a termly basis on the financial position of the school. These should be in a format approved by the Governing Body and report any variations in expenditure against the approved budget plan.

- To oversee the day to day management of the school's financial administration, ensure that sound systems of internal control exist over these and ensure that they comply with the Trust Finance Policy.

- To report any suspected irregularities, suspected bank and/or cheque fraud to the Governing Body and Board of Directors.

- To consider and respond promptly to recommendations made in internal and external audit reports and advise the Governing Body of any remedial action to be implemented.

- To authorise orders, invoices and payments up to the limits agreed by the Governing Body as outlined in section 5 of this policy.

- Organisation of personnel in respect of financial administration, also ensuring that there are satisfactory contingency arrangements, particularly in the absence of key staff.

- To submit required returns to the ESFA in line with published deadlines.

- To ensure that where budgets are delegated to a cost centre or departmental level that they operate within a similar control regime in respect of budget monitoring and reporting.

- To ensure that the Academy inventory is maintained and an independent check is made annually. To ensure all items to be written off are passed through the Governing Body and included in the minutes, and that correct disposal of assets is conducted.

- To ensure that prompt and adequate security marking of all items of a portable and desirable nature takes place.

2.6 Chief Financial Officer

Role:

The Accounting Officer is accountable for the Trust's financial affairs, but the delivery of the detailed accounting processes will be delegated to the Chief Financial Officer. They will work closely with Principal to ensure that sound systems of internal control are in place and are implemented. To ensure that the day to day financial administration of the Trust and each Academy operates in accordance with the Trust Finance Policy.

Responsibilities:

To work with the Principal:

- To prepare the annual budget plan for the Trust for approval by the Board.
- To undertake budget monitoring exercises on a monthly basis, ensuring corrective action is taken
- To undertake the cash flow monitoring across the Trust on a monthly basis
- To provide reports to the Board on a termly basis on the financial position of the Academy. These should be in a format approved by the Trust and report any variations in expenditure against the approved budget plan
- To provide monthly monitoring information to the Principal and Cost Centre budget holders.
- To report any financial irregularities, suspected bank and / or cheque fraud to the Board immediately.
- Organisation of personnel in respect of financial administration, ensuring that there is satisfactory contingency arrangements, particularly in the absence of key staff.
- To submit required return to the ESFA in line with published deadlines.
- To prepare the annual regularity report for the annual financial statements in the form required by the Secretary of State and take appropriate action on any comments from the external auditor's on regularity.
- To ensure that the external auditors are made aware of all issues in the period under review that may affect either their statutory or regularity report.
- Working with external auditors and accountants to prepare annual accounts for authorisation including the Statutory Accounts for the Trust.
- To determine insurance arrangements across the Trust, preparing insurance proposals and working with the Academy Principal to purchase insurance.
- Reviewing the contracts in place across the Trust to ensure value for money, making recommendations for change where appropriate.
- Preparation of VAT claims across the Trust.
- Providing financial and statistical information as and when required.

2.7 Finance / Administration Team

Role:

To implement the finance policy and procedures agreed by the Trust and to process financial transactions and activities in line with these. To maintain the Academy's accounting system and to monitor the budget on a day to day basis. To work closely with the Chief Financial Officer and provide reports as required.

Responsibilities:

To undertake responsibility for the day to day administration of the Academy's financial administration including:

- Ordering and receiving goods (including authorisation up to limits of delegated authority)
- Processing invoices (including authorisation up to limits of delegated authority)
- Processing cheques and / or BACS payments to suppliers (including authorisation up to limits of delegated authority)
- Payroll notifications, claims and returns (including pay overs)
- Staffing returns
- Monthly reconciliation of payroll, income and expenditure and preparation of month end reports
- Recording and banking of income
- Maintenance of all Academy bank accounts including receipts and payments
- To maintain the accounts in accordance with the Trust Finance Policy and ESFA Academies Financial Handbook, and to ensure that accounts are provided for audit and implementing auditor's recommendations.
- To ensure that all bank accounts that are held at the Academy are recorded on the accounting system used across the Trust.

