

Skelton Primary School Financial Regulations



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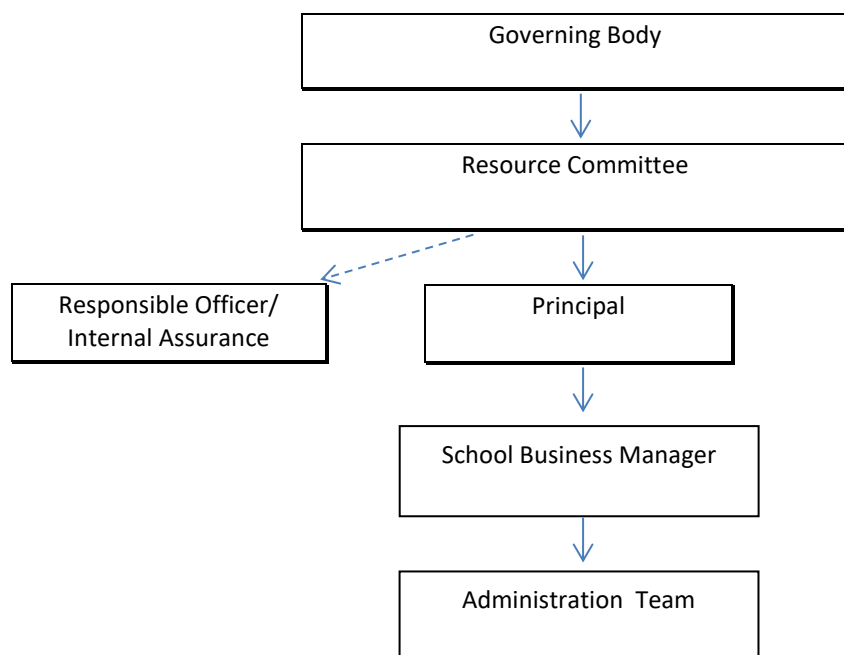
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326 Introduction

- 101 The purpose of this manual is to ensure that the Academy establishes and maintains effective systems of financial management, control and reporting. It is aimed at Administration Staff in the Academy, but should be available to all staff with budgets, income or expenditure responsibilities.
- 102 This manual provides information about the Academy's financial and accounting procedures as well as governance and should be read by all staff working with the financial systems. Detailed operational procedures will sit outside this handbook.
- 103 Training sessions will be held periodically at the Academy to ensure that all staff involved with financial systems and controls are familiar with the Handbook and procedures and can operate the systems and procedures properly.
- 104 Reference to the Department for Education (DfE) should also be read as referring to the EFA, where appropriate.
- 105 Please also read this manual in conjunction with the Academy's Financial Procedures.
- 106 All queries should be referred to the Academy School Business Manager (SBM).

2. Organisation Structure

- 201 The financial reporting structure is illustrated below and is followed by a short introduction to the role of each body.



The Governing Body

202 The Governing Body (GB) is the official term for the Board of Academy Governors. It is made up of representatives of the Academy staff, sponsors, the DfE and parents. The Governing Body must meet at least four times per annum. No business can be conducted unless a quorum of three appointed trustees are present.

203 The GB's responsibilities cover the full range of the Academy's activities; however, Finance matters will be a standing agenda item. The GB may delegate some of its financial responsibilities to the Resource Employment Finance and Audit committee, which is a sub-committee of the GB. A representative of the Resource Employment Finance and Audit committee will report on Finance matters at each GB meeting. In addition, the GB must formally discuss and approve:

- The annual budget;
- Appointment, and remuneration, of senior staff;
- All purchasing decisions over £50,000;
- Disposal of assets above £1,000.

Governors may not receive any form of payment for their work, other than payment of reasonable out-of-pocket travel, accommodation or other expenses incurred while attending in the capacity of governor.

204 No governor may hold an interest in property belonging to the Academy, nor may a governor receive remuneration in respect of any contract to which the Academy is a party.

Resource Employment Finance and Audit committee

205 The Resource Employment Finance and Audit Committee is a committee of the GB. It meets as required by the GB. No business can be conducted unless a quorum of two non-staff members are present.

The main responsibilities of the Resource Employment Finance and Audit Committee will be detailed in written terms of reference from the GB. These include: The Resource Employment Finance Committee is empowered to take decisions on behalf of the Governing Body and to report back to the full Governing Body at the next meeting. The Governing Body consider the budget allocation from the Authority and recommend a budget for the financial year. The Governing Body operates within the following limits:

- Vire between budget headings as follows:
 - Head Teacher up to £5,000
 - Resource Employment Finance Committee up to £25,000
 - Urgent decisions to be made by the HT with either the Chair of Governors or Chair of RC and reported back at the next committee meeting.
- Monitors spending and examines the outturn figure
- Agree the school policy on charging and remissions
- Determine charges for lettings in line with local authority guidance.

- Day to day management of the budget is delegated to the Head Teacher up to a limit of £5,000

Internal Assurance reviews

206 The GB is required to obtain independent oversight of the Academy's financial affairs. The main purpose of this is to assure the GB that:

- The financial responsibilities of the GB are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

207 The academy has asked the external auditors undertake a termly audit programme to ensure that financial transactions have been properly processed, and that controls are operating as laid down by the GB. A report of the findings from each visit will be presented to the Resource Employment Finance and Audit Committee and, where appropriate, to the GB. The presumption is that the Academy will implement any recommendations made unless it can demonstrate that to do so would not be appropriate. The School Business Manager will be given an opportunity to see and challenge the report before it is given to the Resource Employment Finance and Audit Committee.

The Principal

208 The Principal has overall executive responsibility for the Academy's activities within the framework of the agreed annual and longer term plans. The Principal is deemed to be the Accounting Officer for reporting purposes. Much of the financial responsibility is delegated to the School Business Manager (SBM), but the Principal retains responsibility for:

- Approving new staff appointments within the authorised structure, except for any senior staff posts requiring GB approval;
- Authorising bonus/honorarium payments to staff as agreed by SLT as long as cost is affordable based on current budgets and forecasts;
- Authorising the purchase of goods and services of value up to £5,000 , in conjunction with the SBM;
- Signing cheques/authorising electronic payments in conjunction with other authorised signatories; where the amount is over £1,000 at least one signatory must be the SBM or Principal;
- Approving the virement between and within budget headings of up to £5,000;
- Authorising the disposal of assets up to £1,000 in value.

