



Financial Policy & Procedures

2020/21

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1. Introduction

- 1.1 The purpose of this manual is to ensure that the Academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate in a satisfactory manner to meet the requirements of our funding agreement with the Education Funding Agency (EFA).
- 1.2 The Academy must comply with the principles of financial control outlined in the Academies Handbook published by the EFA. This manual expands on that and provides detailed information on the Academy's accounting procedures and system manual should be read by all staff involved with financial systems.
- 1.3 All queries should be referred to the Finance Director or the Principal.

2. Organisational structure



Academy Governing Body

- 2.1 The Trust's Members and Trustee are responsible for:
- Appointing the trust's auditors and receiving the Trust's audited annual accounts.
 - Appointing new Trust members or removing existing members.
 - Conducting the business of the Trust in accordance with company and charity law

and adhering to the Trust's funding agreement with the Secretary of State.

- Change company's name and, ultimately, wind it up.
- Applying the highest standards of governance and taking full ownership of their duties.
- Overseeing the financial performance of the Trust and making sure its money is well spent.
- Ensuring that the Trust's practices reflect the 'seven principles of public life' (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership).
- Ensuring that funds are received according to the academy's funding agreement and are used only for the purposes intended.
- Ensuring the Trust complies with any financial notices to improve issued to it by the ESFA.
- Ensuring that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- Approving the Trust's annual budget and three-year financial plan.
- Ensuring an appropriate Scheme of Delegation is in place.
- Ensuring assets are effectively managed.
- Receiving the annual audit report.
- Approving the mandates for the operation of academy bank accounts and credit cards.
- Appointing the Resources committee and approving its terms of reference
- Authorising financial transactions within the approved limits stated in the Scheme of Delegation.
- Approving severance and compensation payments up to £50,000, after which they must seek the ESFA's approval.
- Appointing, in writing, a senior executive leader who may be appointed as a Trustee.
- Appointing an appropriate Accounting Officer that is the senior executive leader.
- Ensuring the roles of senior executive leader and Accounting Officer do not rotate.
- Appointing a Chief Financial Officer (CFO).
- Referring to the competency framework for governance to determine if any skills gaps are apparent and taking steps to mitigate these.

Resources Committee

- 2.2 The Trust's Resources committee is responsible for:
- Initial review and authorisation of the annual budget.
 - Regularly monitoring income and expenditure against the budget and making any recommendations to the Board of Trustees.
 - Authorising the purchases of goods and services of value in excess of £50,000.
 - Approving and sign off on any contracts or leases as applicable.
 - Authorising changes to the Academy staffing structure.
 - Reviewing the reports of the Responsible Officer (internal audit) on the effectiveness of the financial procedures and controls.
 - Reviewing the mandates for the operation of academy bank accounts and credit cards.
 - To keep under review the appropriateness, adequacy and effectiveness of the Trust's overall governance, risk management, control and assurance arrangements including financial reporting, accounting policies, and counter fraud and whistleblowing policies.
 - Ensuring appropriate insurance arrangements are in place for the Trust.
 - Ensuring an appropriate framework of internal financial controls is established.
 - Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and related ESFA guidance.
 - Acting as the audit committee for the Trust and reviewing reports on the effectiveness of the financial procedures and controls of the Trust.
 - Authorising financial transactions within the approved limits stated in the Scheme of Delegation.

Risk and Audit Committee

- 2.3 The Trust's Risk and Audit committee is responsible for:
- To oversee and advise the Trust Board on its overall approach to risk management, any risk exposures of the Trust and any actions necessary to mitigate such risks including future risk strategy.
 - To keep under review the overall risk assessment processes that inform the Trust Board's decision making.
 - To review and approve appropriate risk management policies and procedures, monitor the compilation and implementation of the Risk Register and resulting action plans.
 - To receive annually a report on Health & Safety, Safeguarding and Information Governance issues noting actions and progress.
 - To make other decisions relating to risk as delegated by the Trust Board.

- To review the terms of reference, scope and work plans of the external auditor, responsible officer (or internal audit if applicable), oversee the appointment including scrutiny of the audit budget and auditor's fees, and monitor the performance, of the auditors or other assurance providers and make recommendations to the Board, as necessary.
- To consider the findings and recommendations of the auditors or other assurance providers, management responses, and review progress of agreed actions against recommendations to ensure timely implementation.
- To offer an ultimate port of call for any urgent or highly sensitive concerns raised under the Trust's.

Accounting Officer

2.4 The Accounting Officer is responsible for:

- Sharing the ESFA's 'Dear Accounting Officer' letter with the Members, Trustees and other members of the SLT, arranging for it to be discussed by the Board of Trustees and taking action, where appropriate, to strengthen the Trust's financial systems and controls.
- Achieving value for money and the best possible educational outcomes through the economic, efficient, and effective use of resources.
- Ensuring regularity when dealing with items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and the 'Academies financial handbook 2020' (AFH), and with the Trust's internal procedures.
- Ensuring propriety with regards to expenditure and receipts, including standards of conduct, behaviour, and corporate governance.
- Completing and signing a statement of regularity, propriety, and compliance each year and submitting this to the ESFA with the audited accounts.
- The Trust's financial affairs.
- Keeping full and accurate financial records.
- Authorising financial transactions within the approved limits stated in the Scheme of Delegation.
- The management of opportunities and risks.
- Assuring the Board of Trustees that the Trust is compliant with the AFH and the funding agreement.
- Informing the Board of Trustees, in writing, of any action or policy under consideration that is incompatible with the terms of the articles of association, funding agreement or the AFH.
- Informing the ESFA, in writing, where they have advised the Board of Trustees that they are in breach of the articles of association, funding agreement or AFH but the

Board has continued with their actions.

The Chief Financial Officer

- 2.5 The Chief Financial Officer (CFO) is responsible for:
- Acting as the principal finance officer for the Trust.
 - Ensuring that the Trust's financial position is managed at a strategic level within the framework for financial control determined by the Board of Trustees.
 - Ensuring that all financial matters focus on the wider needs of the Trust.
 - Developing, maintaining, and managing a monthly timetable of finance tasks.
 - Ensuring all Senior Finance Officers and Finance Officers (SBS Ltd) adhere to the requirements of the monthly finance timetable.
 - Working with internal auditors to provide assurance to the Resources Committee and Board of Trustees.
 - Ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust.
 - Challenging finance staff to ensure that value for money is routinely obtained.
 - Ensuring effective financial policies are in place across the Trust.
 - Ensuring that forms and returns for the Trust are sent in line with statutory timeframes.
 - Authorising financial transactions within the approved limits stated in the Scheme of Delegation.
 - Liaising with the Principal and FD regarding financial matters.

Clerk to the board

- 2.6 The Clerk to the board is responsible for:
- Ensuring the board comply with the appropriate legal and regulatory framework and understands the potential consequences of non-compliance.
 - Advising on procedural matters relating to operation of the board
 - Administrative and organisational support.

