

SUNNYSIDE ACADEMY Finance Handbook

Policy Amendments:

Date	Detail
May 2016	Change payroll provider from Kier to Xentrall
May 2016	4e add prepayments and accruals limit and deferred and accrued income limit.
July 2016	5 Remove that the Headteacher will sign the BACS report sent from Xentrall as this is now part of the Run 1
November 2016	Added cash banking via Security plus to income section. Changed VAT return from monthly to at least termly.
December 2018	No change

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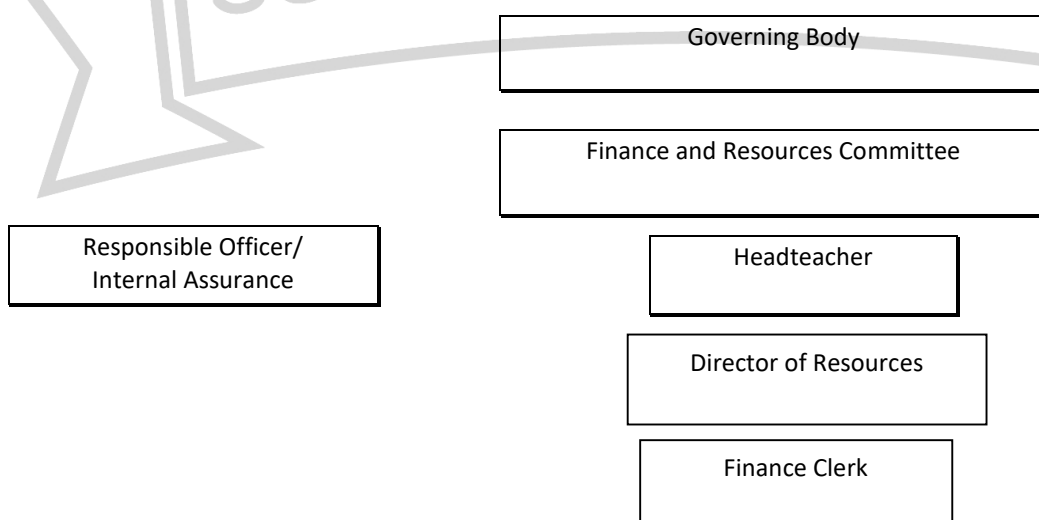
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1 Introduction

- a. The purpose of this manual is to ensure that the Academy establishes and maintains effective systems of financial management, control and reporting. It is aimed at Finance Staff in the Academy, but should be available to all staff with budgets, income or expenditure responsibilities.
- b. This manual provides information about the Academy's financial and accounting procedures as well as governance and should be read by all staff working with the financial systems. Detailed operational procedures will sit outside this handbook.
- c. Training sessions will be held periodically at the Academy to ensure that all staff involved with financial systems and controls are familiar with the Handbook and procedures and can operate the systems and procedures properly.
- d. Reference to the Department for Education (DfE) should also be read as referring to the EFA, where appropriate.
- e. Please also read this manual in conjunction with the Academy's Scheme of Delegation.
- f. All queries should be referred to the Academy Director of Resources (DOR).
- g. This handbook and all finance practices within the academy are done so in conjunction with the information provided in the Academies Financial Handbook 2016.

2 Organisation Structure

- a. The financial reporting structure is illustrated below and is followed by a short introduction to the role of each body.



The Governing Body

- b. The Governing Body (GB) is the official term for the Board of Academy Governors. It is made up of representatives of the Academy staff, sponsors, the DfE and parents.

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The Governing Body must meet at least three times per annum. No business can be conducted unless a quorum of three appointed members are present.

- c. The GB's responsibilities cover the full range of the Academy's activities, however, finance matters will be a standing agenda item. The GB may delegate some of its financial responsibilities to the Finance and Resources Committee, which is a sub-committee of the GB. A representative of the Finance and Resources Committee will report on finance matters at each GB meeting. In addition, the GB must formally discuss and approve:
- The annual budget;
 - Appointment, and remuneration, of senior staff;
 - All purchasing decisions over £100,000;
 - Disposal of assets above £50,000.
- d. Governors may not receive any form of payment for their work, other than payment of reasonable out-of-pocket travel, accommodation or other expenses incurred while attending in the capacity of governor.
- e. No governor may hold an interest in property belonging to the Academy, nor may a governor receive remuneration in respect of any contract to which the Academy is a party.

Finance and Resources Committee

- f. The Finance and Resources Committee is a committee of the GB. It meets as required by the GB. No business can be conducted unless a quorum of two members with full voting rights is present.
- g. The main responsibilities of the Finance and Resources Committee are detailed in written terms of reference from the GB. These include:
- Initial review and authorisation of the annual budget;
 - Approve the financial statements for filing in accordance with Companies Act and Charity Commission requirements
 - Responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Academy are observed
 - Oversee capital investment programmes
 - Regular monitoring of actual expenditure and income against budget;
 - Authorising the purchases of goods and services of value in excess of £50,000 but less than £100,000;
 - Reviewing the reports of the Internal Assurance Service on the effectiveness of the financial procedures and controls;
 - Authorising the disposal of fixed assets with a value of greater than £10,000;
 - Establish, monitor and review employment policies on behalf of the GB
 - Set and monitor remuneration levels for members of staff except for Headteacher, Deputy Headteacher and Director of Resources. Remuneration levels for those members of staff will be set by the GB having considered the recommendations of this Committee.
 - Contribute to the appraisal of the Headteacher, Deputy Headteacher, and Director of Resources.
 - Establish, monitor and review employment policies
 - Review and agree staff training programmes

- h. As the Finance and Resources Committee will also act as the Audit committee the following additional terms of reference will apply:
- To advise the Academy Trust on the appointment, reappointment, dismissal and remuneration of the external auditor
 - To monitor the implementation of agreed recommendations relating to the external auditor's management letter.
 - To establish, in conjunction with the Academy's Executive, relevant performance measures and indicators, and to monitor the effectiveness of the external auditor.
 - To review the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the governance statement, including consideration of the internal control systems effectiveness, risk management statements and any relevant issue raised in the external audit management letter.
 - To recommend the annual financial statements to the Academy Trust for approval.
 - To review the adequacy of the Academy Trust's Risk Management Policy and procedures, to regularly review the risk register and to monitor the implementation of Risk Management Action Plans.
 - To review the Academy Trust's arrangements in respect of whistleblowing and anti-fraud and corruption and to make recommendations as necessary.
 - To ensure that all allegations of fraud and irregularity are properly followed up and control weaknesses addressed, including being notified of all cases.

