

# ALL SAINTS SCHOOLS TRUST



## Financial Regulations & Scheme of Delegation 2023-24

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<b>Authorised By:</b>	Finance and Audit Committee, ASST Board
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<b>Chair of F&amp;A, Trustee Board</b>  <b>Signature</b>	Ben Sear: _____ James Hargrave: _____
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## Financial Scheme of Delegation/Authorisation & Approval Summary

### Expenditure Limits/Ordering Procedures

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £5,000	Executive HT / Headteacher
Order Approval	£5,001 to £20,000	CEO
Order Approval	Over £20,000 to £50,000	Finance & Audit Committee
Order Approval	£50,001+	ASST Board
3 competitive quotations	£5,000 to £50,000	Finance & Audit Committee
Formal Tender Process required	Over £50,000	ASST Board to oversee process in conjunction with a specialist
Find a Tender Service Procedure	£214,904	After 01.01.2024
Authority to accept other than lowest quote	Up to £10,000	CEO/CFO
Authority to accept other than lowest tender		ASST Board

### Cheque/Standing Order/Direct Debit/BACS Signatories

Value	Delegated Authority	Additional Guidance
Up to £5000 (HT)	Any two signatures required	Ensure bank mandate is complied with.

### Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £1,000	CEO/FO	
£1,001 to £25,000	ASST Board	
Refer Academies Trust Handbook for latest guidance	EFSA Approval/Notification	

### Write-off Bad Debts

Value	Delegated Authority	Additional Guidance
£101 to £250	CFO/Executive HT/Headteacher	
£251 to £1,000	CEO	
£1,001 to £25,000	ASST Board	
Refer Academies Trust Handbook for latest guidance	ESFA Approval/Notification	

### Approval of Returns & Reconciliations

Return	Delegated Authority	Additional Guidance
VAT 126 Return	Chief Financial Officer (CFO) to complete, CEO to approve.	One VAT return prepared centrally for the whole trust
Bank Reconciliations	CFO to complete, CEO to approve.	To be prepared monthly.

Funding Reconciliation	Finance Officer to complete, CFO to review.	To be prepared monthly.
Budget Forecast Return	CFO to complete, CEO to review.	ASST Board to approve prior to submission
Land and Buildings Collection Tool	CEO to review.	
Audited Accounts Return	CFO to ensure completion, CEO to review.	
School Resource Management Self-Assessment Tool	CFO to complete, CEO to review.	ASST Board to review and approve.
Risk Register - monthly	EHTs to prepare, CEO to review.	ASST Board to monitor and review.
Register of Business Interests - annually	Local Governing Body/HT	Overseen by Trust Central Team.
Gifts and Hospitality Register - annually	Local Governing Body/HT	Overseen by Trust Central Team.
Business Continuity Plan - annually	CEO to prepare Trust wide – schools added as appendix as appropriate.	ASST Board to approve.
Financial Management and Governance Self Evaluation	CFO to prepare, ASST Board to approve.	Only required to be completed by new academies joining the trust

## Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	HM Revenue and Customs approved rate	Currently £0.45 per mile
Petty Cash	£0	Not operated in ASST
Safe Cash/Cheque Limits	£10,000 Cash £250,000 cheques and other certificates, bonds, stamps as detailed in RPA rules £5,000 monetary not in a locked safe eg in transit or at an authorised employee's home	RPA (insurance) policy
Inventory Register	Items that are portable and over £250	
Asset Register	Capitalisation limit £2,500	As per Fixed Asset Policy

The finance policies listed below should be read in conjunction with the trust's other financial management related policies and the government's Academies Trust Handbook;

Accounting Policy  
Charging and Remissions Policy  
Gifts and Hospitality Policy  
Anti-Fraud & Corruption Policy  
Purchase Card Policy

Central Cost Recharge Policy  
Fixed Asset Policy  
Reserves Policy  
Procurement Policy  
Investment Management Policy

## **1.0 INTRODUCTION**

- 1.1 The All Saints Schools Trust (ASST) is the legal entity which is responsible for all the Trust's academies. It is their duty to ensure that each academy operates efficiently, legally, judiciously and safely.
- 1.2 The purpose of these regulations is to ensure that the ASST 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 The Trust's funding agreement with the Department for Education (DfE).
- 1.3 ASST must comply with the principles of financial control outlined in the Academies Trust Handbook published annually by the DfE. These regulations expand on that and provide detailed information on the academy's accounting procedures and systems and should be read by all staff involved with financial systems.
- 1.4 The general conditions that follow are subject to annual review and consideration by the Board, whom must formally minute both the review and any subsequent amendments and approval each year.
- 1.5 The Board confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.