The Principal

- 2.7 The Principal is responsible for:
- Authorising payments to suppliers.
 - Acting as the named credit card holder.
 - Approving new staff appointments, except for senior staff positions.
 - Making recommendations to the GB regarding staff pay and contractual conditions, other than members of the SLT.

- Ensuring that draft budget papers are prepared for the consideration of the Resources committee.
- Authorising the disposal of assets up to the value of £10,000.

The Finance Director

2.8 The Finance Director is responsible for:

- Managing day-to-day financial issues, including the establishment and operation of the accounting system.
- Working to an agreed monthly timetable to ensure all finance related tasks are completed within the desired timescales.
- Maintaining effective internal controls.
- Managing the academy's financial position at a strategic and operational level within the framework of the Scheme of Delegation.
- Drafting original and revised finance plans in cooperation with the Principal and with the support of the CFO.
- Maintaining the accounting records.
- Ensuring that purchase orders are raised prior to ordering goods / services, wherever possible, to aid effective budget monitoring and management.
- Ensuring that payments are made to suppliers within 30 days after the date of the invoice.
- Monitoring the budget on a monthly basis.
- Ensuring the monthly completion of bank, petty cash and other reconciliations
- Monitoring cash flow during the month and liaising with the HT regarding this, where necessary.
- Ensuring that proper checks and controls are in place to cover day-to-day activities.
- Ensuring VAT is correctly accounted for.
- Liaising with the trust's auditors in respect of any queries, and ensuring data is supplied for preparation of annual accounts within agreed timescales.

Finance Team

2.9 The Finance Team consists of the CFO, Finance Director and Finance Officers managed by SBS Ltd.

Other Staff

- 2.10 All staff members are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficient use of resources and for compliance with Academy financial procedures.
- 2.11 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.

Register of Interests

- 2.12 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, 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. The forms for this are at Appendices 4 and 5
- 2.13 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.
- 2.14 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 Charlton Park Board of Trustee, 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.
- 2.15 Likewise, all gifts and hospitality (above a minimum monetary amount of £10) 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 Principal or FD should be consulted before any such gifts or hospitality are accepted. The Sample form for this is at Appendix 4.

3. Financial oversight

- 3.1 The Trust takes full responsibility for its financial affairs and uses resources to maximise pupils' outcomes.

- 3.2 The Board of Trustees meets at least three times a year.
- 3.3 Where the Board of Trustees meets less than six times a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.
- 3.4 The Board cannot delegate overall responsibility for the academy trust funds. However, it **must** approve a written scheme of delegation of financial powers that maintains robust internal controls.
- 3.5 The academy trust has a resources committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern.

4. Financial Planning

- 4.1 The Academy must prepare both short-term and medium-term financial plans.
- 4.2 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.
- 4.3 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 the 30th of June before the start of the year since it must be submitted by that date to the ESFA for approval.

Academy Development Plan

- 4.4 The Academy 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.
- 4.5 Each year the Principal 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" and
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"

- 4.6 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 Principal.
- 4.7 The Academy School Development Plan should 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 FD should be fully involved in the development of the plan.
- 4.8 For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to the academy senior team member, who should monitor performance against the success criteria throughout the year and report quarterly to the Principal. The Principal 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 Setting

- 4.9 The FD is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Principal in conjunction with all relevant managers, Resources Committee, and the GB. The GB reserve the right to challenge the assumptions behind the budget and will need to be convinced that the budget is affordable in the short term and sustainable into the long term. 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.
- 4.10 The approved budget must be submitted to the ESFA and the FD is responsible for establishing a timetable which allows sufficient time for all approvals and submissions.
- A budget forecast return outturn (BFRO) (usually by the third week of May)
 - A three-year budget forecast return (BFR3Y) (usually by the last week of July)
- 4.11 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 FD 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 and reconcilable with the Academy Development Plan.
- 4.12 The budgetary planning process shall incorporate the following elements:

- Forecasts of likely pupils' numbers to estimate the amount of ESFA grant available.
- Review of other income sources to assess likely level of receipts.
- Review of past performance against budgets to make the cost base clear.
- Identification of potential efficiency and budget containment actions
- Review of the main expenditure headings to reflect known changes and expected variations in costs, such as pay increase, inflation, or other anticipated changes.
- Linked to the Academy Development Plan

- 4.13 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.
- 4.14 When reviewing and approving budgets for the Trust, the Board of Trustees ensures the following:
- That budget, for the current year and beyond, are compiled accurately, based on realistic assumptions and are reflective of lessons learned from previous years.
 - Pupil number estimates are challenged and that these underpin revenue projections.
 - An integrated approach to curriculum and financial planning is taken.
- 4.15 Once budgets are agreed, this will be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

Balancing the Budget

- 4.16 A balanced budget for the forthcoming financial year will be approved by the Board of Trustees, and this approval will be minuted.
- 4.17 It is incumbent on the Board of Trustee 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).
- 4.18 It is not anticipated that the annual budget should show a large surplus of funds over expenditure. It is not deemed responsible to try and build up significant reserves unless there is a particular project that requires savings to fund over a number of years. The main exception to this is Start Up A funding from the DfE which is front loaded and designed to be spent over up to five years. Start Up funding does not count towards the DfE carry forward calculation.
- 4.19 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.

- 4.20 The Board of Trustees will notify the ESFA within 14 days of proposing to set a deficit revenue budget.

Communicating the Budget

- 4.21 The budget should be communicated to all relevant staff so that everyone is aware of overall constraints and their responsibilities.
- 4.22 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

- 4.23 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 FD should maintain a detailed risk register. This needs to be updated regularly and considered by the GB alongside the annual budget submission. The 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

- 4.24 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.
 - 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.
- 4.25 If a debt is deemed to be unrecoverable, permission to write off needs to be approved by the Resources Committee.
- 4.26 Any debt write-off exceeding £1,000 in value will need to be approved by the Resources Committee.

- 4.27 Any write-off up to 1% of annual income or £45,000 individually require written consent from the ESFA.
- 4.28 Any loss arising from suspected fraud and any loss exceeding £5,000 individually, or £5,000 cumulatively in any financial year **must** be reported to the ESFA.

Budget Monitoring and Review

- 4.29 Monthly financial reports will be prepared by the FD and distributed two weeks after the end of the month.
- 4.30 The monthly report will generally take the following format:
- Income and expenditure, actual against budget, for the period and/or for the year to date, in aggregate
 - A projection of the anticipated end of year position
 - A variance column(s) with a warning function for excessive deviation from budget
 - A brief narrative with explanation(s) of any significant deviations from budget
 - An update on significant capital projects in progress
 - A summary of the cash position and outlook.
- 4.31 If a budget overspend is forecast, it may be appropriate to transfer money from another budget or the contingency.
- 4.32 Monthly reports should be reviewed by the Principal. Where applicable, corrective measures may be taken to ensure that the authorised budget is not exceeded.
- 4.33 Appropriate reports must be sent to both the Resources Committee and the GB. The GB should receive at least quarterly reports but may decide that it wants the monthly reports.
- 4.34 There are several deadlines set by the ESFA for finance related returns. The deadlines are set out at Appendix 1. Responsibility for completion of these forms lies with the Academy Finance Team.

