

BRENTWOOD URSULINE CONVENT HIGH SCHOOL

FINANCIAL REGULATIONS

APPROVED BY THE FULL GOVERNING BODY ON

18th Sept 2024

Chair of Governors' Signature	
Print Name	
Date	

CONTENTS

Example Authorisation and Monetary Limits

1. General

2. Day-to-day delegation

- 2.1. Expenditure Limits
- 2.2. Staff Appointments
- 2.3. Virements
- 2.4. Policy on Bad Debts
- 2.5. Disposals
- 2.6. Receiving of Goods and services
- 2.7. Mileage Allowances
- 2.8. VAT Returns

3. Organisation

- 3.1. The Governing Body
- 3.2. The Finance and Premises Committee
- 3.3. The Audit Committee
- 3.4. The Headteacher and Accounting Officer
- 3.5. The Business Manager
- 3.6. The Responsible Officer
- 3.7. Other Staff
- 3.8. Related Party Transactions
- 3.9. Register of Interests

4. Accounting System

- 4.1. Introduction
- 4.2. System Access
- 4.3. System Back-up Procedures
- 4.4. Transaction Reports
- 4.5. Transaction Processing
- 4.6. Reconciliations

5. Financial Planning and Review

- 5.1. Development Plan
- 5.2. Annual Budget
- 5.3. Budget Planning
- 5.4. Balancing the Budget
- 5.5. Finalising the Budget
- 5.6. Budget Monitoring and Review
- 5.7. Financial Returns

6. Payroll and Personnel
 - 6.1. Staff Appointments
 - 6.2. Payroll Administration
 - 6.3. Payroll Process
 - 6.4. Payroll Returns
 - 6.5. Payments and Control Checks
 - 6.6. Retention of Records

7. Purchasing and Payment Procedures
 - 7.1. Routine Purchasing
 - 7.2. Internet Purchasing
 - 7.3. Petty Cash
 - 7.4. Purchase Card
 - 7.5. Faster payments
 - 7.6. Lease Agreements

8. Tendering Procedures

9. Income
 - 9.1. General
 - 9.2. Custody
 - 9.3. Trips
 - 9.4. Catering / Meals
 - 9.5. Automated payments
 - 9.6. Lettings

10. Cash Management, Banking and Investments

11. Fixed Assets

12. Governors' Allowances

13. Whistleblowing

14. Internal Control

15. Insurance

16. Policy on Gifts, Hospitality and Other Benefits.

17. Appendices

Authorisation and Monetary Limits

These limits are taken from the financial regulations that were approved by the Finance and Premises Governing Body on 18th September 2024

Authorisation Limits

Expenditure Limits

Site Manager (emergency minor building repairs)	Up to £500
Business Manager	Up to £2000
Headteacher	Up to £50,000
Finance and Premises Committee	Over 50,000

Cheque Signatories

Two signatories	Up to £50,000
Chair of Governors (plus one other)	Over £50,000

Virement Limits

Headteacher	Up to £15,000
Finance and Premises Committee	Over £15,000

Writing off bad debts

Business Manager	Up to £25
Headteacher	From £26 to £5,000
Finance and Premises Committee	Over £5,000
Full Governing Body plus notify EFA	Over value in annual funding letter

Disposal of Surplus Stock, Stores & Assets (estimated value)

Headteacher	Up to £2500
Finance and Premises Committee	From £2501 to £5,000
Full Governing Body	Over £5,000
Full Governing Body plus EFA	£20,000 and above if capital asset

Other Monetary Limits

Mileage Allowance HM Revenue & Customs approved rate

Purchase Card limit JG £5000

Petty Cash Imprest £250

Safe Cash/ Cheque limits (as per our insurance policy)
£2,000 – cash
£5,000 – cheques (recorded at point of receipt)
£500 monetary instruments i.e. stamps, vouchers

Ordering Procedures

3 Competitive quotations (written evidence required) £5,000 - £50,000 (Except buildings insurance if compared against RPA)
Tendering procedure Over £50,000
Tendering procedure + Find a Tender £138760 incl VAT for supplies and services
Tendering procedure + Find a Tender £138760 incl VAT for works contracts

Asset Register

Items to be included Over £1,000
Attractive portable items Over £500

Capitalisation limit Over £5,000

1. GENERAL

- 1.1 In accordance with the Academies Financial Handbook and Education Funding Agency (EFA) updates, the Governors of Brentwood Ursuline Academy hereby recognise the need to lay down formally a policy for the overall management of the Academy budget and the day-to-day management of the Academy's financial affairs.
- 1.2 The purpose of this manual is to ensure that the academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Funding Agency (EFA).
- 1.3 The academy must comply with the principles of financial control outlined in the academies guidance published by the EFA. This manual expands on that and provides detailed information on the academy's accounting procedures and systems. This manual should be read by all staff and governors involved with financial procedures and it should be readily available.
- 1.4 The general conditions that follow are subject to annual review and consideration by the Full Governing Body, whom must formally minute both the review and any subsequent amendments and approval each year
- 1.5 The Governing Body confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.
- 1.5 The Governing Body confirms that day-to-day financial management of the Academy is delegated to the Headteacher, subject to exceptions contained in these regulations.
- 1.6 Throughout these conditions, delegation to the Headteacher shall imply further delegation to the Deputy Headteacher when the Headteacher is not on the Academy site. Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Governing Body in writing and incorporated in these conditions.
- 1.7 Whilst the main financial responsibilities are listed for the Governing Body and Finance & Premises Committee, their terms of reference are not included in this document. Similarly, all the financial duties of academy staff are not listed but may be found in their job descriptions.
- 1.8 These regulations should be read in conjunction with the Academies Financial Handbook and Accounts Direction.

2. DAY-TO-DAY DELEGATION OF AUTHORITY

2.1 Expenditure Limits

2.12 Senior Leadership line managers including the Business Manager are able to authorise expenditure for their departments day-to-day items and services up to £2,000 on any one item (excluding utility charges and annual contracts where the approximate cost has clearly been documented and approved in the annual budget) as long as an adequate budget provision exists.

2.13 A sequence of orders all within the above limit to cover a larger order or orders is not permitted.

Authorisations between £2,001 and £50,000 are to be referred to the Headteacher between over £50,001 to the Chair of Finance and Premises Committee, who has full authorisation to approve all such expenditure. For small emergency repairs, the Site Manager is able to authorise minor building repairs, where they are of an emergency nature, up to a value of £500 on any one repair.

2.2 Staff Appointments

2.21 The Governing Body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance & Premises Committee who must ensure that adequate budgetary provision exists for any establishment changes.

2.22 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteacher and the Business Manager whose appointments must follow consultation with the governors. The Headteacher maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Business Manager immediately.

2.23 All relevant forms and paperwork with regard to the appointment of, or amendment to contracts, of staff should be sourced from the academy's Human Resources (HR) service provider.

2.24 All personnel pre employment checks should be completed and relevant clearances obtained for all staff before they start their employment and renewed as per the academy's personnel policies.

2.3 Virement (Budget Transfer) Limits

2.31 The Headteacher is able to authorise virements between individual cost centres up to a limit of £15,000. Virements over this amount are to be referred to the Chair of the Finance and Premises Committee, who has authorisation to approve virements over £15,000.

2.32 All virements, including increases to income, are to be formally recorded / individually referenced on the academy's financial accounting system.

2.33 All virements must be reported to the Finance and Premises Committee at the next meeting.

2.4 Policy on Bad Debts

The Business Manager can authorise minor write offs up to a value of £25. The Headteacher may authorise writing off bad debts up to a value of £5,000. Requests for write offs above this amount are to be referred to the Finance and Premises Committee. However, all bad debts written off by the Business Manager or Headteacher will be reported to the Finance and Premises Committee at the next meeting. Write offs exceeding £5,000 will require full Governing Body approval.

For lettings all ad hoc hirers not known to the school will in future be asked to pay in advance. Should there be a default on debt by any hirer (the 4 main regular Orchestral, Dance and Book club hirers pay termly), after a formal request for payment, no more lettings will be allowed to take place for that hirer without payment in advance.

- 2.41 For any write offs above the value in the annual funding letter, authorisation will be required from the Education Funding Agency (EFA).
- 2.42 A sequence of smaller write offs within the above limits to cover a larger write off, is not permitted.

