

# Manor Hall Academy Trust



## **FINANCE MANAGEMENT POLICY AND PROCEDURE MANUAL v1**

The Directors of the trust, in line with the Scheme of Delegation and Articles of Association have overall responsibility for the effective operation of MAT policies, but has delegated day to day responsibility to the Headteacher and LAB.

Directors will take account of recommendations from individual schools in review of this policy and seek HR advice as to such revisions.

Date	Version	Reason For Change	Overview of Changes Made	Source
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03.02.23	V1	Update to 2021 version	<ol style="list-style-type: none"> <li>1. Formatting, consistency in naming convention.</li> <li>2. Addition of Oakfield Lodge</li> <li>3. Requirement for staffing structure additions to be approved by CFO/CEO</li> <li>4. Explicit reference to Purchase card transactions to be made by named card holder only</li> <li>5. Updated terminology – AFH to ATH.</li> <li>6. Updated Reserves policy to reflect aim of min 5% of income as reserves.</li> </ol>	Finance Policy 2021
Spring 24	V2	Update to the 2023 version	<ul style="list-style-type: none"> <li>• Updates to reflect any changes to responsibilities in the Scheme of Delegation</li> <li>• 2. Update value in Gifts, Hospitality donation and prizes in that we have changed the value which needs to be declared from £25 to £50.</li> <li>• Update purchasing section to align the Competitive Tendering Policy in that we require three quotes for amounts of £3,000 instead of £2,000</li> <li>• Introduce a tolerance clause when invoices are slightly different to purchase order; whichever is greater:             <ul style="list-style-type: none"> <li>○ £1 difference on any order</li> <li>○ Up to 1% difference in invoice to a maximum of £10</li> </ul> </li> </ul>	

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## 1. Organisational Structure of Financial Responsibility

The aim of the management structure is to devolve responsibility, encourage involvement in decision making at all levels and maximise opportunities for succession planning.

The management structure of the Trust is as follows:

Members

Board of Directors

LAB Committees

Chief Executive Officer (CEO) -Accounting Officer

Chief Finance Officer (CFO)

Chief Operating Officer (COO)

Trust Finance Manager (TFM)

Finance Officers

Finance and Administration Assistants

<p><b>CICELY HAUGHTON SCHOOL</b> <b><u>Senior Leadership Team (SLT)</u></b> Headteacher Deputy Headteacher Head of Care</p>	<p><b>LOXLEY HALL SCHOOL</b> <b><u>Senior Leadership Team (SLT)</u></b> Headteacher Assistant Headteacher Head of School (KS4) Head of Care</p>	<p><b>THE MEADOWS SCHOOL</b> <b><u>Senior Leadership Team</u></b> Executive Headteacher Deputy Headteacher Bursar</p>
<p><b>SPRINGFIELD SCHOOL</b> <b><u>Senior Leadership Team (SLT)</u></b> Executive Headteacher Deputy Headteacher  Bursar</p>	<p><b>MERRYFIELDS SCHOOL</b> <b><u>Senior Leadership Team (SLT)</u></b> Headteacher Deputy Headteacher Assistant Headteacher Bursar</p>	<p><b>ROCKLANDS SCHOOL</b> <b><u>Senior Leadership Team</u></b> Headteacher Deputy Headteacher Assistant Headteacher Bursar</p>
<p><b>CHASELEA AP ACADEMY</b> <b><u>Senior Leadership Team (SLT)</u></b> Headteacher Deputy Head Bursar</p>	<p><b>SHENSTONE LODGE SCHOOL</b> <b><u>Senior Leadership Team (SLT)</u></b> Executive Headteacher Head of School (The Brades) Head of School (Shenstone Lodge)</p>	<p><b>CASTLEWOOD SCHOOL</b> <b><u>Senior Leadership Team</u></b> Headteacher Deputy Head Assistant Headteacher</p>

Bursar

Bursar

<b>BAILEY STREET AP ACADEMY</b>	<b>ADELAIDE SCHOOL</b>	<b>FINCHWOOD ACADEMY</b>
<b><u>Senior Leadership Team (SLT)</u></b>	<b><u>Senior Leadership Team (SLT)</u></b>	<b><u>Senior Leadership Team</u></b>
Headteacher	Executive Headteacher	Executive Headteacher
Deputy Headteacher	Headteacher	Headteacher
	Deputy Headteacher	Deputy Headteacher
	Assistant Headteacher	Assistant Headteacher
<b>ADELAIDE HEATH SCHOOL</b>	<b>OAKFIELD LODGE SCHOOL</b>	
<b><u>Senior Leadership Team (SLT)</u></b>	<b><u>Senior Leadership Team (SLT)</u></b>	
Executive Headteacher	Headteacher	
Headteacher	Deputy Headteacher	
Deputy Headteacher	Assistant Headteacher	
Assistant Headteacher		

The LAB fulfils a largely strategic role. Some of our LAB Board adopt a committee structure while others have half termly full board meetings. We have revised our Terms of Reference to update the remit; which includes:

- Ensuring that resources are allocated in relation to the priorities as identified by the School Development Plan and recommend the final budget for approval by Directors,
- Recommend expenditure above 10k up to a limit of 20k for expenditure not documentation within the School Development Plan
- To request access to school reserves from Directors
- Authorise write-offs, (liabilities and debts) up to £500

The SLT control the school at an executive level implementing the policies laid down by the LAB and reporting back to them. As a group, the senior managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the LAB is responsible (having regard to the CEO's advice).

The Chief Executive Officer (CEO) is the Accounting Officer for the Trust.

Note: Policies in this manual are summary policies and where appropriate a more detailed policy is available.

## 2. Financial Responsibilities

### Chief Executive Officer's Responsibilities (Accounting Officer)

- To advise the Directors and LAB's on the discharge of its responsibilities.
- To prepare financial plans so as to secure the academy trust's short-term and long-term financial health.

- To ensure the efficient, economical and effective management of the LAB's resources and expenditure, including funds, capital assets, equipment and staff.
- To ensure the maintenance of sound internal financial controls.
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.
- To be responsible for signing, with the Chair of the Trustees, the approved budget and annual accounts ensuring they are properly presented and causing records to be maintained relating to the accounts.
- To ensure that all financial reports to the ESFA/DfE, Governors, SLT and all other budget holders are accurate and on time.
- To review from time to time with the CFO the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the academy (see appendix Internal Financial Procedures Manual)
- To receive regular reports on the Academy's income and expenditure, showing a comparison of these against annual budget.
- To approve new staff appointments except for Senior Leadership Team posts, which will be approved by the Board.

### **Chief Finance Officer (CFO)**

- To provide such assistance to the Board as necessary for the satisfactory completion of their financial responsibilities, including access to all financial documents and accounting systems.
- To ensure with finance staff that all aspects of academy financial management requirements are implemented, especially in the critical area of periodic reporting of the Academy's financial position to the ESFA/DfE, Companies House and other stakeholders.
- To work within and maintain robust internal financial controls
- To provide regular reports of the Academy's financial position to the Trust Audit & Risk Committee and report variations in the budget.
- To ensure that contingencies and business continuity plans are in place to secure the Trust's short-term and long-term financial viability
- To ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements.

- To arrange for all financial activities at each school to be fair and honest.
- To agree with the CEO funds to be delegated to academies taking into account their forecasted requirements.