5. Accounting System

- 5.1 Charlton Park Academy is responsible for installing the accounting. The system currently in use is PS Financials. All the financial transactions must be recorded on the accounting system.

- 5.2 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 to ensure that all required financial checks are carried out on a timely basis by appropriate personnel, such as reconciliations and new supplier checks.
- 5.3 Accounting policies are set by Charlton Park Academy Resources committee. This is to ensure that the consolidated accounts can be prepared with the minimum of alteration. The Revised policies are:
- A capitalisation threshold of £2,000 (single item) £5000 (multiple items) (revised value from 1st Sept 2020)
 - Depreciation rates of:
 - i. Land and buildings – Buildings 2% p.a.: Land is not depreciated.
 - ii. Furniture and fittings – 33.3% p.a.
 - iii. ICT Equipment – 20% p.a.
 - iv. Motor vehicles – 20% p.a.

System Access

- 5.2 The accounting system is password restricted and passwords should be changed regularly.
- 5.3 Access to component parts of the system can also be restricted and the FD is responsible for notifying the Academy Finance Team of desired access levels for all users.

Back-up Procedures

- 5.4 The External network Manager, in conjunction with the Academy IT Team, should ensure that back-up procedures for the system and any other financial records are in place and to minimise the risk of data loss.
- 5.5 The External network Manager, in conjunction with the Academy 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

- 5.6 All entries in the accounting system must be properly authorised. Invoices must be attached to the transaction on PS Financial. The procedures for running the payroll, the purchase ledger and Sales Ledger are included in the following sections of the manual. Cash book payments should be entered by the Finance team and reconciled monthly.

Transaction Reports

- 5.7 The FD 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.

Reconciliations

- 5.8 The FD 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
 - All suspense accounts; and
 - All bank accounts.
- 5.9 Any unusual or long outstanding reconciling items must be brought to the attention of the FD. Cheques uncashed after six months should be written back and reissued if appropriate. The FD will review and sign all reconciliations as evidence of his or her review. A review of an aged debtor and creditors listing should also be carried out to ensure that long standing issues are revisited and addressed.

6. Staffing and Payroll

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

Staff Appointments

- 6.2 The Governing body 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 Resources Committee who must ensure that adequate budgetary provision exists for the increase.

- 6.3 The Principal has authority to appoint staff within the approved structure except the FD whose appointments are made in consultation with the Governing body. The Academy maintains full personnel files for all members of staff. All personnel changes must be notified promptly in writing to the Principal.

Payroll Administration

- 6.4 The Academy runs two payrolls - one for the support staff and another for the teaching staff. Payment to staff is via BACS. The BACS bureau via an indirect submitter system will arrange for payment to staff.
- All Support staff members are paid monthly, by the 22nd of each month (3 weeks in arrears and one week in advance)
 - All Teaching staff members are paid on the last day of each month (staff are paid for a full calendar month but in arrears)
- 6.5 Starters and leavers - The Principal Registrar and Principal will advise the Payroll Manager of any starters, leavers, and changes of contract. The Payroll Manager will update Personnel 7 system and import all payroll changes onto the Payroll Portal with Strictly Education.
- 6.6 Additional Claims – staff are required to complete a time sheet at the end of each calendar month if they have worked additional hours. Any additional hours claimed should have been agreed in advance with the line manager. The claim is then approved by the line manager and the Principal. The Payroll Manager will check for accuracy in the addition and do spot checks on the Timesnet system to verify the validity of the claims.
- 6.7 Requests for Unpaid Leave – Staff need to complete a Leave of Absence Request Form and be countersigned by the Line Manager if the request is approved. By completing the form, staff agree to have their salary deducted accordingly.
- 6.8 Sickness pay – day to day management, monitoring and return to work interviews are done by the staff support manager. Weekly sickness sheets are downloaded from Teams by payroll Manager and put on Strictly portal.
- 6.9 Miscellaneous Payroll Adjustments must be approved as set out in the paragraphs below.
- 6.10 After Academy clubs - approved by the ActivKids manager and timesheets verified by Timesnet.
- 6.11 Casual staff daily claims approved by staff support manager.
- 6.12 Step up allowances need to be approved in advance by the Principal.

- 6.13 Claims that are more than two months old will not be processed.
- 6.14 All mileage claims will be processed via payroll.
- 6.15 Any adjustments, including overtime, require the approval of the Principal.
- 6.16 HMRC tax code changes are sent to Strictly Education as well as any attachments to earnings.
- 6.17 Staff may apply for bicycle purchasing (salary sacrifice) loans and season ticket loans. These are to be countersigned by the Principal. Outstanding loans are recorded in the balance sheet and reconciled periodically.
- 6.18 Payroll processing and submission - The Payroll Manager prepare the payrolls and collate the claims for additional hours and casual bank staff and submit to the outsourced payroll provider under an agreed timetable.
- 6.19 The payroll is returned to the Academy on the 15th and 23rd of each month. Following checks by the Payroll Manager to ensure that the payroll has been processed correctly Strictly Education are advised of any amendments/changes.
- 6.20 The final payroll is then checked and reconciled with the budgeting software by the Finance Director.
- 6.21 Pensions - The Academy offers TPA for the teaching staff and LGPS for support staff. Auto-enrolment date is May 2020 (every 3 years). The responsibility for the monthly submissions of TP data and EOYC is outsourced to Strictly Education.
- 6.22 All new staff are invited to complete a form confirming their pension status.
- 6.23 All salary payments contracted and non-contractual are subject to pension deductions unless the staff have opted out.

Payment

- 6.24 Strictly Education (SE) will make all payments by BACs to third parties, i.e., pension providers, union subs, attachment of earnings orders etc. (third party reporting will remain the responsibility of the academy, although the reports from SE will provide all the details required for this). There will be three payment runs,
- 6.25
- one with the Support main pay on the 22nd of each month
 - one for the teaching main pay on the last day of the month
 - one for HMRC on the 12th of the following month.

7. Purchases, Procurement and Returns

- 7.1 The Academy always 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

- 7.2 The Academy's procurement system is based on purchase orders/commitment accounting. This means that an authorised commitment must be made for all expenditure incurred. For the majority of expenditure (including Amazon) this will be with an Academy Purchase Order.
- 7.3 Budget will be upload onto the accounting system in the first months of the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
- 7.4 All requisitions from budget holders must be made in writing using an official academy form, stocks of which are held by the Finance Department within the school and available electronically on Fronter.
- 7.5 The order form should have adequate description so the correct goods/ quantity /colour etc. can be ordered.
- 7.6 Requisitions must bear the signature of the budget holder.
- 7.7 The order must be forwarded to the Finance Department, if there is insufficient budget to process the order, the Finance Department will advise the budget holder.
- 7.8 Orders that are in compliance with the budget are processed on PS Purchasing with a reference number and dispatched to the supplier by a member of the Finance Team (SBS).
- 7.9 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.

