Inspire Multi Academy Trust (South West)

Financial Procedures Policy

VERSION CONTROL SHEET

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1. Introduction

The purpose of this policy is to ensure that The Inspire Multi Academy Trust (South West) (MAT) maintains and develops systems of financial control which conform to the requirements of propriety, efficiency and regularity. It is essential that these systems operate properly to meet the requirements of the Funding Agreement with the Department for Education (DfE).

The MAT must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE. This manual expands on that and provides detailed information on the academy's accounting procedures and system and should be read by all staff involved with financial systems in conjunction with the Scheme of Delegation of Financial Powers.

2. Organisation

The MAT has defined the responsibilities of each person involved in the administration of Trust 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 illustrated below:

2.1 The Trust Board

The Trust Board has wide discretion over its use of the MAT's funds. It is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability and propriety.

It is specifically responsible for ensuring that the MAT's funds are used in accordance with: the law; the Trust Boards powers under the Funding Agreement (including the articles of association which set out the powers of the MAT and its governance arrangements; and the Academy Trust Handbook. The main responsibilities include:

- Ensuring that any grants from the DfE or other sources are used only for the purpose intended.
- Approval of the annual budget
- Appointment of the Chief Executive Officer and individual academy Principal/Headteachers.
- Appointment of the Chief Financial Officer (CFO), in conjunction with the Chief Executive Officer.

The members of the MAT Trust Board should also be aware of the statutory duties of company directors, which are set out in the Companies Act and include the duties to:

- exercise their powers only for a proper purpose;
- promote the MAT's success;

- exercise independent judgement;
- exercise care and skill; and
- avoid conflicts of interest.

2.2 The Finance, Resources and Audit Committee

The Finance, Resources and Audit Committee (F,R & A) is a committee of the Trust Board. The F,R & A meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the F, R & A include:

- Development of a financial strategy for the Academy Trust and policies, procedures or plans required to realise such strategy
- Recommend the Academy Trust's budget to the Trustees
- Monitor any variances from the budget and ensure the DfE is notified as required;
- Make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the improvement priorities set out in the Academy Trust improvement plan
- Monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board
- Monitor and review procedures for ensuring the effective implementation and operation of financial procedures and internal control system, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement
- Prepare the financial statement to form part of the annual report of the Trustees
- To receive reports (management letter and internal controls assurance) from the Trust's auditor and to recommend to the Trust Board action as appropriate in response to the auditor's findings.
- Ensure the Academy Trust's commercial and fundraising activities are carried out effectively
- Examine and review new initiatives for financial development, including fundraising
- Oversee significant investment and capital financing decisions
- To consider from time to time any activities which are outside the usual planned range of activities that may require Secretary of State approval including without limitation:
  - write-offs of unrecoverable debts or overpayments;
  - recognising losses of stocks or other assets;

- special payments including a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more;
- severance payments which are novel or contentious;
- taking on liabilities by issuing specific guarantees or providing a letter of comfort or providing indemnities; and
- gifts or hospitality received or given.

- Approve and keep under review the Academy Trust's investment policy
- Approve and keep under review the Academy Trust's reserves policy
- To monitor the impact of the proposed expenditure from Pupil Premium funding and other targeted grants.
- Promptly notify the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust
- Advise generally on the provision of resources and services to the Academy Trust
- To consider any other matters where requested to do so by the Trust Board such as legal issues
- To monitor and review procedures for ensuring the effective running of the premises and health and safety compliance
- To monitor and review procedures for ensuring the effective running of the ICT functions.
- To consider, determine and keep under review any strategies and policies for human resources and organisational development.
- To consider, determine and keep under review effective arrangements for consultation with staff as a whole and for negotiation and consultation with appropriately recognised Trade Unions and/or other representatives.
- To undertake the role of the disputed resolution panel to consider appeals against the Chief Executive Officer or Academy Trust decisions.
- To ensure effective measures are in place to promote equality and diversity in employment.
- To consider the details of restructuring programs following any necessary approvals in principle by the Trust Board.
- To develop strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the Academy Trust's staff
- To annually review, adopt and monitor the procedures for dealing with staff discipline and grievances and ensure staff are kept informed of these