2.8 Cost Centre Budget Holders

Role:

To undertake the effective and efficient management of and to remain accountable for, the resources delegated to them by the Governing Body / Principal.

Responsibilities:

- To undertake the day to day monitoring and control of budgets delegated to them.
- To ensure that any goods/services purchased from the delegated budget are done so in accordance with the Trust Finance Policy

3. FINANCIAL PLANNING & BUDGET MONITORING

3.1 The Board of Directors must approve a balanced budget for the Trust for the financial year, which may draw on unspent funds.

3.2 The Academy has a written statement of its aims and objectives and this forms the basis for constructing budget plans.

3.3 The Academy has both medium term educational (School Improvement / Development) and budget plans which outline the areas of priority with regards to spending, showing how the use of resources is linked to the achievement of the school's goals.

3.4 The Governing Body has established a formal procedure for planning the School Improvement /Development plan and the budget and has set out a timetable for the process.

3.5 The Principal in conjunction with the Chief Financial Officer will prepare estimates of expenditure and income in good time for consideration and approval by the Governing Body.

3.6 The Governing Body will ensure that planned expenditure does not exceed the available budget allocation during budget reviews.

3.7 The Principal will forward details of the approved budget to the Governing Body for timely consideration and will also alert the Governing Body and the Chief Financial Officer of any subsequent changes to the budget. The Chief Financial Officer will in turn notify the Board of Directors as part of the termly monitoring report.

3.8 The Governing Body should ensure that the main elements of the Academy's budget are subject to a periodic review to ensure that the school works within the principles of Best Value and that historic spending patterns are not repeated without challenge.

3.09 The Academy operates a system of budget profiling and cash flow forecasting to take account of likely spending patterns and the Principal will ensure that this is made available to the Governing Body at all planned budget review meetings.

3.10 The Principal / Head of School and Chief Financial Officer will provide a report on expenditure, including items committed but not yet paid at each budget review meeting. This report should include details on any significant variances against the approved Budget Plan and where necessary any remedial action plans and monitor the expenditure on the initiatives set out in the School Improvement / Development plan.

3.11 The Principal is authorised by the Governing Body to appoint a budget manager for any department as appropriate within the school and may delegate the responsibility to spend within a department's annual budget allocation to the department's appointed budget manager.

3.12 The Chief Financial Officer will provide department budget managers access to regular reports on spending and these will be reviewed with the Principal / Chief Financial Officer periodically or as deemed appropriate.

3.13 The Principal will ensure that the Governing Body is made aware of all virements made.

3.14 The Principal and the Governing Body will assess the progress made against the stated objectives in the School Improvement / Development plan.

3.15 The Principal will periodically consult the Governing Body and relevant staff to ensure that the financial and management information issued is relevant, timely, reliable and understandable. This review will be conducted at least annually.

3.16 The Principal will report any proposal for policy changes which significantly affect the expenditure or income budgets at the next Finance Committee meeting.

3.17 Where written approval is sought by the Principal to place a high value order or enter into a contract, the Governing Body will be informed of the amount and reason for the expenditure.

4. INTERNAL FINANCIAL CONTROLS

4.1 The Governing Body will ensure that there are written descriptions of all the school financial systems and procedures. These should be kept up to date and all relevant staff trained in their use.

4.2 The Principal and Chief Financial Officer will ensure that appropriate cover is available in the absence of key personnel to ensure that financial control is maintained.

4.3 The Principal will ensure that as far as possible the duties of staff relating to financial administration are distributed so that at least two people are involved. The work of one person should act as a check on the work of the other. All checks should be fully documented.

4.4 The Principal will ensure that proper accounting records are maintained and held securely.

4.5 An audit trail of all financial transactions will be maintained from original documentation to the accounting records, and vice versa.

4.6 Alterations to documents will be made clearly in permanent ink, initialled and dated. The use of correction fluids or erasure of information is not permitted.

4.7 Accounting records will be properly and securely maintained and access to these will only be permitted to authorised staff. The Principal will determine who is authorised to access the records.

4.8 The Principal will ensure that expenditure from ring fenced sources of funding are used for their intended purposes and are identifiable within the school accounts and supporting records.