- 7.10 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Team should be notified. The CFO will keep a central record of all goods returned to suppliers.
- 7.11 All invoices should be sent to the Finance Team. All invoices need to be authorised by the relevant individual before payment procedures are initiated. Invoices are to be authorised according to the scheme of delegation:
- 7.12 Invoice receipt will be recorded by the Finance Team on the PS Financial system against which the following can be evidenced:
- (a) Invoice arithmetically correct
 - (b) Invoice posted to purchase ledger.
 - (c) Goods/ services received as ordered.
 - (d) Invoice checked to GRN.
 - (e) Prices correct.
 - (f) Invoice authorised for payment by the correct authority.
 - (g) Payment date
 - (h) Cheque number/BACS reference
- 7.13 If a budget holder is pursuing a query with a supplier, the Finance Team must be informed of the query and periodically kept up to date with progress.
- 7.14 At every week, the Finance Lead/Manager will produce a list of outstanding invoices for payment from the purchase ledger and this list together with supporting documentation will be reviewed/approved by the Principal and another member of the SLT.

Orders up to £1,000

- 7.15 Where appropriate, orders up to £1,000 or 25% of their respective budget (whichever is the smaller amount) can be ordered by budget holders who have the authority to order such items. Members of the Senior Leadership Team may approve expenditure up to £1,000.

Orders over £1,000 but less than £50,000

- 7.16 At least three written quotations should be obtained to identify the best value. The Finance Director or the Principal should be advised before the quotes are sought so they can co-ordinate the process in line with the Procurement and Tendering Policy.
- 7.17 Telephone quotes are acceptable provided they are backed up by emailed, faxed or written quotes. Copies of all quotes will be kept together and attached to the final purchase orders.
- 7.18 The Crescent Consortium or similar government type procurement services or frameworks should be used.
- 7.19 The order needs to be countersigned by either the Principal or Director of Resources.
- 7.20 All orders between £1,000 and £20,000 must be approved by the Principal. Above this value and up to £50,000, must be countersigned by the Chair of Resources committee and £50,001 and above must be countersigned by the chair of Governors (by email during Covid lockdown).

Orders over £50,000

- 7.21 Minimum of three written tenders is required.
- 7.22 Over £50,000 (but below the EU procurement threshold) is considered a high value purchase.
- 7.23 Tendering is carried out in accordance with DfE advice and observing Official Journal of the European Union (OJEU) procurement thresholds (whilst the UK remains subject to these regulations). Relevant professional advice is obtained where appropriate, including that of the external auditor and tendering specialists where necessary.
- 7.24 The academy trust advertises throughout the member states of the European Community where there is a legal requirement to do so. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by the finance office.
- 7.25 Where required by the conditions attached to a specific grant from the DfE/ESFA, the relevant body's approval is obtained before accepting a tender.
- 7.26 If using a 'contracting authority' framework agreement, (e.g., a local authority or a public sector buying organisation) it is deemed that favourable terms and conditions have already been procured.

Forms of Tender

7.27 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 Principal 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 suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs.
- A large number of suppliers 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.

Quotation and Tendering limits

7.28 For regular classroom or administrative routine expenditure up to £1000, one quote is sought if using regular suppliers say GLS, Kent County, Viking etc. The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are:

- Over £1000-£20,000: 3 written quotes and Academy Finance officer to be advised before quotes are sought. Crescent consortium or others recommended by ESFA to be used where possible.
- Above £20,000 and up to £50,000, three formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria.
- Above £50,000 and up to EU thresholds, four tenders.

Change of auditors will automatically be handled via the tendering process.

Over EU thresholds

7.29 If what you are buying is over the EU procurement threshold then you must follow this process.

You should:

- assess the market.
- see if you can get what you need using our find a DfE recommended framework tool or another framework agreement
- prepare your contract and invitation to tender.
- consider whether to use the restricted procedure to reduce the number of bids you have to assess later, or the open procedure to let anyone bid.

Then you must:

- advertise a contract notice in the Official Journal of the European Union (OJEU) using eNotices
- make your invitation to tender and all other documents available electronically from the time that the contract notice is published.
- assess all the bids you get fairly, using the same process.
- choose the supplier that offers best value for money.
- award the contract to the highest scoring bid supplier.

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

Preparation for Tender

7.31 A specification will be prepared, authorised by the chair of the relevant committee and the Principal, and sent to at least three suppliers. It is anticipated that for any major building works of a value greater than £5,000 the services of an architect would be engaged to deal with the handling of specifications and suitability to tender.

7.32 Where appropriate, the suppliers invited to tender should be drawn from an approved list, recommendations or from those agreed with the architect. Otherwise, invitations to submit tenders will be advertised in local newspapers and trade journals if appropriate.

7.33 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
- The terms and condition of the contract and
- the form and date of response to the Academy, or in the case of building works, to the architect or quantity surveyor

Invitation to Tender

7.34 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.

7.35 An invitation to tender should include the following:

- Introduction/background to the project
- Scope and objectives of the project
- Technical requirement
- Implementation of the project
- Terms and conditions of tender; and
- 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
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures; and

- Details of previous sales and references from past customers.

Other Considerations

- Pre-sales demonstrations.
- After sales service; and
- 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

- 7.36 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. All replies must be kept sealed until that date and passed to the chair of the relevant committee.
- 7.37 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

- 7.38 All tenders submitted should be opened at the same time. At least two people should be present for the opening of tenders, normally the FD or Principal, the Academy business manager, member of SLT and a non- staff governor.
- 7.39 No contractor will be allowed to amend their tender after the time fixed for receipt.
- 7.40 A record should be kept of 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

- 7.41 The evaluation process should involve at least two people with no conflicts of interest in the tender.
- 7.42 For purchases exceeding £50,000 (and EU thresholds), or where the item was not originally included in the budget, the decision as to which tender to accept will need to be ratified by the full governing body.

- 7.43 Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept will be taken by the Resources committee, in line with their terms of reference and then ratified by the full governing body.
- 7.44 The reasons for accepting a tender must be documented, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the full governing body.
- 7.45 It may be useful after all requirements have been established to rank requirements (e.g., mandatory, desirable, and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.
- 7.46 Those involved in decision making **must** not accept gifts or hospitality from potential suppliers that could compromise or appear to compromise their independence.
- 7.47 Full records should be kept of each tender evaluation and a report should be prepared for the Resources Committee highlighting the relevant issues and recommending a decision.
- 7.48 Where required by the conditions attached to a specific grant, the grantor's approval must be obtained before acceptance of a tender.