2.5 Disposal of Surplus Stocks, Stores and Assets

- 2.51 The Headteacher can dispose of surplus stocks, stores and assets to the value of £2500 without prior authorisation from the Governing Body. All disposals to this value must be reported to the Finance and Premises Committee at the next possible meeting. Authority for disposals above this amount can only be given in accordance with the specified limits.
- 2.52 All disposals must be formally recorded in the minutes and in addition, where the amount exceeds £5,000 a separate report will be issued to the full Governing Body for their approval.
- 2.53 Amounts above £20,000 if they are a capital asset must be approved by the Education Funding Agency.

2.6 Receiving of Goods / Acknowledgment of Service

Receiving of goods and signing of deliver notes will not in normal circumstances be undertaken by the person authorising payment. For day to day operations therefore, receiving and signing for goods and services etc. will be by the Reception Staff who are not involved in the authorisation process.

2.7 Mileage Allowances and Subsistence Claims

- 2.71 The Academy will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. For current rates check the HM Revenue website ~~Appendix G~~
- 2.72 The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers and that indemnifies the Academy against any claim.
- 2.73 A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered (approximately 27% of the mileage claimed) in order for the Academy to be able to reclaim VAT.
- 2.74 All expense claims are to be authorised by the Headteacher.

- 2.75 The Chair of Governors or Chair of the Finance and Premises Committee must sign any claims relating to the Headteacher.
- 2.76 Receipts or other appropriate evidence of expenditure must be attached to the claim in respect of all purchases, i.e. rail/bus fares, subsistence, telephone calls, postage and any other purchases that may be approved.
- 2.77 Rates of subsistence will be paid up to the rates below, will not include claims for alcohol and must be supported by receipts whatever the expenditure:-

Breakfast	£5
Lunch	£7.50
Evening Meal	£15

- 2.78 The Academy may not reclaim VAT without a proper VAT receipt.
- 2.79 The Academy must seek dispensation from the HMRC in order that expenses and benefits in kind are paid without deduction of tax and National Insurance. A dispensation is a notice from HM Revenue & Customs (HMRC) that removes the requirement to report certain expenses and benefits at the end of the tax year on forms P11D or P9D. There is also no need to pay any tax or National Insurance contributions on items covered by a dispensation. Once granted, dispensations last indefinitely. However, HMRC reviews them regularly (usually at intervals of five years or less) to make sure that the conditions under which they were issued still apply.

Further guidance and the dispensation form are obtainable from the HMRC:

<http://www.hmrc.gov.uk/payee/exb/schemes/dispensation.htm#4> (information)

<http://www.hmrc.gov.uk/forms/p11dx.pdf> (form)

- 2.79 Academies making payments directly through their own bank account rather than via payroll:-

Properly completed claims should be paid locally by cheque and all papers kept together for six financial years plus the current. It may be necessary to submit details of payments made and mileage travelled to HM Revenue & Customs.

2.8 VAT Returns

- 2.81 It is the responsibility of Business Manager to ensure that the academy's VAT is correctly accounted for in accordance with HMRC requirements and promptly claimed on a quarterly basis.
- 2.82 Specific advice on VAT matters should be sought from the HMRC, Academies Financial Handbook / Education Funding Agency bulletin updates and from the academy's external auditors.

3. Organisation

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 illustrated below:

3.1 The Governing Body

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 between the academy and the ESFA and in the academy's scheme of government. The main responsibilities include:

- Ensuring that grant from the ESFA is used only for the purposes intended
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended
- Approval of the annual budget
- Appointment of the Headteacher and the Business Manager, in conjunction with the Headteacher
- Appointment of the Responsible Officer
- Approval of the academy's financial regulations
- Approval of the annual accounts
- Approval of the Governors' Annual Report
- Ensure decisions about executive pay follow a robust evidence-based process reflective of the individual's role and responsibilities, and that the board's approach to pay is transparent, proportionate and justifiable.

Apart from the above, delegation of the academy's financial matters to the Finance and Premises Committee. Audit Committees are required when an academy trust's income is over £10m, or part of a multi academy federation or has capitalised asset value above £30m.

3.2 The Finance & Premises Committee

The Finance & Premises Committee is a committee of the Governing Body. The Finance & Premises Committee meets once a term, but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance & Premises Committee are detailed in written terms of reference which have been authorised by the Governing Body. The responsibilities include:

- i. Initial review and authorisation of the annual balanced budget, and minutes their approval (final approval must be by the full Governing Body)
- ii. Ensure management accounts are shared with the chair of Governors monthly, with the other Governors six times a year, to facilitate the monitoring of the Academy's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Governing Body; in all cases liaison must be maintained with other appropriate committees.
- iii. Reviewing and monitoring of budget projections / medium term financial plans to ensure the Academy's budget is realistic and any financial decisions are sustainable.
- iv. Ensuring the annual accounts and Whole of Government Accounts returns are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
- v. Authorising the award of contracts and leases over £50,000 over the contract lease lifetime
- vi. Authorising changes to the academy personnel establishment
- vii. Apart from the annual budget which must be approved by the full Governing Body, approval of cash flow forecasts and any other reporting requirements for the forthcoming financial year in

accordance with the timescales dictated by the Academies Financial Handbook / Education Funding Agency updates.

- viii. Determining the Academy's financial priorities through the Academy Development Plan (ADP) the Asset Management Plan (AMP) and ICT Development plan.
- ix. Making decisions on requests from other committees that will have an impact on the Academy's financial position.
- x. Making decisions on expenditure within the Committee's delegated powers.
- xi. Making decisions on virements within agreed budgets, within the Committee's delegated powers, and authorising any budgetary adjustments made.
- xii. Advising the Governing Body on the appropriateness, or otherwise, of virements to be made outside of the Committee's delegated powers.
- xiii. Reviewing annually the Academy's Financial Regulations and Scheme of Delegation.
- xiv. Reviewing annually the Terms of Reference of the Finance & Premises Committee.
- xv. Ensuring the Register of Business Interests is kept up to date.
- xvi. Annually reviewing all on going contracts.
- xvii. Reviewing the various leasing agreement schemes and options available to the Academy.
- xxviii. Awarding of contracts by tender up to a specified limit.
- xix. Monitoring **all** spending and income received in the Academy including Trading Accounts
- xx. Ensuring that funding from the Education Funding Agency and other sources is used only in accordance with any conditions attached.
- xxi. Receiving and commenting on the content of any audit report or Responsible Officer report relating to Education Funding Agency funding and monitoring the implementation of the agreed action plan. These reports must also be reported to the full Governing Body.
- xxii. Annually reviewing and appointing the independent external auditor to the Academy
- xxiii. Agreeing and determining appropriate charges for lettings of the premises, in line with the Academy's lettings policy.
- xxiv. Ensuring the Academy has appropriate internal financial controls in place and adheres to the policies and procedures as set out within the Academy Financial Handbook / Education Funding Agency updates.
- xxv. Arrange for annual "letters to trusts' accounting officers" from ESFA's accounting officer about the accountability framework to be discussed by the board of trustees and take action where appropriate to strengthen the trust's systems
- xxvi. The Academy trusts will be even-handed in their relationships with related parties by ensuring that:
- xxvii. Trustees comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements
- xxviii. Review the Trusts risk register annually

3.3 Audit Committee

The duties of the Audit Committee are as set out in its terms of reference and include the following financial responsibilities:

- Reviewing the body's internal and external financial statements and reports to ensure that they reflect best practice
- Discussing with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff
- Considering all relevant reports by the appointed external auditor, including reports on the body's accounts, achievement of value for money and the response to any management letters
- Reviewing the effectiveness of the academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner
- Receiving and commenting on the content of any audit report or Responsible Officer report relating to Education Funding Agency funding and monitoring the implementation of the agreed action plan. These reports must also be reported to the full Governing Body

3.4 The Headteacher and the Accounting Officer

Within the framework of the academy development plan as approved by the Governing Body the Headteacher has overall executive responsibility for the academy's activities including financial activities and is the designated Accounting Officer who is responsible to Parliament. Accounting Officers have a personal responsibility for:

- The propriety and regularity of the public finances for which they are answerable
- Keeping proper accounts
- Prudent economical administration
- Avoidance of waste and extravagance
- Effective and efficient use of all the resources in their charge

Much of the financial responsibility has been delegated to the Business Manager, but the Headteacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them;
- Authorising contracts between £2,000 and £50,000 in conjunction with the Business Manager.
- Signing cheques / authorising BACS payments in conjunction with the Business Manager or other authorised signatory.
- Signing the academy's annual Governance Statement, jointly with the Chair of Governors (see latest Academy Accounts Direction)
- Signing the academy's annual Statement of Regularity, Propriety and Compliance (see latest Accounts Direction) and other returns as required by the Education Funding Agency, ie Whole of Government Accounts

3.5 The Business Manager (CFO)

The Business Manager/Chief Financial Officer works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Business Manager also has direct access to the governors via the Finance & Premises Committee. 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.
- 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.
- VAT returns.
- Authorising orders below £2,000 in conjunction with budget holders.
- Ensuring forms and returns are sent to the EFA in line with the timetable in the published guidance and bulletins.