- To review relevant statutory policies annually
- To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness Remuneration Sub-Committee

2.3 The Accounting Officer

Within the framework of the improvement plan, as approved by the Trust Board, the Chief Executive Officer is the Accounting Officer and has overall responsibility for the Trusts activities including financial activities. The MAT Accounting Officer is personally responsible to Parliament and to the accounting officer of the DfE for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. The Accounting Officer must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Much of the financial responsibility has been delegated to the Principals/Head Teachers and the CFO but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trust Board have agreed should be approved by them;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- completion of the accounting officer's statement on governance, regularity, propriety and compliance for inclusion in the MAT's annual report;
- authorising contracts;
- advising the F,R & A on purchases

2.4 The Chief Financial Officer

The Chief Financial Officer (CFO) works closely with the Chief Executive Officer and the Headteachers of the Trust's academy schools through whom they are responsible to the Trustees. The CFO also has direct access to the Trustees via the Finance and Resources Committee. The main responsibilities of the CFO are:

- the day to day management of financial issues for the MAT including the establishment and operation of a suitable accounting system;
- the management of the MAT's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- 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 MAT;
- the preparation of monthly management accounts for the MAT;
- authorising orders below £10,000;

- authorising payments and signing cheques in conjunction with the Chief Executive Officer or other authorised signatory; and
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

2.5 The Local Governing Body

The Trust Board may delegate any of their powers or functions that they can legally delegate to the Local Governing Body the main responsibilities of the LGB are detailed in the scheme of delegation.

2.6 The Headteachers

Within the framework of the improvement plan as approved by the Trust Board the Headteachers have responsibility for the Trust's Academy school's activities The main responsibilities are detailed in the scheme of delegation.

2.7 The Internal Auditor

The Internal Auditor (IA) is appointed by the Trust Board and provides trustees with an independent oversight of the MAT's financial affairs. The main duties of the IA are to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board 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.

The IA 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 Trust Board. A report of the findings from each visit will be presented to the F, R & A.

2.8 Other References

Regularity means the requirement for all items of income and expenditure to be dealt with in accordance with the legislation authorising them, and any applicable delegated authority.

Propriety means the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This includes standards of conduct, behaviour and corporate governance.

Value for money means the educational and wider societal outcomes achieved in return for the taxpayer resources received. We are all most interested in educational outcomes in return for the money spent but as this is lagged you are able to use more immediate outcomes to demonstrate VfM and cost effectiveness.

3. Register of Interests

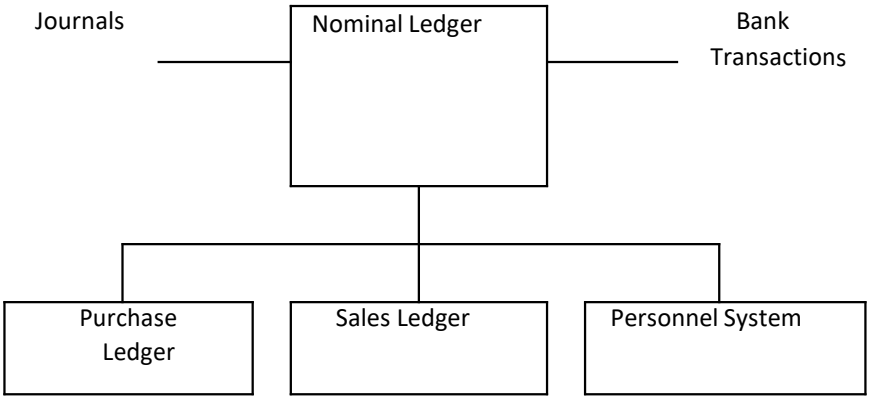
It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all trustees/governors and staff with significant financial or spending powers are required to declare any financial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

The register should include all business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which may have dealings with the Trust. 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 trustee/governor or a member of staff by that person.