## **2.0 ORGANISATION**

- 2.1 ASST 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:

### The Trust Board (The Board)

- 2.2 The Board have overall responsibility for the administration of the academies' finances. The main responsibilities of The Board are prescribed in the Funding Agreement between the academy trust and the DfE and in the academy's scheme of government. The responsibilities of The Board are as outlined in the scheme of delegation and also in the Academies Trust Handbook.

### The Finance and Audit Committee

- 2.3 The Finance and Audit Committee is a committee of The Board. The committee meets at least once per term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance and Audit Committee are detailed in the written terms of reference which have been authorised by the Board.

### Accounting Officer

- 2.4 ASST has designated the Chief Executive Officer (CEO) as its Accounting Officer. Whilst the Accounting Officer has responsibility, under the Board's guidance, for ASST's overall management and staffing, their appointment as Accounting Officer confers specific responsibilities for financial matters. In particular, the Accounting Officer is personally responsible to Parliament, and to the Accounting Officer of the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.
- 2.5 The essence of the role is a personal responsibility for:
  - regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and these regulations, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;
  - propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;

- value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust’s charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

- 2.6 Whilst the Accounting Officer is accountable for the academy trust’s financial affairs, the delivery of the trust’s detailed accounting processes will be delegated to the Chief Financial Officer (CFO).
- 2.7 The Accounting Officer must advise The Board in writing if, at any time in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the Handbook or Funding Agreement (FA). Similarly, the Accounting Officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the Handbook or FA. Where The Board is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the board gives for its decision. If, after considering the reasons given by the board, the Accounting Officer still considers that the action proposed by the board is in breach of the Handbook or FA, the Accounting Officer must advise the ESFA’s Accounting Officer of the position in writing.

### Chief Financial Officer

- 2.8 The Chief Financial Officer (CFO) works in close collaboration with the Accounting Officer through whom he/she is responsible. The CFO also has direct access to the Trustees via the Finance and Audit Committee. The main responsibilities of the CFO are as outlined in the post holder job description, to include:
- to lead on financial matters, including ensuring sound and appropriate financial governance and risk management arrangements are in place
  - the day to day management of financial issues including the establishment and operation of a suitable accounting system
  - the preparation of monthly management accounts
  - the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board
  - the maintenance of effective systems of internal control
  - ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each academy
  - the preparation of budgets and medium term financial plans
  - ensuring returns to ESFA and other funding agencies are completed correctly and on time
  - ensuring returns to statutory agencies are completed
  - cash flow and treasury management including managing investments
  - functional management of the ASST Central Team and Administration Officers/Assistants within the academy schools (in collaboration with academy line manager).

### Local Governing Body (LGB)

- 2.9 Each academy will have an LGB who will work in close collaboration with the ASST’s central staff. The LGB’s responsibilities are as set out in the scheme of delegation and include the following:
- Reviewing the school’s financial priorities through the School Development Plan (SDP) and the Asset Management Plan (AMP).
  - Receiving monthly management reports, to facilitate the monitoring of the school’s financial performance compared with budgeted priorities.

- Ensuring the local Register of Business Interests is kept up to date and published on the academy website.
- Ensuring that funding from the ESFA, Local Authority and other sources is used only in accordance with any conditions attached.
- Agreeing appropriate charges for lettings of the premises, in line with the academy's lettings policy.
- Ensuring the academy adheres to the policies and procedures as specified by the ASST Board.
- Supporting ASST in that the academy has appropriate internal financial controls in place.
- Monitoring budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.
- Declaring and connected party transactions or business interests.
- Regularly monitoring the local risk register and ensuring the implementation of any mitigating actions.

2.10 The LGB confirms that the day-to-day financial management of the school is delegated to the Executive Headteacher/Headteacher as appropriate (HT), subject to exceptions contained in these regulations. Throughout these conditions, delegation to the HT shall imply further delegation to the Deputy Headteacher/Head of School when the HT is not on the school site. Where the HT 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 LGB in writing and incorporated into these conditions.

#### ASST Central Team and Administration Officer/Assistant

2.11 All Saints Schools Trust operates a Central Team (CT) which is responsible for maintaining the day to day financial management of each individual academy, preparing the annual budget in collaboration with the academy HT, preparing monthly budget monitoring reports for each academy, managing all staffing change notifications and providing general financial, HR and Estates/Premises support to each academy.

2.12 For the purposes of this document the term Administration Officer (AO) refers to the person responsible for the day to day management of each individual academy's operations. Each academy should employ a suitably experienced AO to support the Headteacher and LGB to manage and protect resources appropriately or alternatively make use of the support services provided by ASST.