3.6 The Responsible Officer

3.61 The Responsible Officer (RO) is appointed by the Governing Body and provides governors with an independent oversight of the academy's financial affairs. The RO should be a governor but not the Chair of Governors or member of the Finance & Premises Committee. 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
- financial considerations are fully taken into account in reaching decisions.

3.62 The Responsible Officer will undertake either in person or commission a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as set by the Governing Body. A report of the findings from each review visit will be presented to the Finance & Premises Committee by the RO.

3.7 Other Staff

Other members of staff, primarily the Payroll and Pensions Manager, Finance Officer, the Finance Assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. 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.

3.8 Related Parties

- The trust will report all transactions with related parties to ESFA *in advance* of the transaction taking place (effective for transactions after 1 April 2019).
- The trust will obtain *prior ESFA approval* for transactions after 1 April 2019 with related parties (other than salaries) where;
 - they are novel, contentious and/or repercussive; or
 - they exceed £20,000 in value (individually or cumulatively).
- For the purposes of reporting to, and approval by, ESFA, transactions with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll
- The trust must pay no more than 'cost' for goods or services provided to it by any member or trustee of the academy trust, or any individual or organisation related to a member or trustee of the academy trust in line with The Academies Financial Handbook 2018.

3.9 Register of Interests

- 3.91 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 whom the academy may purchase goods or services.
- 3.92 The register is reviewed annually and is open to public inspection. It 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 / cohabitee or business partner where influence could be exerted over a governor or a member of staff by that person.
- 3.93 In addition to the register of business interests, all governors and staff must declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee at each meeting. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting. The opportunity should also be given for governors and staff to declare previously undeclared interests at every meeting.

For Register of Business Interest Form see The Clerk to the Governors

4. Accounting System

- 4.1 All the financial transactions of the academy must be recorded on the academy's financial accounting system (FAS). The FAS is operated by the Finance Department and consists of:

- Journals
- Nominal Ledger
- Transactions
- Purchases Ledger
- Sales Ledger
- Payroll System
- Automatic update
- Manual update

4.2 System Access

- 4.21 The academy must be registered under the Data Protection Act.
- 4.22 Entry to the FAS system is password restricted and the Business Manager is responsible for implementing a system which ensures that employees' passwords are changed at least every term / 3 months.
- 4.23 The password for each user will be written down and kept in separate sealed envelopes in the academy safe which should carry the date reference of the last password change.
- 4.24 The Business Manager is responsible for allowing access by designated employees to authorised levels only.

4.3 System Back-up Procedures

- 4.31 The IT Manager is responsible for ensuring that there are effective back up procedures for the system. Data should be copied onto removable medium and the copies stored in a secure place in a fireproof and water resistant container away from the server or on secure online back-up systems. Back-ups should be done daily and additional ones considered before major financial procedures are applied to the financial accounting system, i.e. at year end.
- 4.32 The back-ups should not be recorded on the same disk each time as this results in only one copy being available. In order to provide more protection from the loss of data at least three different disks should be used in rotation and stored in different locations.
- 4.33 The Business Manager should prepare a disaster recovery / business continuity plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

4.4 Transaction Processing

- 4.41 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 payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.
- 4.42 Bank transactions should be input by the Finance Assistant and the input should be checked, and signed to evidence this check, by Senior Management/Business Manager.
- 4.43 Detailed information on the operation of the FAS system can be found in the user manuals held in the Finance Office.

4.5 Transaction Reports

The Business Manager 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:

- Purchase ledger
- Trial balance
- Management accounts summarising expenditure and income against budget at budget holder level, i.e. cost centre summaries.

4.6 Reconciliations

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

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- all suspense accounts
- bank balance per the nominal ledger to the bank statement

4.62 Any unusual or long outstanding reconciling items older than 6 months must be brought to the attention of the Business Manager. The Business Manager will review and sign all reconciliations as evidence of the review.

5. FINANCIAL PLANNING AND REVIEW

The academy prepares both medium term (3 years) and short-term financial plans. 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 and provide 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 development planning process and the budgetary process are described in more detail below:

5.1 Development Plan

5.11 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 should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated. The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the Education Funding Agency.

5.12 Development Planning Cycle

Each year the Headteacher will propose a planning cycle and timetable to the Governing Body 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 Headteacher.

5.13 Development Plan Content

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.

5.14 Development Plan Monitoring

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 management team on a quarterly basis. The senior management team will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

5.2 Annual Budget

- 5.21 The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance & Premises Committee and the Governing Body.
- 5.22 The approved budget must be submitted to the ESFA in accordance with their published deadline each year and the Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 5.23 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.
- 5.24 Detailed records will be kept of all information used in preparing the budget including estimation of staffing requirements and calculations of all costs cross referenced to any assumptions made.
- 5.25 The annual budget will be profiled to facilitate a cash flow estimate for each month.

5.3 Budget Planning

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of EFA 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
- 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
- Consideration of asset management plans and surveys.
- ensuring that the academy has budgeted business plans in place for all trading activities e.g. catering, uniform sales etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from the budget to cover a budgeted deficit, then this must be formally approved by the Governing Body and recorded in the minutes of the meeting at which it was discussed and agreed. All budgeted business plans should be clearly linked to the Academy Development Plan.

5.4 Balancing the Budget

- 5.41 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.
- 5.42 If a significant deficit is expected, after having reviewed all possible avenues, i.e. cuts and redundancies, Business Manager with the Governing Body's approval, should contact the ESFA for further instruction before setting a deficit budget.

5.5 Finalising the Budget

- 5.51 Once the different options and scenarios have been considered, a draft budget should be prepared by the Business Manager for approval by the Headteacher, the Finance & Premises Committee and the Governing Body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 5.52 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.
- 5.53 The budget must be approved by the Governing Body. Once approved, the budget should be promptly loaded on the academy's financial accounting system and "fixed" as at the approval date.
- 5.54 A copy of the signed budget plan should be placed in the Governing Body's minute file and a further copy retained by the Headteacher and Business Manager.
- 5.55 Budget holders will be informed of the budget available to them as soon as the budget is approved. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.

5.6 Budget Monitoring and Review

- 5.61 Monthly reports will be prepared by the Business Manager. The reports will include actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance & Premises Committee
- 5.62 A narrative report should accompany the system reports, including reasons for significant variances against budget and with a forecast of income and expenditure to the year end.
- 5.63 Any potential overspend against the budget must in the first instance be discussed with the Business Manager. The accounting system may be set up to not allow payments to be made against an overspent budget without the approval of the Business Manager.
- 5.64 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, budget virements must be reported to the Finance & Premises Committee
- 5.65 If financial monitoring reports are given in a non-system format, i.e. spreadsheets or user defined reports, then they will be reconciled with a system generated report. A nominated governor must be appointed to perform this reconciliation and minutes must record its satisfactory completion. This gives governors clear assurance that the information being reported is a true reflection of that held on the accounting system.

5.66 Trading accounts to cover catering will be produced and presented to the Finance & Premises Committee on a termly basis. The trading account will clearly identify purchases, contract payments to providers, other associated costs, stock balances and the operating surplus or deficit.

5.7 Financial Returns

5.71 The Business Manager will be responsible for ensuring that all financial transactions are recorded on the academy's financial accounting system in accordance with the guidelines issued by the Education Funding Agency.