Delivered Goods or Resources

- 7.49 As there needs to be at least two members of staff involved in the ordering and approval process, the delivery note should be checked by someone other than the budget holder who had approved the purchase order.
- 7.50 A separate person in the department should check the delivery and sign the delivery note.
- 7.51 The Finance Department (through Managed Services SBS) needs to be advised immediately if the goods delivered are not what was ordered, or the goods received are damaged or incomplete.
- 7.52 The delivery note accompanying the goods should be handed to the Finance Department.
- 7.53 The invoice should be addressed to the Finance Department who will in turn send the invoice to Managed services for processing.

Specialist Procurement

- 7.54 Courses and training must be approved by the member of the Senior Leadership Team responsible for training. Staff will also need to get approval from their line manager and ensure that the staff support officer responsible can arrange to cover their posts if needed.

- 7.55 ICT Equipment - only bought under the advice of the ICT technician/ICT Manager and approved by the ICT budget holder. In most cases when buying computers, the Academy will take advantage of the preferential arrangements negotiated by the EFA or other framework providers.
- 7.56 Consultancy – use of any consultants should be discussed with the Finance Director prior to agreeing a contract so any potential tax implications can be considered. Consultants will be required to evidence their employment status.

Supply Staff

- 7.57 The Academy maintains a list of preferred supply agencies. All requests for supply cover should be submitted to the Staff Support Manager and approved by the departmental head.
- 7.58 Different agencies should be tried periodically in order to gain best value.
- 7.59 The weekly authorised timesheet must be handed to the Finance Department (through Managed Services SBS) once it has been faxed/scanned to the agency.

Purchase of alcohol

- 7.60 The trust's funds **must not** be used to purchase alcohol for consumption, except where it is to be used in religious services.

Value for Money statement

- 7.61 A Value for Money Statement is prepared with the full year end accounts each year. Charlton Park Academy strives to attain value for money by:
- challenging why, how and by whom a service is provided.
 - comparing performance with that of other schools
 - using fair competition, wherever practical, to secure efficient and effective services.

Assets Management

- 7.62 For these purposes, an asset is deemed to be a moveable item of equipment. An inventory list will be maintained covering for example, musical instruments, computer equipment, furniture, set of textbooks, or electrical equipment.
- 7.63 The procedures relating to the purchase of assets follows the same procedures for all purchases regarding limits, authorisations, and tender policies.

- 7.64 It is the responsibility of Heads of Departments to keep their area free of broken, outdated, or surplus equipment. The department head is responsible for the asset and its physical location.
- 7.65 All electrical equipment is to be subject to an annual electrical check (PAT testing) by the Premises team.
- 7.66 The Premises Manager will ensure any statutory duties regarding servicing and maintenance are adhered to.
- 7.67 The ICT department will keep a list of all ICT equipment i.e., computers, printers, IWB laptops and specialist communication and access equipment etc.
- 7.68 The Transport Manager will keep a list of all vehicles including removable seats and wheelchair equipment.
- 7.69 Equipment Loans - All staff who are loaned ICT equipment or mobile phones need to sign a loan agreement. The equipment should always be kept safe and treated with the same level of care you would expect to treat your own equipment.
- 7.70 Laptops/ iPads or mobile phones should not be left in an unattended car nor in view. The Academy needs to be informed if the equipment is lost, stolen or damaged.
- 7.71 Academy owned mobile phones can be used when a class or group of pupils are leaving the Academy premises. Class based staff need to sign for these.
- 7.72 Equipment Loaned to Pupils – Primarily co-ordinated by the ICT department or CENMAC. Loan agreements need to be issued and a log kept in the department. Equipment to be returned at the end of the academic year or when the pupil leaves the Academy or leaves the support of the CENMAC service. The Academy is to be reimbursed for mislaid, stolen, or damaged equipment.

8. Income

- 8.1 The main sources of income for the Academy are:
- Grants from the ESFA/LA for general and specific purposes
 - Meals income
 - Off-site trip income
 - Letting's income; and
 - Bank interest.

ESFA/LA

- 8.2 The Main recurrent grants from ESFA are paid directly to the academy bank account around the 1ST of each month for ESFA and Quarterly for RBG.
- 8.3 Most Academy income is received from the ESFA or as Top Up fees for individual pupils from Local Authorities, mainly the Royal Borough of Greenwich. The latter is received by the Academy as a direct credit. A remittance advice is received electronically from the EFA and the Royal Borough of Greenwich. This income together with any other un-invoiced funding is journaled onto PS Financials and income remittances filed in the relevant monthly bank file.
- 8.4 Invoices are raised from PS Financials for self-generated income by the Academy. When the income is received, a sales receipt is generated on PS Financials recording the income as received and clearing the outstanding debtor. The matched invoices and sales receipts are filed on the relevant monthly banking file.
- 8.5 Only Finance staff can raise invoices or claim monies from third parties.
- 8.6 All grant claims or applications for funding should be undertaken via the Finance Department through the CFO
- 8.7 Notification of the level of grant is usually received around March in the year before the financial year in question. Some grants, such as Standards Funds 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.
- 8.8 Insurance grants are based on reimbursing actual costs, and therefore should be ignored for budget purposes as they do not have a bearing on the bottom line, and details will not be available at the time of the budget compilation.

Off-Site Trips

- 8.9 Teaching staff are to ensure that school journeys are charged to pupils in accordance with the Charging and Remissions Policy.
- 8.10 The letter advising parents of the school trip will in most cases ask for a donation for the child to spend. The letter should state that cheques need to be made payable to Charlton Park Academy, Parents/Carers should add their child's name and class on the back of the cheque. Alternatively, the Academy bank account details can be provided with a request that the pupils name is quoted as a reference with the payment.

- 8.11 A copy of the letter to pupils should also be copied to the Finance Department (through Managed Services SBS).
- 8.12 Any unspent monies should be returned pro-rata to pupils who have paid in full.
- 8.13 No additional charge may be made to cover staff expenses.
- 8.14 In the case of hardship, the decision to subsidise the trip rests with the Principal.

Residential Trips

- 8.15 This can only proceed with the approval of the Chair of the Governors, Principal or Education Visits Co-ordinator. When the trip is completed an “End of Journey Statement” must be completed showing a full breakdown of all income and expenditure and submitted to the next Governing Body meeting.
- 8.16 All expenses should be planned for and covered in advance. The payment schedule should be agreed by both Head of Department and the Principal before the pupils are informed.
- 8.17 Invoices are raised from PS Financials for Out of Borough pupils. When the income is received, a sales receipt is generated on PS Financials recording the income as received and clearing the outstanding debtor. The matched invoices and sales receipts are filed on the relevant monthly banking file.
- 8.18 Only Finance staff can raise invoices or claim monies from third parties.
- 8.19 All grant claims or applications for funding should be undertaken via the Finance Department (through Managed Services SBS).

Letting and other income

- 8.20 Lettings - A lettings agreement will be drawn up detailing the regular weekly rates and times of the hiring. The Finance Department (through Managed Services SBS) will invoice termly/quarterly in advance. Any subsequent changes will be handled as credit notes.
- 8.21 After Academy Clubs – Letters to go out to parents before the start of term. Fees must be paid in advance for the whole term. All payments must be handed to the CFO on the day the monies are handed in. Cases of hardship should be referred to the Principal. In most cases pupils attracting pupil premium will be allowed one club per week funded by the

Academy.