The AO will work with the Headteacher, ASST Central Team and the Senior Leadership Team to ensure the academy's financial processes and finance policies are followed. They will be responsible for the effective use of resources within their organisation and will notify the Headteacher of any issues.

#### General Requirement

2.13 All employees of the academy are expected to act professionally and with integrity and follow the internal control framework and financial policies of the academy. All staff with financial management responsibilities should have access to the information and training required to perform their financial duties.

#### Register of Pecuniary Interests

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

The register should include all business interests such as directorships or shareholdings. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

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

All Governors and school staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Governing Body meeting.

In accordance with the Academies Trust Handbook the business interests of the Trustees will be published on the Trust website. Each school is responsible for published the business interests of the governing body on the respective school website.

### Trading with Connected Parties

- 2.15 In accordance with the Academies Trust Handbook the following will apply to goods or services provided by individuals or organisations connected to the academy trust:

The trust must pay no more than 'cost' for goods or services provided by a connected party as defined by the Academies Trust Handbook.

The academy must ensure that any agreement with a connected party is procured through an open and fair process and is supported by a statement of assurance from the individual or organisation to the trust confirming that their charges do not exceed the cost of goods or services.

The 'at cost' requirement applies to any transactions for goods or services exceeding £2,500 cumulatively in a financial year.

## 3.0 DAY-TO-DAY DELEGATION OF AUTHORITY

### Expenditure Limits

- 3.1 The Headteacher can authorise expenditure up to £5,000 on goods and services. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The Headteacher may also authorise higher levels of expenditure for utility charges provided the value authorised has been clearly documented and approved by The Board in the school budget.

If the value to be authorised exceeds the Headteacher's limit for goods and services, or the value set aside for utilities in the school budget, then a higher level of approval is required, as specified below.

Authorisation for expenditure that is between the values of £5,001 and £20,000 must be referred to the CEO.

Authorisation for expenditure above £20,000 must be referred to The Finance & Audit Committee (up to £50,000) and then to the ASST Board (£50,001 and above).

### Funding Reconciliation

- 3.2 The CFO is responsible for reconciling the trust's funding budget entered on the school's financial accounting system with the monthly funding information provided by the ESFA and other government agencies. This reconciliation should be completed on a monthly basis and reviewed by the Accounting Officer.



## Bad Debts

3.3 The write-off of debts owed to the school, can be approved as follows;

Up to £250 – CFO/Executive HT/Headteacher

£251 to £1,000 –CEO

£1,001 to £25,000 – ASST Board

£25,000+ - Refer for ESFA approval.

A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

Write offs exceeding £1,000 must be reported to The Finance & Audit Committee.

## Disposal of Assets or Adjustments to School Inventory

3.5 The Headteacher can authorise the disposal / adjustment of recorded school inventory items up to the value of £250. Authority for disposals / adjustments above this amount but below £1,000 must be approved by the CEO. Disposals/adjustments above £1,001 must be referred to The Finance & Audit Committee. Any disposals over £25,000 (per single transaction) must be approved by the ESFA.

All disposals / adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

## Expense Claims, Mileage Allowances and Subsistence Claims

3.4 The academy will reimburse mileage expenses to Trust employees – and Trustees if appropriate - for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. 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. A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered in order for the school to be able to reclaim VAT.

- All expense claims (submitted on the appropriate form at school level) are to be authorised by the Exec HT.
- Either the Head of School/CEO/CFO must authorise all claims relating to the Exec HT and/or the CFO can approve via Edupay (expense paid via payroll).
- Claims relating to the CEO can be authorised by the CFO (also including via Edupay for reimbursement via payroll) or the Trustee Chair. CFO claims can be approved by the HR Officer.
- All expense claims (submitted on the appropriate form) are to be supported by VAT receipts (or other appropriate evidence of expenditure) which must be attached to the claim. Claims for subsistence can only be claimed to the maximum stated below.
- Rates of subsistence will be paid at the following maximum rates:

Breakfast	£5.00
Lunch	£7.50
Evening Meal	£15.00
- Claims for the purchase of alcohol will not be reimbursed.
- The academy may not reclaim VAT without a proper VAT receipt.
- Repayment of expense claims will be by BACS payment or via payroll to the claimants' bank account.

## Receiving of Goods / Acknowledgement of Service

3.5 The person accepting the goods will be responsible for signing the delivery note to confirm the correct goods have been received. This will then be processed on the system by the AO who will record on the financial accounting system who has checked the goods.