Overall

- To produce an annual report for the Academy Trust and Accounting Officer, which should include the Committee's advice on the effectiveness of the Academy's risk management, control and governance processes, and any significant matters arising from the work of the Internal Audit/Responsible Officer Service and the external auditor

Internal Assurance reviews

- i. The GB is required to obtain independent oversight of the Academy's financial affairs. The main purpose of this is to assure the GB that:
- The financial responsibilities of the GB are being properly discharged;
 - Resources are being managed in an efficient, economical and effective manner;
 - Sound systems of internal financial control are being maintained; and
 - Financial considerations are fully taken into account in reaching decisions.
- j. The academy has asked the external auditors to undertake a termly audit programme to ensure that financial transactions have been properly processed, and that controls are operating as laid down by the GB. A report of the findings from each visit will be presented to the Finance and Resources Committee and, where appropriate, to the GB. The presumption is that the Academy will implement any recommendations made unless it can demonstrate that to do so would not be appropriate. The Director of Resources will be given an opportunity to see and challenge the report before it is given to the Finance and Resources Committee.

The Headteacher

- k. The Headteacher has overall executive responsibility for the Academy's activities within the framework of the agreed annual and longer term plans. The Headteacher is deemed to be the Accounting Officer for reporting purposes. Much of the financial

responsibility is delegated to the Director of Resources(DOR), but the Headteacher retains responsibility for:

- Approving new staff appointments within the authorised structure, except for any senior staff posts requiring GB approval;
- Authorising bonus/honorarium payments to staff as agreed by SLT as long as cost is affordable based on current budgets and forecasts;
- Authorising the purchase of goods and services of value up to £20,000 solely and between £20,000 and £50,000, in conjunction with the Chair of the Finance and Resources Committee;
- Signing cheques/authorising electronic payments in conjunction with other authorised signatories; where the amount is over £1,000 at least one signatory must be the DOR or Headteacher;
- Authorising the disposal of assets up to £10,000 in value.

The Director of Resources

i. The Director of Resources (DOR) works closely with the Headteacher through whom he or she is responsible to the governors. The DOR is deemed to be the Chief Financial Officer for reporting purposes. The DOR also reports directly to the governors via the Finance and Resources Committee. The main responsibilities of the DOR are:

- Day to day management of financial matters including the establishment and operation of suitable accounting and forecasting systems and an asset register;
- Management of the Academy financial resources at a strategic and operational level within the framework of financial controls determined by the GB;
- Maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records;
- Preparation of monthly management accounts and financial reports;
- Authorising the purchases of goods and services of value of up to £10,000;
- Signing cheques/authorising electronic payments in conjunction with other authorised signatories;
- Authorising the disposal of assets up to a value of £1,000.
- Ensuring that all financial and administrative returns are made to the DfE and other funders;
- Ensuring that the necessary information for other statutory returns (annual accounts, Charity Commission filings etc.) is provided promptly to the appropriate authorities;

Finance Team

m. The Finance Team consists of the DOR, plus Officers or Finance Assistants where appointed.

Other Staff

n. All staff members are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economical and efficient use of resources and for compliance with Academy financial procedures.

Register of Interests

o. No-one involved in spending public money may benefit personally from the decisions they make. To avoid misunderstandings, Academy governors and staff with

significant financial or spending powers are required to declare their financial interests in entities from whom the Academy might purchase goods or services.

- p. A register of interests should be maintained to ensure that all decision-making bodies are aware of any potential conflicts of interest when awarding contracts or making other financial decisions. All members of the GB, Finance and Resources Committee and Senior Leadership Team will need to fill out the register of interest form on appointment and this exercise should be repeated annually as a minimum. Forms are available from the DOR.
- q. The register should include business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which might have dealings with the Academy. Business interests of relatives such as a parent, spouse or child should also be disclosed where influence could be exerted over a governor or employee by that person.
- r. The existence of the register does not affect the duty of governors and staff to declare interests whenever they are relevant to matters being discussed by the GB, a committee or any other working group within the Academy. Where an interest has been declared, the individual(s) concerned should not attend that part of any committee or other meeting.

Gifts and Hospitality

- s. All personal gifts and hospitality (above a minimum monetary amount of £25) received by governors and staff should be declared and recorded. This minimises the risk of staff and governors being compromised by expectations of reciprocal benefits. The Headteacher or DOR should be consulted before any such gifts or hospitality are accepted.
- t. The Finance team should enter any receipt of gifts/hospitality into the Register of Gifts and Hospitality and this should be maintained by the DOR. Gifts received on behalf of the Academy should be entered on the register.

3 Financial Planning

- a. The Academy must prepare both short-term and medium-term financial plans.
- b. The medium-term financial plan is prepared as part of the development planning process. The Academy Development Plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- c. The Academy Development Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year. The deadline for budget preparation is notified by the DfE on an annual basis.

Development Plan

- d. The Development Plan is concerned with the aims and objectives of the Academy and how they are to be achieved. This includes matching objectives and targets to the available human and financial resources. Plans should be kept relatively simple and flexible. They provide the broad framework within which more detailed plans may be made.

- e. Each year the Headteacher must propose a planning cycle and timetable to the GB which allows for:
- A review of past activities, aims and objectives - “did we get it right?”;
 - Definition or redefinition of aims and objectives – “are the aims still relevant?”;
 - Development of the plan and associated budgets – “how do we go forward?”;
 - Implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course”;
 - Feedback into the next planning cycle – “what worked successfully and how can we improve?”
- f. The timetable will specify the deadlines for the completion of each of the stages described above. Responsibility for each part will be assigned by the Headteacher.
- g. The Development Plan will include detailed objectives for the coming academic year and outline objectives for the following two years. It should also include cost estimates, both capital and revenue, associated with each objective and success criteria against which achievement can be measured. The DOR should be fully involved in the development of the plan.
- h. For each objective the lead responsibility for ensuring progress is made towards that objective will be assigned to an Academy senior team member, who should monitor performance against the success criteria throughout the year, and report quarterly to the Headteacher. The Headteacher will report to the GB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- i. The DOR is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher in conjunction with all relevant managers, the Finance and Resources Committee and the GB. The responsibility for setting the priorities for funding, budget-setting and general financial planning lies with the Academy. All significant risks that may impact on the financial viability of the Academy will need to have been recorded, and the financial impact considered and mitigated where possible. To that end, a detailed commentary will need to be provided with any budget submission.
- j. The approved budget must be submitted to the DfE by the due date each year and the DOR is responsible for establishing a timetable which allows sufficient time for all approvals and submissions.
- k. The annual budget will estimate the resources available to the Academy for the next year and will show how these are to be used. The Academy Development Plan, objectives and the budgeted use of resources should be clearly linked. While the DOR is primarily responsible for the completion of the annual budget, he or she should work with relevant individuals to ensure that the budget is consistent with and reconcilable to the Academy Development Plan.
- l. The budgetary planning process shall incorporate the following elements:
- Forecasts of pupil numbers and characteristics to estimate the DfE grants receivable;
 - Review of other income sources to assess likely level of receipts;