5.72 The Business Manager will be responsible for ensuring that Value Added Tax (VAT):

- is correctly accounted for on the academy's financial accounting system in accordance with Education Funding Agency and HMRC requirements
- is properly and promptly claimed on a quarterly basis and supported by relevant system reports and documentation to facilitate HMRC inspection and external audit.

5.73 The Business Manager will be responsible for preparing all the financial returns required by the ESFA including Budget Forecast (replaced GAG2), Annual Accounts, Abbreviated Accounts Return (AAR), Whole of Government Accounts (WGA) etc. and other organisations whose funding is linked to conditions of spending. All returns will be completed in the required timescales.

5.74 In order to give a true and fair view the financial statements for the annual accounts must be prepared according to the requirements of the Companies Act 2006 and Regulations made under the Act, and applicable United Kingdom accounting standards. Academy Trusts must also prepare their accounts in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised) ('the SORP'). They must also be prepared in accordance with the accounting policies agreed by the Academy Trust's governing body. A copy of the SORP together with accompanying information sheets, other Charity Commission guidance and legislation are available to view and download from the Charity Commission website at:

http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/

5.75 The Governing Body is responsible for approving the academy's annual accounts and annual report and ensuring the annual accounts are audited and submitted to the ESFA by the required deadlines. Details of the all financial information required are as set out in the latest Accounts Direction for the year being reported.

5.76 In addition to submitting accounts to the ESFA, under section 442 (2a) of the Companies Act 2006, accounts must be filed with Companies House within 9 months of the end of the accounting period. However, where an academy trust is preparing accounts for its first period after incorporation and is preparing them for a period of greater than 12 months, then under section 442 (3) of the Companies Act 2006 the accounts must be filed within 21 months of incorporation, or within 3 months of the end of the accounting period, whichever is the latter.

5.77 A copy of the annual report and audited financial statements must be sent to the companies' registrar on a timely basis and the registrar will levy an automatic penalty of at least £150 if accounts are filed late.

5.78 The Companies Act 2006 requires the Academy to publish its Annual Accounts and Annual Report. This will be done via the academy's website.

5.79 The ESFA's Financial Management and Governance Evaluation (FMGE) return should be completed in the timeline required.

6. PAYROLL AND PERSONNEL PROCEDURES

6.1 Staff Appointments

- 6.12 Staff appointments will be authorised in accordance with Section 2.2
- 6.13 The Headteacher's P.A. will ensure that details of appointments, terminations and contract amendments will be authorised and notified to the Business Manager and Payroll and Pensions Manager for payroll processing on a monthly basis.

6.2 Payroll Administration

- 6.21 The academy's payroll is administered on the Edupay payroll package via the payroll provider's portal operated in the Finance Office. Access to the system is password and two factor authentication controlled. Password control procedures and backup arrangements are described in Section 4.2
- 6.22 ~~Details of how to update the monthly payroll on the academy's financial accounting system or payroll system or via the payroll provider are contained in the payroll manual / online.~~

6.3 Payroll Process

- 6.31 All staff are paid monthly via BACS through Edupay payroll package. A personnel data file is created for each employee which records:
- Salary
 - Bank account details
 - Taxation status
 - Personal details
 - Any deductions or allowances payable.
- 6.32 All amendments to pay including contract changes, appointments and terminations must be documented using the required paperwork by the HR and Payroll providers and authorised by the Headteacher. Overtime and Additional hours are submitted online by the employee through the Edupay system and authorised by the relevant section manager before payroll is finally authorised by the Business Manager or Payroll and Pensions Manager in her absence. The Headteacher reviews and authorises the complete payroll file monthly, these financial records are then kept for 6 years plus current, pension documents are kept for 40 years. ~~Where changes are made online, the Headteacher's personal authorisation should be evidenced by either audit trail reports clearly showing electronic authorisation or the documents should be printed and signed and dated by the Headteacher and retained as a financial record for 6 years plus current.~~
- 6.33 ~~New master files can only be created by the Business manager with the express approval of the Headteacher. Any master file amendments made by the Business Manager must be authorised by the Headteacher.~~
- 6.34 Any payroll transactions relating to the Headteacher must be authorised only by the Chair of Governors or Chair of the Finance Committee. Any special or compensation payments must be signed by the Chair of Governors.

6.4 Payroll Returns

- 6.41 A sharepoint spreadsheet records on the day absence, this is checked against Sims once absence forms are signed and returned. Sickness is entered into the Edupay staff calendar monthly. Other planned authorised absence forms affecting payroll are copied and given to the Payroll and Pensions Manager/Business Manager monthly for processing. The Payroll and Pensions Manager then files / updates the documents for payroll processing.

6.42 The week before the final payroll date of each month the Finance Assistant Payroll and Pensions Manager will prepare and distribute a timetable for payroll processing specifying key dates for the month in question. Data input to the payroll system should be undertaken by the Finance Assistant Payroll and Pensions Manager in accordance with the timetable. Before the payroll is processed a file of all data input should be obtained and this should be checked against source documentation by the Business Manager and then reviewed and initialled by the Headteacher.

6.5 Payments and Control Checks

6.51 After the payroll has been processed but before payments are dispatched a file of salary payments by individual and showing the amount payable in total should be obtained from the system. The file/print must be reviewed by the Business Manager. The Payroll and Pensions Manager checks all bank accounts against the previous month for changes before the bacs is finalised.

6.52 Edupay Payroll Services automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and BACS payments for these amounts should be prepared by the Edupay and authorised for payment by the Business Manager and the Headteacher.

6.53 The Business Manager should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

6.54 After the payroll has been processed the nominal ledger will be manually updated. Postings will be made both to the payroll control account and to individual cost centres via journal. The Finance Officer Payroll and Pensions Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

6.55 On an annual basis the Business Manager 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 in the Headteacher's office. The Business Manager runs a Sims report to check against payroll monthly

6.6 Retention of Records

6.61 Payroll records should be kept for 6 years plus current.

6.62 Pension records must be retained for 40 years.

7. PURCHASING AND PAYMENT PROCEDURES

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

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

Procurement advice for academies is available from the Department for Education's website:

7.1 Routine Purchasing

Budget-holders will be responsible for requesting the purchase of items or services from their own budgets. This will be done by the appropriate budget-holder notifying the Finance Assistant of his or her requirements via an Internal Order Form, occasionally email when more convenient for internet purchases/ISBN numbers. This will be attached to an order form.

- 7.11 On receipt of the Internal Order Form the Finance Assistant will determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified, the Finance Assistant will raise an official sequentially numbered Purchase Order to send to the supplier/contractor. Internal Order Forms will be numbered by the Finance Assistant and kept in a file in the Finance Office.
- 7.12 Orders are to be authorised by the relevant person in accordance with **Section 2.13**. Paper copies of official orders will be kept in numerical sequence in a file in the Finance Office.
- 7.13 Any urgent order that is placed verbally should be entered onto the accounting system as soon as possible so that a purchase order can be setup to register the financial commitment. It is not acceptable to wait until the invoice/ delivery note is received before entering a commitment onto the accounting system.
- 7.14 All invoices should be sent to the Finance Office and will be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the Academy's financial accounting system.
- 7.15 The cheque / BACS signatories are from the following:-

'A' signatories	Headteacher & Deputy Headteacher
'B' signatories	Deputy/Assistant Headteachers
'C' signatories	Chair of the Governing Body & Chair of Finance & Premises Committee

Cheques up to £50,000- signatories to be 1A + 1A or 1B or 1C

Cheques over £50,000-signatories to be 1A+ 1C

- 7.16 The Finance Assistant has control of the cheques / BACS and must ensure that:
- where continuous cheque stationery is used, the approved format is complied with
 - all cheques are securely stored and properly accounted for
 - cheque / BACS run / remittance reports are kept on file and are signed by at least one cheque signatory to confirm that all cheques have been accounted for.
 - all cheques are entered correctly and promptly on the financial accounting system.
 - spoiled cheques/BACS are marked as cancelled and retained
 - blank cheques are not pre signed.
 - minimum remaining cheque levels are established with the bank.
 - The Business Manager authorises invoices prior to the BACS file being produced.
 - Once the processing summary is produced by the Finance Assistant the Business Manager verifies all invoices on the summary are accounted for and correct. The Business Manager also checks any recent changes in supplier details and signs them.
 - A BACS processing summary sheet is produced and attached to the invoices for authorisation.