## Staff Appointments/Terminations

3.6 The Trust Board have approved a personnel establishment for the trust. Changes can only be made to the establishment via the Central Team, with the express approval of the Board, who will also ensure that adequate budgetary provision exists for any changes.

3.7 The approval required for the appointment of staff or changes to contract is as follows:

Executive/Headteacher Appointment	The ASST Board
All other staff	Exec/HT subject to the agreed establishment and budget constraints and in accordance with the Trusts recruitment policy.
Chief Financial Officer	The ASST Board

3.8 All relevant forms and paperwork with regard to the appointment of, or amendment to contracts of staff should be sourced from the ASST HR Officer. The AO/HT/ASST HR Officer is to ensure that all personnel pre-employment checks are completed and relevant clearances obtained for all staff before they start their employment.

3.9 The Board has authority to approve individual staff severance payments and compensation payments as per the Academies Trust Handbook, providing the non-statutory/ non contractual element is under £50,000. Above £50,000 prior approval must be sought for the non-contractual element from the ESFA.

## Payment of Additional Hours

3.10 With regard to staff overtime etc, the Exec/HT is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, authorisation can only be made by the CEO/CFO. No overtime should be undertaken without the prior approval of the Exec/HT.

## Monitoring Salary Payments

3.11 It is the responsibility of the CFO to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the school's financial accounting system is correct and will avoid distortion of financial information.

Any payroll transactions relating to the Exec/HT will be authorised by the CEO.

## Supply Staff

3.12

- a) All supply staff will be appointed by the Headteacher or as otherwise directed by the Headteacher. It is the responsibility of the AO to ensure that the necessary appointment paperwork is authorised and is done via liaison with the ASST Central Team.
- b) It is the responsibility of the individual member of staff to agree with their line manager the hours worked in the particular payment period. The line manager will then authorise the claim and forward it to the AO to input into the payroll system (Edupay) which is subsequently checked by the Trust Central Team. If a dispute arises over hours claimed, the Headteacher will be informed immediately.

## Contract Approval

3.13 Any contractual commitment with a term of longer than 12 months, including lease agreements, will require the approval of the CFO.

By law an operating lease is the only type of lease available to schools. These leases involve the school paying a rental for the hire of an asset for a period of time and have the character of a rental agreement. No other lease, such as finance leases or hire purchase, may be entered into by the school as this is a form of borrowing.

The CFO has delegated authority to sign central contracts following approval by Finance and Audit Committee of the ASST Board.

## Insurance

3.14 Insurance cover for the academy will be arranged via the RPA Scheme at Trust Board level. Insurance cover will include:

- Public Liability
- Buildings and Contents
- Terrorism
- Business Interruption
- Employer Liability
- Hirers Liability
- Governors Liability
- School Journey
- Personal Accident
- Motor
- Engineering

Maternity and staff absence insurance has been replaced by the ASST Staff Absence Risk Pool with effect from 01.09.2020. Each academy has been internally recharged for an annual premium based upon a flat charge per pupil combined with a weighting based on previous claims experience. Approval for operation of the Risk Pool is from the Trust Board.

Business continuity plans should be established in each academy by the Headteacher in collaboration with the CEO and reviewed annually.

## 4.0 FINANCIAL PLANNING AND REVIEW

### Budget Planning / Setting

- 4.1 The school's overall budget plans (both one year annual and medium term financial plans) will be prepared by the ASST Central Team in consultation with each academy Exec/Headteacher. The budget will be prepared having regard to all known needs of the school including the School Improvement/Development Plan. It is the responsibility of the EHT and Central Team to ensure that all the required budgeting paperwork is submitted to The Board in accordance with the published timetable.
- 4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.
- 4.3 The ASST Central Team and Exec/Headteacher will be responsible for ensuring that the school has budget business plans in place for all trading activities e.g. catering, uniform sales, lettings etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from the Delegated Fund to cover a budgeted deficit, ASST Board approval is required. All budgeted business plans should be clearly linked to the School Development Plan.
- 4.4 The school budget will be reviewed by the Finance and Audit Committee and submitted to The Board for final approval.
- 4.5 The approved budget should be promptly loaded onto the Trust's financial accounting system.

- 4.6 A copy of the approved budget plan is to be maintained by the ASST Central Team and a further copy retained by the Executive Headteacher.

#### Budget Monitoring

- 4.7 The CFO/CT will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating appropriate reports to the Exec HT/LGB (budget monitoring reports) and Trust (management accounts) on a monthly basis. Urgent budget issues will be reported to the LGB immediately.
- 4.8 Upon receipt of the monthly budget monitoring reports, the Exec Headteacher will circulate these to the LGB, including an explanation of significant variances against budget and with a projection of income and expenditure to the year-end.