The School Business Manager

209 The School Business Manager (SBM) works closely with the Principal through whom he or she is responsible to the governors. The SBM is deemed to be the principal General Officer

for reporting purposes. The SBM also reports directly to the governors via the Resource Employment Finance and Audit Committee.

The main responsibilities of the SBM are:

- Day to day management of financial matters including the establishment and operation of suitable accounting and forecasting systems and an asset register;
- Management of the Academy financial resources at a strategic and operational level within the framework of financial controls determined by the GB;
- Maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records;
- Preparation of monthly management accounts and financial reports;
- Authorising the purchases of goods and services of value of up to £5,000 in conjunction with the Principal;
- Signing cheques/authorising electronic payments in conjunction with other authorised signatories; all cheques over £1,000 to be signed by either the Principal or SBM
- Authorising virements between and within budget headings up to a value of £1,000;
- Authorising the disposal of assets up to a value of £1,000
- Ensuring that all financial and administrative returns are made to the DfE and other funders;
- Ensuring that the necessary information for other statutory returns (annual accounts, Charity Commission filings etc.) is provided promptly to the appropriate authorities;

Administration Team

210 The Administration Team consists of the SBM, plus Administration and Administrative Staff where appointed.

Other Staff

211 All staff members are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economical and efficient use of resources and for compliance with Academy financial procedures.

Register of Interests

212 No-one involved in spending public money may benefit personally from the decisions they make. To avoid misunderstandings, Academy governors and staff with significant financial or spending powers are required to declare their financial interests in entities from whom the Academy might purchase goods or services.

213 A register of interests should be maintained to ensure that all decision-making bodies are aware of any potential conflicts of interest when awarding contracts or making other financial decisions. All members of the GB, Resource Employment Finance and Audit committee and Senior Leadership Team will need to fill out the register of interest form on

appointment and this exercise should be repeated annually as a minimum. Forms are available from Governor Support who register annually on behalf of the School.

- 214 The register should include business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which might have dealings with the Academy. Business interests of relatives such as a parent, spouse or child should also be disclosed where influence could be exerted over a governor or employee by that person.
- 215 The existence of the register does not affect the duty of governors and staff to declare interests whenever they are relevant to matters being discussed by the GB, a committee or any other working group within the Academy. Where an interest has been declared, the individual(s) concerned should not attend that part of any committee or other meeting.

Gifts and Hospitality

- 216 All personal gifts and hospitality (above a minimum monetary amount of £25) received by governors and staff should be declared and recorded. This minimises the risk of staff and governors being compromised by expectations of reciprocal benefits. The Principal or SBM should be consulted before any such gifts or hospitality are accepted.
- 217 The Administration team should enter any receipt of gifts/hospitality into the Register of Gifts and Hospitality and this should be maintained by the SBM. Gifts received on behalf of the Academy should be entered on the register.

3. Financial Planning

- 301 The Academy must prepare both short-term and medium-term financial plans.
- 302 The medium-term financial plan is prepared as part of the improvement planning process. The Academy Development Plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 303 The School Improvement Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year. The deadline for budget preparation is notified by the DfE on an annual basis.

School Improvement Plan SIP

- 304 The School Improvement Plan (SIP) is concerned with the aims and objectives of the Academy and how they are to be achieved. This includes matching objectives and targets to the available human and financial resources. Plans should be kept relatively simple and

flexible. They provide the broad framework within which more detailed plans may be made.

- 305 Each year the Principal must propose a planning cycle and timetable to the GB which allows for:
- A review of past activities, aims and objectives - “did we get it right?”
 - Definition or redefinition of aims and objectives – “are the aims still relevant?”
 - Development of the plan and associated budgets – “how do we go forward?”
 - Implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course”
 - Feedback into the next planning cycle – “what worked successfully and how can we improve?”
- 306 The timetable will specify the deadlines for the completion of each of the stages described above. Responsibility for each part will be assigned by the Principal.
- 307 The SIP will include detailed objectives for the coming academic year and outline objectives for the following two years. It should also include cost estimates, both capital and revenue, associated with each objective and success criteria against which achievement can be measured. The SBM should be fully involved in the development of the plan.
- 308 For each objective the lead responsibility for ensuring progress is made towards that objective will be assigned to an Academy senior team member, who should monitor performance against the success criteria throughout the year, and report quarterly to the Principal. The Principal will report to the GB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 309 The SBM is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Principal in conjunction with all relevant managers, the Resource Employment Finance and Audit committee and the GB. The responsibility for setting the priorities for funding, budget-setting and general financial planning lies with the Academy. All significant risks that may impact on the financial viability of the Academy will need to have been recorded, and the financial impact considered and mitigated where possible. To that end, a detailed commentary will need to be provided with any budget submission.
- 310 The approved budget must be submitted to the ESFA by the due date each year and the SBM is responsible for establishing a timetable which allows sufficient time for all approvals and submissions.
- 311 The annual budget will estimate the resources available to the Academy for the next year and will show how these are to be used. The Academy Development Plan objectives and the budgeted use of resources should be clearly linked. While the SBM is primarily

responsible for the completion of the annual budget, he or she should work with relevant individuals to ensure that the budget is consistent with and reconcilable to the Academy Development Plan.

- 312 The budgetary planning process shall incorporate the following elements:
- Forecasts of pupil numbers and characteristics to estimate the DfE grants receivable;
 - Review of other income sources to assess likely level of receipts;
 - Review of past performance against budgets to make the cost base clear;
 - Levels of central spend grant to be passed to the Academy;
 - Identification of potential efficiency savings;
 - Review of the main expenditure headings in light of Academy Development Plan objectives and expected cost variations e.g. pay increases and inflation.
- 313 It is important that any new projects proposed are robustly challenged and costed to ensure that they are the most appropriate course of action and represent value for money.