## **Auditors**

- To provide an independent oversight of the academy's financial affairs
- To provide the Board of Trustees with on-going assurance that:
  - a) The financial responsibilities of the Full Board are being properly discharged
  - b) To ensure that the aims, objectives and key performance targets are achieved in the most economic, effective and environmentally preferable manner
  - c) Sound systems of internal financial control are being maintained
  - d) Financial considerations are fully taken into account in reaching decisions
- To provide the trust with a written report based on the findings of the internal audit reports

## **Headteacher/Head of School's Responsibilities**

- To advise the LAB on the discharge of its responsibilities.
- To prepare financial plans so as to secure the academy short-term and long-term financial health.
- To ensure the efficient, economical and effective management of the Trust's resources and expenditure, including funds, capital assets, equipment and staff.
- To ensure the maintenance of sound internal financial controls.
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.
- To be responsible for signing, with the Chair of the LAB, the centrally approved budget.
- To ensure that all financial reports to the Governors, SLT and all other budget holders are accurate and on time.
- To review from time to time with the CFO the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the academy (see appendix Internal Financial Procedures Manual)
- To receive regular reports on the Academy's income and expenditure, showing a comparison of these against annual budget.
- To sign off salary payments and Service Level Agreements

- To approve new staff appointments, within agreed staffing structure, except for Senior Leadership Team posts, which will be approved by the CEO and the Board.
- To oversee the procurement of services from third parties are obtained in a compliant way in that the required quotations have been received.
- To only directly enter into contracts within an agreed budget and in line with the limits set by the Scheme of Delegation

### **School Office Manager/ Senior Administrator**

- Ensure compliance with all financial policies and roles and responsibilities
- Maintain the accounting records using PSF and budgeting software.
- Carry out transactions and processes within the Academy's financial system
- Ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management
- Ensure payment for goods/services are authorised and where VAT is charged, obtain a VAT receipt

### **Budget Holders Responsibilities**

- To exercise responsibility for routine control and monitoring of their budget expenditure.
- To work with their assigned Finance Officer, the Finance Manager and the Chief Financial Officer to ensure that the termly meetings are effective and productive.
- To raise any issues in a timely way so that solutions can be suggested and implemented

### **3. Business Integrity**

All Directors, Local Advisory Board Members (LABS) and staff must declare any direct or indirect pecuniary interests at all times and should inform the Information, Governance & Compliance Officer of any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in the academy. This Register should be regularly drawn to Directors/LABs attention at least once a year and declarations of interest pertaining to agenda items, must be noted before any Committee meeting. The Register of Pecuniary Interests is held by the Information, Governance & Compliance Officer and is open to public inspection.

### **4. Audit and Risk Committee Terms of Reference**

Please refer to the separate Audit and Risk Terms of Reference

### **5. Finance Policy**

The purpose of the policy:



To define the responsibilities within the Trust  
To provide guidance on the application of regulations  
To identify procedures to ensure integrity of internal controls  
To set out guidelines to ensure effectiveness of resources

### **Rationale and Accountability**

Directors have statutory responsibility for the oversight of the financial management within the Trust.

#### The role of the Board of Directors is to:

- receive the budget
- set the terms of reference for the Audit and Risk Committee
- ensure that the MAT has adequate insurance cover
- notify the Secretary of State, via the ESFA, of any instances of fraud or theft where the value exceeds any sum notified by the ESFA or appears to be systematic
- receive a set of accounting policies
- maintain proper accounts
- appoint a registered statutory auditor
- prepare annual financial accounts

#### The role of the Audit and Risk Committee is to:

- approve the budget forecast return
- to ensure the annual financial statements and accounts are produced in accordance with the Companies Act 1985 and the ESFA/DfE guidance issued to academies
- review and approve finance policies
- review and approve systems of internal financial control
- monitor the annual budget and approve financial recommendations
- set levels of authority for spending and virement
- consider the impact of student numbers on the budget over short, medium and long terms
- receive and respond to reports of the Responsible Officer
- receive and review monthly finance reports
- receive and respond to auditors' reports
- notify the ESFA of any significant changes to the budget
- seek approval from the Secretary of State (through the ESFA) in advance of borrowing

### **Budgets and authority levels:**

The LAB shall plan the school finances through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.

Procedures for virement are as follows:

- Ring fenced funding – no virement
- Between budget heads – agreement of the CEO.
- Between cost centres –Headteacher/Head of School and Finance Manager
- Within a cost centre – no virement required

**Authority to incur expenditure consistent with the budget**

- The budget holder with responsibility for a cost centre can commit expenditure up to their budget allocation
- The School Office Manager has authority to commit and approve expenditure up to £3000, with budget holder approval.
- The CFO and CEO have joint authority to commit and approve expenditure up to a value of £40,000
- The Headteacher/Head of School’s have authority to commit and approve expenditure up to a value of £10,000. The Headteacher can delegate authority under the Academy Scheme of Delegation
- The LAB (or via chairs action) must agree any expenditure for which there is no budget and any single purchases up to £20,000
- For any revenue or capital purchases costing over the value of £20,000, must be requested in writing to the CEO/CFO for approval. For purchases between £20,000 and £40,000 must be requested in writing to the Audit and Risk Committee for approval prior to passing to the Central team for ordering.

**Purchasing**

The LAB shall maintain a policy of best value for all purchases. As a matter of course, all purchases should be made through the academy’s ordering system. The School Finance Manager shall keep records of all purchases made through the finance system.

The policy of Best Value will be applied using the four principles:

- Challenging how a service or supply is provided and why it is required
- Comparing performance with other schools
- Consulting with relevant stakeholders
- Competing as a means of securing efficient and effective services and supplies.

**Internal Controls (academies)**

Internal delegation, subject to the limits above, will be as follows:

<b>Authorisation for:</b>	<b>Certifying officers:</b>
Expenses forms	Headteacher, Head of School
Claim Forms	Headteacher, Head of School
Absence requests	Line Managers, SLT, LAB
Order approval PSF	School Finance Manager
Service Level Agreements	Headteacher
Petty cash	Budget Holder, Head of School
Order requisitions and non-order invoice approval (Utilities only)	Budget Holder, Headteacher, Head of School

Cheques signatories – Cheques require two signatories	Academies - Head of School, SLT, School Finance Manager Trust – CFO, CEO, Trust Finance Manager
Procurement Cards	Budget Holder, Head of School
BACS Authorisation – requires two approvals	CEO, CFO, Trust Finance Manager

All cheques require two signatories as approved by the Board of Directors.

If a cheque value is over £50,000, a Director must countersign the cheque approval form.

### **BACS Authorisation**

The Trust will operate a BACS payment system, in line with procedures agreed by Directors. In summary:

- The Trust will maintain a central up to date list of suppliers to be paid by BACS. Maintenance of the list will be restricted to the CFO, TFM.
- The BACS Schedule/Payment Proposal must be signed as confirmed.
- There must be a clear segregation of checks between preparing the payment details and authorising payment.
- BACS schedules and summary should be retained in accordance with the retention periods for financial records and filed appropriately.

### **Business Charge Card (Procurement Card)**

The Trust will hold business charge cards to facilitate the purchase of certain items where the supplier requires direct payment and is not able to provide an invoice on credit terms. It removes the needs for members of staff to use their own cash or credit in these circumstances. The intention is that the charge card be used as a **last resort** for transactions that fall outside the normal procurement process. The primary method remains purchase orders/invoicing and should be used in preference to card purchases wherever possible. Under no circumstance must cards be used for private purposes. Card holders are responsible for ensuring that they remain within the limit set by the LAB and recorded on the academy scheme of delegation.

### **Business Cash Cards**

The Trust will hold business debit cards to facilitate the withdrawal of cash for the reimbursement of petty cash floats **only**. The School Office Managers are responsible for collecting cash for imprest.

### **Procedures**

These procedures are designed to protect both the school and members of staff issued with cards.

- The CFO will act as main representative and first point of contact for the bank and will maintain the register of cards issued to employees.
- Card holders must read the issuing bank's Terms and Conditions as part of the card application process – this includes information on the process to follow with regard to lost/stolen cards or confidential information.
- Cards should be stored securely by the holder. Cards are issued to individuals and **must not** be shared with other members of staff.
- The card is issued to facilitate the purchase of goods/services. Cash withdrawals are not permitted.
- Where at all possible purchases should be made in accordance with the school's standard procurement procedures from existing suppliers who have pre-agreed terms and credit lines in place. This will limit the use of the business charge cards.
- The School Office Managers will ensure that all paperwork is signed by card signatories and that the card transaction is in line with the bank mandate for payments from the account.
- All shipments of goods and services must be for **delivery to the school address**. The receipt of goods will be authorised by Office or reception staff as with standard purchase orders.
- The School Office Manager is responsible for ensuring that an authorised order requisition and original VAT invoice/receipt is obtained in respect of any transaction. All paperwork must be retained in the Finance Office for ease of reconciliation with the monthly invoice.
- Charge card statements will be reconciled by the School Office Manager and together with the transaction log submitted to the Central team. Any unauthorised expenditure incurred by cardholder will lead to the card being withdrawn from use, reported to the chair of the Audit and Risk Committee and the CFO.
- The business charge card balance will be paid in full by Direct Debit on a monthly basis.
- Should fraud or misuse be suspected, the bank should be informed immediately so that the appropriate action can be taken.
- A cardholder will be personally responsible for transactions they make using their card. If they are found to have made any that are not in line with this policy then the Trust will be authorised to recover the cost of any such transactions and where reimbursement is not received, to make a salary deduction for the amount due.
- In the event that a business charge card is lost or stolen, the cardholder must contact the issuing bank and the Central team as soon as possible.