#### Financial Returns

- 4.9 The CFO will be responsible for preparing all the financial returns required by the Education & Skills Funding Agency. All returns will be completed in the required timescales.
- 4.10 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 Board. 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:  
<https://www.gov.uk/government/organisations/charity-commission>
- 4.11 The Trust Board 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.
- 4.12 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.
- 4.13 The ESFA require the Academy to publish its Annual Accounts and Annual Report by 31<sup>st</sup> January. This will be done via the ASST website.

#### 5.0 INTERNAL CONTROL

The objectives of Internal Control are to give the Trust confidence that as far as is reasonably possible:

- a) the accounting records are accurate and complete,
- b) the financial procedures in operation minimise the risks of misappropriation of funds and assets,
- c) the trust achieves best value as evidenced by a value for money assessment.

- 5.1 The CFO is responsible for carrying out monthly bank statement reconciliations for all bank accounts within two weeks of receipt. All discrepancies are to be investigated immediately and reported to the CEO and, if appropriate, the Bank.
- 5.2 The CFO is responsible for ensuring that VAT transactions are recorded accurately and the VAT control accounts reconciled to support in the preparation of a central trust VAT return.

- 5.3 The CFO is responsible for ensuring that internal control audits take place to provide assurance that the internal controls are robust. To support them in fulfilling this role, the Board will commission an external provider to carry out an audit of the controls. The CFO will ensure that an action plan is drawn up to address any weaknesses identified and will review this on a regular basis. All internal audit reports will be reviewed by The Board.
- 5.4 It is a legal requirement for ASST to prepare audited, consolidated accounts. The Board will appoint the statutory auditors to audit the accounts and confirm that they are “true and fair”. The CEO and CFO will be required to ensure that up-to-date and accurate accounts are available and that year end processes are followed. The CFO and CEO will need to be available to support the statutory auditors in conducting their work.

#### Separation of duties

- 5.5 It is the responsibility of the CFO and Exec Headteacher to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:
- a) Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
  - b) Authorisation – the authorisation of a transaction such as a purchase order and the payment.
  - c) Payment – the raising of cheques / BACS and cheque / BACS signatories.
  - d) Custody – the holding of goods and services.
  - e) Recording – the completion of the accounting records.
  - f) Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation

#### Accounting Arrangements

- 5.6 The financial transactions of the academy must be recorded in accordance with Trust’s approved Accounting Policies and recorded on the accounting system. All transactions input into the accounting system must be authorised in accordance with the procedures specified in this policy.
- 5.7 Entry to the accounting system is password restricted. Passwords should be changed appropriately in line with the ASST Data Protection Policy.
- 5.8 Access to the component parts of the accounting system can be restricted and the CFO is responsible for determining access levels for all members of staff using the system.
- 5.9 The Trust will have a standard chart of accounts which will be used by the individual academies. Requests to set up new nominal and account ledger codes need to be made to the CFO. All individual academies are to use the standard nominal and ledger codes of the Trust.
- 5.10 The CFO is responsible for ensuring there is effective back up procedures for the accounting system. Note that the Trust uses Iris Financials as an accounting system that is cloud-based.
- 5.11 The CFO/Central Team is responsible for ensuring the following reconciliations are carried out on a monthly basis and account balances reviewed.
- Debtor control accounts
  - Creditor control accounts
  - VAT control accounts
  - Payroll control accounts
  - Bank
  - Sundry creditors/accruals
  - Sundry debtors/prepayment
  - Suspense accounts
  - Intra-company accounts
  - Fixed asset accounts

- Any other balance sheet accounts as appropriate

Any unusual or long standing reconciling items should be brought to the attention of the CFO.

## 6.0 ASSETS AND INVENTORY

6.1 The CFO should ensure that all items which have a useful life and value lasting more than one year and which is above the de minimis level set in the Trusts accounting policies (currently £2,500) are recorded on a fixed asset register and capitalised in the accounting system. The asset register should include the following information.

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- warranty information

Condition of the items should be reviewed annually and adjustments made to the register if required.

### Inventory

6.2 Each academy in the trust will keep an inventory to:

- Ensure proper physical control of school equipment.
- Provide a basis for insurance cover and claims if equipment is damaged or destroyed.
- Provide an up-to-date record of the equipment available for teaching purposes.
- Help the school plan its equipment replacement programme.

All portable items of equipment will be security marked with the name and postcode of the school. If the school 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.