- 8.22 Pupil dinner money – The Academy now uses Parent Pay to collect Academy dinner money. If in the rare circumstances, cash is brought into Academy, this should be brought to Finance.

Bank Interest

- 8.23 The Academy will receive bank interest on all amounts held in their interest-bearing account. Academy FDs can invest surplus funds in the money market via their Lloyds TSB Account Manager. Various terms of investment are available and will pay higher rates of interest depending on the length of term selected.

Borrowing and debt management

- 8.24 The Academy must seek EFA approval for borrowing (including Finance Leases and Overdraft facilities) from any source where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.
- 8.25 Aged Debtors will be reviewed monthly and outstanding debts chased accordingly. The Resources Committee has agreed that no new bookings can be taken for swimmers who have outstanding debts.

9. Cash management

Bank Accounts

- 9.1 The main bank for Charlton Park Academy is Lloyds Bank, Woolwich. Existing bank accounts are a current account and a 32-day notice account.
- 9.2 The bank mandate for cheques and BACS will require two signatories/authorisers. They cannot sign or authorise any batch where they are a beneficiary.
- 9.3 Changes to the list of authorised signatories and System Administrator for Lloyds Link needs approval of the Resources Committee.
- 9.4 The 32 Day notice account is held with Lloyds Bank with the principle on automatic renewal and the interest being credited back to the current account. The deposit will be credited back to the current account upon maturity. The placement of investments requires approval from

the Resources Committee.

Deposit

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

Payment Procedure

- 9.6 All cheques, BACS payments or other instrument authorising withdrawal from Academy bank accounts must be signed by two of the following:
- The Principal
 - Finance Director
 - Principal Registrar
 - Vice Principal
 - CFO
- 9.7 This provision applies to all accounts operated by or on behalf of the GB of the Academy.

Administration

- 9.8 The FRD 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 Finance Manager.
 - All reconciliations are reviewed by the FD.
 - Adjustments arising are dealt with promptly.

Cash Flow Forecast

- 9.9 The Finance Director 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.

Petty Cash Accounts

- 9.10 A use of petty cash is discouraged. Where there is a genuine need for petty cash, a tin is kept securely at the school, which is the responsibility of the Academy finance officer.
- 9.11 The maximum request is £25. The value of the advance needs to be supported by the monies returned and receipts presented.
- 9.12 The CFO is responsible for the management of petty cash and will:
- Ensure petty cash is held securely.
 - Reconcile petty cash on a regularly basis (at least monthly).
 - Make the petty cash available for checking at any time.
 - Record all petty cash transactions.

Payment and Withdrawals

- 9.13 In the interests of security, petty cash payments will be limited to £25. Higher value payments will be made via BACS.
- 9.14 Cheque Encashment Facilities - There are two cheque encashment facilities. A cheque can only be issued by the Finance Department once the petty cash has been reconciled. The designated member of staff needs to produce photo ID in accordance with the encashment mandate and the cheque before the bank will hand over the cash.
- £1,000 limit of withdrawal at Lloyds Woolwich - this is the main petty cash facility for the academy.

Credit and Debit Cards

- 9.15 The Academy should only use debit card when suppliers will not accept the Academy's normal procurement system. It should be the exception not the rule. Whilst it is tempting to order all goods via the internet as prices may seem cheaper, there can be problems obtaining a VAT invoice and difficulties in returning goods which are not what was expected.
- 9.16 Sainsbury's online ordering – primarily used by Food Technology. Staff need to complete the debit card requisition form prior to use and have it countersigned by a member of the Senior Leadership Team.
- 9.17 The descriptions need to be very precise and if the finance staff have problems with the order, it will be rejected. The website link needs to be emailed to the finance staff.

- 9.18 The Lead finance officer will determine whether to use the debit card or go through normal purchase order procedures.
- 9.19 Credit cards must only be used for business purposes (not personal expenditure and balances cleared before interest accrues). The use of debit / credit cards will be kept to a minimum and monitored by the CFO.
- 9.20 The debit card must not leave the Finance Office.
- 9.21 Payment via credit card requires the same authorisation as that of cheques or BACS.
- 9.22 Debit / credit cards linked to the Trust bank account are issued to personnel under the Scheme of Delegation to pay for goods and services when the normal ordering processes are not possible.
- 9.23 Payment via debit or credit card requires the same authorisation as that of cheques or BACS.

Expenses- Travel and Subsistence

- 9.24 The Academy has set up a variety of facilities, so staff do not to buy goods or equipment on behalf of the Academy using personal card/cash.
- 9.25 Oyster Cards – there are 20 cards set up with auto top up. The cards are kept in the Finance Department. The cards may be used for school trips, staff needing to travel on school business or courses. The cards need to be signed in and out.
- School debit card (see above) to be used for ad hoc purchases.
 - Finance will set up trade accounts for new suppliers as requested and appropriate.
- 9.26 The Academy will only reimburse staff for travel/subsistence expenses incurred for courses and in the delivery of services /consultancy provided by the Academy.
- All train travel must be by the cheapest practical fare available.
 - Within Greater London, oyster cards should be used where possible.
 - Booking in advance is recommended. This can be done by Finance using the debit card to avoid staff incurring costs personally.
 - 1st class train travel is not permitted.

- Taxi fares will only be reimbursed if supported by a receipt.
- Travel by staff in private vehicles is not permitted in advance unless the Academy has seen sight of the vehicle's valid insurance and MOT documents. A copy to be kept on the staff file.

- 9.27 All mileage will be reimbursed at the HMRC recommended rate. Mileage claims are reimbursed via the payroll. Claim forms from reception. Mileage claims can be substantiated by checking AA Routemaster website.
- 9.28 In the rare event that the Academy will agree to reimburse staff for any other expenses, the Academy will only reimburse staff for actual expenses which are wholly, exclusively, and necessarily incurred in the performance of their duties.
- 9.29 All expenses paid to staff need to be authorised by their line manager/ relevant budget holder. Expenses paid to budget holders must be authorised by their line manager.
- 9.30 No-one may authorise their individual expenses.
- 9.31 Staff expenses will be paid via payroll at the next available payroll run.

Payment

- 9.32 The normal method of payment will be via BACS.
- 9.33 Payment runs will typically be undertaken fortnight to maximise cash flow but are subject to any urgent circumstances which may arise.
- 9.34 Payment can only be authorised by designated bank signatories.
- 9.35 Change of banking details of suppliers can only be accepted if submitted on the relevant company's letterhead. Changes of supplier bank details will be kept on the suppliers' invoice file and should be checked by Director of Finance.
- 9.36 Salary payments are processed twice a month by Strictly Education -details in staffing and Payroll section.