## Monitoring and Evaluation

Any changes to this policy must be approved by the Trust. The policy and procedures will be monitored on an on-going basis by the CFO and the policy will be reviewed by the Audit Committee annually.

### Financial reporting:

Monthly:	Bank Reconciliations	To: CFO
Monthly:	Period End documentation	To: CFO
		To: Headteacher/Head of School
Monthly:	Cost Centre Reports	To: Budget Holders
Monthly:	Monitoring Report	To: Directors
Annually:	Statutory accounting returns	To: Directors

Approved in Spring 24 and will be reviewed in Spring 25

To: Statutory bodies

Annually: Audited Accounts

To: Members

Annually: Draft Budget Plan

To: Audit and Risk Committee

Annually: Final Budget Plan

To: Directors

Any change in policy requires the approval of the Board

## 6. Budgetary Planning and Control

### Organisational structure

Board of Directors	Approve BFR
CFO	Provisions Trust Budget Forecast Return (BFR)
Audit and Risk Committee (Directors)	Approve the Budget
Headteacher, TFM	Provisional Budget
SLT/ Budget Holders	Input to budget plan
School Staff	Input to line managers

### Budget planning

The budget is separated into distinct and manageable categories. Budget Holders will be allocated a budget for day-to-day management of their area of responsibility. These operating budgets must be prepared within the context of the School Development Plan. It is the budget holder's responsibility to ensure the principles of best value are adhered to, and there is financial probity in the exercise of that duty. Budget holders must monitor their budgets to ensure they do not overspend. The budget holders will control expenditure within their cost centre. All income and expenditure will be processed via the school's finance package PSF.

This budget will be approved by the Trust Audit and Risk Committee and then received by the LABs when it becomes the Final Budget.

### Budget control and monitoring

Budget Holders retain responsibility for routine control and monitoring of their budget expenditure. Variations to predicted expenditure are investigated by the CFO and if significant, the CEO is informed.

### Review of budget

This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are reviewed by the CFO and CEO. Any further action taken must be clearly documented.

## **Financial responsibility**

The Board of Directors has delegated responsibility for routine control to the CEO. The Central Team and Headteachers will meet on a termly basis to review expenditure

## **Conclusion**

A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore Budget Holders responsible for expenditure with definable manageable areas help the CFO produce a consolidated budget. The budget requires authorisation from the Audit and Risk Committee before going to the Board of Directors. The Audit and Risk Committee has delegated authority from the Board of Directors to exercise control and advice over financial affairs.

## **7. Financial calendar**

See: <https://www.gov.uk/government/publications/academies-planning-calendar>

## **8. Investment Policy**

The purpose of the policy is to consider the management of the academy's funds bearing in mind the responsibilities that come with the receipt of central government funding.

- To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.
- To achieve a working balance of 5% income per school to respond to unexpected financial demands.
- To seek to avoid its current account going overdrawn.
- To identify funds surplus to immediate cash requirements and consider investment opportunities.
- To review periodically interest rates and compare with other investment opportunities.

Any change in policy requires the approval of the Audit and Risk Committee.

## **9. Reserves Policy**

The purpose of the policy is to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the academy, such as delays between spending and receipt of grants or unexpected emergencies.

- To regularly review the nature of income and expenditure streams and the need to match income with commitments.
- To maintain the appropriate level of reserves currently approved by Directors to be approximately equivalent to 5% of annual income.
- To consider the set aside of funds for significant projects that cannot be met by future income alone.

Any change in policy requires the approval of the Board of Directors

## **10. Capitalisation and Depreciation of Assets Policy**

### **Introduction**

The purpose of policy is to ensure that the academy's balance sheet correctly reflects the assets and liabilities of Manor Hall Academy Trust.

The policy defines the treatment of Tangible Assets – as assets that have a material or physical form and Intangible Fixed Assets – as assets that have no physical form e.g. reputation. Related procedures are included in the Financial Procedures Manual.

A local Fixed Asset Register will be maintained by the School Finance Manager consisting of a list of items valued over £500 or items deemed as desirable.

The policy is written in accordance with the UK Generally Accepted Accounting Practice guidance under Accounting Standard FRS15 Tangible Fixed Assets.

### **Fixed Asset Register**

The Fixed Asset Register consists of a list of items valued over £3000 that are considered to have a life longer than the financial year they were purchased in.

Fixed Assets are categorised as follows:

- a. Land and Buildings
- b. Plant and Machinery
- c. Furniture and Equipment
- d. Computer Equipment and Software
- e. Assets under construction
- f. Motor Vehicles / Minibuses

Assets excluded from the Fixed Asset Register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.

The appropriate accounting transactions will be processed for all capitalised assets and recorded on the Fixed Asset Register.

Physical counts will be undertaken against the Fixed Asset Register and inventory annually.

Discrepancies between the physical count and the registers are investigated promptly by the School Finance Manager. Any discrepancies over the value of £1000 are reported to the LAB and the CFO.

All disposals of assets are minuted through the LAB's and Fixed Asset Register updated accordingly.

All working papers for the purchase of Assets, including invoices, will be retained.

Attractive and portable items of equipment that fall below the capitalisation limit will be recorded in the Fixed Asset register but will not appear on the balance sheet.

Assets Gifted on conversion have been valued at 'Fair Value' and subject to the same Depreciation Process as detailed below.

## Depreciation

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful economic life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Audit Committee will seek guidance from the accountant.

<b>ASSET GROUP</b>	<b>DEPRECIATION METHOD</b>
Leasehold Land	2% straight line (125 years)
Building modifications/ Leasehold improvements	10% (10 yrs) Straight line with nil residual value
Plant and Machinery	10% (10 yrs) Straight line with nil residual value
Furniture and Equipment	10% (10 yrs) Straight line with nil residual value
Computer Equipment and Software	33.33% (3 yrs) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.



Motor Vehicles / Minibuses	20% (5 yrs) Straight line with nil residual value.
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The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

Any change in policy requires the approval of the Audit Committee.

## Leases

As detailed in the Academy Trust Handbook, academies must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- Taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years; and
- Granting a leasehold interest, including tenancy agreement, on land or buildings to another party, pursuant to the obligations on the academy trust in the Academies Act 2010.

## 11. Disposal of Assets Policy

The Board of Directors recognise that the following are valuable assets of the school:

- (a) Staff; (b) Land; (c) Buildings;

As detailed in the Academy Trust Handbook, Academy Trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- Acquiring a freehold on land and buildings;
- Disposing of a freehold of land or buildings; and
- Disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

Academies may **dispose of any other fixed assets (i.e other than land, buildings and heritage assets as described above)** without the approval of the Secretary of State.

For the purpose of this policy, 'assets' shall be fittings, furniture, equipment, motor vehicles, apparatus, books and other materials originally purchased for the purpose of running the school and having an original individual value of £3000 or more.

It shall be the responsibility of the appropriate Head of Department or Budget Manager to identify any such assets which are surplus to requirements or are deemed to be beyond repair or unsafe

The Head of Department or Budget Holder shall identify surplus assets to the School Finance Manager who upon endorsing the identification shall recommend disposal to the Headteacher. An

asset with a carrying amount (cost less accumulated depreciation) above £500 must be approved by the LAB to ensure that any disposal maintains the principles of regularity, propriety and value for money. Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register.

Where assets are deemed obsolete or beyond repair, they will be disposed of in an appropriate manner fit for the item of equipment. All appropriate steps for the disposal of IT equipment will be taken to ensure that all data and hardware is completely cleared of sensitive data, and in conjunction with the Waste Electrical & Electronic Equipment (WEEE) legislation.

The requirements of the academy's funding agreement with the Secretary of State will be adhered to when considering the disposal of a capital item.

Funds obtained by the sale of surplus assets shall be identified in the school accounts and accessible for audit.

Any change in policy requires the approval of the BoD.

## 12. Fraud Policy

Manor Hall Academy Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the academy has a responsibility in respect of recognising a potential fraud, preventing and detecting fraud. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud. This is known in school as the "Whistleblowing Policy" which staff can access via the Trust website and the key policies file located in the staff room(s).

