



Financial Regulations

Humber Education Trust

Committee:	Finance & Resources
Approved on:	June 20
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Associated documentation	
Multi-academy trust master funding agreement	
Academies supplemental funding agreements	
Academies Financial Handbook	Sept 2019
Academies Accounts Direction	Last update June 2020
Charging & Remissions Policy	Nov 2019
Investments Policy	Jan 2018
Payment Card Policy	Feb 2018
Whistleblowing Policy	Mar 2018

This document sets out the regulations for the MAT and member academies

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Introduction

1. The purpose of this manual is to ensure that the multi academy trust (MAT) maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education and Skills Funding Agency (ESFA).
2. The MAT must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on that and provides detailed information on the MAT's accounting procedures and system manual should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

Financial Planning

To assist with preparing budgets and identifying efficiencies the ESFA has published a series of factsheets on gov.uk (<https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>)

4. The academy trust prepares rolling 3 to 5 year budgets.
5. The DfE require every trust to appoint a senior executive leader who will also be its accounting officer, ensuring that these roles do not rotate so that there is no ambiguity about who is accountable for the financial management and integrity of the trust. The designated **accounting officer** of Humber Education Trust is the Chief Executive Officer.

The budget cycle

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

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

Budget

7. The **Trust Chief Financial Officer (CFO)** is responsible for preparing and obtaining approval for the

annual budget. The budget must be approved by the Chief Executive Officer (CEO) and the Board of Trustees.

8. The annual budget will reflect the best estimate of the resources available to the MAT for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
9. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
 - latest estimate of other ESFA funding e.g. pupil premium
 - review of other income sources available to the academy to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the MAT cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous financial year
 - any funds held in Trust
10. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
11. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the **Board of Trustees** as part of the monthly management accounts procedure.
12. The approved budget is then entered onto the finance system at the start of the new financial year.
13. **Executive Headteacher/Headteacher** is responsible for determining the spending priorities of the supplies and services element of the delegated budget in accordance with the Academy/School Development Plan. The **local school business manager/finance manager** will notify the CFO of the agreed allocation by 30th June.

Other Government Funding

14. In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
15. The **CFO** is responsible for consolidating income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

16. In addition to the GAG funding from the ESFA and other government funding, the MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding,

Football Foundation Funding, Charitable Grants etc. All applications for additional external funding in excess of £100,000 must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

17. The **CFO** is responsible for consolidating income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Funds held in Trust

18. Where funds are held in trust the **CFO** is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

19. Substantial virements shall be approved and minuted by the **Board of Trustees** as determined by the agreed criteria and financial limits.
20. All virements are to be reported to the Board of Trustees.
21. Individual virements may be authorised as follows:
 - Up to £10,000 – Headteacher/Executive Headteacher
 - Up to £25,000 – LGB (committee)
 - Up to £50,000 - CEO
 - Over £50,000 – Board of Trustees
22. In the event of a planned or emergency absence, authorisation of virements up to the designated approver's current limit may be delegated to another individual with the consent of the **Chair of Trustees**.

Revised Budget

23. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the **Accounting Officer** and **CFO** and reports forwarded to the Board of Trustees each term. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved and/or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Trustees. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end. A Budget V Actuals reports should be produced by each school as part of their month end protocols (Appendix 2). Variances in spending/income should be explained.

Budget Forecast Return

As part of the funding agreement with EFA academy trust's must submit their Budget Forecast Returns (<https://www.gov.uk/government/publications/academies-budget-forecast-form>)

24. The approved budget must be submitted to ESFA by 31 July each year by the **CFO**. The **CFO** is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts) – MAT

25. Consolidated monthly reports are prepared by the **CFO**. The reports include:
- actual income and expenditure against budget (shown as month to date and cumulatively)
 - balance sheet
 - cash flow forecast
 - summary highlight, explaining variances of at least 5% or £50,000 (whichever is smaller), identifying financial performance for each individual academy.
26. Any potential overspend against the budget must in the first instance be discussed with the **CEO**.
27. The monthly reports are sent to the CEO & Chair of Finance Trust Committee.

Monitoring and review (including management accounts)

Monthly reports are prepared by the Local school business manager/finance manager.
The reports include:

- actual income and expenditure against budget (shown as month to date and cumulatively)
 - summary highlight, explaining variances of at least 5% or £10,000 (whichever is smaller).
29. Any potential overspend against the budget must in the first instance be discussed with the **Headteacher/Executive Headteacher**.
30. The monthly reports are sent to the CFO, Headteacher/Executive Headteacher and the Chair of Local Governing Body.

Independent checking procedures

31. Assurance is achieved through an agreed annual programme of risk review and checking of internal controls by the Audit Committee and the Responsible Officer (RO). Additional assurance may be sought through a supplementary programme of work by the MAT's external auditors. The duties of the Audit Committee and RO may be outsourced to the MAT's external auditors or another provider with an appropriate level of qualifications and/or experience to check the trust's internal controls.
32. The Audit Committee is a committee of the Board of Trustees. The Audit Committee meets at least once a term but more frequent meetings can be arranged if necessary.
33. The role and responsibilities of an audit committee are to provide an internal assurance service to maintain an oversight of the MAT's governance, risk management, internal control and value for money framework extending to the financial controls and risks at constituent academies.
34. The Audit Committee will agree an annual programme of work and report its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the MAT's annual reporting requirements. The Audit Committee has no executive powers or operational responsibilities/duties.
35. The RO is appointed by the Audit Committee and provides the committee with an independent oversight of the academy's financial affairs.

36. The RO will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board of Trustees. A report of the findings from each visit will be presented to the Audit Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the DfE Guidance.

Review of regularity

The Academies Accounts Direction S9.2 (<https://www.gov.uk/guidance/academies-accounts-direction>) explains the requirement and potential tests.

37. The Principal (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - value for money practice
38. The Accounting Officer may delegate the following responsibilities to the **CFO**:
- adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
 - review of trustees/governors' minutes
39. The checklist at Appendix 2 will be completed for each review undertaken.

Annual accounts

The Academies Accounts direction (<https://www.gov.uk/guidance/academies-accounts-direction>) explains the requirement in further detail.