5. PURCHASING

5.1 Before any orders are placed, the person responsible for placing the order will ensure that the school is achieving value for money. Consideration will be given to price, quality and fitness for purpose.

5.2 The financial limits of delegated authority as approved by the Governing Body for entering into commitments and ordering goods and services are as detailed below:-

Principal	***£10,000 maximum***
Vice Principal	***£5,000 maximum***
Assistant Principal	***£5,000 maximum***
Chief Financial Officer	***£5,000 maximum***
Departmental Budget Holders	***As per budget allocation***

5.3 Expenditure above the Principal's delegated authority, but below £35,000 must be approved by the Finance Committee and formally recorded in the minutes of the meeting.

5.4 All orders must be signed by an authorised member of staff per the list in section 5.2 subject to their authorised delegated level other than where the expenditure has been approved by Governors and their approval formally recorded in the minutes. The signatory should be satisfied that the goods or services ordered are appropriate and necessary, that there is adequate budgetary provision and that quotation / tendering procedures have been followed. Orders will be raised using the PS financial system and further authorised electronically, up to £5,000 authorised by the SBM & above £5,000 will be authorised by the Principal.

5.5 All intended purchases with an estimated value of £35,000 or more must be awarded by one of the following methods:-

- open competitive tendering by an advertisement in at least one newspaper and an appropriate trade journal;
- selective tendering from at least three recognised sources known to be suppliers of the goods and/or and services in question;
- such other arrangements made with the prior written approval of the Board of Directors

5.6 All intended purchases or contracts for supplies of goods and services with an estimated value over PCR 2015 Threshold must be advertised on

Find a Tender Service (FTS). The procurement rules and thresholds in the Public Contract Regulations 2015 and FTS should be complied with.

5.7 Purchases or contracts with an estimated value of between £10,000 and £35,000 can be awarded by one of the methods described above or by inviting at least 3 alternative written offers or quotations. In circumstances where obtaining 3 quotations is impractical the reasons for not following these procedures must be reported to the Governing Body and recorded in the minutes of the meeting.

5.8 For purchases of less than £10,000, the Governing Body will make the most suitable arrangements for the ordering of works, goods and services or disposal of equipment and goods but will obtain alternative offers or quotations wherever possible.

5.9 All contracts, orders and purchases with an estimated value of £35,000 or more will be subject to a decision of the Governing Body and recorded in the minutes of the meeting.

5.10 The Governing Body will be informed of all instances where a quotation has been accepted that is not the lowest or most financially advantageous option available. This will be recorded in the minutes of the meeting.

5.11 Official orders must be raised for all works, goods and services (with the exception of utilities, rents, rates, catering provisions, supply, petty cash, pupil uniforms re online orders for subsidised element only, and prior agreed lease arrangements). Where urgency requires a telephone order, this should be subject to the procedures outlined above and an official order raised at the earliest opportunity as confirmation to commit the expenditure, and to ensure financial commitments are recorded.

5.12 When an order is placed, the value should be committed against the appropriate budget heading on the schools financial system so that it is included in budget monitoring reports.

5.13 Official orders will only be used for goods and services provided to the school. Individuals are not permitted to use official orders to obtain goods or services for their private use.

5.14 The Chief Financial Officer will ensure that goods and services are checked on receipt to ensure that they match the order and entered on the PS finance system goods receipt notes. Wherever possible, the person responsible for checking the goods or services is not the person who orders the goods and processed the invoice. The checking procedure should be recorded on the order / delivery note and passed to the person responsible for processing invoices.

5.15 The Chief Financial Officer will ensure that payments are only made to a supplier once the goods or services have been received and checked and confirmed as being satisfactory, and on receipt of a proper invoice which has been received, checked, coded and certified for payment.

5.16 The limits of delegated authority as approved by the Governing Body for authorising invoices for payment are as detailed below. There is no limit set for the Principal as control over the level of authorisation has already been applied in the ordering process as identified in section 5.2 and 5.3

Principal	***Unlimited***
Vice Principals	***£5,000 maximum***
Chief Financial Officer	***£5,000 maximum***

5.17 Wherever possible, the authorisation of an invoice should not be performed by a person if they have also authorised the order and checked the receipt of goods or services.