It is the duty of all staff, governors and directors to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the auditors on the adequacy of the measures taken by the academy to ensure financial compliance.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Manor Hall Academy Trust, its staff or Governors.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;

- **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption** (Gifts, Hospitality, Donations and Awards – see separate policy)- involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;

Under the Bribery Act 2010, it is an offence to:

- Offer, promise or give a bribe
- To request, agree to receive or accept a bribe
- Bribe a foreign public official to obtain or retain business
- For a “Relevant Commercial Organisation” (schools which are incorporated companies fall within this definition) to fail to prevent bribery

Any individual guilty of an offence under the act may be jailed for up to 10 years and/or receive an unlimited fine. Schools found guilty of the Corporate Offence may receive unlimited fines.

- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations;
- **Failure to observe**, or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud and corruption are - •  
theft of cash;

- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the Academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Academy;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.
- 

The above list is not exhaustive, if in any doubt about whether a matter is an irregularity or not, staff must refer to the CEO, CFO or Chair of Trustees.

If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, staff must refer to the CEO, CFO, Chair of Trustees.

In line with the Academy Trust Handbook, all cases of fraud with a value of £5000 or above, will be reported to the Secretary of State, via the ESFA.

### **13 Gifts, Hospitality, Donations, and Prizes Policy**

Employees of the academy should take guidance from the following general rules relating to the receipt of gifts and hospitality as an employee of the Academy:

To accept gifts should be the exception. Small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £50 in value may be accepted, employees must always refuse gifts of money. The CFO should be notified, by the completion of a Donations, gifts, hospitality and bequest declaration form, of any gift over this value for entry in the Register of Gifts, Hospitality and Donations.

Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a more prompt service or preferential treatment.

Gifts, donations or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract with the academy, seeking employment with the academy or is in dispute with the academy, even if you are not directly involved in that service area.

Where items purchased for the academy include a 'free gift', such a gift should either be used within the academy, all "free gifts" with a notional value of £50 or more should be reported to the CFO.

A gauge of what is acceptable in terms of hospitality is whether Manor Hall Academy Trust would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
  - a. sponsored cultural and sporting events, or other public performances, as a representative of the school;
  - b. special events or celebrations.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the CEO or CFO must be consulted, or in the case of the CEO, with the BoD.

- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- Staff visiting a company to view equipment that the school is considering buying, you should ensure that expenses of the trip are paid by the school. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the school's purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the school must be agreed in advance with the Head of School or in the case of the Head of School with the Chair of LAB. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.
- Any invitation accepted should be made in a professional/working capacity as a representative of the school.

#### **14. Policy Statement of Directors'/LAB members Allowances, Subsistence and Expenses**

##### **Introduction:**

This policy statement has been developed in accordance with the School Governance (Roles Procedures and Allowances) (England) Regulations 2013 which allows for "payments by way of allowance in respect of expenditure necessarily incurred for the purposes of enabling the individual to perform any duty". As Manor Hall Academy Trust also has a board of Directors we will use this section to cover this area.

The aim of this policy is to ensure that a Directors/ LAB Members (or non-Director/ LAB Members who is co-opted on to a governing body committee), is not out of pocket where the school has derived a benefit from such outlay. The policy also reaffirms the governing body's commitment to ensuring equality of participation for all governors. Directors/LAB Member cannot be paid attendance allowances or for any loss of earnings.

Allowances and expenses necessarily incurred for which a claim may be made comprise the following:

- **Director/ Local Advisory Board Member with a special need**

Where the school or governing body does not provide facilities or equipment to enable a governor for example to communicate or otherwise take part in the activity in question, claims will be limited to reimbursing the cost of, for example, provision of a signer, audiotapes, braille documentation, or travelling and subsistence for a person providing support, as the case may be.

- **Director /Local Advisory Board Member whose first language is not English**

The translation of documents or provision of an interpreter may be met in circumstances similar to a Directors/Local Advisory Board Member with special needs.

- **Telephone charges, photocopying costs and stationery**

May be reimbursed where the Local Advisory Board Member is unable to use the facilities of the school in the performance of any duty on behalf of the governing body. Local Advisory Board Member must keep a written record or obtain a receipt, (where possible), relating to expenditure so incurred. Claims will be limited to reimbursing the actual costs involved.

- **Travel and subsistence**

Travel expenses may also be claimed for training or events whereby the Director/ Local Advisory Board Member is representing the school, if the distance between the Director/ Local Advisory Board Members' home and the venue exceeds 15 miles. Mileage allowances will not exceed the Inland Revenue mileage allowance. Mileage up to a maximum of 100 miles may be claimed where the distance between the Directors/ Local Advisory Board Member home and the school/events exceeds 15 miles. The use of public transport (where available) is encouraged, and fares will be reimbursed on the basis of actual expenditure, up to the level of standard class rail travel. In cases where no public transport is available, the cost of a taxi fare will be reimbursed up to the level of the actual fare paid, upon production of a valid receipt. All claimants must provide a VAT receipt covering the travel period and mileage to their authorising officer along with the claim form.

Where possible, VAT receipts should be provided to cover any expenses or evidence of expenditure incurred for example invoices, written correspondence and financial transactions

As detailed in the Funding Agreement, the following payments of expenses are excluded from this policy:

- attendance allowance
- loss of earnings
- expenses connected with foreign travel
- where expenses have been, or are already met by the LA or other body

## **Claiming**

To reduce administration, unless substantial sums are involved, Local Advisory Board Members are asked to claim termly in arrears, prior to the end of the financial year in question.

Claims should be made and authorised by the CFO.

## **15. Purchasing Policy**

The Academy will aim to achieve best value for money for all its purchases, ensuring that services are delivered in the most economical, efficient and effective way. The above will be achieved through:

- **Probity** – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny
- **Accountability** – the process whereby individuals are responsible for their actions and decisions

- Fairness – that all those dealt with by the academy are dealt with on a fair and equitable basis.

The CFO will ensure that there is a clear separation of duties within the finance team.

The CEO shall set limits to budget heads of spending, and the Headteacher shall have authority to spend funds within, but not in excess, of the budget heads set.

The academy will adhere to the regulations contained within the Scheme of Delegation and the purchasing guidelines as detailed the Internal Financial Procedure Manual.

## 16. Best Value Statement

The LABs of Manor Hall Academy Trust are committed to achieving Best Value in all decisions we make. The principles of Best Value are applied to secure continuous improvement in the school and will:-

- Regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement;
- Monitor outcomes and **compare** performance with similar schools and within the school;
- **Consult** appropriate stakeholders before major decisions are made; and
- Promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

All staff will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

### The LABs' Approach

- The LAB and school managers will apply the principles of best value when making decisions about:
  - The allocation of resources to best promote the aims and values of the school.
  - The targeting of resources to best improve standards and the quality of provision. The use of resources to best support the various educational needs of all pupils.
- The LAB and the school managers will:
  - Make comparisons with other/similar schools using available data, e.g. RAISE online, quality of teaching and learning, levels of expenditure.
  - Challenge proposals, examining them for effectiveness, efficiency, and cost.
  - Require suppliers to compete on grounds of cost and quality/suitability of services/products. Consult individuals and organisations on quality/suitability of service we provide to parents pupils, and services we receive from providers.
- The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable issues.

## **Staffing**

- LABs and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, staff and pupil ratios, and curriculum management to ensure a broad and balanced curriculum for all pupils

## **Use of Premises**

- LABs and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources.

## **Use of Resources**

- LABs and school managers will consider and deploy equipment, services and to provide pupils and staff with resources which support quality of teaching and quality learning.

## **Teaching**

- LABs and school managers will review the quality of curriculum provision and quality of teaching to provide parents with:
- A curriculum which takes account of the National Curriculum to work in harmony with other local schools promoting both Literacy and Numeracy
- Teaching which meets the needs of pupils on an individual basis. Clear account will be taken of previous learning and the need to build a progressive curriculum

## **Learning**

- Clear account will be taken to ensure that challenging targets are set relevant to the needs of each individual to ensure that quality learning is provided

## **Purchasing**

- LABs and school managers will develop procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.

## **Pupil's Welfare**

- LABs and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

## **Health and Safety**

- LABs and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

## **Monitoring**

These areas will be monitored for best value by:

1. Departmental Reviews by the Headteacher and Senior Leadership Team.
2. Target setting meetings between Headteacher, Senior Leadership Team and Leaders of Learning.
3. Departmental Reviews
4. Annual performance Appraisal



5. Annual budget planning.
6. Headteacher's reports including financial review.
7. Feedback from audit reports.
8. Analysis of school & DfE pupil performance data.
9. Analysis of DfE financial data.
10. Key issues for action identified by OFSTED.
11. Directors' and LABs' committee meetings
12. Directors' and LABs' annual staff salary review.