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

4. Accounting system

All the financial transactions of the Trust must be recorded on the PS Financial Management System. The finance system consists of:-



4.1 System Access

Entry to the Financial Management System is password restricted. Access to the component parts of the system can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

4.2 Back-up Procedures

The CFO is responsible for ensuring that there are effective back-up procedures for the system. The financial system is hosted on the PSF Cloud which ensures robust backup and disaster recovery plans are in place.

4.3 Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the bank account, payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

4.4 Transaction Reports

The CFO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
• journal reports;
• payroll, purchase ledger and sales ledger reports
• management accounts summarising expenditure and income against budget

4.5 Reconciliations

The CFO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- wages control account;
- bank balance per the nominal ledger to the bank statement
- all suspense accounts;
- balance Sheet
- VAT reconciliation and all other reports required by the MAT

Any unusual or long standing reconciling items must be brought to the attention of the CEO. The CEO will review and sign all reconciliations as evidence of this review which should then be checked by the Internal Auditor and the Accounting Officer.

5. Financial planning

The Academy schools in consultation with the MAT prepares both medium term and short-term financial plans. The medium term financial plan is prepared as part of the improvement planning process. The improvement 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. The improvement plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year. The improvement planning process and the budgetary process are described in more detail below.

5.1 Improvement Plan

The improvement 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 will be kept flexible and simple – they are the "big picture" within which more detailed plans may be integrated.

Each year the Principals/Head Teachers will propose in consultation with the MAT a planning cycle and timetable to the LGB which allows for:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principals/Head Teachers.

The completed improvement 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.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior leadership team on a quarterly basis. The senior leadership team will report to the LGB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

5.2 Annual Budget

The CFO is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO, F, R & A and the Trust Board.

The approved budget must be submitted to the DfE by the July or August deadline each year and the CFO and CEO are responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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 improvement plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfEgrant 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 improvement plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

5.3 Balancing the Budget

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.

5.4 Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO/Headteachers and Trustees. The CFO will consolidate the budgets for presentation to the F, R & A and the Trust Board for approval for the MAT.

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

5.5 Monitoring and Review

Monthly management accounts will be prepared by the CFO on a full accruals basis. The reports will detail actual and forecast income and expenditure, comparison to budget and variance analysis. The management accounts and Financial Performance Dashboard will be provided to the Chief Executive Officer/Headteachers to review and discuss with the Trustees. A copy of the management accounts and Financial Performance Dashboard will be issued monthly to the Chair of the Trust Board and discussed by trustees six times per year.

Any potential overspend against the budget must in the first instance be discussed with the CFO.

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. If a budget overspend is forecast it may be appropriate to vire money from another budget.

The CFO will ensure that the consolidated managements accounts report is prepared for presentation to the F, R & A and the Trust Board.

6. Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

6.1 Staff Appointments

The Trust Board has approved a staffing structure for the Trust. Changes can only be made to this structure with the approval of the F, R & A who must ensure that adequate budgetary provision exists for the proposed changes.

The Chief Executive Officer/Headteachers have authority to appoint staff within the authorised establishment except for the Senior Leadership positions whose appointment must follow consultation with the Chief Executive Officer. The Headteachers of Academy schools are appointed in consultation with the MAT. The Trust Human Resources and Operations Lead must maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be approved by the CFO.

6.2 Payroll Administration

The Trust payroll is being processed by an outsourced consultancy company trading as DELT Shared Services. Master personnel records are held on Bromcom, access to which are password controlled. Password control procedures and backup arrangements are described in section two of this policy. The master record on the packages contain:-

- pay scale
- duty information & hours
- personal details and
- any deductions or allowances payable

Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments must be authorised by the CEO/Headteachers, CFO and HR Manager before being submitted to the payroll provider.

New staff can only be added to the payroll with the express authorisation of the CEO/Headteachers, CFO and HR Manager. New staff must complete all relevant payroll documents issued by the Human Resource Department. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

The Trust Human Resources and Operations Lead must complete the monthly staff return which provides details for any sickness and other absences to the end of each month to the payroll provider so any necessary adjustments can be made to pay.