Balancing the Budget

- 314 It is the responsibility of the Board to approve annual budgets that do not show an underlying deficit position
- 315 Comparison of estimated income and expenditure will identify any potential surplus or shortfall. If shortfalls are identified, opportunities to increase income should be explored and expenditure categories reviewed for areas where savings can be made. This may require projects to be deferred until funding is available. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. Any carry-overs of GAG funding need to be in compliance with the annual funding letter.
- 316 It is not anticipated that the annual budget should show a large surplus of funds over expenditure. Irrespective of the carry-forward calculation, it is not deemed responsible to try and build up significant reserves unless there is a particular project that requires savings to fund it over a number of years.

Communicating the Budget

- 317 The budget should be communicated to all relevant staff namely the Senior Leadership Team and Team Leaders so that everyone is aware of overall constraints and their particular responsibilities.
- 318 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is simple for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Risk Management

- 319 An essential part of financial planning is consideration of risks to the Academy. This covers all risks, not merely financial risks, as mitigation of non-financial risks can still have financial consequences. The SBM should maintain a detailed risk -register. This needs to be updated regularly and considered by the GB alongside the annual budget submission. The Resource Employment Finance and Audit committee should have risk management as a standing item on their agenda, and any significant changes to the register should be considered at each meeting.

Debt Write-offs

- 320 Debt write-offs may be approved for a variety of reasons. The most common reasons include:
- Insufficient legal proof of the debt or liability for the charge;
 - The likely expense of legal actions exceeds the likely recovery;
 - The debtor cannot be traced;
 - The debtor is unable to pay;
 - The debt represents the outstanding balance after a final dividend has been paid in cases of bankruptcy or insolvency.
- 321 Any debt write-off exceeding £500 in value will need to be approved by the Resource Employment Finance and Audit committee and copied to the GB.
- 322 Any write-off over the amounts set out in the EFA's Academies Financial Handbook needs written consent by the Secretary of State.
- 323 Any loss arising from suspected fraud and any loss above the value of £500 from suspected theft must be reported to the DfE.

Monitoring and Review

- 324 Monthly financial reports will be prepared and retained by the SBM. The most up to date financial position will be reported to the Resource Employment Finance and Audit committee. The Chair and the Chair of Finance will receive management accounts on a monthly basis. The SBM will draw to the attention of the Principal any cause for concern in between termly reports. In the first year after conversion reports will be presented to the Principal on a monthly basis.
- 325 The termly report will generally take the following format:
- Income and expenditure, actual against budget, for the period and for the year to date, in aggregate and by nominal code;
 - A projection of the anticipated end-of-year position;

- An extra report will be available for all budget holders (cost centre holders). This will detail budgeted, actual, committed and available spend to date;
 - A variance column;
 - A brief narrative with explanation(s) of any significant deviations from budget;
 - An update on significant capital projects in progress;
 - Summary of key balance sheet items such as creditors and debtors at month end;
 - A summary of the cash position and outlook.
- 326 If a budget overspend is forecast, it may be appropriate to transfer money from another budget or any contingency.
- 327 Termly reports should be reviewed by the Resource Employment Finance and Audit committee. Where applicable, corrective measures may be taken to ensure that the authorised budget is not exceeded.

4. Accounting System

- 401 The system currently in use is Sage 200. All financial transactions must be recorded on the accounting system.
- 402 The coding structure used by the Academy will be set at the outset of the Academy, but changes can be made if new codes are required due to change in circumstances.
- 403 It is the responsibility of the Academy Administration Team to ensure that all postings to the Administration system are done on a timely and accurate basis, and that all required financial checks are carried out on a timely basis by appropriate personnel, such as reconciliations and payroll submissions.
- 404 It is the responsibility of the SBM, in agreement with the Principal, to identify individual budget holders and set limits for their authorisation. It is the responsibility of the SBM to ensure that all undisputed invoices are paid within 30 days.
- 405 Accounting policies are set by the GB. The main policies are:
- A capitalisation threshold of £3,000
 - Depreciation rates of:
 - Leasehold buildings – 50 years
 - Furniture and fittings – 5 years
 - Computer equipment – 3 years
 - Vehicles – 5 years
- 406 The format of accounts complies with the most recent Charities SORP and Companies Act.

System Access

- 407 The accounting system is password restricted and passwords should be changed regularly.

408 Access to component parts of the system can also be restricted, and the SBM is responsible for controlling the access levels.

Back-up Procedures

409 The SBM, together with OneIT, should ensure that back-up procedures for the system and any other financial records are in place, to minimise the risk of data loss.

410 The SBM, together with the Academies IT Team and OneIT should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the Academy is exposed, and the systems that have been put in place to mitigate those risks.

Transaction Processing

411 All entries in the accounting system must be properly authorised. The procedures for running the payroll, the purchase ledger and the sales ledger are included in the following sections of the handbook. Journal entries must be printed and filed, and authorised by the SBM as part of the month end procedures. Cash book payments should be entered by the Academy Administration Team, and the input should be checked (and signed to evidence this check) by the SBM.

Transaction Reports

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

- Monthly audit trail reports;
- Master file amendment reports for the payroll, purchase ledger and sales ledger;
- Management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

413 The SBM 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;
- Petty cash;
- All suspense accounts; and
- All bank accounts.

414 Any unusual or long outstanding reconciling items must be brought to the attention of the SBM. Cheques uncashed after six months should be written back, and reissued if appropriate. The SBM will review and sign all reconciliations as evidence of his or her review. A review of an aged debtors and creditors listing should also be carried out to ensure that long-standing issues are revisited and addressed.

5. Staffing and Payroll

501 The main elements of the payroll system are:

- Staff appointments;
- Payroll administration; and
- Payments.

Staff Appointments

502 The GB will have approved a staffing structure for the Academy. Additions can only be made to this structure with the express approval in the first instance of the Resource Employment Finance and Audit committee, who must ensure that adequate budgetary provision exists for the increase. Changes to the structure which do not increase the overall budget can be approved by the Principal.

503 The Principal has authority to appoint staff within the approved structure except for Deputy and Assistant Principals and the SBM positions, whose appointments are made in consultation with the GB. The Academy maintains full personnel files for all members of staff. All personnel changes must be notified promptly in writing to the SBM.

Procedures to be completed for New Starters and Leavers

From 01 January 2021 the TRA Teacher Services system will no longer maintain a list of those teachers who have been sanctioned in EEA member states.