40. The MAT must prepare annual audited financial statements for the accounting period to 31 August.
41. The accounts are outsourced to our auditors for preparation.
42. The accounts are then submitted as follows:
- by 31 December – to ESFA
 - by 31 January – published on our own website
 - by 31 May – to Companies House

Value for money statement

Value for money must be reviewed annually and examples must be focussed on how educational outcomes have been improved. The accounts direction s4.2.5 (<https://www.gov.uk/guidance/academies-accounts-direction>) explains the requirement in further detail.

43. As part of the annual accounts the trust must include 3 focussed examples of value for money. The statement is incorporated into the final accounts report approved by Trustees in the Autumn Term each year.
44. The **CFO** is responsible for collating the examples which are then confirmed by the finance committee.

Audit arrangements

45. External auditors must be appointed in accordance with the Academies Financial Handbook.
46. The **CFO** is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

47. The **CFO** is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
 - reviewing the structure of the trial balance
 - maintaining a fixed asset register
 - annual depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - maintaining a record of governors/trustees interests, related and connected party transactions
 - control account reconciliations (bank, wages, debtors, creditors)
 - maintaining a record of meeting attendance
 - Monitoring & reporting to the Accounting Officer and Board of governors/trustees

Work undertaken for the year end

48. The **CFO** is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
 - stock take and including of year end stock value
 - prepayments for IT licenses
 - prepayments or accruals for grant income
 - control account reconciliations (bank, wages, debtors, creditors)
 - close down of the purchase ledgers
 - close down of the Sales ledgers and aged debtors
 - pension valuations
 - Pension Audit

Accounts Return

As part of the funding agreement with ESFA academy trust's must submit their Accounts Returns (<https://www.gov.uk/government/publications/academies-august-accounts-return-template-and-guide>)

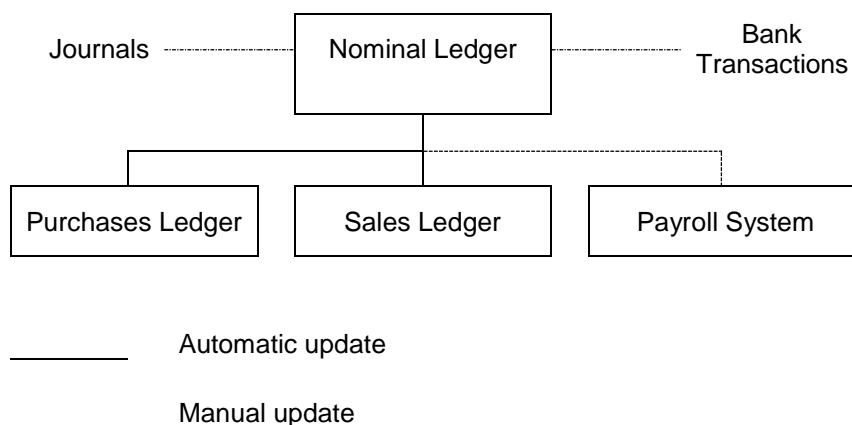
49. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 19 January.
50. The accounts return can be prepared in house by **CFO** or may be outsourced to our auditors for preparation.

Document retention

51. Documents are retained for the following amount of time:
 - Finance records – current year plus preceding 6 years
 - Supply cover insurance – current year plus preceding 6 years
 - Payroll and travel records – current year plus preceding 6 years
 - Personnel records – 5 years after an employee has left
 - All student files until the student reaches the age of 21

Accounting system

52. All the financial transactions of the academy trust must be recorded into **Sage 200**, the computerised financial information accounting systems. These systems are operated by the Central Finance Office and consists of:



System Access

53. Access to the Sage administration system is password restricted to **CFO**, who has authorisation from the Accounting Officer to share access with external professional support e.g. external software IT support provider/Auditors.
54. Access to the component parts of the finance system is password restricted and the **CFO** is responsible for setting access levels for all members of staff using the system.

55. The **CFO** is responsible for implementing a system which ensures that passwords are changed regularly.

Back-up Procedures

SAGE is Cloud based. GDPR regulations are met through Sage's internal Personal Data Protection Policy which requires all new products and processes affecting personal data to undertake a Privacy Impact Assessment ("PIA") prior to launch in order to anticipate and minimise privacy risks and prevent intrusive behaviour. Where appropriate, these PIAs will be made available to clients.

56. The **CFO** is responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a cloud based system managed by the Software provider.

Transaction processing

57. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
60. All journal entries over £10,000 (excluding payroll) are reported as below:
- Up to £10,000 – Headteacher/Executive Headteacher
 - Up to £25,000 – LGB
 - Up to £50,000 - CEO
 - Over £50,000 – Board of Trustees
61. Bank transactions are input by **local school business manager/finance managers** and/or the **CFO**, and the input should be checked, and signed to evidence this check by the **CFO**. **The Headteacher will sign the closing balance on each months bank statement and on the school payment card statement. This is certified on the month end protocol sheet.** (Appendix 2)
62. Detailed information on the operation of the finance systems can be found in the user manuals, for Sage held online and also in the local user guide developed by the trust. All schools have up to date copies of this.

Transaction reports

63. The **CFO** reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
- journal reports for payroll, trial balance, purchase ledger and sales ledger and VAT reports;
 - management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

64. The **CFO** is responsible for ensuring the following reconciliations are performed by schools each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account
 - purchase ledger control account
 - payroll control account
 - VAT control account
 - all suspense accounts
 - bank balance per the nominal ledger to the bank statement

65. The **CFO** signs a central month end protocol to this effect. This is counter signed by the CEO.
66. Any unusual or long outstanding reconciling items are brought to the attention of **CFO** and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

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

Deposits

68. Cash and cheques should be kept in a locked safe until deposited at the bank. Deposits at the bank should be on a regular basis, at least weekly where the amount held is over £500.
69. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
 - a reference (for example the number of the receipt or the name of the debtor)
70. **Academy finance staff** are responsible for updating the accounting system on the same working day for deposits placed.

Payments and withdrawals

71. All cheques and other instruments authorising withdrawal from MAT bank accounts must bear the signatures of two of the following authorised signatories:
- Chief Executive Officer
 - CFO
72. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:
- Chief Executive Officer
 - CFO
 - Authorised academy signatories
73. These provisions apply to all accounts, public or private, operated by or on behalf of the MAT and governing bodies of the academies including funds held in trust. Authorised signatories must not

sign a cheque relating to goods or services for which they have also authorised the expenditure.

74. **Academy finance staff** are responsible for updating the accounting system within 2 working days.