The following categories of inventory will be entered in the inventory register at the time of acquisition by the academy:

- All items valued at £250 or more at the time of acquisition or purchase, either individually or as a set.
- Items below the value noted above but which are considered attractive and portable.
- Items considered by the Headteacher as being worthy of inclusion.
- Items hired to or leased by the school, that match any of the above criteria
- will be included, but identified accordingly.

The inventory register will record the following information:

- Item description.
- Serial number or asset reference number.
- Date acquired.
- Acquisition cost.
- Asset location.
- If item has been security marked.

- Date of last physical check.

The AO is responsible for maintaining the inventory register at each academy.

All inventory items recorded in the register will be checked annually by the Central Team and certified as correct. Any adjustments arising from the physical check must be authorised as laid down in 3.5 above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the check.

All authorised disposal of school inventory must be recorded, showing the method of disposal and the authority for such action (see Section 3.5).

A separate 'Off Site Register' shall be kept for all items loaned to members of staff and pupils. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

## **7.0 BANKING ARRANGEMENTS**

- 7.1 All decisions with regard to choice of banking service provider and subsequent banking arrangements will be made by the Trust Board.
- 7.2 The Exec HT must ensure that significant variations to the academy budget are discussed with the CFO. Any concerns regarding cash flow should be reported to the CFO.
- 7.3 The CFO is responsible for carrying out a monthly bank statement reconciliation for the central bank accounts within two weeks of receipt. Any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.
- 7.4 The Trust 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.
- 7.5 Direct Debit or Standing Order payment arrangements must be authorised by two of the following authorised signatories, and retained on file for reference:

Melanie Barrow, Paul Parslow-Williams, Karen Preece, Claire Flatman, Danielle Paine, , Katharine Minns, Hannah Hunt, Mark Taylor, Jeremy Leicester, Jane Drax, Amie Reeve, Gemma Watts, Natalie Jackson, Charys Rushbrook, Angela Kimber, Daryl Jones, Marc Gilbert.

A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.

- 7.6 An academy is to use BACS facilities to replace cheque payments wherever possible. The principles and authorisation remain the same for cheque payments.
- 7.7 BACS procedures and control are as follows:
  - For initial supplier set up, the Administration Officer (AO) will complete a new supplier form to the ASST Central Team (CT), who will externally research supplier authenticity and will contact the supplier to confirm bank details.
  - On receipt of their bank details (or subsequent changes thereto) the CT will telephone the company to verify their bank details and will write/sign on the letter that this has been completed.
  - The bank details are then input into the Financial Accounting System and are double checked and signed off by CFO. This signed evidence of independent checking is to be retained for audit purposes.
  - On a monthly basis an audit trail report will be generated to show any suppliers bank details that have changed- all changes on this report are to be checked off against bank details provided by the supplier and authorised by the CFO/CEO. This signed evidence is to be retained for audit purposes.

- All BACS payments generated on the accounting system, together with supporting invoices, will be signed individually by 2 approved signatures, in accordance with the bank mandate and the financial regulations, to confirm authorisation for payment. The limit for each BACS payment is £15,000.
- The BACS bureau procedures will be completed, ensuring the separation of duties are maintained. Payment advices are to be sent to each supplier.

7.8 When banking money is received (cash, cheques) the bank paying in slips and will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately. A weekly bank input sheet is completed with the same information and sent to CT for input onto the accounting system. The Arbor/Stripe weekly remittance report is downloaded by the AO each week, reconciled with outstandings and input onto the weekly bank input sheet for central input.

## **8.0 PURCHASING AND PAYMENT PROCEDURES**

8.1 Budget holders will be responsible for requesting the purchase of items or services from their own budgets and in accordance with their delegated limits.

This will be done by the completion of an Internal Order Form which will be authorised by the academy Exec Headteacher or Head of School.

8.2 On receipt of an order form, the order will be placed on PS Purchasing (PORD) to enable electronic authorisation by the Headteacher and which will also determine that the appropriate budget has sufficient funds to meet the order. When authorised, the AO can send/email the order to the supplier/contractor. Reference will be made as appropriate to the procurement procedures established by the Trust.

8.3 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the front of these Regulations and section 3.1 of these Regulations.

8.4 If an order is placed verbally due to urgency an order form should be used to ensure that a commitment is promptly raised on the financial accounting system. It is not acceptable to wait until the invoice/delivery note is received before entering a commitment onto PSF.

8.5 When the goods are received, these are to be reconciled against the original order (PORD), delivery note is to be signed confirming all goods are correct and a goods received (GRN) document is to be input on PS Purchasing for all items received.