The Office Manager must make any further checks they think appropriate so that any relevant events that occurred outside the UK can be considered. These checks could include, where available:

- criminal records checks for overseas applicants – Home Office guidance can be found on GOV.UK; and for teaching positions
- Obtain a letter of professional standing from the professional regulating authority in the country in which the applicant has worked. Advice about which regulatory or professional body applicants should contact is available from the National Recognition Information Centre for the United Kingdom, UK NARIC.

504 Successful candidates must complete the appropriate checks. The Office manager will ensure that these are carried out before commencing their position.

505 Two references are required and are sought before the interview stage.

- 506 Qualifications/certificates must be produced and copied, and proof of identity checked. Other checks that are completed are:
- Disqualification Declaration Form,
 - Employees Right to Work
 - Baseline Personnel Security
 - Health Screening
 - Prohibition from teaching check
 - Overseas Declaration Form
 - Section 128 check (for management positions or Trustees)
 - Continuous Service (if applicable)

Upon completion of all the relevant forms the new member of staff will be invited into school to take part in an Induction. The Office Manager will ensure that Health and Safety and Policies and Procedures are covered within the Induction, with emphasis on Emergency Evacuation procedures.

Identity badges and fobs and protective clothing/equipment (where applicable) will also be issued. A signature must be received for any items (e.g. Ipad, camera, tool box) that are provided for the role. If the position involves driving, the new starter must bring along their driving licence, MOT and appropriate insurance (to include Business use) to be copied and kept on file.

When a member of staff resigns from their position an exit interview must be completed. On the last day of their employment the following checks are made by the Office Manager:

Removal of access to relevant ICT systems by the IT technician

Emails and file shares discussed with the IT technician and arrangements made for relevant messages /files to be stored in appropriate locations.

Keys/ Fobs returned

Mobile Phone returned (if applicable)

Laptop returned (if applicable)

Camera returned (if applicable)

ID. Badge returned

Toolbox returned (if applicable)

Uniform returned (if applicable)

A form will be issued by the Office Manager containing a checklist of the above and stating the confidentiality Clause 14 which must be signed by the person leaving and kept on file.

Payroll Administration

- 507 All staff members are paid monthly, on the 25th of each month or the nearest working day if 25th falls on a weekend or bank holiday. Separate arrangements may be made in December.
- 508 The Academy payroll is administered by an outside supplier Xentrall Shared Services.
- 509 The SBM reviews the payroll report and both the SBM and Principal authorise the report

- 510 A master record is held by Xentrall for each employee recording:
- Salary, including pay scale and spine point;
 - Pension details;
 - Part-time hours, including term-time only calculations;
 - Bank account details;
 - Taxation status;
 - Personal details; and
 - Any deductions or allowances payable.
- 511 New master records are created by Xentrall Services HR section on instruction from the SBM. Master file amendments will be reported by HR and must be authorised by the SBM or by the Principal.
- a. HR will complete a monthly staff return showing all sickness and absence and also appointments and departures. The staff return must be authorised by the relevant budget holder. Authorised staff returns go to the SBM who sends the documents for payroll processing. The LA HR function will administer all starter, leaver and amendment forms for the LGPS and TPS.
- 512 The SBM will provide data to Xentrall each month in accordance with the regular timetable.
- 513 The following is a summary of Xentrall role:
- a. The Academy will notify Xentrall of all payroll changes i.e. starters, leavers, overtime, back pay and salary changes;
 - b. Xentrall have responsibility to check the accuracy of data being supplied by the Academy and will have responsibility for the calculations of pensions, SMP, SSP etc;
 - c. Xentrall will produce all reports in either PDF or Excel format;
 - d. Xentrall will make all payments by BACs and send all reports to third parties i.e. pension providers, union subs, attachment of earnings orders etc.
 - e. Xentrall will prepare and file P35s, P14s, P60s and provide reports to allow completion of LGPS and TPS returns (including TR17A reports);

Overtime Payments

- 514
- a. Before any overtime is carried out approval must sort from Senior management/Team Leaders.
 - b. Overtime claims must be submitted to the Office Manager on the Payroll claims form.
 - c. The cut- off date will be available at the office, as any claims after the cut-off date will not be processed till the following month.
 - d. A reason for the claim must be written on the form and must be signed by the employee and counter signed by the Team Leader.
 - e. The Office Manager must then check the forms and pass to the Business Manager to authorise payment.

Payments

- 515 Before payments are made, a print of salary payments by individuals and showing the amount payable in total will be provided by Xentrall, to be reviewed and authorised by the SBM.
- 516 All salary payments are made by BACS. The payment date is the on the 25th of the month.
- 517 The SBM should carry out regular monthly reviews to ensure that there are no inconsistencies in the payments and that these are reasonable.

Other Considerations

- 518 Xentrall will provide a monthly payroll journal to be authorised by the SBM and posted to the nominal ledger. The SBM should review the payroll control account each month after posting to ensure that there are no unallocated balances.
- 519 As a minimum, the SBM should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 520 Once a year, the SBM must check that employee gross pay on the payroll master file matches the contract of employment on the employee personnel file.
- 521 The overall pay structure has been created by the Academy and all appointments should be made in line with that structure. Annual increases within this structure are determined centrally by reference to national agreements.
- 522 The SBM will ensure that all payments to individuals are processed through the payroll. Where an individual is self-employed or runs their own company, the SBM will ensure that all necessary steps are taken to mitigate any IR35 implications (or other such legislation in this area).
- 523 The SBM may delegate these to another member of the Administration Team.
- 524 The Academy has adopted Redcar & Cleveland Borough Council Redundancy procedures

6. Expenditure and Procurement

- 601 The Academy wants to achieve the best value for money from all purchases and at all times. This means purchases need to be in the correct quality, quantity and completed within the appropriate timeframe and at the best price possible. Purchases should follow the general principles of:
- Probity - it must be clear that there is no private gain in the Academy's contractual relationships;

- Accountability - the Academy is accountable for its expenditure and the conduct of its affairs;
- Fairness - that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Routine Purchasing