Administration

75. The **CFO** ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's cash book
 - reconciliations are prepared by the school business manager/finance manager
 - reconciliations are subject to an independent monthly review carried out by **CFO** or in his/her absence the **Accounting Officer**
 - adjustments arising are dealt with promptly

Petty Cash

76. Each academy maintains a maximum cash balance of £500 for the purchase of minor items, unless otherwise agreed. Instances might include times of year when particular events or activities are occurring when a greater demand for cash may exist. It is expected this would be planned for in advance and not encouraged unless absolutely necessary. Special Schools in particular may find this necessary. Cash is held in the office safe and is the responsibility of the **local school business manager/finance manager**.
77. The petty cash float must not be used for:
- cashing personal cheques
 - paying staff loans

Payments

78. In the interests of security, petty cash payments are limited to £25. Exceptions can be made when specific curriculum activities occur which would not be possible to pay for by any other means. Advance approval must be obtained. An approval form (Appendix 5) is available with this document.

Such events might include activities during an offsite school visit, cookery expenditure, Special School 6th Form Lifeskills and special events such as theme days.

If it is necessary for a float to be issued then this must be returned intact with suitable receipts and the cash balance. The float must be signed for as received. (Appendix 6 – float received form)

Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account. Schools are encouraged to process reimbursements directly via BACs payments when at all possible.

Administration

79. The petty cash float is maintained on the imprest system and the float is only reimbursed from the MAT main bank account.
80. The petty cash float is reconciled monthly by the **local school business manager/finance**

manager. The reconciliation is then reviewed by the **headteacher** and initialled as evidence of review.

81. The **CFO/RO** carries out a spot check of the petty cash float once a term.

E-procurement & Payments

82. The school credit card is used only when it is not practical to use the purchase order system. It is used mostly for internet purchases and to buy refreshments for meeting etc.
83. The card is kept by named users and held securely in accordance with the Payment Card Policy.
84. The card is used and payments are recorded and reconciled in accordance with the Payment Card Policy.

BACS Payments

85. A purchase invoice will only be authorised for payment once the following steps/checks have been completed:
- an official purchase order has been raised for the purchase
 - the delivery note has been checked
 - the delivery is of correct quantity, quality and price
 - it has not been previously paid
 - funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
86. The payment is then prepared as part of a batch of invoices. The BACS file is then uploaded into the commercial banking system, approved by two cheque signatories who check to ensure that the bank and sort codes have been correctly entered.
87. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the MAT complies with the supplier credit terms and benefits from early payment discounts.
88. **Local school business manager/finance managers/CFO** ensure that evidence is kept (by attachment to the supplier record) of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the **Local school business manager/finance managers/CFO** should request that the individual states his self-employment reference number on any invoice issued to the school. When appropriate a suitable SLA/Contract may be required and can be provided in template for by the Trust to ensure the correct, legal wording around IR35 and self-employment is acknowledged. Annual HMRC checks should also be obtained to verify the status of any such provider.

Investments

89. Investments are made in accordance with written procedures approved by the Board of Trustees.
90. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Reserves

91. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
92. The **Chief Executive Officer** as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
93. If the MAT is anticipating a deficit at the end of any financial year, the Board of Trustees and **CFO** have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board of Trustees must ensure that a recovery plan is submitted and approved by the ESFA.
94. If an academy is anticipating a deficit at the end of any financial year, the Local Governing Body and **Headteacher** have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Local Governing Body must ensure that a recovery plan is submitted and approved by the Board of Trustees.
95. If an academy has a surplus larger than 12% of its GAG allocation, the Local Governing Body will need to submit a detailed plan stating why the academy trust requires reserves to be held at this level together with a plan for the date of expenditure
96. The MAT undertakes to ensure that a contingency reserve of **3%** of the combined previous year's total GAG is kept.

Capital Reserves

97. Any overall surpluses at the end of the year are carried over to the following year.
98. It is the responsibility of the **CFO** to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

99. The Board of Trustees has approved a personnel establishment for the MAT and its constituent academies. Changes can only be made to this establishment with the express approval in the first instance of the **Board of Trustees** who must ensure that adequate budgetary provision exists for any establishment changes.
100. The **Headteacher/Executive Headteacher** has authority to appoint staff within the authorised establishment except for **Headteacher, Head of School** and **Deputy Headteacher** whose appointments must follow consultation with the Trustees and Local Governing Body. **Each academy** maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the **HR officer** immediately.
101. The **HR officer** is responsible for obtaining the relevant DBS checks for MAT central staff and ensuring these are retained on file.
102. Each **academy** is responsible for obtaining the relevant DBS checks for staff employed on their site and ensuring these are retained on file.

Payroll Administration

103. Payroll is administered through the academy trust's payroll provider.
104. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
- salary
 - bank account details
 - taxation status
 - personal details
 - any deductions or allowances payable
 - other legal and relevant details
105. Each academy must complete a monthly staff return which provides details for all staff in the section of sickness and other absences during the month and any new appointments, variations or terminations. The staff return must be authorised by the Headteacher. Authorised staff returns should be sent to the payroll provider who then files the documents for payroll processing.
106. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the Headteacher and prepared by the payroll provider for processing.

Payments

107. After the payroll has been processed but before payments are dispatched a printout of all data should be obtained (monthly costings report), including an exceptions report from the payroll provider and this should be checked against source documentation by **local school business manager/finance managers** and then reviewed and initialled by **Executive Headteacher/Headteacher/Head of School**.
108. All salary payments are made by BACS.
109. The **local school business manager/finance managers** prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases, overtime etc. This reconciliation is reviewed and signed by the **Executive Headteacher/Headteacher/Head of School**.
110. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print. The amounts for each academy/MAT central team are reported on the monthly payroll costing report which has been reviewed by the **Executive Headteacher/Headteacher/Head of School**. BACS for these amounts are prepared by the payroll provider and authorised for payment by the **academies** by the due date.
111. The **Headteacher** selects at least three employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by **CFO** and reviewed by the Accounting Officer.
112. After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control account and to individual cost centres by journal transfer. This journal transfer does not require additional authority as the amounts have been approved through the payroll processes. Copies from each academy should be submitted to the CFO by the 7th of the

subsequent month. The **CFO** should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

113. Annually, the **local school business manager/finance manager** checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

Salary advances

114. The trust does not award salary advances.

Overtime

115. Overtime is recorded by the individual and submitted by the last day of each month to their **payroll authoriser** for authorisation.
116. Claim forms must not be submitted prior to work having been undertaken.
117. No payments for work undertaken will be made other than via the payroll system.