A Best Value statement will be submitted at the start of the Financial Year. The progress of the annual budget plan and the Best Value statement will be monitored with the school improvement plan in order to determine the extent of continuous improvement.

Any change in policy requires the approval of the Audit and Risk Committee.

# Appendix - Internal Financial Procedure Manual

## Internal Financial Procedure Manual

1. Organisation of responsibility and accountability
2. Financial Accounting Systems
3. Insurance
4. Purchasing
5. Petty Cash, Business Charge Cards and Banking
6. Income
7. Assets
8. Voluntary School Fund
9. Personnel and Payroll
10. Reporting to the Department for Education

## Internal Financial Procedures

### INTRODUCTION

The purpose of this document is to ensure that Manor Hall Academy Trust develops and maintains rigorous financial control and systems which conform to the requirements of regularity, propriety and good financial management. It is essential that these systems operate properly to meet the requirements set out in our funding agreement with the Department for Education (DFE) / Education Funding Agency (ESFA).

Manor Hall Academy Trust must comply with the principles of financial control outlined in the Academy Trust Handbook. This document expands on that and provides detailed information on the school's accounting procedures.

Objectives include:

- To define the responsibilities within the school
- To provide guidance on the application of regulations
- To demonstrate to the public that proper accountability is being maintained
- To identify procedures to ensure propriety and regularity of internal controls and risk management processes
- To set out guidelines to ensure effectiveness of resources
- To safeguard the trust, LABs, the Headteacher and other school employees.

In all its financial procedures and decision-making, the academy is committed to securing value for money so that resources are employed effectively and efficiently to further the educational aims and objectives of the school.

## **1 Organisation of Responsibility and Accountability**

LAB members have statutory responsibility for the oversight of the financial management in academy schools. Trustees have statutory responsibility for the oversight of financial management with the Trust.

### **Budgets**

#### **Objectives**

The objectives of sound budget management are to:

- a) maintain adequate and effective procedures
- b) demonstrate to the public that proper accountability is being maintained.
- c) safeguard the trust, LAB, the Headteacher and other school employees.
- d) secure the academy's short-term and long-term financial health

A budget planning timetable depends on receiving the budget allocation from the ESFA promptly at the beginning of the summer term. Once this has been received each school will draw up a draft budget and send to the Central team for consolidation and be presented to the Audit Committee. The BFR must be agreed by the BoD and submitted to the ESFA, their deadline is usually the 31<sup>st</sup> July.

The ESFA regulations stipulate that it is not acceptable to set a deficit budget. Planning for solvency is therefore implicit in the aims and objectives of the school policy.

The School Development Plan drives the management agenda of the school and will help to identify short, medium and long term planning.

#### **Internal Financial Controls**

In all its financial procedures and decision-making, the Trust is committed to securing value for money so that resources are employed effectively and efficiently to further the educational aims and objectives of the school.

#### **Monitoring**

The Headteacher with the aid of the School Office Manager, are responsible for the day to day management of the school budget and financial processes.

The CEO /CFO will receive monthly budget reports showing current spend against budget and forecast outturn expenditure, explaining any variances to budget.

The Chair of the BoD will receive monthly budget monitoring reports showing current spend against budget and forecast outturn expenditure.

Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at the Audit and Risk Committee.

## **Section**

The LAB's will continually monitor the quality of the financial information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

### **Limits of delegated authority**

The School Office Manager is responsible for:

- the continuous monitoring of expenditure and income against the budgetary provision.
- ensuring that the school records are reconciled monthly.
- implementing and operating clear and robust financial procedures in school.
- providing financial reports to the Headteacher/Head of School on a monthly basis and to the LABs on a termly basis, via the relevant board.

The Headteacher/ Head of School may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Academy as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. The School Office Manager, is responsible for ensuring delegated budgets are monitored and managed.

Budget holders will be informed of their annual budget allocation at the start of each year. Budgets will be issued by a monthly allocation, which must not be exceeded.

Each budget heading has a named budget holder and that person is responsible for requisitioning orders and passing to School Office Manager to generate an order. Any potential overspends against the budget must in the first instance be discussed with the School Office Manager.

### **Register of Pecuniary Interests**

A register of the Pecuniary Interests of all staff and LABs is maintained by the School Office Manager. LAB members are also requested to declare any pecuniary interests relating to subcommittee agendas, prior to the meeting starting.

### **2 Financial Accounting Systems**

The Academy uses PS Financials and all financial transactions must be recorded using this system. Access rights within PSF are defined for each user with a unique ID and password. All financial transactions relating to the Academy's budget must be recorded using PSF. There must be a clear audit trail for all financial transactions from the original documentation to

accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.

- All PSF programs have licenses assigned to key individuals.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures. The system is backed up automatically on the server.
- The MAT is fully registered under the Data Protection Act.

### **Transaction Processing**

- All journal transfers and transactions in the Nominal Ledger will be processed by the Central Team.
- Fixed Asset transactions will be made by the Trust Finance Manager and Trust's Accountant
- Order requisitions authorised in accordance with the scheme of delegation (Appendix 1) will be raised by the Budget Holder.
- Purchase orders will be raised by the School Office Manager on receipt of a correctly authorised order requisition.
- Invoices will be processed by the Central team.
- Sales Ledger transactions will be processed by the Central team on receipt of a sales invoice request.
- BACS or Manual Payments (excluding Business Charge Card payments), one of the approvers will be by CFO / Trust Finance Manager (2 authorisers required).
- The Central team will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The Central team will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and income.

### **Accounting for 'Other' Income – School Fund**

The Trust uses PSF to record the collection of 'other income' namely the School Fund.

- The School Office Manager responsible for the day to day management of the School Fund.
- The School Office Manager is responsible for the reconciliation
- The Central team is responsible for overseeing this system and receiving information from the School Office Manager.

## **Section**

### **3 Insurance**

#### **Statement of current position**

The current policy is through RPA and arranged and administered by ESFA. It is the LAB and Headteacher's responsibility to ensure that the academy has adequate insurance cover in place.

The policy covers the following areas:

- All risk
- To Whom It May Concern Letter (evidence of Public Liability Insurance)
- Terrorism
- Travel including overseas travel
- Occasional Business Use

A copy of the policy is held with the School Finance Office and available for inspection

The vehicle insurance is through Zurich Municipal and covers all academy owned vehicles within the Trust. It is the responsibility of the School Office Manager to ensure that the policy details are up-to-date.

#### **Annual review**

The insurance position of the Academy will be reviewed annually as part of the annual budget cycle and review of assets.

## 4 Purchasing

### Objectives

In all its purchasing decisions, the Trust is committed to securing 'Best Value for Money' so that resources are employed effectively and efficiently.

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

### **Orders less than £3,000**

Where possible Trust Approved suppliers should be used or known suppliers to the Academy whereby best value has been achieved

### **Orders over £3,000 but less than £25,000**

At least 3 written quotations (like for like) should be obtained for all orders to identify the best sources of the goods/services. The budget holder should maintain all written details of quotations for audit purposes.

**Orders over £25,000 – E U Threshold (check limits prior to starting the tender process)** The full tendering procedure will be followed. All paperwork relating to the tender must be approved by the Trust. Please refer to the Competitive Tendering for Larger Purchases Policy

### **Orders over E U Threshold**

Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and Award of Contracts. Advertisements will be placed via the Official Journal of the European Community in accordance with the European Union procurement threshold.

### Tendering Process

Selection of applicants following the invitation to tender is carried out by the Headteacher, who would contact the CFO/CEO if the value is over £25,000 or the Audit and Risk Committee where the value is over £40,000

When going out to tender, the Academy will, wherever possible, employ the services of a specialist Procurement Team or seek guidance from the central team.

Cases where the opening of tenders is carried out at the school, tenders shall be opened by the CEO in the presence of the CFO/COO. Staff who have listed specific suppliers as a business interest, will not be involved with any part of the tender process which may involve the named organisation.

BoD may accept the most suitable tender, which in most cases will be the lowest one. However, a decision to accept a tender which is not the lowest should be authorised by the Audit and Risk Committee and recorded in the minutes.

### Exemption from Obtaining 3 Quotes

The trust acknowledges that there are special circumstances where obtaining 3 quotes is not always possible.

- Emergency repairs – may pose a Health & Safety risk if immediate work is not undertaken.