- 602 Budget holders will be informed of their budgets at least two months before the start of the academic year. It is their responsibility to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure (including commitments) against budget will be supplied to each budget holder by the Administration team two weeks after the end of each month.
- 603 Budget Holders (except for the Principal and SBM) have authority to place orders for budgeted items up to a value of £1,000
- 604 The SBM and the Principal have authority to place orders for budgeted and unbudgeted items up to £25,000. Spends over £25,000, must be approved by the Resource Employment Finance and Audit committee and over £50,000 by the GB.
- 605 The SBM may create approved supplier lists for some types of expenditure. If a relevant approved supplier list exists, budget holders must obtain the SBM's agreement to purchase from alternative suppliers. Due process will be followed, for example a tender exercise, before assigning approved supplier status.
- 606 All requisitions from budget holders must be made in writing using an official requisition form, stocks of which are held in the General Office or available electronically on the network. Requisitions must bear the signature of the budget holder and must be forwarded to the General Office, which will check to ensure that adequate budgetary provision exists and place the order.
- 607 Orders that are in compliance with the budget are allocated a reference number and dispatched to the supplier by a member of the Administration Team.
- 608 The Administration Team must make appropriate arrangements for the delivery of goods to the Academy. On receipt, the Administrative Assistant 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.
- 609 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Administration Office should be notified. The SBM will keep a central record of all goods returned to suppliers.
- 610 All invoices should be sent to the General Office. All invoices need to be authorised by the relevant individual before payment procedures are initiated. Invoices are to be authorised according the following principles:

- 611 Invoice receipt will be recorded by the Administration Team on the accounting system.
- 612 If a budget holder is pursuing a query with a supplier, the Admin Team must inform the SBM of the query and periodically give updates of the progress.
- 613 When boxes a and b have been completed, the invoice with the attached GRN should be passed for posting to the Finance Officer. At the end of every week, the Finance Officer will produce a list of invoices due for payment from the purchase ledger and this list, together with supporting documentation, will then be reviewed. The SBM will authorise those invoices which should be paid.
- 614 A member of the Administration Team will then input the details of payments to be made to the purchase ledger and generate the payments.
- 615 A list of those purchases which do not require purchase order is shown as an Appendix to this document.

Orders up to £3,000

- 616 Value for money should be considered for all amounts of expenditure, but no formal quotes are required for spend under £3,000.

Orders over £3,000 but less than £26,000

- 617 Where appropriate, at least three written quotations should be obtained for all orders between £3,000 and £25,000. Written confirmation of oral quotes must be obtained before a purchase commitment is made. Confirmations by email and/or fax are acceptable. Quotes should be attached to purchase requisitions. Where three quotations cannot be obtained, for instance a sole supplier, this must be approved by SBM or Principal in all cases.

Orders over £25,000

- 618 All goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to formal tendering procedures.
- 619 Orders or contracts with an anticipated value over the EU threshold may be subject to European Procurement Regulations. In these circumstances the SBM must be contacted before proceeding with the tender.

Forms of Tender

- 620 There are three forms of tender: open; restricted and negotiated. The circumstances in which each should be used are described below.

- *Open Tender*. This is where all interested suppliers are invited to tender. The budget holder must discuss and agree with the SBM on how to advertise 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 avoidance of corruption.
- *Restricted Tender*. This is where specific suppliers are 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 might come forward or the nature of the goods is such that only specific suppliers can be expected to meet the 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

621 Full consideration should be given to:

- The objective of the project;
- Overall requirements;
- Technical skills required to meet the tendering criteria;
- After-sales service requirements;
- Form of contract.

622 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.

Invitation to Tender

623 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.

624 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.

Aspects to consider when evaluating the tender

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision;
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs;
- Is there scope for negotiation? If so, the Academy should always aim to achieve best value for money.

Technical/Suitability

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

Other Considerations

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

Tender Acceptance Procedures

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

Tender Opening Procedures

- 626 All tenders submitted should be opened at the same time. At least two people should be present for the opening of tenders, the SBM and / or Principal and the responsible budget holder.
- 627 A tender register will be held recording all tenders and hold the names of the firms submitting tenders and the amount tendered. This record must be signed by the people present at the tender opening.

Tendering Procedures

- 628 The evaluation process should involve at least two people with no conflicts of interest in the tender.
- 629 Those involved in making a decision must not accept gifts or hospitality from potential suppliers that could compromise or appear to compromise their independence.
- 630 Full records should be kept of each tender evaluation and a report should be prepared and considered in line with purchasing approval limits highlighting the relevant issues and recommending a decision.
- 631 Where required by the conditions attached to a specific grant (e.g. from the DfE), the grantor's approval must be obtained before acceptance of a tender.
- 632 The accepted tender should be the one which offers best value for the Academy and should be the one of lowest value unless there are exceptional circumstances. If the lowest value tender is not awarded the waiver must be approved by the GB. The tender evaluation must give sufficient detail and evidence for the waiver.

7. Income

- 701 The main sources of income for the Academy are:
- Grants from the ESFA/LA for general and specific purposes;
 - Grants from other Government Agencies or other organisations for specific purposes and programmes;
 - Meals income;
 - Educational/Residential visits.
 - Lettings income;
 - Bank interest.

EFA Income

- 702 The main recurrent grants from the ESFA are paid monthly around the 1st of each month.
- 703 Notification of the level of grant is usually received around March in the year before the financial year in question. Some grants are granted on a financial year basis of April to March and are therefore not notified until later in the year. Estimates may therefore be required to meet budgeting deadlines.

Meal Money

- Payment for meals is made electronically by parents/carers through School Comms.
- Parents/carers register for an online account using a unique reference issued by the school, or alternatively are issued with a barcode payment card linked to the pupil, for use at the Post Office/Pay Point.
- School Comms make payments by BACS fortnightly direct to the school main bank account
- Reports are run from SIMS Agora for each bank receipt which detail payments made for pupils and the associated transaction charges. These are recorded in Sage 200 by the Finance Officer.

Educational/Residential visits

- 704 Educational visit payments from pupils are recorded in Class Money books and forwarded to the Main Office.
- 705 For residential visits payment is made electronically by parents/carers through SIMS Agora.
- 706 An appropriate person must be appointed for each trip to collect the money due from Pupils. The appropriate person should prepare a list of the Pupils going on the trip and the amount due from each. A copy of the list should be given to the SBM.
- 707 Payments are made through SIMS Agora for the appropriate visit the balance of the payment is obtained through the system.
- 708 The SBM should keep a copy of each trip list showing amounts paid and outstanding. This record should be copied weekly to the appropriate person, who is responsible for chasing outstanding amounts.