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- Review of past performance against budgets to make the cost base clear;
 - Levels of central spend grant to be passed to the Academy;
 - Identification of potential efficiency savings;
 - Review of the main expenditure headings in light of Academy Development Plan objectives and expected cost variations e.g. pay increases and inflation.
- m. It is important that any new projects proposed are robustly challenged and costed to ensure that they are the most appropriate course of action and represent value for money.

Balancing the Budget

- n. It is incumbent upon the GB to only approve annual budgets that do not show an underlying deficit position (i.e. a deficit is only acceptable when resulting from expected use of brought forward figures, such as Start Up funds).
- o. Comparison of estimated income and expenditure will identify any potential surplus or shortfall. If shortfalls are identified, opportunities to increase income should be explored and expenditure categories reviewed for areas where savings can be made. This may require projects to be deferred until funding is available. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. Any carry-overs of GAG funding need to be in compliance with the annual funding letter.
- p. It is not anticipated that the annual budget should show a large surplus of funds over expenditure. Irrespective of the carry-forward calculation, it is not deemed responsible to try and build up significant reserves unless there is a particular project that requires savings to fund it over a number of years. Start Up funding does not count towards the DfE carry-forward calculation.

Communicating the Budget

- q. The budget should be communicated to all relevant staff so that everyone is aware of overall constraints and their particular responsibilities.
- r. The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is simple for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Risk Management

- s. An essential part of financial planning is consideration of risks to the Academy. This covers all risks, not merely financial risks, as mitigation of non-financial risks can still have financial consequences. The DOR should maintain a detailed risk -register. This needs to be updated regularly and considered by the GB alongside the annual budget submission. The Finance and Resources Committee should have risk management as a standing item on their agenda, and any significant changes to the register should be considered at each meeting.

Debt Write-offs

- t. Debt write-offs may be approved for a variety of reasons. The most common reasons include:
- Insufficient legal proof of the debt or liability for the charge;
 - The likely expense of legal actions exceeds the likely recovery;

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- The debtor cannot be traced;
 - The debtor is unable to pay;
 - The debt represents the outstanding balance after a final dividend has been paid in cases of bankruptcy or insolvency.
- u. Any debt write-off exceeding £500 in value will need to be approved by the Finance and Resources Committee and copied to the GB.
- v. Any write-off over the amounts set out in the EFA's Academies Financial Handbook needs written consent by the Secretary of State. *This states that the delegated limits are:*
- 1% of **total annual income** or £45,000 (whichever is smaller) per single transaction;
 - cumulatively, 2.5% of **total annual income** in any one financial year per **category of transaction** for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements; and
 - cumulatively, 5% of **total annual income** in any one financial year per **category of transaction** for any academy trusts that have submitted timely, unqualified financial returns for the previous two financial years.

In relation to these limits

- the amounts for write offs are before any successful claims from an insurer
 - **total annual income** is defined as grant income as disclosed in the trust's last set of audited accounts. The EFA should be contacted if the trust has not yet produced audited accounts;
 - the **categories of transactions** are defined as (a) write off of debts and losses, and (b) guarantees, indemnities and letters of comfort.
- w. Any loss arising from suspected fraud and any loss above the value of £500 from suspected theft must be reported to the DfE.

Monitoring and Review

- x. Monthly financial reports will be prepared by the DOR and distributed two/three weeks after the end of the month.
- y. The monthly report will generally take the following format:
- Income and expenditure, actual against budget, for the period and for the year to date, in aggregate and by nominal code;
 - A projection of the anticipated end-of-year position;
 - An extra report will be available for all budget holders (cost centre holders). This will detail budgeted, actual, committed and available spend to date;
 - A variance column ;
 - A brief narrative with explanation(s) of any significant deviations from budget;
 - An update on significant capital projects in progress;
 - Summary of key balance sheet items such as creditors and debtors at month end;
 - A summary of the cash position and outlook.

- z. Monthly reports should be reviewed by the Finance and Resources Committee. Where applicable, corrective measures may be taken to ensure that the authorised budget is not exceeded.

4 Accounting System

- a. The system currently in use is Sage 50. All financial transactions must be recorded on the accounting system.
- b. The coding structure used by the Academy will be set at the outset of the Academy, but changes can be made if new codes are required due to change in circumstances.
- c. It is the responsibility of the Academy Finance Team to ensure that all postings to the finance system are done on a timely and accurate basis, and that all required financial checks are carried out on a timely basis by appropriate personnel, such as reconciliations and payroll submissions.
- d. It is the responsibility of the DOR, in agreement with the Headteacher, to identify individual budget holders and set limits for their authorisation. It is the responsibility of the Officer to ensure that all undisputed invoices are paid within 30 days.
- e. Accounting policies are set by the GB. The main policies are:
- A capitalisation threshold of £1,000
 - Depreciation rates of:
 - i. Leasehold buildings – 50 years
 - ii. Furniture and fittings – 4 years
 - iii. Computer equipment – 2 years
 - iv. Vehicles – 4 years
 - Prepayments and Accruals will only be processed for amounts over £1200 p.a. (£100 per month)
 - Accrued and Deferred income will only be processed for amounts over £1200 p.a. (£100 per month)
- f. The format of accounts complies with the most recent Charities SORP and Companies Act.

System Access

- g. The accounting system is password restricted and passwords should be changed regularly.
- h. Access to component parts of the system can also be restricted, and the DOR is responsible for controlling the access levels.

