

# **The Willows School** **Academy Trust**



## **Finance Policy**

**Reviewed: September 2023**

**Next Review: September 2025**



## THE WILLOWS SCHOOL ACADEMY TRUST

### Finance Policy 2023

#### **Rationale:**

The purpose of this policy is to ensure that the Academy maintains and develops good systems of financial control and management so that high quality education can be provided and good value for money is obtained.

#### **Objectives:**

The policy will clarify the financial procedures and practices in place at The Willows School Academy Trust. It will clearly define the roles and responsibilities of the Governing Body and the Headteacher and other staff and the limits of delegated authority established. The Academy will comply with the principles of financial control outlined in the Academies' Handbook published by DFE.

#### **Success Criteria:**

Staff and Governors clearly understand the procedures and practices which are adhered to. The Academy manages the budget effectively and efficiently to secure best value and a balanced or surplus budget.

#### **Methodology:**

#### **Implementation**

Use of Academy Finance Handbook and this policy

#### **1Monitoring**

The Governors will ensure:

- Regular review of the policies and procedures relating to finance.
- Regular budget monitoring throughout the year
- The Business Manager will provide regular reports to the Governors as part of this budget monitoring process. □ The Academy's statement of Internal Control is reviewed on an annual basis.

#### **Review**

This policy will be reviewed every two years by the Governing Body.

**Appendix 1**  
**Finance Handbook for -**  
**The Willows School Academy Trust**

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## **1. Introduction**

1.1 The purpose of this Handbook is to ensure that the academy maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DFE).

1.2 The academy must comply with the principles of financial control outlined in the academies guidance published by the DFE. This Handbook expands on that and provides detailed information on the academy's accounting procedures and operational functions.

## **2. Organisation**

2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is set out below:

### **The Governing Body**

2.2 The Governing Body has overall responsibility for the administration of the academy's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement dated 1<sup>st</sup> November 2011.

The main responsibilities include:

- ensuring that grants from the DFE are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher who acts as the Accounting Officer on their behalf
- appointment of the Business Manager who has responsibility for Finance , who works in conjunction with the Headteacher

### **The Finance Committee**

2.3 Part of the Governing Body's function is to act as the Finance Committee and has a finance item at every meeting of the governing body. The committee meets at least once a term but more frequent meetings can be arranged if necessary.

2.4 The main responsibilities of the Committee are detailed in written terms of reference which have been approved by the Governing Body. The main financial responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirement of the Companies Act 1985 and the DFE guidance issued to academies;
- authorising orders and the award of contracts over £70,000;
- authorising changes to the academy personnel establishment following recommendations from the Personnel Committee

- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports will also be reported to the full Governing Body.

### **The Headteacher**

2.5 The Headteacher is the Accounting Officer for the Academy and the Governing Body has delegated to the Headteacher the responsibility of the day to day management of the Academy including all the Academy's financial activities .

The main responsibilities of the Headteacher are :

- approving new staff appointments, except for any senior staff posts which the Governing Body have agreed should be approved by them;
- Budget virement of £30,000 or less;
- authorising orders and contracts under £70,000 in conjunction with the Business Manager;
- signing cheques and BACs payments

### **The Business Manager**

2.6 The Business Manager works in close collaboration with the Headteacher and both are accountable to the Governing Body. The Business Manager works in conjunction with the Governors through the Committees of the Governing Body.

The main responsibilities of the Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body and principal;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- authorising orders and contracts of £10,000 or less in conjunction with budget holders;
- signing cheques and BACs payments when necessary
- ensuring forms and returns are sent to the DFE in line with the timetable in the DFE guidance.

### **The Responsible Officer**

2.7 The Responsible Officer (RO) is appointed by the Governing Body and provides Governors with an independent oversight of the academy's financial affairs.

The main duties of the RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the Governing Body 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.

2.8 The Responsible Officer will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Governing Body. A report of the findings from each visit will be presented to the Governing Body and to the Full Governing Body meeting. It has been agreed by the Governing Body that the RO checks will be carried out by Mr Christopher Horne, Accountant.