Lettings

- 709 At present the school does not let any of its facilities and this section covers the eventuality.

- 710 The Academy may from time to time let premises to other organisations, subject to such lettings not clashing with the timetabling of the Academy. Any letting of the Academy's premises may be either commercially or community motivated.
- 711 New long-term letting proposals must be approved by the SBM or Principal. A financial analysis must be prepared showing the expected income and related costs. The Resource Employment Finance and Audit committee must approve lettings which will not cover the direct occupancy costs of the letting (staff overtime, cleaning, utilities etc) since these lettings amount to an application of Academy funds.
- 712 The SBM will appoint one member of the Administration Team to deal with Academy users (the 'Lettings Co-ordinator').
- 713 The Lettings Co-ordinator is responsible for maintaining booking records and for calculating the sums due. Advance payments to be decided by the SBM as applicable.
- 714 The Lettings Co-ordinator should liaise with others to avoid timetable clashes. Where possible, lettings should be arranged to minimise overtime costs, for example, by scheduling two letting activities in different areas of the Academy at the same time.
- 715 The Lettings Co-ordinator should provide details of organisations using the facilities to the SBM. The Finance Officer will establish a sales ledger account and produce sales invoice(s) from the accounting system.
- 716 Academy users should be told to send all payments to the General Office.

Custody

- 717 Pre-numbered Academy receipts should be issued for all cash and cheques received where no other documentation exists. Cash and cheques must be kept in the General Office safe until banked.
- 718 Monies collected must be banked in their entirety. However, it is possible to replenish petty cash from such receipts so long as this is adequately recorded so that income is not understated.

8. Cash Management

Bank Accounts

- 801 The Academy will operate two accounts, one current and one deposit. It is not anticipated that further accounts will be required. The opening of any further accounts must be authorised by the GB who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and

cheque-signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

A further account will be opened for the “School Fund”

Deposits

- 802 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- The amount of the deposit;
 - A reference, such as the number of the sales invoice or receipt or the name of the debtor.

Payment Procedures

- 803 Any cheques, BACS payments or other instrument authorising withdrawal from Academy bank accounts must be signed by two of the following:
- The Principal;
 - Deputy Principal
 - Assistant Principals
 - SBM
 - Office Manager
- 804 This provision applies to all accounts, public or private, operated by or on behalf of the GB of the Academy. Authorised signatories must not sign a cheque relating to goods or services for which they are the recipient.

Administration

- 805 The SBM must ensure bank statements are received regularly and reconciled at least monthly. Reconciliation procedures must ensure that:
- All bank accounts are reconciled to the nominal ledger;
 - Reconciliations are prepared by the Administration and Admin Team
 - All reconciliations are reviewed by the SBM
 - Reconciliations are subject to an independent review carried out periodically by the Responsible Officer
 - Adjustments arising are dealt with promptly.
- 806 Where cheques are in use:
- They must be crossed “account payee only”
 - They must not be pre-signed;

- All unused cheques must be retained securely.

Cash Flow Forecasts

807 The SBM is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to cover its obligations. If significant surplus balances are forecast, steps should be taken to invest the surplus. Similarly appropriate plans should be made in the event of a forecast shortage.

Investments

808 If the Academy is able to generate better returns than currently provided in the deposit account these will be done by creating termly deposits for longer periods with the Schools Bankers - Lloyds

809 Investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated, including the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that income receivable is actually received.

Petty Cash Accounts

810 The Academy maintains a maximum cash balance of £250 at any one time to meet unexpected payments and reimbursements with short notice. The cash is administered by the SBM and is kept in the General Office safe.

811 For security, the keys to the safe are only held by the SBM and Principal.

812 The maximum reimbursement through petty cash is £25.

813 All requests for petty cash must be authorised and a budget code given by the appropriate budget holder on the receipt to be reimbursed. This authorisation must be given at the time petty cash is withdrawn.

814 Petty cash withdrawals require a signed acknowledgement for the funds withdrawn from the person receiving the funds through a petty cash voucher.

815 The petty cash fund is reconciled monthly, where the total signed acknowledgements and the total cash must equal the approved holding balance. The Office Manager is responsible for reconciling the petty cash.

816 Petty cash reconciliations are reviewed and countersigned by the SBM.

817 Replenishment of the petty cash fund to the approved holding balance is performed through a request for a cheque. This request is supported by the signed acknowledgements totalling the amount and follows normal cheque/payment procedures.

Deposits

- 818 The only deposits to petty cash should be from cheques cashed or generated cash sales to top up the box. Deposits should be recorded in the petty cash account with the date, amount and a reference, normally the cheque number. A debit card may be kept by the SBM to allow speedier access to funds to top up the petty cash box. Neither this card nor its PIN should be passed to other members of staff.

Payments and Withdrawals

- 819 In the interest of security, petty cash payments will be limited to £25. Higher value payments should be made by cheque or BACS or through the payroll.

Administration

- 820 The SBM is responsible for entering all petty cash transactions into the petty cash book. Regular and unannounced cash counts should be made by the SBM to ensure that all petty cash is accounted for.

Physical Security

- 821 Petty cash should be held in a locked cash box that is kept in the safe overnight.

Credit Cards

- 822 To aid purchases where the best deals do not allow for purchase on invoices (i.e. internet purchases) the Academy will be provided with credit cards in the name of the Principal, SBM. Additional cards will require approval of the Resource Employment Finance and Audit committee.
- 823 A full reconciliation should be carried out on receipt of the monthly statement. The same level of proof of purchase is required as with other payments, so receipts and print-outs of online purchases should be kept and attached to the statement.

Expenses

- 824 With all expenses, proper consideration needs to be given when incurring costs that you wish to be reimbursed. Expenses will only be paid if they are wholly and necessarily for the benefit of the Academy, rather than the individual. Entertainment-related expenditure should therefore be approved before being incurred and should be minimised.