## **Section**

- Specialist Supplier – evidence must be provided to show that no other suppliers can fulfil the requirement.
- An exceptional circumstance where it has not been feasible to obtain 3 quotes. When this is the case, schools should document all actions taken to obtain 3 quotes and liaise with the Central Team to offer advice.
- Annual Service Level Agreements – where SLAs are in place, these should be reviewed periodically (suggested every 3 years as a minimum) by the School Office manager to ensure best value.

All orders over £3,000 that fall into any of the above exemptions must be reported to the Central team.

## **Orders for Goods and Services**

Budget Holders should raise an order for goods or services using a requisition form.

Where the value of an order is over £3,000, the requisition must evidence the appropriate number of quotes.

- Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be authorised by a signatory in line with the authorised signatories list
- Promotional offers such as money off vouchers, cash back offers should not be used when placing orders
- Official orders will be raised through PSF and emailed, to the supplier.
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable. In such cases, a written confirmation order will be raised as soon as possible, normally within 48 hours.
- Requisition forms must have the PSF generated purchase order number recorded on it.

## **Delivery of Goods and Services**

- Upon receipt of goods, the school office will label the parcels to the relevant budget holder
- The school office staff will check the delivery note against the original order to ensure the correct goods have been dispatched and then enter the signed delivery note onto PSF against the purchase order. If no delivery note is received a written note will be completed listing the items received.
- The Budget Holder will raise any discrepancies with the School Office Manager.
- The School Office Manager is responsible for advising the Central team of any reasons to withhold payment of the invoice (i.e. damaged goods discovered after entering GRN).

## **Payment of Accounts**

### **Processing of Invoices**

Payment for goods and services will be paid upon receipt of an invoice, by the Central team when:

- It is confirmed that the goods or services have been received and are of the quality expected
- The invoice is arithmetically correct
- Prices are correct

- VAT has been treated correctly
- No photocopied invoices will be paid but invoices sent electronically by email are acceptable.
- At least two people must be involved in the process of entering invoices and authorising payment.
- The School Office Managers are responsible for ensuring that non-order invoices are authorised in accordance with the Scheme of Delegation and approval limits.
- The School Office Managers are responsible for authorising the paylists prior to the BACs process.
- All invoices are to be processed through PSF, payments generated via BACS and require authorisation by 2 approvers, 1 of whom should be CFO/Trust Finance Manager in accordance with the Bank Mandate.
- Where there is a small discrepancy between the purchase order and the invoice amount, the central team will process the invoice in accordance with the following tolerance levels:
  - Up to £1 discrepancy, or;
  - Up to 1% of the invoice value, to a maximum of £10.
- Central Team will identify and annotate the reason for the discrepancy on applicable invoices. Schools will be notified of any regular discrepancies e.g. delivery charges.

## **Authorisation Levels for Responsible Officers**

### **Executive Headteacher/Head of School**

£10,000 approval level

### **CFO/CEO Joint approval**

£40,000 approval level

### **School Office Managers**

£3,000

### **Admin Assistants**

No self-approval

## **Section 5 Petty Cash and School Business Charge Card**

### **Other Purchases**

The academy recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as residential activities or ingredients for food technology etc. may have to be purchased and claimed back. It is the function of the Petty Cash process to support these transactions.

### **Petty Cash**

Where appropriate all schools strive to be cashless. A petty cash limit of £500 for all other schools is provided by the trust. Petty Cash is held securely at all times in a safe and access is restricted to the School Office Managers. Temporary increases can be authorized by the CFO for exceptional circumstances.

- It is a requirement that payments are **only** made on the production of a valid VAT receipt.
- Staff must not benefit financially by the purchasing of goods or services i.e. loyalty points, money off vouchers
- Receipts are kept in the Petty Cash file, and payments are acknowledged on the receipt.
- Claimants will sign the petty cash receipt to acknowledge the reimbursement
- The reimbursement is recorded in PSF as soon as possible and the transaction number recorded on the receipt
- It is a school policy that personal cheques are not cashed from Petty Cash.
- The School Office Manager will reconcile the petty cash account monthly.
- The Central team will process all petty cash claims
- The CFO/ Trust Finance Manager will operate spot checks at least yearly regarding petty cash balances.
- A register of authorised signatories for the imprest account is maintained by the academy and operated by Lloyds Bank

### **Business Charge Cards**

The academy has Lloyds Corporate cards. Each school has nominated cardholder's and are responsible for complying with the terms and conditions regarding the use of the card. An annual charge card authorisation pro-forma must be completed each year to agree the limits and authorisation is still applicable.

The card is for business purposes only, receipts or invoices must be obtained to support every item of expenditure and if the purchase contains any charges for VAT; a proper VAT receipt or invoice should be obtained. Order requests must be accompanied by an official order requisition form and must be signed by the budget holder before the transaction takes place.

Each card holder has a transaction limit and a monthly limit per card. Cash transactions are not permitted.

Any increase in any of the above limits must be authorised by the CFO/TFM.

### **Business Charge Card Purchases**

When making a request for an Internet order

- Requisitions are required as per '*ordering goods and services*' procedures above.
- The card holder must place the order
- The card holder must record the transaction on their transaction log
- It is the card holders' responsibility to check that all invoices are correct and the goods or services have been received
- All invoices must be maintained in the card holders' transaction log file to avoid duplicate payments
- The card holder must keep the card secure at all times and the PIN code not disclosed to any other party
- For business charge card purchases, VAT receipts must be obtained and the transaction recorded on the transaction log.
- Amazon are now an approved supplier; therefore, all transactions should be completed via the usual purchasing process.
- The Charge Card Pre-Authorisation Form must be completed & signed by the Head of School prior to first use of the Card.

- The business charge card must only be used by the card holder named on the card.

### **Statement Reconciliation**

Upon receipt of the monthly business charge statement:

- The cardholder will download their statement from the Lloyd's bank website (on or around 26<sup>th</sup> of each month), check all transaction log entries match the statement and receipts are accompanied before passing to the School Office Manager
- The School Office Manager will ensure each cardholder has the required authorised documents to accompany the transactions, enter the nominal and account code.
- It is the School Office Manager's responsibility to send all transaction logs and statements once fully reconciled to the Central team by the 1<sup>st</sup> of the following month for input into PSF.

### **Section 6 Income**

The LAB will determine the charging policy for lettings and the supply of other goods and services through the Charges and Remissions Policy. This will determine the rates of hire in place and will be reviewed on an annual basis.

Official receipts are issued for all income. Receipts are issued through the PSF system.

### **Lettings**

All lettings will be authorised by the Head of School(s) in accordance with the Charges and Remissions Policy agreed by the LAB. Lettings requests, contracts and agreements are maintained by the School Office Manager.

For the purpose of charging, the Head of School(s) in conjunction with the School Office Manager are authorised to determine:

- Which category of charges any group, particular individual or organisation belongs.
- Offer discounts or agree subsidies for any lettings they deem appropriate

Invoices will be issued promptly, on receipt of a sales invoice request from the school to the Central team. All invoices relating to lettings are raised in accordance with the Charges and Remissions Policy.

### **VAT**

#### **Registration**

The Trust is registered for VAT. The Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of the CFO to ensure compliance with VAT regulations.

### **Section 7 Assets**

#### **Security of cash**

The Trust have appointed Lloyds as their bankers for all funds. The opening of all bank

accounts must be authorised by the Audit and Risk Committee who must set out in the Scheme of

#### Delegation

the arrangements covering the operation of accounts. This should include transfers between accounts, cheque signing arrangements and the operation of systems.

All cash and cheques are held securely to safeguard against loss or theft. The amount of money held at any one time will not exceed the amount covered by the Academies insurance policy.

Upon receipt of cash or cheques

- Once all monies have been received and checked it is the School Office Managers' responsibility to check that the values match those presented on the paying in book, ensuring that all cheques are correctly presented, income is being credited to the right budget account and income code and that the paying in slip is arithmetically correct.
- All cash and cheques are banked on a regular basis. The School Office Managers are responsible for bagging all cash and cheques and accompanying paying in slips.
- The School Office Manager will determine what the payments are for and forward the details to the Central team.

#### **Maintenance and checking of inventories**

It is the responsibility of the School Office Manager to maintain inventories of furniture, fittings and equipment.

The inventory must include all items which are valued in excess of £500, items of a lesser value which are "attractive" or "portable", ensuring that serial numbers are recorded when applicable.

It is the responsibility of Head of Departments to notify the School Office Manager to amend the records throughout the year to record additions, disposals of items and any transfer of items between rooms.

It is the School Office Manager's responsibility to ensure that an annual audit of the inventory is completed.