### **Other Staff**

2.9 Other members of staff, primarily the Finance and Admin Officer and budget holders, will have some financial responsibilities and these are detailed in the following sections of this Handbook. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

### **Register of Business Interests**

2.10 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

2.11 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

2.12 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

## **3. Accounting system**

3.1 All the financial transactions of the academy will be recorded on the PSF Iris Accounting System

6. The academy payroll is outsourced to Strictly Education Limited.

### **System Access**

3.2 Access to PSF Iris is password protected and the Business Manager is responsible for implementing a system which ensures that passwords are changed every term. A log of active passwords is retained in the Academy safe located within the Finance Office.

3.3 Access to the component parts of PSF Iris is also restricted and the Business Manager will set access levels for all members of staff using the system.

## **Back-up Procedures**

3.4 The Business Manager is responsible for ensuring that there are effective back up procedures for the finance system. The Finance System is supported by Hillingdon Grid for Learning (HGFL), who are responsible for the daily backup system hosted.

3.5. Each year the Governors will assess the major risks to which the Academy is exposed to in the event of loss of accounting facilities or financial data and the systems that have been put in place to mitigate those risks.

## **Transaction Processing**

3.7 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this handbook. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the Handbook. All journal transfers must be recorded in the journal log and authorised by the Business Manager prior to being input to the accounting system. Bank transactions input by the Finance & Admin Assistant should be checked and reconciled by the Finance Officer whilst carrying out the monthly reconciliation.

## **Transaction Reports**

3.8 The Business Manager will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system. The reports reviewed will include:

- audit trail reports;
- management accounts summarising expenditure and income against budget at budget holder level.

## **Reconciliations**

3.9 The Finance Officer is responsible for ensuring the following are reconciled each month:-

- sales ledger control account;
- purchase ledger control account and
- bank balances per the cash book to the bank statements.

3.10 Any transactions which are unreconciled for a period exceeding 3 months must be brought to the attention of the Business Manager. The Business Manager will review and sign all reconciliations as evidence of review.

## **4. Financial planning**

4.1 The Academy prepares both medium term and short-term financial plans.

4.2 The medium term financial plan is prepared as part of the development planning process. The 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.

4.3 The development 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.

4.4 The development planning process and the budgetary process are described in more detail below

### **Development Plan**

4.5 The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans are relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

4.6 The development plan will incorporate any issues identified by the DFE and legislation.

4.7 Each year the Headteacher and the Senior Staff will review the aims and objectives of the development plan and identify areas for future financial planning.

4.8 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

4.9 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the Senior Staff, who will monitor performance against the defined success criteria throughout the year. The Headteacher will report the process and outcomes to the Governing Body via the relevant committees or the full Governing Body Meeting.

### **Annual Budget**

4.10 The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher and the Governing Body.

4.11 The approved budget must be submitted to the DFE in accordance with the timetable set by them and the Business Manager ensures that the submission date is met.

4.12 The annual budget will reflect the best estimate of the resources available to the academy 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.

4.13 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
- review of other income sources available to the academy to assess likely level of receipts



- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings and
- 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.

### **Balancing the Budget**

4.14 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 balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

### **Finalising the Budget**

4.15 Once the different options and scenarios have been considered, a draft budget will be prepared by the Business Manager for approval by the Headteacher. The final budget will then be presented to the Governing Body for approval and the Committee will seek ratification by the Governing Body. The Headteacher together with the Business Manager will be responsible for the communication to Staff of the budget plan for the academic year. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

### **Monitoring and Review**

4.16 Monthly reports will be prepared by the Business Manager and Finance & Admin Officer. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Governing Body.

4.17 Any potential overspend against the budget must in the first instance be discussed between the Headteacher and the Business Manager.

4.18 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

4.19 Budget virement of £30,000 or less may be authorised by the Headteacher and reported to the Governing Body. Budget virement over £30,000 must be agreed by the Governing Body.