- 825 Wherever possible expenditure should be incurred on the basis that the supplier will invoice the Academy following delivery. It is acknowledged, however, that on occasions it will be necessary to pay by cash. In exceptional circumstances a cash advance can be given out by the SBM to cover expenses. This must be entered into the cash book held in Administration. Once the expenditure has been incurred, then the relevant receipts need to be submitted to Administration, along with a completed Expenses Claim Form and the correct change.
- 826 If the expenditure has been incurred without a cash advance then an Expenses Claim Form needs to be completed and submitted to Administration for reimbursement, along with the relevant receipts. If receipts are not submitted, or a reasonable explanation for the absence given, then it cannot be taken for granted that the costs will be reimbursed.
- 827 All expense claim forms must be approved by the budget holder, SBM, or Principal. The Principals expenses will be approved by the SBM.
- 828 Reimbursements of expenses incurred will usually be made by cheque or BACs.
- 829 Expenses should only be incurred once the expenditure has been approved by the relevant budget holder and should not normally exceed £200 unless exceptional circumstances.

Expenses – Travel and Subsistence

- 830 There will be occasions when staff will need to travel on Academy business. All reasonable expenses incurred whilst on such business will be reimbursed. It is the responsibility of the traveller, however, to ensure that such costs are warranted and minimised.
- 831 For national travel, standard class public transport should be used.
- 832 Private cars may be used if this is more convenient/cost effective, and will be reimbursed at the appropriate rate. The congestion charge may also be reimbursed, if relevant.
- 833 Where overnight accommodation is required, the appropriate expected standard is three star or equivalent. Whilst on Academy business, reasonable living expenses will be reimbursed. This would include all meals, but not alcohol.
- 834 Receipts must be kept to facilitate reimbursement. There can be no guarantee of reimbursement where receipts have not been submitted.
- 835 All travel plans should be agreed in advance with the leadership team.
- 836 The School will develop an Expenses Policy.

9. Fixed assets

Purchase of Assets

901 All assets purchased with an individual value over £1,000 must be entered in the asset register.

Asset Register

902 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;
- Manage the effective use of assets and plan for their replacement;
- External auditors to audit the annual accounts and the financial systems;
- Support insurance claims in the event of fire, theft, vandalism or other mishaps.

903 The Asset Register should include the following information:

- Date of acquisition;
- Description of the asset including serial number or other identifying details;
- Cost;
- Source of funding (if purchased from restricted funds);
- Location of asset;
- Expected useful life of asset;
- Staff member or department responsible.

904 The Asset Register is to be kept up-to-date and reviewed regularly (at least twice a year). At least once a year a spot check should be made that assets exist and have been recorded correctly.

Security of Assets

905 All assets on the register should be permanently and visibly marked as Academy property, and there should be a regular (at least annual) count by someone other than the person maintaining the register.

906 Discrepancies between the physical count and the register should be investigated promptly and, where significant, reported to the Resource Employment Finance and Audit committee.

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

908 If applicable, items used by the Academy, but not owned by the Academy, should be recorded as such.

Disposals

- 909 All Items to be sold or disposed of must be authorised for disposal by the SBM and, where they have significant value, should be sold by competitive tender or auction. All disposal of items on the Asset Register will be authorised by the Resources Committee
- 910 The Academy must obtain ESFA approval in writing if it proposes to dispose of an asset for which capital grant of more than £25,000 was paid.
- 911 Disposal of equipment to staff is not encouraged, as it may be more difficult to prove that the Academy obtains value for money. In addition, there are complications with the disposal of computer equipment, as the Academy has to ensure that software licences are transferred legally to the new owner.
- 912 The Academy is expected to reinvest proceeds from sales of assets for which capital grant was paid in other Academy assets. If sale proceeds are not reinvested then the Academy must repay a proportion of the sale proceeds to the DfE.
- 913 All disposals of land must be approved in advance by the Secretary of State.
- 914 The form for seeking approval for the disposal of an asset can be obtained from the SBM.

Loan of Assets

- 915 Academy property may not be removed from the premises without the authority of the Principal or SBM. The loan must be recorded in a loan book to be kept by the SBM and the item booked back when it is returned. Equipment will be used for the sole benefit of the Academy and not for personal use. Separate procedures will apply where appropriate (for example mobile phones).
- 916 If assets are loaned for extended periods or frequently to a single member of staff, a 'benefit-in-kind' may arise for PAYE purposes. Loans should therefore be kept under review and discussed where necessary with the Academy's auditors.
- 917 When an employee leaves the Academy, all loaned property must be returned and evidenced in the 'loan book'.

Attractive Items Register

- 918 Items which fall under the de-minimus level for capital expenditure (under £1,000) still represent an investment by the Academy, and in some cases it is desirable to monitor these items in a similar way to capital purchases. In this instance, an Attractive Items Register may be used. This details information such as cost, serial number, responsibility and location. This can be used for items such as digital cameras, camcorders, printers etc.

It is the responsibility of the IT Technician to maintain the register and will be periodically checked by the SBM.

Premises

- 919 Damage to Academy premises should be dealt with promptly to avoid further damage and additional costs. It is the responsibility of the SBM and Site Manager to ensure that the Academy site is maintained to a standard appropriate for the Academy.
- 920 Damage should be reported to the SBM who will take appropriate action. The Resource Employment Finance and Audit committee must approve repairs and replacements over £25,000, unless there are exceptional and urgent circumstances, in which case the SBM should obtain the approval of the Chair of the Committee, or in his/her absence, any member of the Resource Employment Finance and Audit committee may provide the relevant approval.
- 921 The Academy should have a regular condition survey linked to an asset management plan to ensure that buildings are maintained appropriately and irregular expenditure is budgeted for accordingly.

10. Contracts (including Leases)

- 1001 Any non-routine tenders or purchases, such as leases, are subject to a contract between the Academy and the supplier which is to be signed *before* the contracted work begins or the delivery of goods.
- 1002 The contract(s) should clearly set out (as applicable):
- The scope of work with detailed and accurate specifications;
 - The timeline and completion date of the work(s);
 - Dates for completion of works;
 - Quality controls on work(s);
 - The agreed fees/charges and payment date(s);
 - Specification of the goods to be delivered (as applicable);
 - In the case of a lease, whether it is an operating or Administration lease (Administration leases should be avoided as they are akin to borrowing and not usually allowed by the ESFA).
- 1003 The signing of a contract and/or lease should be treated like the placing of an order and the signing of a cheque.
- 1004 Copies of all contract documentation must be filed in a Contracts/SLA Register.