Special Payment

- 9.37 The Academies Financial Handbook makes specific reference to the Special Payments, which are transactions, which fall outside Academy Trusts planned range of activities. These are;
- Staff Severance Payments
 - Compensation Payments

- Ex Gratia Payments

9.38 Specific reference must be made to the Academies Handbook requirements should the possibility of any of these types of payments arise.

Physical Security

- 9.39 Cash should not be left in an unlocked place overnight. Other than in exceptional circumstances cash should be kept in one of the two safes that are located in Reception or Finance areas until it can be banked by Finance staff.
- 9.40 A petty cash voucher will be completed and submitted to the (who) for processing before petty cash is received. Valid receipts for all goods purchased will be attached.
- 9.41 The CFO will be available each week to reimburse petty cash expenses and the recipient will sign a petty cash form to acknowledge receipt.
- 9.42 Details of monies held in the safe will reflect balances shown in the cash book.

10. Fixed Assets

- 10.1 The trust will obtain approval from the ESFA for the following transactions:
- Acquiring a freehold of land or buildings
 - Disposing of a freehold of land or buildings
 - Disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the trust's funding agreement for the disposal of assets generally.
- 10.2 Other than the transactions outlined in 10.1, the trust does not need the ESFA's approval to dispose of any other fixed assets.
- 10.3 The disposal of any asset must adhere to the Scheme of Delegation.
- 10.4 Any disposal will maintain the principles of value for money, regularity, and propriety.

Purchase of Assets

- 10.5 All assets purchased with an individual value over £3,000 (revised value from 1st Sept 2020) must be entered in the asset register. The FD is responsible for ensuring that assets are entered into the register within two weeks of acquisition.

Assets Register

10.6 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 to plan for their replacement.
- External auditors to audit the annual accounts and the financial systems; and
- Support insurance claims in the event of fire, theft, vandalism, or other mishaps.

10.7 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; and
- Staff member or department responsible.

10.8 The academy also has a duty to ensure the security of assets under the £2,000 threshold which are also at risk of loss due to their portability and/or desirability (i.e., laptops or other small IT devices). These may be included separately on the asset register to ensure that they are monitored appropriately.

Security of Assets

10.9 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.

10.10 Discrepancies between the physical count and the register should be investigated promptly and, where significant, reported to the GB.

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

Disposals

- 10.12 Items to be sold or thrown away must be authorised for disposal by the Principal 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 Principal should obtain Resources Committee approval before proceeding. The Academy must obtain ESFA approval in writing if it proposes to dispose of an asset for which capital grant of more than £20,000 was paid.
- 10.13 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 **must** ensure that software licences are transferred legally to the new owner.
- 10.14 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 ESFA.
- 10.15 EFA approval must be sought for the disposal of freehold land or buildings or Heritage assets.
- 10.16 The sample form for seeking approval for a disposal of an asset is at Appendix 2.

Loan of Assets

- 10.17 Academy property may not be removed from the premises without the authority of the IT Manager or Principal. The loan must be recorded in a loan agreement form, a copy should be kept on the employee's file and the item booked back when it is returned.
- 10.18 If assets are lent 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.
- 10.19 Asset's type and who is responsible is in Appendix 7

Premises

- 10.20 Damage to Academy premises should be dealt with promptly to avoid further damage and additional costs. It is the responsibility of the Principal and Site Manager to ensure that the Academy site is maintained to an appropriate standard.
- 10.21 The Site Manager should report damage to the Principal who will take appropriate action. The Resources Committee must approve repair and replacements over £10,000 unless there are exceptional and urgent circumstances in which case the Principal should obtain the approval of

the Chair of the Committee, or in his/her absence, any member of the Resources Committee may provide the relevant approval.

- 10.22 Each property 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.

11. Leasing

- 11.1 For the purpose of this policy, there are two types of lease:
- Finance lease – a form of borrowing
 - Operating leases – not a form of borrowing
- 11.2 The trust will obtain approval from the ESFA for the following lease transactions:
- Taking up a finance lease on any class of asset for any duration from another party.
 - Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.
 - Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.
- 11.3 Any lease will maintain the principles of value for money, regularity, and propriety.

12. Gifts

- 12.1 The Trust's Gifts and Hospitality policy sets out the procedures relating to the acceptance of gifts, hospitality, awards, prizes, and any other benefit that might be seen to compromise the judgement or integrity of the Trust.

13. Related party

- 13.1 The Trust will be even-handed in their relationships with related parties by ensuring:
- Compliance with their statutory duties to avoid conflicts of interest, benefits are not accepted from third parties, and interests in proposed transactions or arrangements are declared.
 - A register of interests has been completed.
 - No member of the Trust uses their connection to the trust for personal gain.
 - All payments are permitted by the Articles of Association or by authority from the Charity Commission.

- The Charity Commission approves payments to a Trustee where there is a significant advantage to the academy.
- 13.2 The Academy Trustees will ensure procedures pertaining to related party transactions are applied consistently.
- 13.3 The Board of Trustees and Accounting Officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- 13.4 The Chair of Trustees and the Accounting Officer will ensure their capacity to control and influence does not conflict with requirements.
- 13.5 The Trust recognises that some relationships with related parties may attract greater public scrutiny, such as the following:
- Transactions with individuals in a position of control and influence, including the Chair of Trustees and the Accounting Officer
 - Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors.
 - Relationships with external auditors beyond their duty to deliver a statutory audit.
- 13.6 The Trust will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.
- 13.7 The Trust will report all related party transactions made on or after 1 April 2019 to the ESFA in advance of the transaction taking place.
- 13.8 The Trust will obtain approval from the ESFA for related party transactions that are novel, contentious and / or repercussive.
- 13.9 The Trust will obtain approval from the ESFA for contracts for the supply of goods or services to the Trust by a related party agreed on or after 1 April 2019, where any of the following limits apply:
- The contract exceeds £20,000.
 - The contract, regardless of the value, would exceed £20,000 in the same financial year ending 31 August.
 - The contract, regardless of the value, would exceed £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.
- 13.10 For the purpose of reporting to, and approval by, the ESFA, related party transactions do not include salaries and other payments made by the Trust to a person under a contract of

employment through the Trust's payroll.

14. Whistleblowing and fraud

- 14.1 The Trust puts proportionate controls in place to mitigate the risks of fraud, theft, and irregularity, e.g., regular inspections addressing risks.
- 14.2 Where instances of fraud, theft or irregularity are suspected or identified the Board of Trustees will investigate it promptly and should any evidence of fraud be found, they will take appropriate action.
- 14.3 In any instance of fraud, theft, or irregularity whereby the amount defrauded comes to a total exceeding £5,000 in a financial year, the Board of Trustees will report it to the ESFA as soon as they become aware of it.
- When reporting to the ESFA on instances of fraud, theft or irregularity, the academy will include the following information:
 - Full details of the event(s) with all key dates
 - The financial value of the loss
 - The measures taken by the trust to prevent recurrence.
 - Whether the matter was referred to the police and if not, the reasons why.
 - Whether the insurance or the risk protection agreement have offset any loss
- 14.4 If a member of staff suspects their colleagues are involving them in matters of fraud, they have a duty, as an employee of the Trust, to raise suspicions to a member of their SLT.
- 14.5 Reports of fraud will be treated in a fair and unbiased manner.
- 14.6 If the report of fraud is against a member of the SLT, the member of staff can go directly to the Chair of Trustees.
- 14.7 The SLT of the relevant academy within the Trust will be responsible for the initial enquiries of fraud, theft or irregularity – they will then pass on their findings to the Board of Trustees for further inspection.
- 14.8 Upon receiving the SLT's initial findings, the Board of Trustees will:
- Determine whether further investigation is warranted.
 - Determine the initial response to the alleged perpetrator when this is a member of school staff.