## **5. Payroll**

### **Staff Appointments**

5.1 The Governing Body has approved a staffing structure for the Academy. The Governing Body will approve any changes to the structure upon recommendation by the Headteacher. The Governing Body will ensure that adequate budgetary provision exists for any changes.

5.2 The Headteacher has authority to appoint staff within the Academy except for Senior Staff whose appointments must follow consultation with the Governors. The Business Manager maintains personnel files for all members of staff which include contracts of employment. The Headteacher will notify the Business Manager of any personnel changes.

### **Payroll Administration**

5.3 The monthly Academy payroll is outsourced to a provider known as Strictly Education Limited.

5.4 New staff will only be added to the payroll with the express approval of the Headteacher who will authorise additions and changes by issuing a signed memorandum to the Business Manager. New staff must complete all relevant payroll documents issued by the Finance Office. Failure to do this may result in nonpayment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

5.5 Salary amendments can only be made with the express approval of the Headteacher and notified to the Business Manager by authorised memorandum.

5.6 Staff can only be terminated from the payroll with the express approval of the Headteacher who will notify the Business Manager.

5.7 Payment for sickness or maternity must be authorised by the Headteacher in line with the employment contract for the member of staff.

5.8 Where leave of absence or special leave is discretionary, payment can only be made with the express approval of the Headteacher who will authorise the absence on a signed Blue Memorandum.

5.9 Staff who are to be paid for additional work on submission of a time-sheet must complete and return their time-sheet to their Line Manager by week ending nearest to 1st of each month. Failure to do this may result in non-payment of additional hours by the Academy. In these circumstances, the payment may not be paid until the next payroll run in the following month. The manager must then check and sign the time-sheet and return it to the Finance Office. Time-sheets are then authorised by the Business Manager and passed for payment to the payroll provider.

### **Payments**

5.10 After the payroll has been processed but before payments are made, a print out of salary payments for each individual will be provided by the Payroll Provider for validating by the Business Manager. After checks have been completed the Business Manager will give the authority to the provider to release payments.

5.11 All Salary payments are made by BACS into the employees' nominated bank account on or around the 15<sup>th</sup> day of the month unless the payment day falls on a weekend.

5.12 Payslips are issued to paid employees as soon as they are received from the payroll provider.

5.13 After the payroll has been processed the Finance Officer will update the nominal ledger with the payroll costs for the month.

5.14 The Business Manager has the responsibility to ensure that staff are paid in accordance with their contract of employment.

## **6. Purchasing**

6.1 The Academy will ensure that the best value for money is obtained from all its purchases. This means it will ensure that the correct quality, quantity and the best price possible is obtained. A large proportion of purchases will be paid for with public funds and the integrity of these funds will be maintained 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 of £3,000 or less**

6.2 Budget holders will be informed of the budget available to them as soon as the budget has been finalised by the Governing Body. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A Budget Report detailing actual expenditure against budget will be supplied to each budget holder each month and budget holders must keep their own records of orders placed but not paid for.

6.3 A quote or price must always be obtained before any order is placed. Budget holders and the Finance Office should ensure that the lowest cost price is achieved.

6.4 All orders must be prepared using an official order requisition form,. Orders must be sent by the budget holder to the Finance Office. Orders will only be processed if there is adequate budget provision for the department. The Business Manager will countersign orders of £3000 or less once the budget provision has been confirmed. The Headteacher will countersign orders over £3000.

6.5 Countersigned orders are recorded in the commitment report, allocated a reference number and dispatched to the supplier by the Finance Team. A copy of the order is given to the budget holder.

6.6 The Finance Team will make appropriate arrangements for the delivery of goods to the Academy. On receipt of the goods, a member of the Finance Team will 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. All checked goods are then passed to the budget holder.

6.7 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the Finance Office will record this.