Back-up Procedures

- i. The DOR, together with the Academy's IT Team, should ensure that back-up procedures for the system and any other financial records are in place, to minimise the risk of data loss.
- j. The DOR, together with the Academies IT Team, should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the

Academy is exposed, and the systems that have been put in place to mitigate those risks.

Transaction Processing

- k. All entries in the accounting system must be properly authorised. The procedures for running the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. Journal entries must be documented on a journal form (or excel spreadsheet), and authorised by the DOR before entry into the accounting system. Cash book payments should be entered by the DOR, and the input should be checked (and signed to evidence this check) by the DOR.

Transaction Reports

- l. The DOR will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
- Monthly audit trail reports;
 - Master file amendment reports for the payroll, purchase ledger and sales ledger;
 - Management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

- m. The DOR is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- Sales ledger control account;
 - Purchase ledger control account;
 - Payroll control account;
 - Petty cash;
 - All suspense accounts; and
 - All bank accounts.
- n. Any unusual or long outstanding reconciling items must be brought to the attention of the DOR. Cheques uncashed after six months should be written back, and reissued if appropriate. The DOR will review and sign all reconciliations as evidence of his or her review. A review of an aged debtors and creditors listing should also be carried out to ensure that long-standing issues are revisited and addressed.

5 Staffing and Payroll

- a. The main elements of the payroll system are:
- Staff appointments;
 - Payroll administration; and
 - Payments.

Staff Appointments

- b. The GB will have approved a staffing structure for the Academy. Additions can only be made to this structure with the express approval in the first instance of the Finance and Resources Committee, who must ensure that adequate budgetary provision exists for the increase. Changes to the structure which do not increase the overall budget can be approved by the Headteacher.

- c. The Headteacher has authority to appoint staff within the approved structure except for Deputy/Assistant Headteacher and the DOR positions, whose appointments are made in consultation with the GB. The Academy maintains full personnel files for all members of staff. All personnel changes must be notified promptly in writing to the DOR.

Payroll Administration

- d. All staff members are paid monthly, by the 25th of each month.
- e. The Academy payroll is administered by an outside supplier (currently Xentrall).
- f. A master record is held by the DOR for each employee recording:
- Salary, including pay scale and spine point;
 - Pension details;
 - Part-time hours, including term-time only calculations;
 - Bank account details;
 - Taxation status;
 - Personal details; and
 - Any deductions or allowances payable.
- g. New master records are created by the DOR on instruction from the Headteacher. Master file amendments will be reported by Officer and must be authorised by the DOR or by the Headteacher.
- h. The Officer must complete a monthly staff return showing all sickness and absence and also appointments and departures. The staff return must be authorised by the relevant budget holder. Authorised staff returns go to the DOR who sends the documents for payroll processing.
- i. The DOR will provide data to Xentrall each month in accordance with the regular timetable. Any emails sent to Xentrall will have the Headteacher copied in to ensure authority is given.
- j. The following is a summary of Xentrall's role:
- a. The Academy will notify Xentrall of all payroll changes i.e. starters, leavers, overtime, backpay and salary changes;
 - b. Xentrall have responsibility to check the accuracy of data being supplied by the Academy and will have responsibility for the calculations of pensions, SMP, SSP etc;
 - c. Xentrall will produce all reports in either PDF or Excel format;
 - d. Xentrall will make all payments by BACs and send all reports to third parties i.e. pension providers, union subs, attachment of earnings orders etc.
 - e. Xentrall will prepare and file P35s, P14s, P60s and provide reports to allow completion of LGPS and TPS returns (including TR17A reports);
 - f. Xentrall will administer all starter, leaver and amendment forms for the LGPS and TPS.

Payments

- k. Before payments are made, a print of salary payments by individuals and showing the amount payable in total will be provided by Xentrall, to be reviewed and authorised by the DOR, matching against information held on the HCSS budget software. The Headteacher will then sign this 'Run 1' to authorise.

- l. All salary payments are made by BACS. The payment date is the 25th day of the month (or the Friday before in the case of the 25th falling on a weekend). The BACS payroll information is sent to the school.
- m. The DOR should carry out regular monthly reviews to ensure that there are no inconsistencies in the payments and that these are reasonable.

Other Considerations

- n. Xentrall will provide a monthly payroll journal to be authorised by the DOR and posted to the nominal ledger. The DOR should review the payroll control account each month after posting to ensure that there are no unallocated balances.
- o. As a minimum, the DOR should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- p. Once a year, the DOR must check that employee gross pay on the payroll master file matches the contract of employment on the employee personnel file.
- q. The overall pay structure has been created by the Academy and all appointments should be made in line with that structure. Annual increases within this structure are determined centrally by reference to national agreements.
- r. The DOR will ensure that all payments to individuals are processed through the payroll. Where an individual is self-employed or runs their own company, the DOR will ensure that all necessary steps are taken to mitigate any IR35 implications (or other such legislation in this area).

6 Expenditure and Procurement

- a. The Academy wants to achieve the best value for money from all purchases and at all times. This means purchases need to be in the correct quality, quantity and completed within the appropriate timeframe and at the best price possible. Purchases should follow the general principles of:
 - Probity - it must be clear that there is no private gain in the Academy's contractual relationships;
 - Accountability - the Academy is accountable for its expenditure and the conduct of its affairs;
 - Fairness - that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Routine Purchasing

- b. Budget holders will be informed of their budgets at least two months before the start of the academic year. It is their responsibility to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure (including commitments) against budget will be supplied to each budget holder by the Finance team two weeks after the end of each month.
- c. Budget Holders (except for the Headteacher and DOR) have authority to place orders for budgeted items up to a value of £1,000, and Deputy Headteachers £5,000.