Overtime claims must be submitted to the Trust Human Resources and Operations Lead for checking and coding on the last working day of the month. Payments must be authorised by the CEO/Head Teachers prior to submission.

6.3 Payments

After the payroll has been processed but before payments are dispatched a report of salary payments by individual and showing the amount payable in total must be provided so it can be reviewed by Finance. This should be reviewed against the previous month's gross salary payments to check adjustments have been made for new appointments, resignations, pay increases and to ensure that no payments have been added for non-school staff. The report must be reviewed and authorised together with authority to release payment by the CEO

Once approved, DELT Shared Services the external payroll provider will process all payments via BACS and provide pay slips for staff. Deductions will be made for tax, national insurance, pensions and any childcare vouchers or bike scheme payments due. After the payroll has been processed the salary information will be added to the Financial Management System and a monthly check run on the budget vs actual. Discrepancies identified will be investigated. On an annual basis the Trust Human Resources and

Operations Lead must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

6.4 Staff Contingency Planning

The Trust operates a staff contingency procedures which includes:

- Daily absence reporting, cover arrangements and contracts with supply staff agencies.
- Connections with other Multi Academy Trusts for cover of key management personnel.
- Succession planning which includes mentoring and opportunities to cover for absent staff.
- PS Financials 'Holiday' setting allows purchase order approval workflows to be diverted in the case of long term absence.

7. Non Central Purchasing

The Trust wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general Principals 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.

7.1 Routine Purchasing

In the first instance, when routine purchasing occurs, a supplier should be chosen from the list of approved suppliers maintained by the school office. A quote or price should be obtained before any order is placed, except in the case of maintenance calls where the duration and final cost is unknown at the time of call out. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, i.e. a better price is found on the internet, this must be discussed with the Finance Department so that the new supplier is set up on the Financial Management System.

All orders must be made, or confirmed, in writing using an official approved purchase order raised on the Financial Management System. Purchase order requests and resource order forms will be available from the finance/school office and Sharepoint.

The sign off of orders should be in accordance with the Scheme of Delegation of Financial Powers. Authorisation of purchase orders must be recorded on either the paper copy of the order form or electronically on the Financial Management System.

There may be circumstances where a purchase order cannot be raised such as for exam fees or urgent orders in exceptional circumstances. However, approval should still be obtained from the CEO/Headteacher or Chief Financial Officer.

The Finance Administrator/Admin Assistant must make appropriate arrangements for the delivery of goods to the academy. On receipt a thorough check of the goods received must be made against the goods received note (GRN) and a record made of any discrepancies between the goods delivered and the GRN. This should be raised immediately with the supplier. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified.

The Finance Department/Admin Assistant will keep a central record of all goods returned to suppliers. All invoices should be sent to the Finance Administrator/Admin Assistant. The Finance Administrator/Admin Assistant will attach the purchase order and GRN and stamp the invoices to confirm the pay date. An accuracy check is completed when processing documents to check the following:-

- invoice arithmetically correct;
- goods/ services received;
- goods/services as ordered;
- prices correct and
- VAT treated correctly

Fortnight, the Finance Assistant will check invoices and supporting documentation and enter onto the purchase ledger for payment.

The appointed member of staff will then input details of payments to be made to the purchase ledger and generate the cheques or BACs payments required, checking that sufficient funds are available before releasing payment. The cheques or BACs payments (with the associated paperwork) must be authorised by two of the nominated cheque signatories as per the Scheme of Delegation of Financial Powers.

7.2 Orders over £5,000 but less than £30,000

At least three written quotations should be obtained for all orders between £5,000 and £30,000 to identify the best source of the goods/services. 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 emailed confirmation of quotes has been received before a purchase decision is made.

In the event that 3 quotations cannot be obtained or the service/goods can only be provided by a single supplier a Single Source Approval form should be completed and authorised before a commitment to purchase is made.