- After authorisation the Finance assistant will upload the BACS file to Lloyds commercial banking.
- After authorisation the Business Manager will release the BACS batch on /Lloyds commercial banking for payment.

7.17 The Business Manager must ensure that all prime records are retained for six financial years plus the current year and are stored in a secure and logical manner.

7.18 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise. If not, cheques / BACS will be issued in accordance with the trading terms of the individual contractor or supplier. Due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.

7.19 A copy of the computer-generated remittance advice relating to the cheque will be affixed to the original invoice, both of which will then be filed with the official order. Original invoices must be rubber stamped as below with details of the cheque number, date sent etc.

PURCHASED INVOICE	
Order No.	
Date of Invoice	
Inv. Note Checked	
Ledger Code	
Cost Centre Code	
Approve Payment	
Date to be Paid	
Cheque No.	

7.190 Copy invoices are not to be paid unless exhaustive checks have been performed to confirm that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".

7.192 Under no circumstances are payments to be made against supplier statements.

7.193 For any order or purchase which is estimated to be less than £5,000 in value, for the supply of goods, materials or services, the budget holder must follow the Academy's Best Value policy (if there is one),

7.194 Amounts between £5,000 and £50,000, will be subject to the receipt of at least 3 competitive quotations. Documentary evidence of the various quotations must be obtained and attached to the purchase order and appropriately authorised. Where a quotation other than the lowest is accepted, the reasons (in line with the Academy's best value policy if there is one) for its acceptance must be documented, attached to the purchase order, and reported to the Governing Body. All decisions made must be recorded in the minutes of that meeting for future reference. Where building insurance will be compared with RPA insurance, a third quote does not need to be sought.

7.195 Approval of contracts over £50,000 will only be made after following the tendering procedure as set out in **Section 8**.

7.2 Internet Purchases

At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.

- 7.21 The Finance Officer & Finance Assistant will be authorised to place online purchases. Requests should be made to the by the Business Manager from the budget holder in the normal manner an official order should be raised on the financial accounting system and authorised by the Headteacher.
- 7.22 It is the responsibility of the budget holder to ensure the internet is the most appropriate means for procurement. Where possible the official order number should be quoted on the internet order as a cross reference.
- 7.23 The internet order must be raised in the name of the Academy with the Academy's address, not to an individual.
- 7.24 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the Academy's normal payment route. If the supplier is unable to supply an invoice in advance, the ~~Finance Officer &~~ Finance Assistant will be authorised to use the Academy's purchase card to make payment (the same rules for card authorisation apply).
- 7.25 Payment by an individual's personal credit card should only be considered when the above options have been exhaustively attempted and failed. The correct authorisation procedure for purchases should still be adhered to and the Academy retains the right to refuse to reimburse the individual if the Academy's procedures are not followed. Reimbursement to individuals should be made in the normal manner upon production of an original invoice/receipt.
- 7.26 Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system. This is especially important if the Academy is to recover any VAT element.
- 7.27 All purchases should only be made from secure websites that the Business Manager has reviewed and gained reassurance they are safe and free from fraudulent activity. The use of online auction websites is not recommended.

7.3 Petty Cash

- 7.31 The academy maintains a maximum cash balance of £250. The cash is administered by the Finance Assistant and is kept in the Finance office safe.
- 7.32 The only deposits to petty cash should be from cheques cashed specifically for the purpose.

The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.
- 7.33 In the interests of security, petty cash payments will be limited to £30. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.
- 7.34 All purchases made through petty cash, regardless of size, should be authorised by the SBM. Purchases made by the Headteacher must be authorised by the Chair of Governors.
- 7.35 All payments made must be supported by VAT receipts for the goods purchased, along with an appropriate voucher signed by the member of staff receiving the cash.
- 7.36 The Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis.

7.37 The Finance Officer will be responsible for reconciling the petty cash account. The reconciliation will involve matching cash in hand, plus the value of receipts and vouchers received for claims made against the imprest value. The Headteacher will authorise the reconciliation prior to a cheque being raised.

7.38 Unannounced cash counts should be undertaken by the Business Manager and reviewed to ensure that the cash balance reconciles to supporting documentation.

7.39 Petty cash should be held in a locking cash box which is put in the safe overnight.

7.4 Purchase Cards

7.41 Purchase cards may be issued by the academy to key staff members to purchase items for the academy instead of using petty cash. There is one Lloyds purchase card issued to J Grace, this has a total limit of £5000 per month. The card is kept in the safe on the premises, it can only be removed from the premises if a log is signed by the Business Manager or Head/Deputy Headteacher. (This is usually only to pay for Diesel or Premises items from gardens centres). Purchase card transactions have specific order numbers beginning with a P and the purchase card dummy bank account is balanced monthly and signed by 2 signatories.

7.5 Faster Payments

7.51 Faster Payments can only be processed if pre authorised by the Chair or Vice Chair of Governors in advance

7.52 BACS signatories are from the following:-

'A' signatories	Headteacher & Deputy Headteacher
'B' signatories	Chair of the Governing Body & Chair of Finance & Premises Committee

7.53 The Finance Assistant has control of the Faster Payments and must ensure that:

- Faster payment remittance reports are kept on file and are signed by at least one cheque signatory to confirm that all cheques have been accounted for.
- Faster payments are entered correctly and promptly on the financial accounting system.
- spoiled Faster payments are marked as cancelled and retained
- minimum remaining cheque levels are established with the bank.
- Business Manager authorises invoices prior to the Faster payments
- After authorisation the Finance assistant will upload the Faster payment to Lloyds commercial banking.
- After authorisation the Business Manager will release the Faster payment on Lloyds commercial banking for payment.

7.54 The Business Manager must ensure that all prime records are retained for six financial years plus the current year and are stored in a secure and logical manner.

7.6 Lease Agreements

7.61 The Academy may only take out operating leases. An operating lease means entering into an agreement to rent equipment whereas a finance lease is equivalent to committing the academy to a loan, for which permission from the Secretary of State is required.

7.62 The Academy will consider the following when taking out / renewing lease agreements:

- Independent procurement advice on leases, i.e. DfE advice in the Academies Procurement Resource – Buying for Your Academy:

- Schemes that include 'cashback' or 'free' or subsidised equipment / goods should be avoided.
- Leasing agreements will only be made where the financial arrangements are such that they benefit the Academy and the Finance and Premises Committee have given their approval.
-
- Any item procured under a lease arrangement must be in line with the Academy's Best Value statement].
- Once approval has been given, lease agreements should be signed by the Headteacher on behalf of the Governors.
- The Headteacher will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals. Some agreements will require the academy to give notice of termination even though an expiry date has been specified (check the small print).

7.63 Any lease entered into must meet the following criteria:

- Ownership of the asset must remain with the leasing company and there is no option for the Academy to purchase the asset at any time;
- Any extension of the lease must be at open market values;
- The Academy will not benefit from any sale proceeds of the asset;
- The termination value of the lease is equal to or exceeds 10% of the value of the asset at the commencement of the lease.

8. TENDERING PROCEDURES

8.1 Introduction to Tendering

- 8.11 Approval of contracts over £50,000 will only be made following the academy's tendering procedure. If you are undertaking a high-value "Find a Tender" Qualifying purchase you will need to issue an Invitation to Tender as part of the process. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid.
- 8.12 For more specialist or complex works and purchases, the academy may choose to appoint a professional third party to carry out the tender process on their behalf (i.e. consultant, architect etc.). If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are adhered to.
- 8.13 Contracts for supplies and services whose values equal or exceed £138760 incl VAT and for works whose values equal or exceed £138760 incl VAT are subject to further requirements as per the Public Contracts Regulations 2015. Such contracts require advertisement on the Find a tender website [Find a Tender \(find-tender.service.gov.uk\)](http://find-tender.service.gov.uk). This is the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation must be published. These thresholds are net of VAT. Further advice may be found in the following websites:

<https://www.gov.uk/guidance/buying-for-schools>

tendersdirect.co.uk/2021/12/07/uk-public-procurement-thresholds/

8.2 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.

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

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

8.3 Preparation for Tender

Full consideration should be given to the objective of project, overall requirements, technical skills required, after sales service requirements and 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.

8.4 Invitation to Tender

8.41 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.

8.42 An invitation to tender should include the following:

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

8.5 Aspects to Consider

8.51 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

8.52 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.