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- d. The DOR and the Headteacher have authority to place orders for budgeted and unbudgeted items up to £20,000. Spends over £20,000, but under £50,000 require Headteacher and Chair of Finance and Resources committee authorisation. All orders of a value from £50,000 must be approved by the Finance and Resources Committee.
- e. The DOR may create approved supplier lists for some types of expenditure. If a relevant approved supplier list exists, budget holders must obtain the DOR's agreement to purchase from alternative suppliers. Due process will be followed, for example a tender exercise, before assigning approved supplier status.
- f. All requisitions from budget holders must be made in writing using an official requisition form, stocks of which are held in the Office, Staff Room or available electronically on the network. Requisitions must bear the signature of the budget holder and must be forwarded to the Office, which will check to ensure that adequate budgetary provision exists and place the order.
- g. Orders that are in compliance with the budget are allocated a reference number and dispatched to the supplier by a member of the Finance Team.
- h. The budget holder must make appropriate arrangements for the delivery of goods to the Academy. On receipt, the budget holder must undertake a detailed check of the goods received against the goods received note (GRN), and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- i. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Office should be notified. The Officer will keep a central record of all goods returned to suppliers.
- j. All invoices should be sent to the Office. All invoices need to be authorised by the relevant individual before payment procedures are initiated. Invoices are to be authorised according the following principles:
- Department spending up to £1,000 and within the department budget to be authorised by the Department Budget Holder or Deputy Headteacher and second authorisation from the DOR;
 - Spending up to £10,000 can be authorised by the Headteacher or the DOR;
 - Spending between £10,000 and £50,000 to be authorised by both the Headteacher and DOR;
 - Any spending in excess of £50,000 to be authorised by the Finance and Resources Committee.
- k. Invoice receipt will be recorded by the Finance Team on the accounting system. The Finance Officer will stamp invoices with a grid against which the following can be evidenced:
- (a) Invoice posted to purchase ledger;
 - (b) Goods/services received as ordered;
 - (c) Invoice checked to GRN;
 - (d) Invoice authorised for payment by the correct authority;
 - (e) Payment date;
 - (f) Cheque number/BACS reference.

- l. Boxes (a) and (b) will be completed by the Finance Officer. The invoice will then be sent to the budget holder to complete boxes (c), (d), (e) and (f). Before completing these boxes, the budget holder must make a detailed check against the order and the GRN, and these documents must be attached to the invoice before it is sent back to the Office. Budget holders should do this within one week of receipt.
- m. If a budget holder is pursuing a query with a supplier, the Office must be informed of the query and periodically kept up-to-date with progress.
- n. When the budget holder has completed boxes (c), (d), (e) and (f) the invoice should be sent to the Office. At the end of every week, the Finance Officer will produce a list of invoices due for payment from the purchase ledger and this list, together with supporting documentation, will then be reviewed by the DOR. The DOR will authorise those invoices which should be paid.
- o. The Finance Officer will then input the details of payments to be made to the purchase ledger and generate the payments.

Orders up to £10,000

- p. Value for money should be considered for all amounts of expenditure, but no formal quotes are required for spend under £10,000.

Orders over £10,000 but less than £50,000

- q. Where appropriate, at least three written quotations should be obtained for all orders between £10,000 and £50,000. Written confirmation of oral quotes must be obtained before a purchase commitment is made. Confirmations by email and/or fax are acceptable. Quotes should be attached to purchase requisitions. Where three quotations cannot be obtained, for instance a sole supplier, this must be approved by DOR or Headteacher in all cases.

Orders over £50,000

- r. All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000, must be subject to formal tendering procedures.
- s. Orders or contracts with an anticipated value over the EU threshold may be subject to European Procurement Regulations. In these circumstances the DOR must be contacted before proceeding with the tender.

Forms of Tender

- t. There are three forms of tender: open; restricted and negotiated. The circumstances in which each should be used are described below.
 - *Open Tender.* This is where all interested suppliers are invited to tender. The budget holder must discuss and agree with the DOR on how to advertise 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 avoidance of corruption.
 - *Restricted Tender.* This is where specific suppliers are 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 might come forward or the nature of the goods is such that only specific suppliers can be expected to meet the 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

- u. Full consideration should be given to:
 - The objective of the project;
 - Overall requirements;
 - Technical skills required to meet the tendering criteria;
 - After-sales service requirements;
 - Form of contract.
- v. 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

- w. 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.
- x. 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.

Aspects to consider when evaluating the tender

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? If so, the Academy should always aim to achieve best value for money.

Technical/Suitability

- Qualifications of the contractor;

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

Other Considerations

- Pre-sales demonstrations;
- After-sales service;
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

- y. 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 unless there are exceptional circumstances.

Tender Opening Procedures

- z. All tenders submitted should be opened at the same time. At least two people should be present for the opening of tenders, the DOR and / or Headteacher and the responsible budget holder.
- aa. A tender register will be held recording all tenders and hold the names of the firms submitting tenders and the amount tendered. This record must be signed by the people present at the tender opening.

Tendering Procedures

- bb. The evaluation process should involve at least two people with no conflicts of interest in the tender.
- cc. Those involved in making a decision must not accept gifts or hospitality from potential suppliers that could compromise or appear to compromise their independence.
- dd. Full records should be kept of each tender evaluation and a report should be prepared and considered in line with purchasing approval limits highlighting the relevant issues and recommending a decision.
- ee. Where required by the conditions attached to a specific grant (eg from the DfE), the grantor's approval must be obtained before acceptance of a tender.
- ff. The accepted tender should be the one which offers best value for the Academy and should be the one of lowest value unless there are exceptional circumstances. If the lowest value tender is not awarded the waiver must be approved by the GB. The tender evaluation must give sufficient detail and evidence for the waiver.

Novel and / or contentious transactions

- gg. Novel payments or other transactions are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust. Contentious transactions are those which might give rise to criticism of the trust by Parliament, and/or the public, and/or the media. Novel and/or contentious transactions **must** always be referred to EFA for explicit prior authorisation.

7 Income

- a. The main sources of income for the Academy are:
- Grants from the DfE/LA for general and specific purposes;
 - Grants from other Government Agencies or other organisations for specific purposes and programmes;
 - Meals income;
 - Off-site trip income;
 - Lettings income;
 - Bank interest;
 - HI/VI Top up fees;
 - HI/VI Service Management - Service Level Agreement income;
 - Headteacher's consultancy work;
 - Uniform income;
 - Breakfast Club and Tuck shop income.

DfE Income

- b. The main recurrent grants from the DfE are paid monthly around the 1st of each month via direct debit.
- c. Notification of the level of grant is usually received around March in the year before the financial year in question. Some grants are granted on a financial year basis of April to March and are therefore not notified until later in the year. Estimates may therefore be required to meet budgeting deadlines.