7.3 Orders over £30,000

All goods/services ordered with a value over £30,000, or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures. For purchases that may fall under EU procurement rules current regulations must be complied with.

7.4 Forms of Tenders

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

1. **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the 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.

1. **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 cost of publicity and advertising are likely to outweigh the potential benefits of open tendering.

1. **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

7.5 Preparation for Tender

Full consideration should be given to:

- the objective of the project

- overall requirements
- technical skills required
- after sales service requirements
- form of contract

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.

7.6 Invitation to Tender

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. 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 and
- form of response

7.7 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.

7.8 Tender Acceptance Procedures

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.

7.9 Tender Opening Procedures

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 £50,000 – two of the CEO/Headteachers, CFO, Senior Adminsistrator;

- For contracts over £50,001 - either the CFO or the CEO plus a member of the F, R & A.

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.

7.10 Tendering Procedures

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. 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.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the F, R & A highlighting the relevant issues and recommending a decision. 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. The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

8. Income

The main sources of income for the academy are the grants from the DfEand from sponsors (if applicable). The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- pupils, mainly for residential trips, dinner, uniform sales and clubs
    - The local authoriy, mainly for early years funding and SEN income
- the public, mainly for lettings
- Other schools and organisations for consultancy services

8.1 Residential Trips

A lead teacher must be appointed for each trip to take responsibility for the organisation of the trip. The sum to be charged for the trip must be discussed and authorised by the Headteacher. The letter and permission slips will then be prepared by the Admin Assistant and a record created of all the students going on the trip. Parents will be encouraged to make all payments using the approved online payment system to reduce cash handling in the office. Individual schools will determine if cash payments are acceptable. For payments made by cash the Admin Assistant will record the payment as received and issue a receipt for the parent/student. The Admin Assistant 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 so they can chase up additional permission slips and payments.

8.2 Catering Income

Catering income is collected via the approved online payment system and the academies operate a cashless system.

The Admin Assistant is responsible for checking, entering and banking any locally received dinner money. Anyone else receiving dinner money payments must ensure they are locked in the safe immediately. Dinner money should be checked and entered at least once each week. Receipts should be issued to confirm receipt of payment or account statements printed off when required. The banking must be checked and signed by the Senior Administrator weekly prior to filing. The CFO must be notified immediately of any discrepancies. Monthly reconciliation should take place.

8.3 Dinner Numbers Reconciliation

Where academies meet the cost of catering appropriate reconciliations must take place. In Primary schools the Admin Officer will provide the kitchen with the daily numbers each day using the appropriate form. The weekly client recharge form from the kitchen

must be cross-checked against the form for the week. Any discrepancy between the numbers provided and the number of meals taken must be investigated immediately to ensure all the children who are entitled to meals (free and paid) are taking them and that children not registered for meals are not taking them.

8.4 Free School Meals

Free School meals can only be provided if there is an entitlement.

8.5 Dinner Money Arrears

In primary schools, individual pupil's arrears should not exceed 5 serving days or £12.50 (whichever is the greater) at any one time. Parents/guardians should be notified as soon as the arrears for the individual pupil are outstanding for 1 day. They should receive a second warning after 5 days stating meals have been withdrawn. Meals should only be reinstated when the arrears have been cleared and an advance payment made for the following week. Dinner money arrears cannot be written off without appropriate approval.

8.6 Uniform Sales

Uniform is ordered online direct with the supplier via the an online uniform shop. Parents without access to the internet can discuss the purchase of uniform directly with the school and should make payment at the time of placing their order.

8.7 Clubs

The Admin Officer is responsible for the activity club sign-up. Payment should be collected at the time of booking the club and all income must be recorded on the Financial Management System.

8.8 Lettings

The Senior Administrator is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. The invoice should be raised by the Senior Administrator/Admin Assistant and payment collected, ideally in advance except in the case of regular bookings by school parents.

8.9 Online Payments

Online secure payments should be encouraged and facilitated where possible to reduce cash handling and reconciled against the Financial Management System weekly.