Severance payments

Severance payments must be made in line with the Academies Financial Handbook. Further information is provided on gov.uk (<https://www.gov.uk/guidance/academies-severance-payments>)

118. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by EFA on Gov.uk.
119. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
120. The Accounting Officer must sign off and review each business case.

Ex-gratia payments

Ex-gratia payments must be made in line with the Academies Financial Handbook.

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

Income

The Academies Accounts direction (<https://www.gov.uk/guidance/academies-accounts-direction>) explains revenue recognition in respect of ESFA and other grants.

ESFA grants

122. The main sources of income for the academy are the grants from the ESFAs. The receipt of these sums is monitored directly by individual academies, overseen by the **CFO who** is responsible for ensuring that all grants due to the academy are collected.

Other grants

123. The receipt of these sums is monitored directly individual academies, overseen by the **CFO** who is responsible for ensuring that all grants due to the academy are collected.

Trips

124. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead member of staff must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the local school business manager/finance manager.
125. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment. Online payment records are sufficient for this recording and there is no requirement to issue an additional receipt in that case.
126. The **local school business manager/finance manager** should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.
127. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the **Executive Headteacher/Headteacher/Head of School** in advance of the booking being made.

Catering

Cash payments

128. Cash payments must be reconciled on a daily basis by **local school business manager/finance manager** to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The **local school business manager/finance manager** must reconcile the weekly banking sheet to actual receipts banked. Record must also be retained for those children taking a FSM or a UIFSM.

Electronic cash collection

129. The weekly bank credits are reconciled to the online reports in the first instance by the individual academy. Monthly checks are undertaken by **local school business manager/finance manager** and cross referenced to a sample of individual pupils.

Lettings

130. The **local school business manager/finance manager** is responsible for maintaining records of bookings of sports and other facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
131. Details of organisations using the sports facilities will be held by the **local school business manager/finance manager** who will establish a sales ledger account and produce a sales invoice from the Financial Information accounting system.
132. Copies of the organisations up to date relevant Public Liability, indemnity, insurance, safeguarding

policy, risk assessments and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Sundry income

Income from other sources (for example educational consultancy) is priced in consultation with the CFO. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy.

Gift aid

An academy trust is able to claim gift aid (<https://www.gov.uk/claim-gift-aid/overview>) on donations from individuals.

133. To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to the **CFO**:

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

Bad debts

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

134. The **local school business manager/finance manager** chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

135. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the **local school business manager/finance manager** submits a report to the **CFO** for approval of write off.

136. The following write off limits apply:

- Up to £150 – Accounting officer
- £151 to £500 – Audit committee
- Over £500 – Board of Trustees and refer to debt collecting agency

Purchasing

137. The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

Routine Purchasing

138. The Scheme of Delegation is to be adhered to at all times. A simple grid (Appendix 1) is for office use to assist with day to day routines and approval levels. The lower limits can be set at school discretion and should be stated in the schools own local level Financial Regulations.
139. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be available to each budget holder upon request.
140. Routine purchases, up to the lower of the budget limit or £1,000 can be ordered by budget holders. **Budget holders** will check with the local school business manager/finance manager who will advise the existence of supplier framework agreements and suppliers offering favourable terms of supply. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with **local school business manager/finance manager**. Copies of all quotes must be attached to the electronic order file.

E-procurement

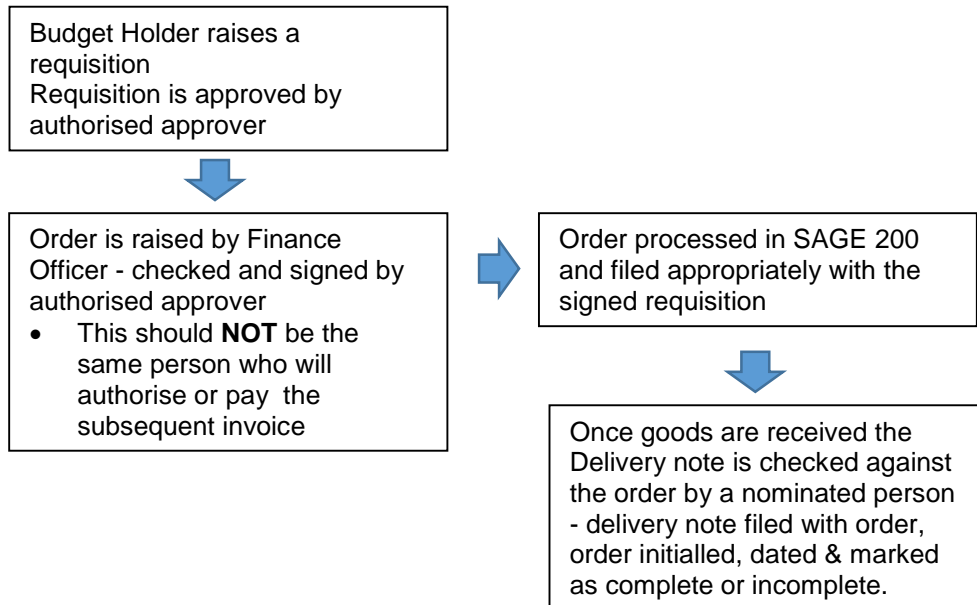
141. Any department wishing to make a purchase on credit card must complete an official electronic order in the usual manner and once approved pass this to the **local school business manager/finance manager**, or **cardholder** to make the purchase.
142. Occasionally the credit card is used to purchase small items, where it is not possible to place a purchase order in advance. Retrospective orders are raised in the usual manner to ensure the purchase has appropriate approval.

Orders

143. All orders must be made electronically via the purchase order system (SAGE 200). Where the budget holder does not have access to the electronic system a paper order is required bearing the signature of the budget holder. The **local finance officer** will check to ensure adequate budgetary provision exists before placing the order. **Non routine, non order purchases are permitted only in urgent circumstances, such as ICT & Premises infrastructure breakdowns affecting the smooth running of the school and that require a fast decision and turnaround. These would be jobs that are essential.**
144. It is the responsibility of the budget holder to manage the budget and to ensure that the funds are available are not overspent, taking into account spending requirements for the whole budget period.
145. Approved orders will be recorded in the purchase ledger of SAGE which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the academy finance office.
146. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the **budget holder** 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. Once checked the GRN documentation should be forwarded to **local finance officer** for entry onto the purchase order system. Orders must be initialled to validate goods received.

147. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the **local finance officer** should be notified. The **local finance officer** will keep a central record of all goods returned to suppliers.

ORDER PROCESSING FLOW CHART

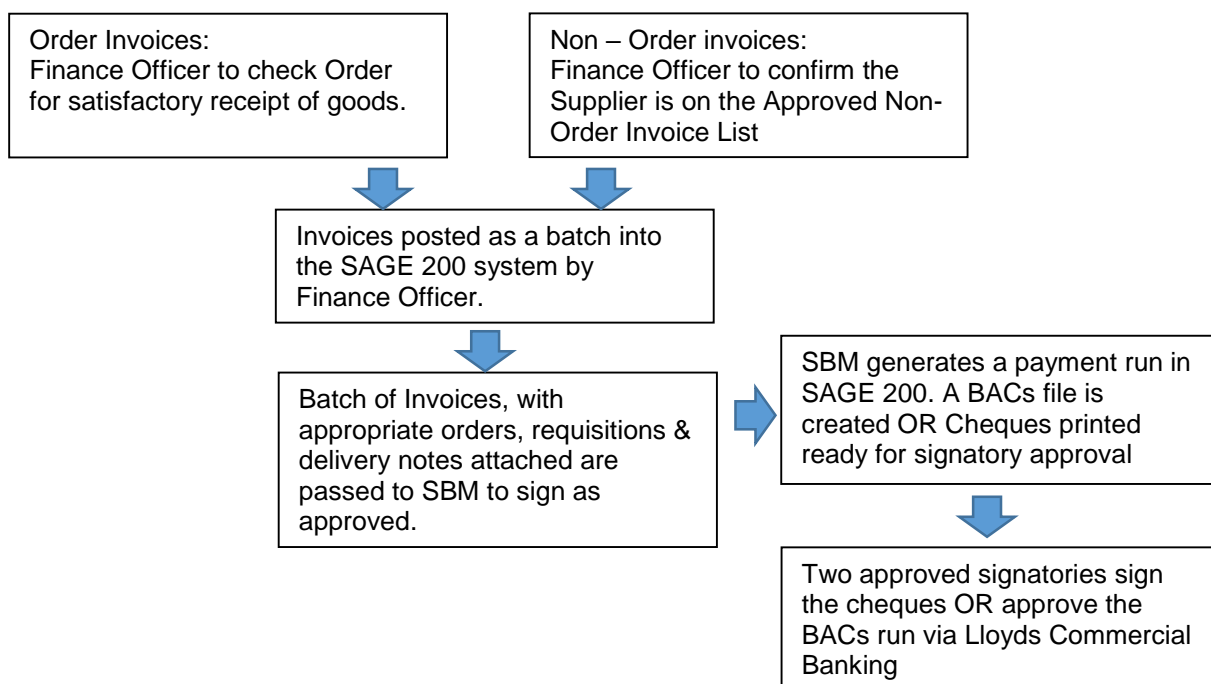


148. All invoices should be sent to the originating academy. The purchase invoice will be recorded by the **local finance officer**. The invoice will only proceed to payment where the following checks are completed to satisfaction during the input process:
- invoice arithmetically correct
 - invoice posted to purchase ledger
 - invoice coded correctly to nominal ledger
 - goods/ services received
 - goods/services as ordered
 - prices correct
 - invoice authorised for payment
 - payment authorised
 - VAT treated correctly
149. The budget holder must make a detailed check against the order and the GRN and these documents must be attached to the invoice before payment. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
150. If a budget holder is pursuing a query with a supplier the local school business manager/finance manager must be informed of the query and periodically kept up to date with progress.
151. The **local School Business Manager** will generate suggested payment lists from the purchase ledger that take account of supplier credit terms and early payment discounts and generate the BACS file/list of cheques required. It is important the School Business Manager is involved with this part of

the process in order to check that the correct nominal codes have been assigned and be involved with the journey of the order/invoice process. It will be the School Business Manager who reconciles all transactions to bank statements, therefore this involvement is crucial.

152. The BACS/Cheque payment authorisers who will be authorising payment are provided with the suggested payment list for approval, which is evidenced by signature of both authorisers.
153. BACS payments are input by the Finance Team and authorised on-line by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).
154. Cheque payments must be authorised by two of the nominated cheque signatories.

INVOICE PROCESSING FLOW CHART



Orders over £1,000 but less than £50,000

155. At least three written quotations should be obtained for all orders over **£5,000 and over £1000 if at all possible** to identify the best source of the goods/services. There may be occasions where this is not possible where the supply is not routine (such as a property repair/**urgent ICT infrastructure purposes**). Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and recorded on the electronic purchase order system before a purchase decision is made and made in accordance with value for money principles.
156. For ICT procurement, where schools use the HET ICT Strategy Partner NYES ICT Procurement service there will not be a requirement to obtain 3 quotes. This service uses frameworks and formal tendering which are undertaken following best value tendering processes. Schools are directed towards their procurement portal in the first instance. NYES will process orders only up to a threshold limit, in line with the Headteachers spending limits in the HET scheme of delegation. For orders beyond that the trust will be notified in order ascertain that LGB/Trust approval has been obtained first.

Orders over £50,000

157. All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures.

Official Journal of the European Union (OJEU)

158. All Public Sector contracts, no matter what their value within European Union, are covered by a treaty which incorporate the free movement of goods and services, which prevents discrimination against firms on the grounds of nationality.
159. The Directives and Regulations require organisations to follow detailed procedures for all procurement above the financial threshold. The thresholds are reviewed annually.
160. A specific tender notice must be placed in the supplement to the OJEU to give all suppliers in the EU an equal opportunity to tender.
161. Tenders must be invited in accordance with one of the prescribed procedures (open, restricted, negotiated – there are two separate urgency procedures).
162. At January 2018, contracts for the supply of goods, services and design contract over **£181,302**, lighter touch services **£615,278** and works contracts over **£4,551,413** are to be dealt with in accordance with OJEU. Contract sums are determined over the lifetime of the contract across the MAT, not just for a single year or a single academy where the supply is procured jointly. Thresholds are net of VAT.
163. The **CFO** will lead and the **Audit Committee** will review the procurement process where OJEU applies.