8.53 Other Considerations

- Pre sales demonstrations
- After sales service, warranties
- 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.

8.6 Tender Instructions

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.

8.7 Tender Opening Procedures

- 8.71 All tenders submitted should be opened at the same time and the tender details recorded. 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.
- 8.72 Two people should be present for the opening of tenders as follows:
- For contracts up to £50,000 - two of the budget holder, the Business Manager or the Headteacher.
 - For contracts over £50,000) – either the Business Manager or the Headteacher plus a member of the Finance & Premises Committee.

8.8 Tendering Evaluation and Acceptance

- 8.81 The Governing Body has set a minimum requirement of 3 tenders for fair evaluation purposes and in the interest of achieving best value. In any consideration of less than that number being received, the Governing Body should consider whether this is sufficient and consider re tendering. Decisions to go ahead should fully document the justification.
- 8.82 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.
- 8.83 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
- 8.84 Full records should be kept of all criteria used for evaluation and for contracts over £50,000. A report should be prepared for the Finance & Premises Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance & Premises Committee.
- 8.85 Where required by the conditions attached to a specific grant from the DfE / ESFA, their approval must be obtained before the acceptance of a tender.
- 8.86 The accepted tender should normally be the one that is economically most advantageous in terms of best value to the academy that meets all the requirements. All parties should then be informed of the decision. Where a tender other than the lowest has been accepted, the reasons for its acceptance must be documented and reported to the Governing Body. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.
- 8.87 A copy of the tender documentation should be held on site for easy reference as required.
- 8.88 Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.
- 8.89 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Governing Body.

9. INCOME

9.1 General

- 9.11 The sources of income for the academy are the grants from the Education Funding Agency and from students (academy meals and trips / events) and the public. It is the responsibility of the Business Manager to ensure that all income due to the academy has been received, banked and that all income due to the academy is collected and reconciled to its financial accounting system.

- 9.12 All income received should be recorded daily on Parentpay or a Daily Income Collection Record and entered onto the academy's financial accounting system. The collection record should contain the amount received, the name of the person / organisation making the payment, the date the payment is received, and the method, i.e. cash or cheque.
- 9.13 All income received by the academy should be banked at a minimum of fortnightly and **in full**. The insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected e.g. proceeds from a fete, the insurer must be informed to obtain additional short term cover, and the income must then be banked as soon as is practicable.
- 9.14 Personal cheques should not be cashed.
- 9.15 When income is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.
- 9.16 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.
- 9.17 Cash received by the academy will be acknowledged to the payer by either i) issue of a receipt when the value of the payment exceeds £10 or, ii) by the collector signing an official collection record i.e. Residential Trip Payment Card. The small amount of cash for meals is entered directly on the Vericool system as the pupil waits. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.
- 9.18 No debts should be written off without the express approval of the Business Manager for amounts up to £25, the Headteacher up to £5,000, the Finance and Premises Committee up to £10,000 or the Governing Body over £10,000. The EFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

9.2 Custody

- 9.21 All cash and cheques must be kept in the Finance Office safe prior to banking.
- 9.22 Monies collected must be banked in their entirety (intact) in the appropriate bank account. The Finance Assistant is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system and related system generated reports, i.e. ParentPay. The reconciliations must be prepared promptly after every banking and must be reviewed and certified by the Business Manager.

9.3 Trips

- 9.31 A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. 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 Assistant.
- 9.32 Students should make payments by ParentPay or at the Finance Office.
- 9.33 The Finance 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 and the lead teacher is responsible for chasing the outstanding amounts.

Automated System

- 9.34 The academy uses ParentPay system for recording and collecting payments for trips / events.

9.4 Catering / Meals Income

9.41 Most school meal income is via ParentPay and Vericool. A small number of payments are made by cash direct to the school office where they are immediately put on to the Vericool system. Cash is then reconciled to the Vericool report at the end of the day.

9.5 Lettings

9.51 The Governing Body recognises the position of the academy in the local community and that encouragement should be given to the use of the academy premises by outside organisations. The Governing Body wishes to take every possible care to ensure that all children / young people and others using the academy premises out of academy hours are safe from abuse and that they are treated with dignity and respect.

9.52 The letting of the academy is the responsibility of the Governors and the administration of the letting is the responsibility of the Academy Office.

9.53 The Business Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation.

9.54 All hirers will complete the appropriate lettings application form or send all details via email to the SBM. Long term hirers must send their Public Liability and Child Protection/Safeguarding documents at least annually. Day to day approval of requests for hire will be the responsibility of the Business Manager who will agree the letting with the premises staff after -

- Agreeing the scales of charges to be applied. Abatement of charges can only be made, subject to Finance and Premises Committee approval.
- Checking to ensure the application form has been properly signed by the hirer.
- Confirming if the hirer is affiliated to any national association that has its own child protection policy.
- Deciding if it is necessary to seek references for the hirer.
- Obtaining a copy or signed confirmation of the hirer's:
 - Public liability insurance
 - PPL licence

9.55 All requests for hire will be logged in the lettings or office diary by the Business Manager. Payment will be required in advance for all one-off lettings or if the hirer is not known to the academy. In other instances it may be appropriate to require a deposit. All deposits will be banked immediately and should a refund of the deposit be subsequently required, then a cheque will be issued.

9.56 Details of organisations using the academy's facilities should be sent by the Business Manager to the Finance Officer who will produce a sales invoice from the accounting system where payment is not made in advance.

9.67 Organisations using the facilities should be instructed to send all payments to the Finance Office.

10. CASH MANAGEMENT, BANKING AND INVESTMENTS

10.1 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. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made

to transfer funds from another bank account or to delay non-essential payments to cover potential cash shortages.

- 10.2 If significant cash shortfalls have been identified and are unexpected, this should be promptly investigated, ensuring all income due for the period has been received and that expenditure is not irregular. The investigation and its results should be reported to the Finance & Premises Committee. If fraud is suspected, the academy's Whistleblowing policy should be followed, including notifying the Education Funding Agency if the fraud is significant.
- 10.3 The opening of all accounts must be authorised by the Governing Body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds, i.e. Direct Debits and Standing Orders must also be subject to the same level of control.
- 10.4 The academy's bank must be informed that the accounts must never become overdrawn. The academy must seek the Secretary of State's approval for borrowing (including overdraft facilities). The Secretary of State's normal policy is that academies should not be granted permission for medium and long term borrowing.
- 10.5 Governors will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account. Surplus balances will, as far as possible, be transferred to a high interest or deposit account.
- 10.6 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, split between cash and cheques with cheques listed separately and a reference i.e. receipt number or the name of the debtor.
- 10.7 Transfers between the academy's bank accounts if more than one bank account, should have a suitable narration to facilitate audit trail, especially where on line banking facilities are used.
- 10.8 Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure. This provision applies to all accounts operated by or on behalf of the Governing Body of the academy.
- 10.9 All cheques and other instruments authorising withdrawal (including direct debits and standing orders) from academy bank accounts must bear the signatures as below

'A' signatories The Headteacher or Deputy Headteacher

'B' signatories Assistant Head Teachers

'C' signatories Chair of Finance & Premies Committee & Chair of the Governing Body

Cheques/BACS up to £50,000 -signatories to be 1A + (1A or 1B or 1C). Cheque/BACS over £50,000 –signatories to be 1A + 1C
- 10.10 For any Direct Debit or Standing Order authorisation over £50,000 one of the signatories must be the Chair of Governors or the Chair of Finance Committee.
- 10.11 A current bank mandate for Direct Debits and Standing Orders must be retained on file and the mandated signatories should be consistent with those detailed above.
- 10.12 Academies may use BACS facilities to replace cheques. The control principles and authorisation remain the same as for cheque payments.

10.13 The Business Manager 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 accounting system
- Reconciliations are prepared by the Finance Officer within one week of receipt;
- Reconciliations are subject to an independent monthly review carried out by the Business Manager or in their absence the Responsible Officer (RO)
- Adjustments arising are dealt with promptly, i.e. any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken and recorded.

10.14 Investments must be made only in accordance with written procedures approved by the Governing Body and clearly held in the academy's name. Aspects to consider include:

- Objectives
- Risk
- Type of investment and term
- Academy's financial position
- Financial limit for type of investment
- Spreading investments between providers to ensure savings are covered by the Financial Services Authority
- Security of access
- Rate of return
- Charges
- Business interests of Governors and academy staff
- Ethical, social and environmental considerations
- Review including review of performance

10.15 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 and recorded on the financial accounting system.