Off-Site Trips

- d. An appropriate person must be appointed for each trip to collect the money due from students. The appropriate person should prepare a list of the students going on the trip and the amount due from each. A copy of the list should be given to the Admin Assistant who will also input the trip onto parentpay to allow parents to pay online.
- e. Students should make payments to the appropriate person who should forward the payment to the Office (if not collected directly by the Office). Or via parentpay.
- f. The Admin Assistant should keep a copy of each trip list showing amounts paid and outstanding. This record should be copied weekly to the appropriate person, who is responsible for chasing outstanding amounts.
- g. Any cash/cheques received is input onto the finance system by the finance assistant and banked weekly via the Security plus collection.

Meals Income

- h. Meals income is due prior to the pupil taking the lunch. Usually the Monday of each week. Dinner money debts are chased by the Finance Assistant. Firstly by sending an envelope home with the child stating the amount owed. If the debt is not paid

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then a telephone home is made. If the debt continues then a letter is sent home by the Headteacher or Family Liaison Officer asking the parent to come into school to discuss the situation.

- i. Any cash/cheques received is input onto the finance system by the finance assistant and banked weekly via the Security plus collection.

Parent Pay

- j. Payments can be made on parent pay for dinner money, breakfast club, trips etc. Parent pay is a secure online payment system which enables parents to check their child's account for any new payments they have been assigned to or what they owe for existing allocated payment items. We use parent pay to keep our dinner money records up to date and print off weekly statements to support or bank reconciliation process.

Lettings

- k. The Academy may from time to time let premises to other organisations, subject to such lettings not clashing with the timetabling of the Academy. Any letting of the Academy's premises may be either commercially or community motivated.
- l. New long-term letting proposals must be approved by the DOR or Headteacher. A financial analysis must be prepared showing the expected income and related costs. The Finance and Resources Committee must approve lettings which will not cover the direct occupancy costs of the letting (staff overtime, cleaning, utilities etc) since these lettings amount to an application of Academy funds.
- m. The DOR will appoint one member of the Finance Team to deal with Academy users (the 'Lettings Co-ordinator').
- n. The Lettings Co-ordinator is responsible for maintaining booking records and for calculating the sums due. Advance payments to be decided by the DOR as applicable.
- o. The Lettings Co-ordinator should liaise with others to avoid timetable clashes. Where possible, lettings should be arranged to minimise overtime costs, for example, by scheduling two letting activities in different areas of the Academy at the same time.
- p. The Lettings Co-ordinator should provide details of organisations using the facilities to the Finance Officer, who will establish a sales ledger account and produce sales invoice(s) from the accounting system.
- q. Academy users should be told to send all payments to the Office
- r. Any cash/cheques received is input onto the finance system by the finance assistant and banked weekly via the Security plus collection.
- s.

HI/VI Top up fees

- t. Invoices will be sent to Local Authorities on a termly basis for all HI and VI top up fees for pupils with base places. The payment for which should be made by BACS wherever possible. Cheques are acceptable.

HI/VI Service Management

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- u. An annual invoice will be sent to Middlesbrough Council for the management of the HI/VI service, for as long as the school manages the service. The payment for which should be made by BACS wherever possible. Cheques are acceptable.

Consultancy Income

- v. Invoices for consultancy work, for example, the Headteacher being a Local Leader of Education (LLE) will be raised as and when work takes place. The payment for which should be made by BACS wherever possible. Cheques are acceptable. The remuneration of this to the member of staff is covered in the Pay Policy.

Custody

- w. Pre-numbered Academy receipts should be issued for all cash and cheques received where no other documentation exists. Cash and cheques must be kept in the Office safe until banked.
- x. Monies collected must be banked in their entirety.

Bank Interest

- y. The Academy will receive bank interest on all amounts held in their interest bearing account. The ability to generate high levels of interest will however be limited and mainly only achievable in the first few of years of operation when start up funds are received.

Credit Terms & Credit control

- z. All invoices will be sent on a 30 day credit term. Should payment not be received by this date then a reminder will be sent. After 60 days contact will be made with the customer to ascertain a payment date.

8 Cash Management

Bank Account

- a. The Academy will operate one current account. It is not anticipated that further accounts will be required. The opening of any further accounts must be authorised by the GB who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque-signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

- b. Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
 - The amount of the deposit;
 - A reference, such as the number of the sales invoice or receipt or the name of the debtor.

Payment Procedures

- c. All cheques, BACS payments or other instrument authorising withdrawal from Academy bank accounts must be signed by two of the following:
 - The Headteacher;
 - Deputy Headteacher

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- Assistant Headteacher
- Director of Resources;

In addition during the maternity leave of the Director of Resources, K Singh will become an additional approved on the bank payment system.

- d. This provision applies to all accounts, public or private, operated by or on behalf of the GB of the Academy. Authorised signatories must not sign a cheque relating to goods or services for which they are the recipient.
- e. The Finance Officer will then stamp the invoice paid and note boxes 'g' and 'h'.

Administration

- f. The DOR must ensure bank statements are received regularly and reconciled at least monthly. Reconciliation procedures must ensure that:
- All bank accounts are reconciled to the nominal ledger;
 - Reconciliations are prepared by the DOR;
 - All reconciliations are reviewed by the Headteacher
 - Reconciliations are subject to an independent review carried out by the Responsible Officer; and
 - Adjustments arising are dealt with promptly.
- g. Where cheques are in use:
- They must be crossed "account payee only"
 - They must not be pre-signed;
 - All unused cheques must be retained securely.

Cash Flow Forecasts

- h. The DOR is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to cover its obligations. If significant surplus balances are forecast, steps should be taken to invest the surplus. Similarly appropriate plans should be made in the event of a forecast shortage.

Investments

- i. If the Academy is able to generate better returns than currently provided in the current account, it may undertake other investments. Investments may however only be made in accordance with procedures approved by the GB. It is expected that all investment decisions will be made on a risk-averse basis. All investments, outside of the deposit account, need GB approval.
- j. Investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated, including the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that income receivable is actually received.

Petty Cash

- k. The Academy does not operate a Petty Cash System (see Expenses below)

Administration

- l. The Finance Officer is responsible for entering all petty cash transactions onto the Finance System.

Physical Security

- m. For security, the safe has a combination code lock, the code for which is only held by the DOR and Finance Officer.