A LAB member will also complete an independent spot check annually and report to the LAB.

Property may be written off from the inventory record, by resolution of the LAB and records updated.

#### **Section 8 Voluntary School Fund**

##### **Introduction**

If the school operates a voluntary "School Fund" it is accounted for within the delegated budget.

The School Office Manager processes all income and expenditure and the Headteacher approves all transactions.

## **Section 9 Personnel and Payroll**

The main elements of the payroll system are:

- Staff appointments, variations and terminations
- Payroll Administration
- Payments and monitoring

### **Staff Appointments, Variations and Terminations**

The LAB through the Staffing and Finance Committee or their half termly LAB meeting approves the staffing structure as part of the budget process and pay policy. Changes within the staffing structure may only be approved by the Staffing and Finance Committee who must ensure that adequate budgetary provision exists for any changes and after any required period of consultation with unions and staff. Any addition to the staffing structure must be agreed with the Trust, following confirmation that adequate financial resources exist, via the CFO/ CEO.

The Headteacher has the authority to appoint staff within the authorised staffing structure. The School Office Manager will maintain personnel files for all members of staff, which include contracts of employment.

### **Payroll Administration**

The Trust's payroll is outsourced to Stoke City Council Payroll Services

All payroll transactions relating to Academy staff, permanent or casual, will be processed through the payroll system.

All new appointments, leavers and changes to contract or personal details are input to My View and submission of the appropriate academy paperwork to the Central team for approval. Forms are completed by the School Office Manager and agreed by the Headteacher/ Head of School. In the case of changes to the Headteacher salary, forms should be signed by the Chair of LAB as per the Scheme of Delegation. Copies should be retained and the original sent electronically to [hr@manorhall.academy](mailto:hr@manorhall.academy).

Where changes to the staffing structure result in additional costs to the original approved budget, then evidence will be required in the form of minutes from a LAB meeting that consideration has been given to the affordability of the appointment.

All personnel files shall be stored in a lockable cabinet. Only the Headteacher and School Office Manager will have access to staff files, but individuals can request to see their own files in line with data protection policies.

Absence records are maintained by the School Office Manager. Both paid and unpaid leave is notified to payroll services using the absence recording system 'My View'.

All claim forms, are submitted electronically to the School Office Manager and a hard copy passed to the Line Manager for authorisation. All claims for overtime are agreed in advance and paid in arrears.

All claim forms are countersigned by the Head of School and approved by Line manager.

## **Payments and Monitoring**

All salary payments are made by BACs

Stoke City Council submit payroll reports prior to salary payments being dispatched detailing costs and individual payment details. The School Office Manager undertakes a detailed check to ensure that the payroll does not contain any errors and that changes have been actioned, prior to the salaries being paid.

The School Office Manager will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any difference between the salary modeller and the proposed salary reports.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation. Stoke City Council are authorised to make BACs payments from the Trust's Bank Account by direct payment for the amounts of the deductions to the following agencies, Local Government Pension Scheme, Teachers Pensions, Prudential, Unison by the 7<sup>th</sup> of the month following the pay run and to HMRC by the 19<sup>th</sup> of the month following the pay run.

The Central team will ask School Office Managers to complete the Payroll Journal template, which they check against the Costings and Balancing Report from Stoke Payroll. The Central team will then upload these Payroll Journals on behalf of the schools & check that the salaries have been uploaded onto PSF correctly. The Headteacher/Head of School will sign the Payroll Reconciliation document that has been exported from the Budget Planning Software.). The Head needs to check any variances against budget and make note of any comments. This then needs to be submitted into the Central team along with the Payroll Journal.

## **Section 10 Reporting to the Department for Education**

The Trust is required to submit reports to the DfE via the Education & Skills Funding Agency in the following areas:

- Annual Budget Return
- Statutory Accounts Return
- Value for Money Statement

### **Annual Budget**

The Trust is required to send a copy of its annual budget to the DfE. This will be in the format of an income and expenditure statement on an accrual basis.

### **Statutory Accounts Return**

The Trust must comply with company law as set out in the Companies Act. This includes a requirement to prepare a Trustees' report and financial statement (annual account) and for these to be independently audited by a registered auditor. Financial Statements should be prepared to 31<sup>st</sup> August and should include:

- Income for all sources received in the period
- Resources used on all activities within the period
- All assets and liabilities of the Trust at the balance sheet date

- All cash received and used within the period
- Notes to the accounts

The annual accounts must be submitted by the 31<sup>st</sup> December, a copy of the Trustees' annual report and audited final accounts must be sent to Companies House and the Charity Commission.

**Financial Management and Governance Self Assessment – Conversion Year Only** The Financial Management and Governance Self-Assessment (FMGS) is submitted to the DfE in the year of conversion. The document was established to provide the DfE with assurance regarding the Trust's arrangements for financial management and governance. At the present moment in time, the FMGS is only required for newly appointed academies and therefore an annual renewal is not required.

### **External Auditors**

The Trust appointed Dains as their external auditors. This is reviewed annually at the Annual General Meeting.



## **The Seven Nolan Principles of Public Life**

### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

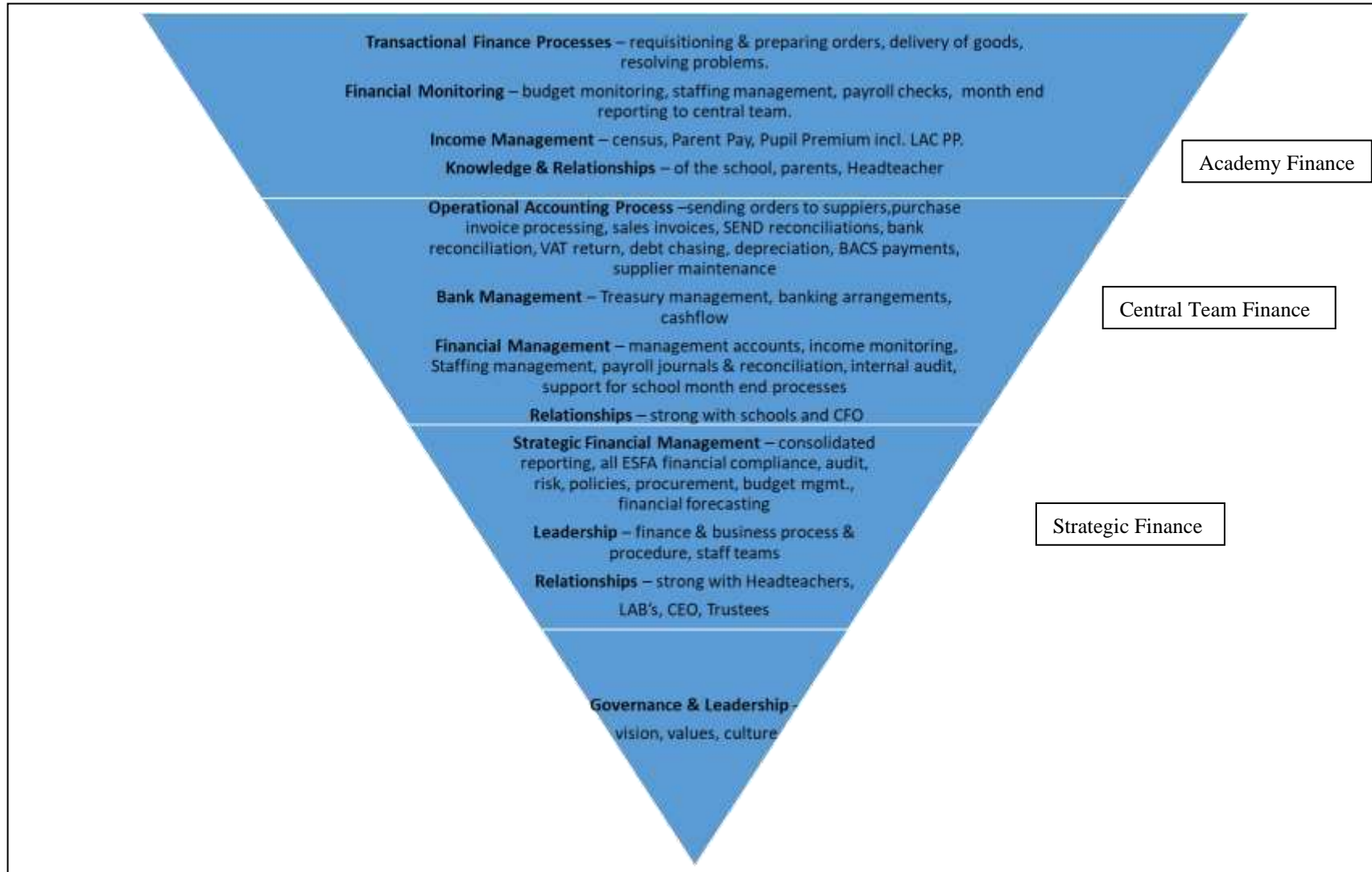
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.