6.8 All invoices should be sent to the Finance Office for payment after it has been authorised by the budget holder. The Invoice will be recorded by the Finance Assistant in the purchase ledger. The Finance Assistant will evidence the following:-

- invoice arithmetically correct;
- goods/ services received;
- goods/services as ordered;
- prices correct;
- Invoice posted to purchase ledger; □ invoice authorised for payment.

6.9 If a budget holder is pursuing a query with a supplier the Finance Team must be informed of the query and periodically kept up to date with progress.

6.10 Once a week the Finance Assistant will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the Business Manager.

6.11 The Finance Assistant will input details of payments to be made to the purchase ledger and generate the BACs payments or cheques required. The BACs payments or cheques must be signed by two of the nominated bank signatories.

6.12 Cheques will be dispatched to suppliers by the Finance Assistant. Bacs payments will be notified to suppliers by email from the Academy's accounting package.

6.13 Non-order purchases must have the prior approval of the Business Manager. Non- order purchases must be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The Catering Manager is authorised to make non-order purchases for standard daily/weekly food supply orders.

#### **Orders over £10,000 and up to £25,000**

6.14 At least three written quotations should be obtained for all orders over £10,000 and up to £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared by budget holders and attached to orders passed to the Finance Team. This is for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

6.15 The Headteacher will authorise orders for goods between these values.

#### **Orders over £50,000**

6.16 All goods/services ordered with a value over £50,000 must be subject to formal tendering procedures. Purchases over £189,330 (threshold from 01/01/2021) excluding VAT may fall under Public Contracts Regulations 2015 rules which require notification to the FTS (Find a Tendering Service ). Ordering goods which may potentially be over £50,000 must be discussed with Business Manager prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

## Forms of Tenders

6.17 There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

**Restricted Tender:** This is where suppliers are specifically invited to tender

Restricted tenders may be 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 may be 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

6.18 Full consideration may be given to:

- objective of project
- overall requirements
- technical skills required □ after sales service requirements □ form of contract.

6.19 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

6.20 If a restricted tender is to be used then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.21 An invitation to tender may include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project; □ terms and conditions of tender and □ form of response.

## **Aspects to Consider**

### ***Financial***

Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.

Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs

Is there scope for negotiation?

### ***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**

6.22 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 and any reason for accepting them should be recorded.

## **Tender Opening Procedures**

6.23 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, either the Headteacher, Business Manager plus a member of the Governing Body.

6.24 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

### **Tendering Procedures**

6.25 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.

6.26 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.

6.27 Full records should be kept of all criteria used for evaluation of contracts over £50,000 and a report should be prepared for the Governing Body highlighting the relevant issues and recommending a decision.

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

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

## **7 Income**

7.1 The main sources of income for the Academy are the grants from the ESFA, DFE and from the London Borough of Hillingdon. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the academy are collected.

7.2 The Academy also receives income from:

- other Local Authorities

### **Trips**

7.3 A lead teacher must be appointed for each trip to take overall responsibility for the trip. The lead teacher 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 Finance Team.

7.4 The Finance & Admin Assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding.

7.5 No debts should be written off without the express approval of the Governing Body. The Headteacher will seek approval from the DFE if debts to be written off are above the value set out in the annual funding letter

7.6 Organisations using the facilities should be instructed to send all payments to the Business Manager and will need to provide the relevant documentation as set out in the Lettings Policy in advance of their let taking place.

7.7 The Finance & Admin Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared monthly and be certified by the Business Manager.

## **8 Cash Management**

### **Bank Accounts**

8.1 The Academy has a main deposit account and a current account. Money is swept from or to the main deposit account and the end of each day in order to facilitate the transactions of the current account. The account signatories are:-

<b>Malcolm Shaw</b>	<b>Headteacher</b>
<b>Paul Gregory-Hunt</b>	<b>Deputy Headteacher</b>
<b>Debora Downie</b>	<b>Senior Leader</b>

### **Deposits**

8.2 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 and
- a reference, such as the number of the receipt or the name of the debtor.