8.10 Debts

No debts should be written off without the express approval as per the delegated authorities (theDfE's prior approval is also required if debts to be written off are above the value set out in the Academy Trust Handbook).

8.11 Custody

Receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. Banking should take place termly or more frequently if the sums collected exceed the £10,000 (insurance limit on the office safe)

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8.12 Sales Ledger

Monies collected must be banked in their entirety in the appropriate bank account. The Senior Administrator/Admin Assistant is responsible for listing all local income which has been banked and recorded on the Financial Management System. The sales ledger will be reconciled against the bank account each month and certified by the Senior Administrator.

9. Cash Management

9.1 Bank Accounts

The opening of all accounts must be authorised by the Trust Board.
The account signatories are drawn from:-

- The Chief Executive Officer
- Chief Financial Officer
- A Member of the Trust Board

9.2 Deposits

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.

9.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal (including BACs payments) from academy bank accounts must bear the signatures of any two of the authorised signatories. This provision applies to all accounts, public or private, operated by or on

behalf of the MAT.

9.4 Administration

The Senior Administrator 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 subject to an independent monthly review carried out by the CFO and adjustments arising are dealt with promptly.

9.5 Academy Charge Cards

Various individuals may have a charge card to assist with best value during procurement. All card holders should be nominated procurement officers. The charge card should only be used when cheque or BACs payments are not possible. Purchases must be recorded in the Financial Management System and entered into the charge card register held by each individual. Receipts (including VAT receipts) must be retained and matched to the charge card statement for reconciliation by the Senior Administrator each month. Orders must be approved for all charge card purchases.

9.6 Cash receipts

The Trust is promoting a cashless environment. On occasion cash may be received by a parent/carer or visitor. The cash should be recorded on a paying-in slip which is recorded on the banking sheet. Holding of the cash should be in line with 8.11, custody.

9.7 Cash Flow Forecasts

The Senior Administrator is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant surplus balances can be foreseen, steps should be taken to invest the extra funds using the deposit accounts.
The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Guiding principles are as follows:-

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

9.8 Investments

Investments must be made only in accordance with written procedures approved by the Trust Board.

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 investments is received.

10. Fixed assets

10.1 Fixed Asset Register

All items purchased with a value over the academy's capitalisation limit of £2,000 must be entered in the fixed asset register. The asset register should include the following information:

- asset description
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfEgrant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
-

Assets over £2,000 should be permanently and visibly marked as the academy's property. IT assets are labelled and added to the inventory which is checked annually. The inventory should include:-

- asset description
- serial number
- date of acquisition
- location
- name of member of staff responsible for the asset

The Asset Register and Inventory 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 and the academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

10.2 Depreciation

Depreciation on assets is as follows:-

Land	Not depreciated
Buildings	2% straight line
Fixtures and Fittings	20% straight line
ICT	25% straight line
Plant & Machinery	20% straight line

10.3 Security of assets

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

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

10.4 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. The Trust must seek the approval of the DfE in writing if it proposes to dispose of freehold land and building.

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 programme has been legally transferred to a new owner.

Each academy is expected to 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 must repay to the DfE a proportion of the sale proceeds.

10.5 Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back into the academy when it is returned.

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 Trust's auditors.

11. Storage of Records

Each academy must retain all records necessary to verify the provision delivered by it or its sub-contractors, in relation to the Academy Trust Handbook and its funding agreement for at least 6 years after the end of the period to which the funding relates. At the end of each financial year, all records should be boxed up for secure storage – clearly listed the date for disposal. Please see Document Management & Retention Policy for further details.

12. Gifts (See separate policy)

13. Suspected Fraud

In case of suspected fraud, the F, R & A will be notified and the external auditors called in to undertake a full investigation if required. The Chief Executive Officer in consultation with the F, R & A will decide whether the police should be notified. The DfEmust be notified of any loss arising from suspected theft or fraud exceeding an amount set out in the Academy Trust Handbook.

14. Whistle blowing (See separate policy)

15. Complaints (See separate policy)