OJEU (<http://www.ojeu.eu/>) updates the procurement thresholds per annum and the most up to date ones can be found on their website: <http://www.ojeu.eu/thresholds.aspx>

Trading with related parties

169. Declaration of interests will be completed by local governors, senior leaders, finance staff and staff with budgetary responsibility annually and recorded in a register of interests.
170. The **Audit Committee** will cross check the register of interests against purchase lists termly to identify any supply of goods and services from a related party to check compliance with the purchasing process.

Trading with connected parties

Trading with connected parties must be in line with the Academies Financial Handbook section 3.2
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535870/Academies_Financial_Handbook_2017_final.pdf

171. Declaration of interests will be completed by members and trustees annually and recorded in a register of interests as well as published on the academy/trust website.
172. Subject to compliance with the purchasing regulations above, a connected party (individual or

company) can supply goods and/or services ('services' do not include services provided under a contract of employment) up to the value of £2,500 cumulatively, in any financial year which can include profit. Where the value of supply exceeds £2,500 all transactions must be 'at cost' without profit.

173. Where 'at cost' is triggered, a statement of assurance is required from the supplier to support the arrangement, which the **Accounting Officer** must review to ensure there are no issues with the transaction.
174. The **Audit Committee** will cross check the register of interests against purchase lists termly to identify any supply of goods and services from a connected party to check compliance with the purchasing process and the Academies Financial Handbook regulations.

Goods and services for private use

175. No goods are ordered or services provided to include any elements of private use by governors and staff.

Forms of Tenders

176. There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.
 - **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with **CFO** how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
 - **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
 - **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

177. Full consideration should be given to:
 - objective of project
 - overall requirements

- technical skills required
 - after sales service requirements
 - form of contract.
178. 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.
179. A tender brief must always be prepared and is reviewed by **CFO**.

Invitation to Tender

180. 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.
181. An invitation to tender should include the following:
- introduction/background to the project
 - scope and objectives of the project
 - technical requirements
 - implementation of the project
 - terms and conditions of tender
 - form of response
 - dates for decision and work to be delivered

Tender Acceptance Procedures

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

Tender Opening Procedures

183. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £25,000 - two of the budget holder, the **CFO**
 - For contracts over £25,000 - the **CFO** or the **Accounting Officer** plus a member of the **Board of Trustees**
184. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

185. The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

186. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
187. Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance & Resources Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance & Resources Committee.
188. The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

Insurance

189. The **Board of Trustees** reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
190. We have opted in to the Department for Education's Risk Protection Arrangements.

RPA is an alternative to insurance where the UK government funds cover losses that arise. More information can be found at: <https://www.gov.uk/guidance/academies-risk-protection-arrangement-rpa>

191. Academies/budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.
192. In some cases additional policies may be required for specialist, mechanical equipment, swimming pools etc. Please refer to the RPA guidelines for full details of what the protection covers.

Governors/Trustees Expenses (see Governors Expenses Policy)

193. All Trustees/local governors of this MAT are entitled to claim the actual costs, which they incur as follows:
- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
 - the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
 - telephone charges, photocopying, stationery, postage etc.
 - any other justifiable allowances
194. The Governing Body acknowledges that:
- Governors/Trustees are not be paid attendance allowance
 - Governors/Trustees are not reimbursed for loss of earnings

195. Governors/Trustees wishing to make claims under these arrangements, must complete a claims form from the **local finance officer** together with the relevant receipts. The form must be submitted to the **CFO** within six weeks of the date when the cost were incurred, when they will be submitted for approval by the Chair of Governors/Trustees or Chair of committee with delegated responsibility for final approval.
196. Claims will be subject to independent audit and may be investigated by the Chair of Governors/Trustees/Audit Committee if they appear excessive or inconsistent.

Gifts (see Gifts & Hospitality Policy)

197. Gifts of hospitality must be rejected if the individual, academy or MAT cannot demonstrate that there has been no undue influence applied or could have been said to have applied by any other supplier or anyone else dealing with the academy/MAT. The academy/budget holder should be able to show that all decisions are reached on the basis of value for money and for no other reason.
198. Gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.
199. Gifts/hospitality in excess of £25 that have been reported are entered onto the gifts and hospitality register.

Energy Management

200. Each academy is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be check before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the **local school business manager/finance manager** and reported to the **CFO** immediately.
201. Each academy ensures that the school's heating system is operated and run as efficiently as possible.
202. The **CFO** ensures that the MAT is purchasing energy at the most competitive prices available.
203. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

Fraud is not tolerated and requirements on notifying the EFA are laid out in the Academies Financial Handbook.
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204. The trust does not tolerate fraud. Where instances of fraud are found the **Accounting Officer** will notify the ESFA.

Whistleblowing

The trust must have an adequate whistle blowing policy in place, and also reference raising the issue with the ESFA (<https://www.gov.uk/government/publications/complaints-about-post-16-efa-funded-institutions>).

205. The MAT whistleblowing policy is available in the policy area of the electronic filing system.

Leasing

Finance leases represent borrowing and are not allowed under the Academies Financial Handbook.

206. Academies/MAT may consider leasing to secure equipment and facilities and should refer to the guidance in **Appendix 4**.
207. Leasing agreements must be reviewed by the CFO and approved by the Chief Executive Officer or Chair of Trustees.

Pooling of GAG

A multi academy trust has the option to pool GAG (as per the Academies Financial Handbook). Where the trust implements this explain the arrangements for monitoring.

208. The Trustees have agreed that GAG is not pooled currently and reserve the right to review this.

VAT

<https://www.gov.uk/vat-registration-thresholds>

VAT 126 form

209. The **CFO** will follow the guidance of the independent auditors who will advise the MAT of the business use VAT claim deduction and any partial exemption requirements.
210. The **CFO** is responsible for submitting the VAT 126 form monthly.

The VAT 126 form(<https://www.gov.uk/government/publications/vat-claim-for-refund-by-local-authorities-and-similar-bodies-vat126>) is filled in at trust level, for example a MAT will only complete 1 form which includes all constituent academies.

VAT 100 form

211. Where applicable, the **CFO** is responsible for submitting the VAT 100 form per quarter and ensures compliance with HM Revenue and Customs for claiming the correct levels of VAT.