8.6 The order form and delivery note are to be kept at each school, When the invoice is received, this is added to the weekly invoice log sheet. All invoices received should be checked against the original order for accuracy (and delivery notes where appropriate). Every week, the invoice log sheet and all order paperwork should be scanned/emailed to the CT for processing.

All invoices are to be paid by BACS – cheque payments are to be the exception. Following posting by CT on the finance system, a BACS payment run is prepared by CT (maximum £15,000 total per payment run) paying due regard to separation of duties. The CFO will review and authorise each BACS run and upload to Lloyds Commercial Banking portal. The CEO will approve the BACS payment on Lloyds.

8.7 The cheque signatories are any two from the following:

Melanie Barrow, Paul Parslow-Williams, Karen Preece, Claire Flatman, Danielle Paine, Barry Cole, Katharine Minns, Hannah Hunt, Mark Taylor, Jeremy Leicester, Jane Drax, Amie Reeve, Gemma Watts, Natalie Jackson, Charys Rushbrook, Angela Kimber, Daryl Jones, Marc Gilbert.

8.8 The CT is designated to control cheques and must ensure that:

- a) A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in 8.7 above.



- b) Cheque reports are kept on file and are signed by at least two cheque signatories confirming an unbroken sequence of cheque numbers.
- c) Spoiled cheques are cancelled on the financial system, defaced and retained on file to confirm that all cheques have been accounted for.
- d) All blank cheques are securely stored and properly accounted for at each academy.
- e) Blank cheques are not pre-signed.
- f) Where continuous cheque stationery is used, the approved format is complied with, in accordance with Trust guidance.
- g) All raised cheques are entered correctly on the financial accounting system, supported by the approved order, goods received and invoice paperwork sent to CT.
- h) The CT retains all bank stationery and is responsible for ordering sufficient supplies for the academy schools.

8.9 The Executive/Headteacher and CT must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.

8.10 Cheques / BACS payments will be issued in accordance with the trading terms of the individual contractor or supplier since due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.

8.11 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.

8.12 Original invoices must be marked as paid to ensure duplicate payments are not made, together with details of the BACS/cheque number.

8.13 Copy invoices are not to be paid unless verified 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".

8.14 Under no circumstances are payments to be paid against statements.

8.15 Where appropriate, adequate checks are to be made that the contractors employed for buildings work have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the Executive Headteacher to ensure that this is complied with.

8.16 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 ensure value for money is obtained.

Orders and purchases between £5,001 and £50,000, will be subject to the receipt of at least 3 competitive quotations (where available), 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 authorisation from the CEO (< £10,000), Finance & Audit Committee (>£10,000 < £25,000) or the Board (>£25,000) is required.

In accordance with agreed procurement standards, approval of contracts over £50,000 will only be made after following the tendering procedure. The Board will oversee all tendering processes on behalf of the trust.

#### Internet Purchases

8.17 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.

8.18 The AO will be authorised to place online purchases. The internet order must be raised in the name of the school with the school's address, not to an individual.

- 8.19 Requests should be made to the AO from the budget holder in the normal manner (section 8.4), an official order should be raised on the financial accounting system and authorised as specified (section 8.4). Where possible the official order number should be quoted on the internet order as a cross reference.
- 8.20 It is the responsibility of the AO to ensure the internet is the most appropriate means for procurement.
- 8.21 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the school's normal payment route.
- 8.22 Payment by the schools' payment card or 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 (section 8.4), and the Trust retains the right to refuse to reimburse the individual if the school's procedures are not followed.
- 8.23 Reimbursement to individuals should be made in the normal manner (staff expense claim) upon production of an original invoice / receipt.
- 8.24 Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and sent to CT as per the normal processing schedule. This is especially important if the school is to recover any VAT element.
- 8.25 All purchases should only be made from secure websites that the AFL has gained reassurance are safe and free from fraudulent activity. The use of online auction websites is not permitted.

#### Purchase Cards

- 8.26 Purchase cards may be issued by the academy to key staff members to purchase items for the academy at a maximum value of £1000:
- Cards are issued in the academy Headteacher or Head of School name.
  - Cards are held by the Trust Central Team. The academy is authorised to use cards for online payments only after Central Team approval has been given.
  - Cards are kept by the Central Team.
  - Card purchases are subject to the purchase/expenditure limits/procedures as detailed above.
  - Personal use is not permitted.
  - Prime documents will be retained for 6 years + current.
  - Internet purchase limits are detailed above.
  - Monthly statements are authorised by the CFO.
  - Misuse of purchase card by individuals must be reported to the CFO/CEO.