### **Payments and withdrawals**

8.3 All cheques and other instruments authorising withdrawal such as BACs from Academy bank accounts must bear the signatures of two authorised signatories

8.4 Signatories may not sign a cheque reimbursing themselves or authorise any transaction that relates to themselves.

### **Administration**

8.5 The Finance Officer must ensure 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 Finance Officer;
- reconciliations are subject to a monthly review carried out by the Business Manager or the Headteacher □ adjustments arising are dealt with promptly.



### **Academy Business Charge Cards**

8.6 The Academy has 2 Business Charge cards and the card holders are :-

Malcolm Shaw	Headteacher	Card Limit £4000
Paul Gregory-Hunt	Deputy Headteacher	Card Limit £4000

8.7 These cards are only to be used when cheque or Bacs payments are not possible. The card will never be used for cash withdrawals or for personal use and are stored securely and will only be used by the named person on the card.

8.8 (i) Receipts must be retained and matched to monthly statements for reconciliation each month.

(ii) Full payment of the Business Charge cards will be made by direct debit at the end of each month

### **Petty Cash Accounts**

8.9 The Academy maintains a maximum cash balance of £500 for the Finance Office cash tin. Cash tins are administered by (1) the Finance Officer (2) the Finance Assistants and (3) the Business Manager.

### **Payments and Withdrawals**

8.10 In the interests of security, petty cash payments will normally be limited to £10. Higher value payments should be made by cheque or Bacs directly from the Academy bank account.

### **Administration**

8.11 The Finance Office is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation. The Business Manager will sign off all petty cash expenditure on a monthly basis.

### **Physical Security**

8.12 Petty cash will be held in a locking cash box which is stored the Academy's safe

### **8.13 VAT**

The Business Manager will ensure that the school complies with the regulations on Valued Added Tax (VAT) and the school follows processes set out by HMRC when reclaiming VAT. VAT is reclaimed through the on line VAT126 system.

### **8.14 Voluntary Funds**

The school does not hold currently any voluntary "non public" funds

## **8.15 Cash Flow Forecasts**

The Business Manager is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations.

### **Investments**

8.16. Investments must be made only in accordance with written procedures approved by the Governing body. All investments must be 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.

## **9 Fixed assets**

### **Asset register**

9.1 All items purchased with a value over the academy's capitalisation limit of £1000 must be entered in the Asset Register. The asset register should include the following information:

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

A copy of the Asset Register will be held in the Finance Office

9.2 The Asset Register helps to :-

- 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 and the Academy's financial system

- Support insurance claims in the event of fire, theft, vandalism or other disasters.

9.3 The Asset register is maintained by the Finance Assistant and is regularly updated.

### **Depreciation**

9.4 Depreciation of assets is as follows:-

Freehold Buildings 2% straight line Motor Vehicles 25% straight line Plant & Machinery 15% straight line Furniture & Equipment 25% straight line Computer Equipment & Software 33.33% .No depreciation is provided on freehold land. Depreciation on assets in the course of construction is not charged until they are brought into use.

### **Security of assets**

9.5 Equipment must be secured by means of physical and other security devices.

9.6 All the items in the register should be permanently and visibly marked as the property of the Academy and there will be an annual count by the Finance Officer. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the Academy but do not belong to it this should be noted.

### **Disposals**

9.7 Asset items which are to be disposed of by sale or destruction must be authorised for disposal by the Governing Body and, where significant, should be sold following competitive tender. The Academy must seek the approval of the DFE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. If disposals within one financial year (September-August) collectively originally attracted grant of more than £20,000 then the Academy must inform the DFE.

9.8 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner.

9.9 The Academy will reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy will repay to the DFE a proportion of the sale proceeds.

9.10 All disposals of land will be agreed in advance with the Secretary of State in accordance with the Academy's Funding Agreement

### **Loan of Assets**

9.11 Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of the loan must be recorded on a loan of equipment form and booked back into the Academy when it is returned. The Loan Register is maintained by the Finance Assistant.