Construction Industry Scheme

You should only refer to the CIS if you pay subcontractors for construction or spend over a certain threshold in a 3 year period (<https://www.gov.uk/what-is-the-construction-industry-scheme>).

Fixed assets

212. Occupation of church land and buildings is subject to the supplemental agreement. The **Executive Headteacher/Headteacher/Head of School** must be familiar with the obligations of the academy imposed within the lease and are responsible for compliance (this includes, but is not limited to insurance, repairs, signs and adverts, planning and environmental matters, use).

Asset register

213. All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register maintained by the **local school business manager/finance manager** with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

214. The asset register helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

215. Examples of items to include on the asset register include:

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

Security of assets

216. All the items in the register are permanently and visibly marked as the academy trust's property.
217. Equipment is, where possible, stored securely when not in use.
218. At the end of the Summer Term an annual count is supervised by the **Executive Headteacher/Headteacher/Head of School**, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Board of Trustees.
219. Upon completion of the annual inspection, a paper copy of the register will be printed and signed by the **Executive Headteacher/Headteacher/Head of School** and forwarded to the **CFO** along with an electronic copy of the asset register who will retain a copy for inspection by the MAT auditors/audit committee. The MAT central finance team will calculate depreciation and post journals to the finance system.

Disposals

Disposals of certain classes of assets must be disposed of in line with the Academies Financial Handbook (including seeking prior approval).

220. Disposals, where applicable, are in line with the Academies Financial Handbook.
221. Items which are to be disposed of by sale or destruction must be authorised for disposal by the **CFO** and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Loan of Assets

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

Authorisation limits

223. For clarity, the authorisation limits are set out in the table in Appendix 1.

Appendix 1 – Authorisation Limits

	Number of authorisers	SBM/FM	Other SLT	Head of School	Headteacher /Executive Headteacher/ Dep CEO	LGB overseen by CFO	Chief Executive Officer (AO)	Board of Trustees
Purchase orders	1	TBC in individual schools	TBC in individual schools	Up to £3,000	Up to £15,000	Up to £25,000	Up to £50,000	Over £50,000
Award contracts (total contract value over life)	1			Up to £3,000	Up to £15,000	Up to £25,000	Up to 50,000	Over £50,000
Non order Invoices	1	TBC in individual schools	TBC in individual schools	Up to £3,000	Up to £15,000	Up to £25,000	Up to 50,000	Over £50,000
Purchase ledger payments * (batch value)	2	£50,000	£50,000	£50,000	£50,000		£100,000	Over £100,000
Staff appointments (within agreed organisation structure)	1				All staff except Headteacher, Head of School, Deputy Headteacher		Headteacher, Head of School, Deputy Headteacher, Central staff	CEO
Staff gross pay, overtime and expense claims	1			X	X		X	
Head/Executive overtime and expense claims	1						X	X
Payroll payments *	2	TBC in individual schools	£500,000	£500,000	£500,000		£1,000,000	Over £1,000,000
Petty cash payments	2	£25	£25	£25	£25		£25	£25
Other payments	2	TBC in individual schools	£500	£1,000	£2,000	£5000	£10,000	Over £10,000
Bad debt write off								£151-£500 Audit Committee >£500 Board of Trustees
Budget virements and journals	1			Up to £3,000	£15,000	£25,000	£50,000	Over £50,000

Appendix 2 – Monthly Protocol

Monthly Checklist	Completed by	Reviewed by	NOTES	HEADS
Update cash flow	Sep-18	Sep-18	save into HET shared drive	
Have allocations been changed in SAGE to match Budget Plan				Check HCSS & SAGE have the same allocations
Are Gross Pay/NI/Pension values in SAGE matching Budget Plan			print staff monthly payroll report from budget planning to check	Check Salaries in planning match payrun sample 3 at random each month - sign and date them
Ensure all sales invoices have been issued for month				
All funding in month has been input to SAGE				
Ensure all purchase invoices have been received and input for work done in the month				
Ensure all fixed asset invoices have been input onto the Excel fixed asset register for the month	Sep-18	Sep-18	print SAGE report on all invoices above £1k & save into HET shared drive	
Ensure all disposals are removed from FA register				
Print off month end Trial Balance (TB) (Need cumulative and 1 month TB)			Export & save into HET shared drive	View Trial Balance and see that the following lines have been checked and ticked:
Check suspense code 9999 is at Zero!				Creditors Debtors PAYE Pensions NI Bank Balance VAT outstanding
Print copy funding letters/remittances to support funding received			save into HET shared drive	
Produce ALL bank reconciliations to TB (use cumulative TB)			check balance matches save into HET shared drive	View the bank balance checker the SBM uses
Reconcile wages from payroll to wages in TB for the moi (use 1 month TB)			should be values of PAYE Pensions & other Third Party payments	View and agree the Payroll journal the SBM uses
Print an Aged Debtors report dated at month end				View and agree the debtor report
Print an Aged Creditors report dated at month end				View and agree the creditor report
Ensure these reports agrees to the TB				1
Record Pre- Payts for the month			Those beyond 31st Mar/31st Aug	
Compare latest VAT claim to VAT balance on TB			check claims outstanding match TB	VAT on TB will total those claims not yet reimbursed

Appendix 3 – Regularity Checklist

Test	Reviewed	Comments
Governance		
Minutes of the various committees, and management accounts, have been reviewed for indications of irregular transactions	Yes/No/N/a	<i>By reviewing the minutes future plans may also be highlighted e.g. a potentially novel and contentious payment that requires prior approval, or restructuring that needs to be in line with EFA</i>
The board of trustees and accounting officer have given formal representations of their responsibilities	Yes/No/N/a	
Management reporting documents have been reviewed	Yes/No/N/a	<i>These include budgets, management accounts, cash flow forecasts and KPIs</i>
Confirm compliance with the academy trust's Scheme of Delegation	Yes/No/N/a	
Internal controls		
Confirm that gifts and hospitality payments, such as long service awards and other benefits are given and received in line with the academy trust's policies	Yes/No/N/a	<i>You may wish to create a gifts and hospitality register that your staff use to identify payments</i>
Confirm that the use of expense claims or credit cards are in line with the academy trust's policies (and supported by receipts)	Yes/No/N/a	