LEVE L	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
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1	Transactional Finance Process	Purchase Requisition	Ensure requisition is authorised in line with FSOD with correct nominal/account codes		
1	Transactional Finance Process	Purchase Order	Order raised on PSF	Send order to Supplier. Authorise if value is over £3k	Ensures correct financial procedures are followed. Unable to process orders retrospectively
1	Transactional Finance Process	Delivery of goods	Enter GRN on PSF. Update Parago		School aware of outstanding commitments and invoices. Up to date and accurate Inventory.
1	Transactional Finance Process	Resolving Problems	Advise supplier of shortages/damages. Arrange returns and replacement or credit note. Inform MAT if invoice needs to be placed on hold.	Ensure non-payment of goods until dispute resolved.	
1	Financial Monitoring	Budget Monitoring	Monitor income and expenditure against budget. Liaise with budget holders	Update software with unbudgeted income/expenditure. Action journals for incorrect coding transactions.	Awareness of financial position and ability to request budget virements if necessary to enable more accurate reporting.

LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
1	Financial Monitoring	Staffing Management - recruitment	Taking charge of recruitment procedures, forward paperwork to MAT for checking and displaying vacancy on Website. Ensure all necessary checks are completed and verified.	Check for any redeployment situations advise as necessary	MAT aware of all current vacancies across the Trust. Any redeployment issues addressed.
1	Financial Monitoring	Staffing Management - HR	Enter staff appointments, variations, terminations etc on My View.	Approve forms on My View	Ensure that all paperwork is compliant with current HR legislation and OFSTED
1	Financial Monitoring	Payroll Checks	Review payroll reports for accuracy and resolve any queries	Receive confirmation from schools to enable payroll authorisation & reconciliation.	
1	Financial Monitoring	Month End Reporting to Central Team	Complete month end checks as per guidance provided from Central Team	Ensure that appropriate checks have been completed	Ensures communication of up to date position
1	Income Management	Census	Complete termly census returns to DfE	None	Accurate data received by ESFA to populate Pupil Premium etc

1	Income Management	Parent Pay/Other income	Record transactions onto Parent Pay and monitor income received. Chase debts	Enter receipts and DD into PSF	Improved income generation due to easier payment access for parents/carers
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LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
1	Income Management	Pupil Premium/LACPP	Check that income is received for all eligible pupils. Ensure that all LACPP paperwork is submitted and funding received.	Appropriate income accounting treatments	Income received in correct period
2	Operational Accounting Process	Sending Order		Email orders to suppliers daily	Ensures correct financial procedures are followed to eliminate duplicate orders being placed
2	Operational Accounting Process	Purchase Invoice Processing		Enter all purchase invoices on PSF	Consistency of coding across all schools in the MAT. Ability to update FAR at point of purchase. Accurate knowledge of monthly accruals.

2	Operational Accounting Process	Sales Invoice Processing	Complete Sales Invoice request template and forward to MAT	Process sales invoice. Maintenance of sales ledger accounts. Supplier Statements. Debt Management	Accuracy/consistency of vat codes. Improved credit control
2	Operational Accounting Process	SEND	Ensure MIS data accurate. Forward SEN report to MAT and any relevant pupil documentation re incorrect matrix to MAT	Check SEND updates match Arbors data. Resolve any discrepancies with LA. Reconcile income. Produce monthly	Compliance with Academy Trust Handbook by enabling monthly accruals and

LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
				accrual/prepayment journal.	accurate monthly reporting.
2	Operational Accounting Process	Bank Reconciliation		Import bank statement to PSF twice weekly. Reconcile transactions. Investigate anomalies	Ensures all transactions are entered on PSF
2	Operational Accounting Process	VAT Return		Process and submit to HMRC	Central contact with HMRC
2	Operational Accounting Process	Debt Chasing	Communicate to MAT and forward log of correspondence/action taken to date	MAT to advise schools on action to be taken	Reduce debtors
2	Operational Accounting Process	Depreciation		Update FAR. Process journals	Transactions completed prior to y/e audit

2	Operational Accounting Process	BACs Payments	Confirm transactions on payroll	Generate paylists, process BACs payment, post transactions and send out remittance advice. Produce & publish 'Payment Practices Report'	Monitor of cashflow. Central data collection for reporting.
2	Operational Accounting Process	Supplier Maintenance	Complete VR1 and forward to MAT with appropriate documents	Create or amend supplier details on PSF	Prevention of fraudulent requests
2	Bank Management	Treasury Management		Manage investment of surplus funds. Prevention of deficit budgets	Maximise interest. Control on excessive expenditure or incorrect

LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
					procurement process
2	Bank Management	Banking arrangements		Account management of procurement cards. Yearly review of account requirements.	Control of procurement card transactions. Banking limits are sufficient for the needs of the Trust.
2	Bank Management	Cashflow		Monitor cashflow	Maintain Trust in surplus

2	Financial Management	Management accounts		Monthly accruals journals. Produce monthly managements accounts for directors.	Compliance with Academy Trust Handbook
2	Financial Management	Income Monitoring		Check all grant income etc is as expected	
2	Financial Management	Staff Management		Review documentation from academies and authorise on system. Produce & publish Gender Pay Gap Report	Compliance with latest HR legislation and safeguarding checks
2	Financial Management	Payroll Management		Balance & reconcile payroll monthly.	Discrepancies with pay related postings resolved quickly. One point of contact for payroll audit.
2	Financial Management	Internal Audit		Internal audit of processes & systems completed termly.	Early identification of any areas

LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
					requiring additional support from Trust. Compliance with Academy Trust Handbook.



2	Financial Management	Month End Support		Support with month end processes. Budget updates, journals etc	Ensures that all the reports are monitored and action taken where necessary.
3	Strategic Financial Management	Consolidated Reporting		Produce consolidated report for presentation to Trustees	Compliance with Academy Trust Handbook. Informing trustees of current financial position of trust.
3	Strategic Financial Management	ESFA Compliance		Collection of data and submission of returns	School do not need to collate data for MAT
3	Strategic Financial Management	Audit		Work with external auditors	
3	Strategic Financial Management	Risk		Review risk register	Central risk register maintained &
3	Strategic Financial Management	Policies		Review central policies - HR, Finance publish on MAT website	All schools working to the latest version

LEVEL	FINANCIAL PROCESS	TASK	SCHOOL FUNCTION/ACTIVITY	MAT FUNCTION/ACTIVITY	EFFICIENCY ACHIEVED
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3	Strategic Financial Management	Procurement	Adhere to purchasing requirements within Trust Policies	Oversee procurement processes in schools. Responsible for checking new lease contracts.	Ensure that schools adhere to procurement legislation and follow correct tender process if required.
3	Strategic Financial Management	Budget Management	Enter draft budgets annually, maintain staffing & pupil details on BPS	Prepare draft budgets for presenting to trustee for approval. In-year budget virements. Sync budget to PSF.	Accurate financial reporting/forecasting to LAB's and Trustees
3	Strategic Financial Management	Financial Forecasting		Monthly accruals journals. Produce monthly management accounts for directors. Monitor 3 year forecast to ESFA	Compliance with Academy Trust Handbook. Trustee reporting.
3	Leadership	Finance & business Process & Procedures		Review of process & procedures policy. Perform adhoc checks as part of internal audit process.	Clear instruction of financial processes & procedures to be followed by all finance staff in schools.
3	Leadership	Staff Teams	School finance lead to communicate with school staff teams.	Central staff to communicate with school finance lead and Headteachers	Clear understanding of roles and responsibilities. Strong relationships between central

					team and schools.
<b>LEVEL</b>	<b>FINANCIAL PROCESS</b>	<b>TASK</b>	<b>SCHOOL FUNCTION/ACTIVITY</b>	<b>MAT FUNCTION/ACTIVITY</b>	<b>EFFICIENCY ACHIEVED</b>
KEY:					
Level of Responsibility 1 = Academy Level 2= Central Team 3= Strategic Level					

Approved in Spring 23 and will be reviewed in Spring 24