11. **FIXED ASSETS**

11.1 Fixed assets include:

- Land including freehold
- Buildings including freehold
- Equipment

Fixed assets are depreciated as per the academy's depreciation policy see Appendix E

11.2 All items purchased with a value over the academy's capitalisation limit of £5,000 must be entered in an asset register. Other attractive items below the limit could be included to assist with insurance claims. The Asset Register helps:

- Ensure that staff take responsibility for the safe custody of assets;
- Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- To manage the effective utilisation of assets and to plan for their replacement;
- Help the external auditors to draw conclusions on the annual accounts and the academy's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

- 11.3 The IT Manager and Finance Assistant are responsible for maintaining the asset register.
- 11.4 The asset register should include the following information:
- Book value of items transferred in
 - Asset description
 - Asset number
 - Serial number
 - Date of acquisition
 - Asset cost
 - Source of funding (% of original cost funded from EFA grant and % funded from other sources)
 - Expected useful economic life
 - Depreciation (incl. brought forward and carried forward)
 - Current book value
 - Location
 - Name of member of staff responsible for the asset
 - Disposals
- 11.5 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 11.6 All the items in the register should be permanently marked as the academy's Property. If the academy chooses to use an invisible form of marking then the item of equipment must carry a visible reference to the fact that the equipment has been security marked. Items not security marked are potentially not covered by insurance.
- 11.7 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.

Disposals

- 11.8 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager up to £250, up to £5,000 by the Finance and Premises Committee, over £5,000 by the full Governing Body. Where significant, the items should be sold following competitive tender. The academy must seek the approval from the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 11.9 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.
- 11.10 The 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 EFA a proportion of the sale proceeds.
- 11.11 All disposals of land must be agreed in advance with the Secretary of State.
- 11.12 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 in academy when it is returned.

11.13 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 academy's auditors.

12. GOVERNORS' ALLOWANCES

- 12.1 The policy of the governors in respect of payment of allowances must be openly available to parents and governors. The Governing Body must consider the payment of allowances annually, and the outcome must be recorded appropriately in the minutes.
- 12.2 The Education (Governors' Allowances) Regulations 2003 provide the legal framework for governing bodies to pay 'out of pocket' expenses to their governors. The then DCSF (now DfE) guidance which accompanied those regulations states, "It is good practice to pay such allowances as governors should not be out of pocket for the valuable work they do".
- 12.3 Legitimate allowances include: travel allowances, training courses, cost of training, cost of photocopying / printing papers for governing body business.
- 12.4 The Academy will reimburse mileage expenses to Governors for journeys at a rate in accordance with the limitations set out by HM Revenue & Customs.
- 12.5 Rates of subsistence will be paid up to the rates below, will not include claims for alcohol and must be supported by receipts. The same conditions apply as set out in section 2.7 covering mileage and subsistence.

Breakfast	£5
Lunch	£7.50
Evening Meal	£15

- 12.6 Authorisation of governors' expenses will be by the Chair of the Governing Body. Claims by the Chair of the Governing Body will be authorised by either the Vice Chair of the Governing Body and the Chair of the Finance & Premises Committee.

13. GOVERNORS' WHISTLEBLOWING POLICY

Existing good practice within the academy in terms of its systems of internal control, both financial and non-financial and the external regulatory environment in which the academy operates will ensure that cases of malpractice rarely occur. This whistleblowing policy is provided as a reference document to establish a framework within which issues can be raised confidentially internally, and if necessary outside the management structure of the academy. This document is a public commitment by the Governing Body that concerns are taken seriously and will be acted upon.

Governors' Statement

- 13.1 The Governors of Brentwood Ursuline Academy are committed to tackling all forms of malpractice, fraud etc. and treat these issues seriously. The Governors recognise that some concerns may be extremely sensitive and have therefore developed a system which allows for the confidential raising of concerns within the academy environment but also has recourse to an external party outside the management structure of the academy.
- 13.2 The Governors are committed to creating a climate of trust and openness so that a person who has a genuine concern or suspicion can raise the matter with full confidence that the matter will

be appropriately considered and resolved. The provisions of the policy apply to matters of suspected malpractice and fraud and not matters of more general grievance which would be dealt with under the academy's grievance procedures.

13.3 Background and Context

This policy on 'whistleblowing' has the following background and context:

- (a) Any version of the code adopted by the Governing Body will form part of the Conditions of Employment. The code currently states:

"Academy employees are expected to give the highest possible standard of service to the public through the performance of their duties. Employees will be expected through agreed procedures and without fear of recrimination, to bring to the attention of their line manager any deficiency in the provision of service.

Employees must report to the appropriate manager any impropriety or breach of procedure."

- (b) The legal background relating to "whistleblowing" is covered by the Public Interest Disclosure Act 1998 which affords protection against dismissal penalty where an employee discloses in good faith, with reasonable grounds for belief in the disclosure, certain information relating to the following examples:-

Malpractice	Fraud
Failure to comply with legal obligations	Manipulation of accounting records / finances
Child protection issues	Inappropriate use of academy assets / funds
Miscarriages of justice	Decision making for personal gain
Criminal offences	Abuse of position to influence decisions
Danger to Health & Safety	Fraud and deceit
Damage to the environment	
Concealment of evidence relating to the above	

- This policy sets out the agreed procedures that should be followed where employees have concerns about what they regard as such impropriety or neglect of duty. Such breaches of acceptable standards may be in relation to ethical or professional standards, as well as the academy's expectations on money, gifts, hospitality, health and safety and welfare, equal opportunities, relationships and outside interests. The Code of Conduct gives greater details.
- This procedure should be used where concern is about the consequences for other employees or the public. If the concern is about the individual being disadvantaged, by the action or failure to take action, then that should be pursued through the Academy's Grievance Procedure

13.4 What Should an Individual Do if “Whistleblowing”?

- 13.41 Judgement will need to be exercised here if the inaction or lapse of standards seems to be minor, then it may well be sufficient just to bring the matter to the attention of the employee who appears to be at fault.
- 13.42 If the matter is more significant, particularly if it involves breaches of the academy’s Code of Conduct or where a previous informal response has been apparently disregarded, then the matter should be raised formally with the line manager and as a matter of urgency if it appears serious. If given verbally, confirmation of the complaint should be made in writing as soon as possible.
- 13.43 Where the complaint concerns the line manager, or having made the report it is believed that appropriate action has not been taken then the complaint should be brought to the attention of a more senior manager.
- 13.44 If it is believed that fraud, theft or other potential gross misconduct is involved; the matter should be raised quickly as mentioned above. It must not be mentioned to the subject of the complaint or other colleagues as this could prejudice subsequent investigation.
- 13.45 The Academy must notify the Secretary of State via the Education Funding Agency of any instances of fraud or theft where the value exceeds the sum set out in the funding agreement.
- 13.46 Where there are genuine and justified suspicions of wrong doing, even though at the time of “whistleblowing” there is no concrete evidence of serious wrong doing, this should not deter anyone from going ahead and reporting the matter, particularly where it may involve potential risk to vulnerable people.
- 13.47 The Governing Body encourages the “whistleblower” to raise the matter internally in the first instance to allow those academy staff and governors in positions of responsibility and authority the opportunity to right the wrong and give an explanation for the behaviour or activity.

The Governing Body has designated a number of individuals to specifically deal with whistleblowing and if the “whistleblower” feels that appropriate action has not been undertaken after following the actions in paragraphs (b) and (c) above then the matter should be referred to one of the individuals shown below:-

Headteacher
Chair of Governors
The Diocesan Director of Education
The Bishop

- 13.48 The “whistleblower” may prefer to raise the matter in person, by telephone or in written form marked “private and confidential” and addressed to one of the above named individuals. All matters will be treated in strict confidence and anonymity will be respected wherever possible. Alternatively if the “whistleblower” considers the matter too serious or sensitive to raise within the internal environment of the academy, the matter should be directed to the Education Funding Agency.
- 13.49 In addition, information and advice can be obtained from the charity – ‘Public Concern at Work’. This charity offers free legal advice in certain circumstances about serious malpractice at work. Their literature states that matters are handled in strict confidence and without obligation. Contact details for the charity are as follows:

Public Concern at Work
Suite 306
16 Baldwin Gardens
LONDON
EC1N 7RJ

Telephone number – 0207 404 6609

13.5 What Should a Line Manager Do When a Complaint is Received?

13.51 It is essential that problems raised are tackled effectively and quickly and with the aim of righting wrongs, this may well be best achieved in many less serious cases by discussion with the “offending” employee and securing a commitment as to future standards and corrective action. In other more serious cases, the matter may well have to be referred to a senior manager. It may be necessary to instigate disciplinary proceedings.