11. Insurance

1101 Insurance cover will be arranged for:

- Buildings;
- Contents;
- Capital works;
- Loss of cash;
- Public liability (on and off site);
- Employer's liability;
- Hirers' liability;
- Governors' liability;
- Professional indemnity;
- Business interruption;
- Libel and slander;
- Vehicle;

1102 Insurance is arranged through Redcar and Cleveland's Insurance department. A three year agreement has been signed with Zurich. Insurance premiums are payable one year in advance on 1 September.

12. VAT

1201 The Academy has opted not to register for VAT as taxable supplies are expected to be below the relevant registration threshold.

1202 The Academy shall monitor its income on a monthly basis and make arrangements to register for VAT should it expect taxable supplies to exceed the registration threshold.

1203 Where budget holders are placing orders, the value of the order should therefore reflect the net amount due, the VAT element to be reclaimed, and the gross amount to be paid to the supplier.

1204 The accounting system should reflect within expenditure the cost net of recoverable VAT. Recoverable VAT should be debited to the VAT control.

1205 It should be ensured that all VAT recovered is supported by an appropriate and valid VAT invoice from the supplier.

1206 The Academy shall ensure that VAT is only recovered on appropriate expenditure.

1207 The Academy shall keep proper records to justify the proportion of VAT recovered on each category of expenditure.

1208 The Academy shall complete VAT126 reclaims on a monthly basis in the correct format to ensure that recoverable VAT is received on a timely basis.

- 1209 The VAT account balance and monthly VAT126 reclaim should be reconciled each time a reclaim is prepared and any discrepancies identified and corrected as soon as they become apparent.

13. Borrowings

General Considerations

- 1301 Any Academy must seek the Secretary of State's approval for both short-term borrowing (including overdraft facilities) and medium/longer-term loans from the private sector (including Administration leases), where such borrowing is to be repaid from DfE grant or secured on assets funded from DfE grant. However, the Secretary of State's normal policy is that Academies should not be granted permission for medium and long term borrowing.
- 1302 As such, the Academy is unable to use loan financing or similar. An exception to this is credit cards.

14. Year End Procedures

- 1401 Budget holders should be advised against rushing into commitments at year end in order to use up their budgets. The overriding principle at all times should be obtaining value for money, and if that means a delay while the best deal is sought, pushing expenditure into the following year, then this should be followed and accommodated. Ideally, however, expenditure should be planned during the year.
- 1402 The Administration Team should operate a purchase order system in order to be able to track commitments and apply expenditure to the year to which it relates.
- 1403 In conjunction with the auditors, the SBM will prepare the statutory accounts. In order to complete this task, a number of schedules are required:
- Aged debtors listing;
 - Aged creditors listing;
 - Fixed Asset Register, also detailing all additions and disposals;
 - Staff numbers in year, FTE by type (teachers, admin and support, projects and management);
 - Prepayments schedule;
 - Accruals schedule;
 - Accrued and deferred income schedules;
 - Year end bank and petty cash reconciliations;
 - Other income breakdown;
 - Listing of numbers of staff being paid over £60k, in bands of £10k;
 - LGPS/TPS statements;
 - Lease commitments (expiring under 1 year, 1-5 years, over 5 years);
 - Related party transactions listing;

- Capital commitments listing;
- Other information requested by the auditors at the pre year end planning meeting.

1404 The Academy Administration Team will be required to aid external auditors as they will visit the Academy as part of their audit of the accounts. These auditors will be appointed by the GB. The audited and signed accounts will be filed with the EFA and Companies House.

15. External Liaison

1501 The Academy will have dealings with external bodies such as the ESFA, Local Authority and other central government bodies as appropriate.

1502 Where areas of expenditure or actions are required to be passed to the Secretary of State for the DfE for their formal approval or notification, then this should be done by the SBM. The areas that this would cover will include:

- any guarantees, indemnities and letters of comfort entered into;
- write-off of debts or liabilities owed to the Academy over £5,000;
- any ex-gratia payments;
- any freehold sales or purchases;
- the grant or take-up of any leasehold or tenancy agreement for more than three years;
- capital disposals with an original cost of over £25,000 Administration from DfE sources;
- any loss arising from suspected theft or fraud exceeding an amount set out in the annual funding letter.

1503 The SBM must notify the GB or Resource Employment Finance and Audit committee of such expenditure or actions before commitments are made so that statutory obligations can be met.

16. Financial Protection and Malpractice

1601 All Academy staff should adhere to the Principles of Ethical Standards in Public Life.

Fraud

1602 All staff has a responsibility to protect the assets of the Academy. As such, the Academy ensures that staff has a mechanism by which to report suspected fraud.

1603 In addition, the management of the Academy must also have the means to investigate such cases. Please refer to the Academy Reporting and Investigation of Suspected Fraud Policy for more details.

Whistleblowing

- 1604 Whistleblowing inside the work place is the reporting by workers or ex-workers of wrongdoing such as fraud, malpractice, mismanagement, breach of health and safety law or any other illegal or unethical act either on the part of management, the GB or by fellow employees. Workers may include, for example, contractors and agency workers.
- 1605 The Public Interest Disclosure Act 1998 is designed to protect whistle blowers from detriment and unfair dismissal. The people protected by the Act include workers, employees, third party contractor staff, agency workers and work experience workers.
- 1606 There is a balance to be struck between the right of the individual member of staff to speak freely on a range of matters and the right of the Academy or colleagues to protect themselves against false and malicious accusations.
- 1607 As such, the Academy has a whistleblowing policy which details how concerns about malpractice may properly be raised within the Academy and if necessary, outside the Academy. For more information please refer to the Academy Whistleblowing Policy, which is available on request.
- 1608 Pupils may also have information which should be raised in the public interest and there should be proper procedures in place for them to air their concerns e.g. a Pupils' complaints procedure.

Appendix

Payments which will not require purchase orders:

- Pre-conversion invoices (or orders raised prior to Academy status)
- Telephone calls/rental
- Energy invoices
- SLA's
- Initial Washroom (hygiene services)
- Copier contract
- PHS (hand dryer rental)
- Hepscott (Water Coolers)
- Agency Supply
- Window Cleaning Contract
- Mobile Contract
- Educational Visits
- Outdoor Activity Centres