Credit Cards

- n. To aid purchases where the best deals do not allow for purchase on invoices (i.e. internet purchases) the Academy will be provided with credit cards in the name of the Headteacher and DOR. Additional cards will require approval of the Finance and Resources Committee.
- o. A full reconciliation should be carried out on receipt of the monthly statement. The same level of proof of purchase is required as with other payments, so receipts and print-outs of online purchases should be kept and attached to the statement.

Expenses

- p. With all expenses, proper consideration needs to be given when incurring costs that you wish to be reimbursed. Expenses will only be paid if they are wholly and necessarily for the benefit of the Academy, rather than the individual. Entertainment-related expenditure should therefore be approved before being incurred and should be minimised.
- q. Wherever possible expenditure should be incurred on the basis that the supplier will invoice the Academy following delivery. It is acknowledged, however, that on occasions it will be necessary to pay by cash. In exceptional circumstances a cash advance can be given out by the Finance Officer to cover expenses. This must be entered into the cash book held in Finance. Once the expenditure has been incurred, then the relevant receipts need to be submitted to Finance, along with a completed Expenses Claim Form and the correct change.
- r. If the expenditure has been incurred without a cash advance then an Expenses Claim Form needs to be completed and submitted to Finance for reimbursement, along with the relevant receipts. If receipts are not submitted, or a reasonable explanation for the absence given, then it cannot be taken for granted that the costs will be reimbursed.
- s. All expense claim forms must be approved by the budget holder, DOR, Deputy Headteacher or Headteacher. The Headteachers expenses will be approved by the DOR.
- t. Reimbursements of expenses incurred will usually be made by BACs.
- u. Expenses should only be incurred once the expenditure has been approved by the relevant budget holder.

Expenses – Travel and Subsistence

- v. There will be occasions when staff will need to travel on Academy business. All reasonable expenses incurred whilst on such business will be reimbursed. It is the responsibility of the traveller, however, to ensure that such costs are warranted and minimised.
- w. For national and international travel, standard class public transport should be used.

- x. Private cars may be used if this is more convenient/cost effective, and will be reimbursed at the appropriate rate. The congestion charge may also be reimbursed, if relevant.
- y. Where overnight accommodation is required, the appropriate expected standard is three star or equivalent. Whilst on Academy business, reasonable living expenses will be reimbursed. This would include all meals, but not alcohol.
- z. Receipts must be kept to facilitate reimbursement. There can be no guarantee of reimbursement where receipts have not been submitted.
- aa. All travel plans should be agreed in advance with the relevant budget holder.
- bb. For further information please see the Expenses Policy.

9 Fixed assets

Purchase of Assets

- a. All assets purchased with an individual value over £1,000 must be entered in the asset register.

Asset Register

- b. The Asset Register helps:
 - Ensure that staff take responsibility for the safe custody of assets;
 - Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
 - Manage the effective use of assets and plan for their replacement;
 - External auditors to audit the annual accounts and the financial systems;
 - Support insurance claims in the event of fire, theft, vandalism or other mishaps.
- c. The Asset Register should include the following information:
 - Date of acquisition;
 - Description of the asset including serial number or other identifying details;
 - Cost;
 - Source of funding (if purchased from restricted funds);
 - Location of asset;
 - Expected useful life of asset;
 - Staff member or department responsible.
- d. The Asset Register is to be kept up-to-date and reviewed regularly. At least once a year a spot check should be made that assets exist and have been recorded correctly.

Security of Assets

- e. All assets on the register should be permanently and visibly marked as Academy property, and there should be a regular (at least annual) count by someone other than the person maintaining the register.

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- f. Discrepancies between the physical count and the register should be investigated promptly and, where significant, reported to the Finance and Resources Committee.
- g. Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access stores.
- h. If applicable, items used by the Academy, but not owned by the Academy, should be recorded as such.

Disposals

- i. Items to be sold or disposed of must be authorised for disposal by the DOR and, where they have significant value, should be sold by competitive tender or auction. If the estimated value of the asset exceeds £10,000, the DOR should obtain the Headteacher's approval before proceeding. If the value is over £20,000 it must be agreed by the Finance and Resources Committee before proceeding.
- j. The Academy must obtain DfE approval in writing if it proposes to dispose of an asset for which capital grant of more than £25,000 was paid.
- k. Disposal of equipment to staff is not encouraged, as it may be more difficult to prove that the Academy obtains value for money. In addition, there are complications with the disposal of computer equipment, as the Academy has to ensure that software licences are transferred legally to the new owner.
- l. The Academy is expected to reinvest proceeds from sales of assets for which capital grant was paid in other Academy assets. If sale proceeds are not reinvested then the Academy must repay a proportion of the sale proceeds to the DfE.
- m. All disposals of land must be approved in advance by the Secretary of State.
- n. The form for seeking approval for the disposal of an asset can be obtained from the DOR.

Loan of Assets

- o. Academy property may not be removed from the premises without the authority of the Headteacher or DOR. The loan must be recorded in a loan book to be kept by the DOR and the item booked back when it is returned. Equipment will be used for the sole benefit of the Academy and not for personal use. Separate procedures will apply where appropriate (for example mobile phones).
- p. If assets are loaned for extended periods or frequently to a single member of staff, a 'benefit-in-kind' may arise for PAYE purposes. Loans should therefore be kept under review and discussed where necessary with the Academy's auditors.
- q. When an employee leaves the Academy, all loaned property must be returned and evidenced in the 'loan book'.

Attractive Items Register

- r. Items which fall under the de-minimus level for capital expenditure (under £1,000) still represent an investment by the Academy, and in some cases it is desirable to monitor these items in a similar way to capital purchases. In this instance, an Attractive Items Register may be used. This details information such as cost, serial number, responsibility and location. This can be used for items such as digital

cameras, camcorders, printers etc. It is the responsibility of the DOR to maintain the register if required. **Any item over £100 will be included on our asset register/log.**

Premises

- s. Damage to Academy premises should be dealt with promptly to avoid further damage and additional costs. It is the responsibility of the DOR Site Supervisor to ensure that the Academy site is maintained to a standard appropriate for the Academy.
- t. Damage should be reported to the DOR who will take appropriate action. The Finance and Resources Committee must approve repairs and replacements over £50,000 unless there are exceptional and urgent circumstances, in which case the DOR should obtain the approval of the Chair of the Committee, or in his/her absence, any member of the Finance and Resources Committee may provide the relevant approval.
- u. The Academy should have a regular condition survey linked to an asset management plan to ensure that buildings are maintained appropriately and irregular expenditure is budgeted for accordingly.