5.18 All cheques raised require two signatures and these must be employees of the school. All cheques in excess of £5,000 must be signed by the Principal. There is no limit set for the Principal as control over the level of authorisation has already been applied in the ordering process as identified in section 5.2 and 5.3. The financial limits of delegated authority as approved by the Governing Body for signing cheques are detailed below:-

Principal	***Unlimited***
Vice Principal	***£5,000 maximum***
Chief Financial Officer	***£5,000 maximum***

BACS

5.18 Payments made through the Bank Automated Clearing Service (BACS) should utilize an appropriate password smartcard system of authorisation. The principal of separation of duties will be utilized which requires either the Chief Financial Officer or the Senior Office Administrator to upload payment details from the finance system. Two of the following Chief Financial Officer, Vice Principal or Principal (as signatories) are required to electronically authorize any payments made. Any individual payments within the BACS run with a value of £45,000 or more must be separately authorized by the Chair of the Governing Body and the Principal prior to the whole BACS run being authorized.

6 INCOME

6.1 The Governing Body will determine the charging policy for lettings and the supply of other goods and services, having regard to Trust policies. This will determine the rates of hire in place and will be reviewed on an annual basis.

6.2 All lettings will be authorised by the Chief Financial Officer in accordance with the charging policy agreed by the Governing Body. Proper records should be kept of all lettings and the income due from these.

6.3 The Chief Financial Officer is responsible for ensuring that the responsibility for identifying sums due to the school is separated from the responsibility for collecting and banking such sums.

6.4 Invoices will be issued promptly by the Chief Financial Officer following the delivery of the service. This period of time will not exceed 30 days. Wherever possible, income should be collected in advance of the letting or service taking place.

6.5 All income must be recorded on the Academy financial system.

6.6 All cash and cheques will be held securely to safeguard against loss or theft. The amount of money held at any one time will not exceed the amount covered by the schools insurance policy.

6.8 All monies will be paid into the Academy bank account promptly and in full. Where a school closure period exceeds 24 hours, all significant income should be banked prior to this.

6.9 The Governing Body does not permit the encashment of personal cheques from income collections or the use of income collections to make payments.

6.10 The Chief Financial Officer is responsible for ensuring that monthly reconciliation takes place between the income collected and the sums deposited at the bank. This reconciliation should be fully documented and available for inspection when required.

6.11 The Governing Body will be informed of debts prior to them being written off. A record of any sums written off will be maintained.

6.12 The Principal will ensure that any transfers of money between staff are recorded and signed for.

6.13 Wherever possible, monies from vending and other machines should be emptied and the cash counted by two people.

7 BANKING ARRANGEMENTS

7.1 The Principal will ensure on behalf of the Governing Body that the operation of the school bank account (including the use of direct debits and debit / charge cards) follows all the protocols as agreed in the bank mandates.

7.2 The Principal will ensure that appropriate steps are taken to reduce the risk of bank / cheque fraud occurring or minimise the potential loss if this has already occurred.

7.3 The Chief Financial Officer will ensure that bank statements are obtained on at least a monthly basis and reconciled against the school financial system and relevant accounting records. Bank reconciliations and associated reports will be signed by the Principal as evidence of completion.

7.4 Where possible, the person responsible for undertaking the bank reconciliation will not be responsible for the processing of receipts or payments.

7.5 Supporting vouchers will be made available to cheque signatories to safeguard against inappropriate expenditure.

7.6 Only manuscript signatures are to be used (i.e. not stamps or facsimile) and cheques should not be pre-signed.

7.7 Chequebooks will be held securely when not in use.

7.8 The Principal will maintain a list of all bank and building society accounts held by the school and a list of authorised signatories for each of these. A copy of this will also be held by the Chief Financial Officer.

7.9 The Chief Financial Officer will ensure that the school's cash flow is regularly monitored to ensure that the account does not become overdrawn.