There is also a more detailed Purchase Card Policy that should be consulted alongside this Policy.

### Tendering Procedures

#### Introduction to Tendering

- 8.27 Approval of contracts over £50,000 will only be made following the academy's tendering procedure. If the academy undertakes a high-value purchase, an Invitation to Tender will need to be issued 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.
- 8.28 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 (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.

## Forms of Tenders

8.29 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 CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

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

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

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

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

## Preparation for Tender

8.30 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.

## Invitation to Tender

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

An invitation to tender should include the following:

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

## 8.32 Aspects to Consider

### Financial

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

- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation.

### **Technical/Suitability**

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

### **Other Considerations**

- Pre sales demonstrations
- After sales service, 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.

### **Tender Instructions**

- 8.33 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.

### **Tender Opening Procedures**

- 8.34 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.

Two people should be present for the opening of tenders as follows: Headteacher and CEO/CFO.

### **Tendering Evaluation and Acceptance**

- 8.35 The Board 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 Board should consider whether this is sufficient and consider re tendering. Decisions to go ahead should fully document the justification.
- 8.36 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.
- 8.37 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.
- 8.38 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision.

- 8.39 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.
- 8.40 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 Trust Board. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.
- 8.41 A copy of the tender documentation should be held on site for easy reference as required.
- 8.42 Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.
- 8.43 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 Trust Board.

## **9.0 PAYROLL AND PERSONNEL PROCEDURES**

- 9.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in 3.9.
- 9.2 Neither the Executive Headteacher nor the Head of School can authorise amendments concerning their own pay and contract conditions. Changes to the Executive Headteacher's pay and contract conditions must be authorised The Board.
- 9.3 The CFO/CT have responsibility for checking and reconciling actual monthly prepayroll and payroll payments and deductions to those expected and committed and is to be approved by the CEO. The CT has responsibility for agreeing the month end payroll adjustments (additional hours, absences, supply hours) on Edupay Orovia, following approval by the CFO.
- 9.4 Payments made each month via Edupay and payments made to outside staff agencies are to be debited against the relevant budgets and credited to the payroll control accounts. After the appropriate BACS transfers and the corresponding entries in the payroll control accounts and the school bank accounts have been made, any balance remaining in the payroll control accounts must be reconciled, and appropriate explanations documented. It is the responsibility of the CFO to ensure that this is done.
- 9.5 Each month the CFO will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 9.6 Copies of all payroll reports will be filed by the CFO in the CT filing and kept secure.

## **10.0 INCOME**

### **General**

- 10.1 It is the responsibility of the Administration Officers 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.
- 10.2 All income received should be recorded on the Academy's record sheets and the weekly banking input sheets – these are to be sent weekly to the CFT. On receipt, these will be entered onto the academy's financial accounting system by the CFT. 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.

- 10.3 All income (cash and cheques) received by the academy should be banked at a minimum each month end 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.
- 10.4 Personal cheques should not be cashed.
- 10.5 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.
- 10.6 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, either on the bank paying in slip, or the Cash Analysis Sheet.
- 10.7 Income received by the academy will be acknowledged to the payer by either i) issue of a receipt when the value of the payment exceeds £30 via the online payment system or, ii) by the collector signing an official collection record i.e. Residential Trip Payment Card. No category of income should be excluded from the issue of a receipt e.g. academy meals. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.

### **Custody**

- 10.8 Where required, official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking.
- 10.9 Monies collected must be banked in their entirety (intact) in the Trust bank account. The CFT 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. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the CFO.

### **Automated On- Line Payments**

- 10.10 The Trust has currently procured an Online Parental payment system (Arbor) and each school is to be encouraged to make this the primary source of parent payment collection. When setting up a contract with a new supplier for provision of an on-line payment system, consideration should be given to the following areas:
- i) Basis of fees payable to the company
  - ii) Complete audit trail and facility of income reconciliation of totals received
  - iii) Reminder facilities to chase up overdue amounts

Any contract for the services of an online parental payment system Service Provider will be reviewed regularly to ensure that the academy is getting value for money and that the provider is giving an adequate service. A copy of the contract should be held in academy.

## **11.0 RISK MANAGEMENT**

- 11.1 The Local Governing Body/Headteacher should ensure that a risk register is compiled and updated regularly. It should identify significant risks and the member of staff responsible for managing it. A

copy of the register should be presented to the LGB at every meeting. Monthly a copy should be forwarded to the CEO for review and this will be presented to The Board for approval.

- 11.2 Where risks arise that threaten the reputation of the Trust or the financial viability of the academy, they should be notified to the CEO and Board.