10 Contracts (including Leases)

- a. Any non-routine tenders or purchases, such as leases, are subject to a contract between the Academy and the supplier which is to be signed *before* the contracted work begins or the delivery of goods.
- b. The contract(s) should clearly set out (as applicable):
 - The scope of work with detailed and accurate specifications;
 - The timeline and completion date of the work(s);
 - Dates for completion of works;
 - Quality controls on work(s);
 - The agreed fees/charges and payment date(s);
 - Specification of the goods to be delivered (as applicable);
 - In the case of a lease, whether it is an operating or finance lease (finance leases should be avoided as they are akin to borrowing and not usually allowed by the DfE).
- c. The signing of a contract and/or lease should be treated like the placing of an order and the signing of a cheque.
- d. Copies of all contract documentation must be filed in a Contracts/SLA Register.

11 Insurance

- a. Cover arranged currently includes:
 - Buildings;
 - Contents;
 - Capital works;
 - Loss of cash;
 - Public liability (on and off site);
 - Employer's liability;

- Hirers' liability;
- Governors' liability;
- Professional indemnity;
- Terrorism;
- Business interruption;
- Libel and slander;
- Vehicle;
- Minibus.

12 VAT

- The Academy has opted not to register for VAT as taxable supplies are expected to be below the relevant registration threshold.
- The Academy shall monitor its income on a monthly basis and make arrangements to register for VAT should it expect taxable supplies to exceed the registration threshold.
- Where budget holders are placing orders, the value of the order should therefore reflect the net amount due, the VAT element to be reclaimed, and the gross amount to be paid to the supplier.
- The accounting system should reflect within expenditure the cost net of recoverable VAT. Recoverable VAT should be debited to the VAT control.
- It should be ensured that all VAT recovered is supported by an appropriate and valid VAT invoice from the supplier.
- The Academy shall ensure that VAT is only recovered on appropriate expenditure.
- The Academy shall keep proper records to justify the proportion of VAT recovered on each category of expenditure.
- The Academy shall complete VAT126 reclaims on at least a termly basis in the correct format to ensure that recoverable VAT is received on a timely basis.
- The VAT account balance and monthly VAT126 reclaim should be reconciled each time a reclaim is prepared and any discrepancies identified and corrected as soon as they become apparent.

13 Borrowings

General Considerations

- Any Academy must seek the Secretary of State's approval for both short-term borrowing (including overdraft facilities) and medium/longer-term loans from the private sector (including finance leases), where such borrowing is to be repaid from DfE grant or secured on assets funded from DfE grant. However, the Secretary of State's normal policy is that Academies should not be granted permission for medium and long term borrowing.
- As such, the Academy is unable to use loan financing or similar. An exception to this is credit cards.

14 Year End Procedures

- a. Budget holders should be advised against rushing into commitments at year end in order to use up their budgets. The overriding principle at all times should be obtaining value for money, and if that means a delay while the best deal is sought, pushing expenditure into the following year, then this should be followed and accommodated. Ideally, however, expenditure should be planned during the year.
- b. The Finance Team should operate a purchase order system in order to be able to track commitments and apply expenditure to the year to which it relates.
- c. In conjunction with the auditors, the DOR will prepare the statutory accounts. In order to complete this task, a number of schedules are required:
 - Aged debtors listing;
 - Aged creditors listing;
 - Fixed Asset Register, also detailing all additions and disposals;
 - Staff numbers in year, FTE by type (teachers, admin and support, projects and management);
 - Prepayments schedule;
 - Accruals schedule;
 - Accrued and deferred income schedules;
 - Year end bank and petty cash reconciliations;
 - Other income breakdown;
 - Listing of numbers of staff being paid over £60k, in bands of £10k;
 - LGPS/TPS statements;
 - Lease commitments (expiring under 1 year, 1-5 years, over 5 years);
 - Related party transactions listing;
 - Capital commitments listing;
 - Other information requested by the auditors at the pre year end planning meeting.
- d. The Academy Finance Team will be required to aid external auditors as they will visit the Academy as part of their audit of the accounts. These auditors will be appointed by the GB. The audited and signed accounts will be filed with the EFA and Companies House.

15 External Liaison

- a. The Academy will have dealings with external bodies such as the DfE, Local Authority and other central government bodies as appropriate.
- b. Where areas of expenditure or actions are required to be passed to the Secretary of State for the DfE for their formal approval or notification, then this should be done by the DOR. The areas that this would cover will include:
 - any guarantees, indemnities and letters of comfort entered into;
 - write-off of debts or liabilities owed to the Academy over 1% of total annual income or £45,000 (whichever is smaller);
 - any ex-gratia payments;
 - any freehold sales or purchases;

- the grant or take-up of any leasehold or tenancy agreement for more than three years;
 - capital disposals with an original cost of over £50,000 financed from DfE sources;
 - any loss arising from suspected theft or fraud exceeding an amount set out in the annual funding letter.
- c. The DOR must notify the GB or Finance and Resources Committee of such expenditure or actions before commitments are made so that statutory obligations can be met.

16 Financial Protection and Malpractice

- a. All Academy staff should adhere to the Principles of Ethical Standards in Public Life.

Fraud

- b. All staff have a responsibility to protect the assets of the Academy. As such, the Academy ensures that staff have a mechanism by which to report suspected fraud.
- c. In addition, the management of the Academy must also have the means to investigate such cases. Please refer to the Academy Reporting and Investigation of Suspected Fraud Policy for more details.

Whistleblowing

- d. Whistleblowing inside the work place is the reporting by workers or ex-workers of wrong-doing such as fraud, malpractice, mismanagement, breach of health and safety law or any other illegal or unethical act either on the part of management, the GB or by fellow employees. Workers may include, for example, contractors and agency workers.
- e. The Public Interest Disclosure Act 1998 is designed to protect whistleblowers from detriment and unfair dismissal. The people protected by the Act include workers, employees, third party contractor staff, agency workers and work experience workers.
- f. There is a balance to be struck between the right of the individual member of staff to speak freely on a range of matters and the right of the Academy or colleagues to protect themselves against false and malicious accusations.
- g. As such, the Academy has a whistleblowing policy which details how concerns about malpractice may properly be raised within the Academy and if necessary, outside the Academy. For more information please refer to the Academy Whistleblowing Policy, which is available on request.