<u>Debit / Charge Card Usage</u>

7.10 The school has a charge / debit card which has been set up and agreed by the Governing Body.

7.11 The authorised users of the card(s) and their financial limits of delegated authority (including monthly spend restrictions) are outlined below:-

Principal	***£5,000 maximum***
Vice Principal	***£2,000 maximum***
Chief Financial Officer	***£2,000 maximum***
Catering Manager	***£2,000 maximum***

7.12 The issue and control of the card(s) is managed independently by the Snr Admin Assistant, who is referred to as the Card Manager. Cardholder(s) have signed to acknowledge receipt of the card and acceptance of the conditions of use and signed the card.

7.13 All debit / charge cards are held securely when not in use either by the cardholder or within the school in a secure location where there is limited access.

7.14 Any misuse of the card(s) outside of the conditions of use will result in the immediate withdrawal of the card(s) from the cardholder(s). The Principal will take appropriate action.

7.15 The loss of any card(s) will immediately be reported to the bank and Card Manager.

7.16 If the card(s) are no longer required or the cardholder(s) leave the school they shall be returned to the Card Manager and destroyed in accordance with accepted procedures.

7.17 Card(s) will not be used for the withdrawal of cash through any ATM or cash back facilities.

7.18 School debit / charge cards must not be used for personal purchases.

7.19 The use of school debit / charge cards for ordering goods and services shall operate in conjunction with the principles of best value.

7.21 The debit / charge card(s) should not be used until confirmation has been made with the relevant budget holder that there is budget available under the budget heading to cover the cost of the proposed expenditure. Confirmation should also be sought that there are sufficient balances in the bank account prior to the use of cards.

7.22 A record of expenditure incurred together with supporting vouchers or receipts should be maintained by the cardholder(s), including a valid VAT receipt where relevant. These should be submitted to the Chief Financial Officer for the purpose of checking payments made.

7.23 Any charge card balances should be cleared in full either by cheque or approved direct debit by the due date. Debit card payments should be debited directly from the school bank account.

8 PERSONNEL AND PAYROLL

8.1 The Governing Body has established procedures for the administration of personnel activities, including appointments, terminations and promotions in the Trust Pay Policy.

8.2 The Principal will ensure that the duties of authorising appointments, making changes to conditions or terminating the employment of staff are separated from the duties of processing payroll notifications and claims wherever possible.

8.3 The Principal will ensure that all processes in relation to completing, checking and authorising any documents and claims related to appointments, terminations of employment and expenses are carried out by more than one person.

8.4 Details of staff able to authorise any documents and claims should be forwarded to the school's payroll bureau, including specimen signatures where required.

8.5 The Principal will ensure that personnel records are kept securely and only authorised personnel have access to them.

8.6 All payments to individuals should be made through the payroll system except where an employment self-assessment questionnaire has been completed and the Principal is satisfied from reading the guidance that the contract is one of self-employment.

8.7 The Principal will maintain a list of all staff employed at the school. This will be updated on a termly basis to reflect new starters and leavers.

8.8 The Principal will ensure that regular payroll checks are carried out and evidenced on payroll transactions against the schools documentation on staffing and pay to ensure they match.

9 PETTY CASH

9.1 A Petty Cash account of ***£200*** will be held. This will be held securely and only staff authorised by the Principal will have access to it.

9.2 Payments from the petty cash account will be operated on the Imprest principle, reimbursed to the predetermined limit as required in line with the expenditure incurred during the previous month.

9.3 Payments from the petty cash account will be limited to minor items of expenditure and not more than £60 in any one transaction. These will be supported by receipted invoices or vouchers, identifying any VAT paid, which must be separately accounted for.

9.4 Proper records will be kept of all reimbursements paid into and expenditure paid out of the petty cash account. The Senior Office Administrator is authorised on an open credit facility to reimburse up to £200 in any one week by collection of monies through an authorised/signed cheque for the purpose of petty cash reconciliation.

9.5 Personal cheques must not be cashed from the petty cash account.

9.6 Petty cash accounts will be reconciled to the bank account on a regular basis (not less frequently than monthly).

9.7 Reconciliations on the account will be subject to review by an independent person.

10 VAT AND TAXATION

The Principal will ensure that all staff involved in the financial administration procedures within the school are aware of the current VAT and income tax regulations.