9.12 If assets are on loan for extended periods or to a single member of staff on a regular basis, staff are informed that the situation may give rise to a “benefit-in-kind” for taxation purposes. Loans should therefore be kept under review and any potential benefits will be referred to the Academy’s auditors.

## **10 Insurance**

The Governing Body regularly considers risks and takes out insurance protection in accordance with ESFA guidelines. Insurance is procured through the ESFA Risk Protection Arrangement (RPA)

## **11 Data Security**

11.1 The school relies on computers to process and record personal, financial and other management data. Computer systems used for such purposes are protected by password security to ensure only authorised employees have access. Passwords are changed and updated each term.

11.2 The Governing Body ensures that systems are in place to safeguard school software and protect against computer viruses. The school uses the services of LGFL (London Grid for Learning) to ensure that data is backed up regularly and all back ups are securely held.

11.3 The Governing Body ensures that the Information Commissioner’s Office (ICO) is notified in accordance with the Data Protection Regulations 2018 and that the school’s use of electronic or relevant manual systems to record or process personal information and any disclosure complies with legislation.

## **12. Gifts and Hospitality**

The school has a procedure in place for the acceptance of Gifts and Hospitality. This includes a register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise staff’s personal judgement or integrity and ensures that all members of staff are made aware of this. All Gifts are recorded onto the register.

## **13. Retention of Reserves**

The Governors carefully consider the risk position of the school and balances this against the need to use its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision from time to time. The Governors have set a reserve amount of one months payroll cost.

## **14 Fraud and Bribery**

The Governors are committed to ensuring that the school demonstrates the highest standards of business conduct and that it maintains an honest and open environment within the school environment. It is also committed to promoting an anti-fraud culture, the prevention and detection of fraud and irregularity and the investigation of any such cases. Any apparent fraud or financial irregularity will be investigated, and appropriate disciplinary action will be taken where there is

evidence of such. The recovery of money/assets from individuals found to be guilty of participating in fraudulent activity will be pursued (through formal criminal and civil action where appropriate).

All staff have a duty to:

- protect the assets of the school
- report all reasonably held suspicions of fraud or irregularity.
- cooperate with any investigation.

Fraud can be minimised through carefully designed and consistently operated management procedures, which deny opportunities for fraud. Staff must comply with and should be given training in the school's policies and procedures on segregation of duties, data security and conflict of interest, and the school's financial regulations. A continuous review of systems by internal audit may deter attempted fraud and should result in continuous improvements. The risk of fraud should be a factor in internal audit plans. Fraud is a serious matter, and the governing body is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust/school will normally involve the ESFA and the Police and may seek redress via civil proceedings.

## **Definitions of Fraud**

**Fraud** is the deliberate use of deception and dishonesty to deprive, disadvantage or cause a loss or the risk of loss (usually financial) to another person or party. Under the Fraud Act 2006, the offence of fraud can be committed by false representation, by failing to disclose information and/or by abuse of position. In each case, the perpetrator's conduct must be dishonest and his/her intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs to have been made). The Fraud Act 2006 also covers other offences such as:

- possession, making or supplying articles for use in frauds.
- obtaining services dishonestly with intent to avoid payment.

**Theft** is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

**Bribery** covers four offences (Bribery Act 2010):

- the offence of bribing another person. This can occur where a person offers, promises, or gives a financial or other advantage to another individual to perform improperly a relevant function or activity.
- the offence of being bribed. This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly.
- bribery of a foreign public official. This is where a person directly or through a third party offers, promises, or gives any financial or other advantage to a foreign public official to influence them.
- a corporate offence of failure to prevent bribery. A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation. Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions

of any person. Both parties are equally guilty of an offence. Other irregularities could apply to the Trust as well as individual schools, and includes:

- failure to observe the Trust's Financial Regulations, policies, and procedures
- breach of the Trust's Funding Agreement with the EFSA
- breach of the requirements of the Academy Trust Handbook
- spending grant income in ways inconsistent with the purposes for which it was intended