Confirm that items claimed on expenses or purchased on credit cards are not for personal benefit	Yes/No/N/a	
Confirm the trust's property is under proper control to prevent loss or misuse	Yes/No/N/a	<i>You may wish to consider logging assets to keep track and making staff aware of all requirements</i>
Review the work of the independent checker (be it an employed trustee, peer to peer review, internal audit or supplementary work performed by the external auditor)	Yes/No/N/a	<i>You may wish to consider the responses to the greatest risks identified on the risk registers</i>
Income		
Check eligibility of pupils claiming free school meals	Yes/No/N/a	<i>You may wish to review against census submissions</i>
Confirm specialist grant income is spent as the purposes intended	Yes/No/N/a	<i>You may receive funding from the arts council or Sports England that have specific conditions attached to the grants</i>
Procurement		
Check that the lines of delegation and the limits set both internally and by EFA have been adhered to	Yes/No/N/a	
Check, where necessary, whether tendering procedures have been administered through the Official Journal of the European Union (OJEU)	Yes/No/N/a	
Check formal contracts are in place, where required	Yes/No/N/a	
Check tendering policies have been adhered to, by undertaking a sample of 3 a term	Yes/No/N/a	

Check whether procurement activity has been in accordance with Annex 4.6 of Managing Public Money	Yes/No/N/a	
Check that employees have not personally benefitted from any transaction	Yes/No/N/a	
Are you confident that good and services have been procured in an open and transparent manner?	Yes/No/N/a	<i>You may wish to complete spot checks on purchases</i>
Connected parties		
Check declarations of business interests have been completed (for those in a position to influence the academy trust, including key staff)	Yes/No/N/a	
Check declarations of interest are published on the academy trust's website	Yes/No/N/a	
Check contracts with connected parties have been procured following the academy trust's procurement and tendering process	Yes/No/N/a	
For contracts entered into or renewed on or after 7 November 2013: Check the academy trust has obtained statements of assurance (confirming no profit element was charged)	Yes/No/N/a	
Check that governors who provide consultancy services to the academy trust are not receiving a profit for their services and the correct procurement and tendering process is being followed	Yes/No/N/a	
Check that employees who provide external consultancy that the income is being received into the academy trusts accounts if the work was performed within the academy trusts normal working hours	Yes/No/N/a	

Delegated authorities		
Check whether write offs are less than 1% of income or £45,000 (whichever is smaller)	Yes/No/N/a	
Check prior approval has been sought for acquisitions and disposals of freehold land and buildings	Yes/No/N/a	
Check prior approval has been sought for the disposal of a heritage asset	Yes/No/N/a	
Check prior approval has been sought taking up a leasehold greater than seven years	Yes/No/N/a	
Check prior approval has been sought for any novel and contentious payments e.g. honorarium	Yes/No/N/a	
Borrowing		
Review leases to confirm they are operating leases	Yes/No/N/a	
Check prior approval has been sought for any finance leases	Yes/No/N/a	
Check bank accounts are not in an overdraft position	Yes/No/N/a	<i>You may wish to speak to the bank regarding your facilities, either removing the overdraft or having a sweep between accounts</i>
Severance payments		
Check prior approval has been sought for non-contractual elements on or over £50,000	Yes/No/N/a	
Check all payments are not used as a substitute for taking appropriate action under the academy trust's misconduct or performance management procedures	Yes/No/N/a	

Check payments (irrespective of value) are in line with the severance guidance published by EFA (https://www.gov.uk/guidance/academies-severance-payments)	Yes/No/N/a	<i>All non-contractual severance payments should have due regard to the requirements of Managing Public Money</i>
Accounting Officer declaration		
Signature		
Date		

Appendix 4 – Leasing Guidance for Schools (content can be viewed electronically and printed by double-clicking on image)

Making the decision to lease

Leasing can be a great way for schools to secure the equipment (and facilities) they need to provide students with a first-class education.

The Finance & Leasing Association (FLA), National Association of School Business Management (NASBM) and the Department for Education (DfE) have prepared this guide to help you ensure that where you do choose to lease equipment, you're making the right choices for your school.

The commissioning process

Always go through your normal commissioning process for the equipment before considering any type of finance. This might involve a pre-purchasing review to confirm what equipment is needed, and preparation of specification and evaluation criteria.

The Government's advice to schools on how to plan and run an efficient procurement process for goods, works or services is an ideal way of assessing whether your existing commissioning process is sufficiently robust.

When you're ready to move ahead with the actual procurement, it's always a good idea to compare the cost of leasing against the cost of purchasing. Do shop around, as the most competitive quotes for purchasing the equipment might come from a supplier that doesn't offer leasing, or vice versa.

In addition, make sure you're comparing like with like. This can include whether different equipment models have a similar level of functionality and whether some leasing options include extras like maintenance and supplies (more on this later).

Do remember that leasing allows schools to:

- acquire equipment by making payments at regular intervals over the period it will be used.
- avoid very steep up-front purchase costs, especially in situations where cash flow considerations are key. But as with any finance product, schools should know the cumulative costs incurred by leasing, that is the annual charges multiplied by the number of lease years. This total cost should be the comparison for purchase costs.

Things to consider when taking out a lease

Know the finance company: Although some equipment manufacturers may supply both equipment and finance, many businesses offering leasing arrangements to schools are equipment suppliers who offer finance via third party finance companies.

When dealing with an equipment supplier, always check who the finance company will be. If they are members of the Finance & Leasing Association (FLA), this will give you the added assurance that the lender will be subject to FLA's Business Finance Code which sets out high standards for customer service, information and complaints procedures.



Appendix 5 – PETTY CASH – ADVANCE PURCHASE REQUESTS OVER £25

It is important when purchasing cash items over £25 that prior warning is given to to ensure that sufficient cash is available for meeting the payments. Please also remember that even if a figure has been approved by the Headteacher, this form must still be completed to release any funds.

DATE	CLASS	CURRICULUM AREA	PURCHASES	COST	REQUESTED BY

PLEASE RETURN THIS FORM TO

APPENDIX 6

School logo

Date of Purchase: _____

Supplier: _____

Description of Purchased Goods: _____

Cost: _____ **Method of Payment:** _____

Curriculum Item		Hospitality	
Classroom Item		Travel	
Sixth Form		Postage	
Key Stage 3		Key Stage 4	
Key Stage 5		CAIT	
Other			

Approved by: _____

Dated: _____

Reimbursement Received By: _____

Dated: _____

Entered on to SAGE: _____

CODE		
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VAT YES / NO