11 SECURITY OF ASSETS, STOCK AND OTHER PROPERTY

11.1 The Principal is responsible for ensuring that assets, stock, cash and other property belonging to the school is kept in safe custody.

11.2 The Principal will ensure that stock levels are maintained in such a way to ensure continuity and availability of materials; maximum efficiency of annual budgets; good condition of stock and efficient use of storage capacity. Independent physical checks should be made of significant stocks no less than annually against stock records.

11.3 The Principal will ensure that an inventory is maintained of all portable, desirable, valuable and uniquely identifiable items. This will include details of serial numbers, make and model where applicable. All such items will be security marked as being the property of the school.

11.4 An annual check of the inventories against items physically held will be undertaken by an independent person and documented. All discrepancies identified on this check will be investigated reported to the Governing Body.

11.5 Where school property is loaned to staff or pupils and taken off site it will be recorded in a loan of equipment register. This will include the date of the loan, return and signature of the person borrowing the equipment. Any such loans should be authorised by Principal or their nominated representative.

11.6 If stocks or equipment are surplus, obsolete, damaged, not traceable or stolen, the Governing Body will authorise the write-off and sale or disposal.

11.7 Safes and secure cupboards/cabinets will be kept locked, the keys removed and held in a secure location as determined by the Principal.

12 INSURANCE

12.1 The Principal in consultation with the Chief Financial Officer will ensure that adequate insurance is taken out to cover risks to which the school is exposed. An annual review of all risks will be conducted to ensure that an appropriate level of cover is maintained.

12.2 The Governing Body will review all risks not covered on an annual basis and advise the Chief Financial Officer whether additional cover should be taken out.

12.3 The Principal will ensure that the Business Manager is notified of all new risks, additions and alterations which require insurance or affect the school's existing insurance arrangements.

12.4 No indemnity will be given to any third party without the written consent of the Board of Directors.

12.5 The Principal will ensure that the Chief Financial Officer is immediately informed of any accident, loss or other incident that may give rise to an insurance claim.

12.6 The Principal in consultation with the Chief Financial Officer will ensure that the insurance cover purchased covers the use of school property whilst off school premises.

13 SCHOOL AND OTHER PRIVATE FUNDS

13.1 The Principal will ensure that any voluntary funds are properly accounted for and independently audited.

14 TANGIBLE FIXED ASSETS, DEPRECIATION AND DISPOSALS

Capitalisation of expenditure

14.1 The Chief Financial Officer is responsible for maintaining an asset register, recording a description of furniture, fittings and equipment, plant and machinery and other capital equipment owned or leased by the academy. All assets purchased with a value over £1,000 must be entered in the asset register.

14.2 The academy's assets shall not be removed from the premises other than in the ordinary course of the academy's business, or used other than for academy purposes, except in accordance with specific directions issued by the Principal. The removal of assets must be recorded in a register, whose maintenance will be the responsibility of the Principal.

14.3 Nominated staff responsible for individual assets shall ensure that property and equipment is maintained in good working order and (where appropriate) in accordance with the manufacturer's recommendations.

14.4 All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register.

14.5 Any loss or damage to any asset shall be reported immediately to the Principal and where appropriate, consideration should be given to an insurance claim.

14.6 The depreciation policy for fixed and other assets will be based on the straight line method as follows:

-	Land	No depreciation
-	Buildings	50 years
-	Building refurbishments	10 years
-	Furniture and equipment	5 years
-	Motor vehicles	4 years
-	Computer equipment and software	3 years

14.7 Fixed assets up to the cost of £5,000 can be disposed of with the authorisation of the Principal. Authorisation of the Chair of Governors is required for the disposal of fixed assets with a value in excess of £5,000.

14.8 Where significant (over £1,000) assets should be sold following competitive tender (unless agreed otherwise by the chair). The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which grant in excess of £20,000 was paid.

14.9 If fixed assets are to be disposed of by competitive tender, the nature of the competitive tender exercise will be determined by the Chief Financial Officer.

14.10 Particular care is required in respect of the disposal of computer equipment in order to avoid any data protection issues.