13.52 Complaints received from outside of the academy environment must be dealt with by following the procedures as outlined in the academy’s own Code of Conduct / Customer Care Code of Practice.

- Any written complaint / allegation should be given a written acknowledgement and confirmation that the matter will be looked into. Unless clearly made in a very low key way about minor matters, verbal complaints/allegations should receive a written acknowledgement in the same way.
- In the event of the allegation being of a serious nature e.g. relating to a fraud or other gross misconduct offence, there may well be a need to involve other organisations immediately – see paragraph no. 13.45. This should normally be agreed initially by the Chair of Governors and / or the Headteacher who, in turn, should keep the Business Manager informed.

13.53 When any complaint or allegation has been looked into and resolved or dealt with, the person who raised the matter in the first instance should be notified – normally in writing unless common-sense indicates that it can be done more appropriately verbally. How much detail to provide in such cases is a matter of judgement.

13.6 Protecting “Whistleblowers” and Complainants

13.61 “Whistleblowers” have an expectation that their identity can be kept concealed. In the majority of cases this may be possible, but in more serious cases where disciplinary action may have to be taken against an individual, it may well be judged that they have a right to know the source as well as the nature of such complaints. In any case the Governing Body is committed to doing as much as possible to ensure that the wellbeing of the “whistleblower” at work does not suffer as a result of the tensions that may result from the making of or investigation of complaints.

13.62 Individuals are encouraged to bring to the attention of their managers any harassment or victimisation they may suffer as a result of whistleblowing. All necessary action will be taken to ensure that such harassment or victimisation is stopped.

13.63 It may be that “whistleblowers” will find the process of reporting wrong-doing and making statements etc. stressful, particularly where there may be feelings of divided loyalties. In such cases the opportunity should be given for the “whistleblower” to talk through these anxieties and feelings, either with their manager or possibly, someone from an external counselling service. The Governing Body encourages this action.

13.7 Individuals Receiving a Complaint About Themselves

- 13.71 If the complaint or allegation is at all significant or made in a formal way, particularly by a member of the public or other external users, then the line manager, or Chair of Governors in the case of a Headteacher, should be informed even if it is believed that the complaint is groundless or unjustified.
- 13.72 Where a complaint or “grumble” clearly does not justify the issue being pursued in this way, then a brief file note or diary entry will often be appropriate and in the best interests of the individual.

13.8 **A Sense of Perspective**

As stated in the Code of Conduct, all staff have an obligation under the code to raise concerns where it is seen that proper standards have clearly been breached or ignored. Nevertheless it is important that where deficiencies in service provision standards are involved rather than in areas of malpractice, staff should satisfy themselves that the failing is serious and that the potential disadvantage to the academy or public is significant. Any unnecessary over-zealous reporting might be inappropriate and counter-productive. However, Governors re-iterate that individual staff members are encouraged to raise genuine concerns with the knowledge that they will be taken seriously.

13.9 **Malicious Accusations**

If on investigation, it is considered that an individual has made malicious allegations without any real substance, then these too will be taken seriously and may constitute a disciplinary offence or require some other form of penalty appropriate to the circumstances.

14. **INTERNAL CONTROL**

- 14.1 The academy trust’s system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body
 - regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
 - setting targets to measure financial and other performance
 - clearly defined purchasing (asset purchase or capital investment) guidelines
 - delegation of authority and segregation of duties
 - identification and management of risks
- 14.2 The Finance Assistant is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. All discrepancies are to be investigated immediately and reported to the Headteacher and if appropriate, the bank.
- 14.3 The Finance Officer is responsible for completing the quarterly / monthly VAT returns in the prescribed format and forwarding them to the HMRC
- 14.4 The Headteacher, Business Manager or Deputy Headteacher are responsible for periodically checking the following (at least once per term, ideally once per month), and signing and dating to confirm that the checks have been made:-
- i. Payments made to suppliers have been correctly authorised
 - ii. No payments have been made that could be classed as ‘fee payments’ to individuals without completing the necessary checks to confirm self-employed status

- iii. Income received by the academy can be traced from source to financial system entry and bank statement
- iv. Bank account reconciliations are being completed each month for **all** academy bank accounts
- v. The funding budget entered on the academy's financial accounting system is reconciled promptly to the sources of income, i.e. ESFA statement of funding
- vi. VAT returns are being submitted on time
- vii. Petty cash reconciliations are being completed
- viii. Direct debit and standing order arrangements are appropriate and have been correctly authorised
- ix. Individual staff salary payments are reconciled to the employee's contract on a regular basis (at least each term)
- x. All balance sheet accounts i.e. Creditors, Debtors, control accounts are reconciled each month.

14.5 Separation of Duties

It is the responsibility of the Headteacher to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:

- i. Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
- ii. Authorisation – the authorisation of transaction such as a purchase order and the payment.
- iii. Payment – the raising of cheques / BACS and cheque / BACS signatories.
- iv. Custody – the holding of goods and services.
- v. Recording – the completion of the accounting records
- vi. Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation

15. INSURANCE

15.1 The governing body must ensure the academy has adequate insurance cover to support its activities and to comply with statutory requirements. Unless otherwise agreed with the DfE / Education Funding Agency, this should include cover as follows:

- buildings and contents of the academy, in accordance with normal commercial practice or under the terms of any leases held by the academy, against damage by subsidence, fire, lightning, explosion, storm, flood, riot, malicious damage, terrorism and similar risks, and theft.
- business interruption, for example to provide alternative temporary accommodation (suggested minimum cover £10m):
- employer's and public liability cover against the governors' responsibility for injury or illness of staff of third parties, or damage to third party property (suggested minimum cover £50m each);
- cover required by statute for vehicles operated by the academy

15.2 Other insurance cover to be arranged should include:

- libel and slander
- cash in transit
- personal accident
- fidelity guarantee

- off-site activities insurance, covering comprehensive travel risks for official trips and activities taking place off site
- insurance for hirers
- cover for extra costs arising from a major disaster or tragedy over and above normal business interruption provision such as counselling services for pupils
- staff sickness insurance
- engineering inspection contract to cover statutory inspection requirements relevant to lifts, boilers, air receivers and fume cupboards etc.

It is the responsibility of the Business Manager to arrange and renew insurance for the academy.

16.0 POLICY ON GIFTS, HOSPITALITY & OTHER BENEFITS.

The acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise staff personal judgement must be recorded in a register if over £50 in value. The register will record the nature of the benefit and the donor in case of later complaint.

When giving gifts regard must be given to the propriety and regularity of the use of public funds, and the gift must be fully documented. Excessive gifts and alcohol are examples of irregular expenditure, BUCHs in accordance with the ESFA will not purchase alcohol as a gift. The following guidelines are used for giving gifts to staff:-

Most staff belong to the staff fund which self funds gifts for significant birthdays, leavers and maternity. This is not a public money account; the agreed amounts from the Staff Fund are:-

Flowers: £30.00 Maximum

Special birthday £30.00

Maternity leave £25.00

Leavers/Retirement:

Under 2 years £25.00

Over 3 years £15.00 + £5 for every year worked.

If a member of staff leaves after a relatively short period but does not pay into the fund, a £15.00 voucher is given, and if employed for longer flowers or vouchers up to a value at the Headteachers discretion are paid from the School Fund.

End

Appendices in separate documents

Brentwood Ursuline Convent High School

Depreciation and Capitalisation

- 1)** For entry to the Accounts the Capitalisation Limit for Assets will be £5,000.
- 2)** For the purposes of the Asset Register (Stock Book) the amount will be items over £1000 except for portable and attractive items where the limit will be £250.
- 3)** Depreciation will be calculated using the following straight line criteria:-

50 years	Land/Buildings
3 years	I.T. Equipment
5 years	Furniture and equipment
5 years	Motor Vehicles