- Determine who will carry out the investigation.
 - Determine which outside agencies will be involved.
 - Assess the risk of the fraud and the perpetrator to the academy.
 - Determine to whom day-to-day management of the response will be given.
 - Allocate responsibility for damage limitation action.
 - Determine the course of action to recover losses.
 - Determine the course of action to be taken against the perpetrator.
 - Evaluate the events which enabled the fraud to occur.
 - Ensure preventative action is taken to prevent recurrence.
 - Report any excessive fraud (over £5,000) to the ESFA.
- 14.9 The Trust's Whistleblowing Policy outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistle-blower being treated unfairly.
- 14.10 The Principal will ensure all staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of the academy.
- 14.11 All concerns raised by whistle-blowers are responded to properly and fairly in line with the Whistleblowing Policy.

15. Contracts

- 15.1 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.
- 15.2 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).

Copies of all contract documentation must be filed in a Contracts Register.

- 15.3 The signing of a contract and/or lease should be treated like the placing of an order and the signing of a cheque.

16. Insurance

- 16.1 Insurance costs are currently reimbursed by the ESFA at actual cost. This will need to be claimed via DfE sign-in.
- 16.2 Cover arranged currently includes:
- Buildings
 - Contents
 - Capital works.
 - Loss of cash
 - Public liability (on and off site)
 - Employer's liability
 - Governors' liability
 - Professional indemnity
 - Vehicle

17. VAT

- 17.1 The Academy is not VAT registered but able to reclaim VAT on educational expenses via VAT 126 status.
- 17.2 Where budget holders are placing orders, the value of the order should therefore be the amount net VAT figure which may be the one quoted by suppliers.

18. Year End Procedures

- 18.1 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 whilst the best deal is sought, pushing expenditure into the following year, then this should be followed, and should be accommodated. Ideally however expenditure should be planned during the year so that last minute rushes can be avoided in the first place, although it is acknowledged that circumstances often conspire to make this impossible.
- 18.2 The Finance Team operate a purchase order system in order to be able to track commitments and apply expenditure to the year in which it relates. If the Academy is committed to expenditure before August 31st then this will hit the previous year of accounts, and if not committed to

anything until 1st September or later then it will hit the following year. Whether the Academy is committed therefore does not rely on when the actual cash is paid over, it is more important as to when a contract is signed, or a non-cancellable order placed.

- 18.3 The year end is a busy time for the Finance Team, and therefore the following guidelines should be communicated to budget holders:
- Do not place large orders in August, if this can be avoided.
 - Where invoices come directly to the budget holder these should be passed to the Finance Team promptly at this time. Ideally as many outstanding invoices as possible should be paid before the end of August.
- 18.4 Finance should circulate an email to budget holders just after year end asking for details of any commitments from the previous period (without purchase orders) that the Academy is awaiting invoices on. This will help to create the accounts quickly and accurately.
- 18.5 A full year end exercise to check income and expenditure postings, prepayments, accruals and be able to provide balance sheet figures is required.
- 18.6 The Academy Finance Team will be required to aid external auditors in preparation for the statutory accounts.

Appendix 1: Calendar of Main ESFA Finance Submissions

DCSF Descriptor	Description	Responsibility	Date of Submission to ESFA
BRF3Y	Budget forecasts return three years	FD	July each year
BFRO	Budget forecast outturn	FD	May each year
	Audited Financial statement	Azets	31 December

Where dates fall on a weekend the relevant date will be the last working day before the normal deadline.

In addition, there are two pupil censuses each year (October and January) that must be returned. These include data which will determine the GAG for the following year.

Appendix 2: Asset Disposal Form Sample

(Please attach any proof of paperwork to this form)

DATE.....

Equipment	Reason for Disposal	Method of Disposal

Principal's Signature.....

Date.....

Finance Officer's Signature.....

Date.....

Appendix 3: Register of Interests Sample

Part 1- Register of Declared Interests– (Period: to

Name -

School -

Official Position held at school –

Academy budget(s) held or controlled None.

Business Interests – list any business or commercial organisation in which you or a close family member or business associate have an interest –enter “none” if you have no interest to declare

Name of business(es)	Nature of business	Nature of interest

Charities and Public Appointments–list any trusteeships, governorships or employment with any charities or voluntary organisations (other than the school) you (or any connected person) have and any local authority or government posts whether elected or appointed that you (or any connected person) hold –enter “none” if you have no interest to declare

Name of organisation	Nature of appointment

Property – list any freehold or leasehold ownership of any properties which the school might purchase or use- enter “none” if you have no interest to declare

Address of property	Nature of property

Other Interests –please use this box to disclose anything else that you think may give rise to a conflict of interest- enter “none” if you have no interest to declare

None

I confirm that the above declaration is complete and correct to the best of my knowledge and belief.

Signature:Date:

The contents of the Register of Interests may be disclosed under the Freedom of Information Act inspection and subject to inspection by auditors and school personnel.

The school will not use information provided on this form for any other purpose than the Register.

Part 2- Details of Governorship – Charlton Park Academy

Category of Governor –		
<u>Date appointed.</u>	<u>End of office</u>	<u>Appointed by/Elected by</u>

Details of any positions of responsibility (e.g., chair, Vice Chair)	

Committees. Please state what committee (s) you serve on.	

Do you have any relationships between yourself and members of the school staff including spouses, partners, and relatives?

Appendix 4: Declaration of Gifts and Hospitality Register Form Sample
Above £10

I wish to declare the following information in accordance with the Governing Body's requirements that a Register of Gifts and Hospitality should be maintained.

Name:
Role:
Signature:
Date:
Declaration of Gifts and Hospitality You should provide full details of your declaration below, including the monetary value if known:
Date gift or hospitality received:
From whom gift or hospitality received:

Appendix 5: Staff expenses Claim Form Sample

Staff Claim for Reimbursement of Expenditure **Date**
/...../.....

(Please list each receipt separately and attach them to the completed form)

Name:

Signature:

Date on receipt	Goods Amount	VAT	Total Expenditure	Details of Expenditure	Budget to be charged
TOTAL b/fwd			£0.00		
TOTAL			£0.00		

Line Manager Approval

Signature

.....

Name

.....

Appendix 6: Purchase Order Form Sample

OFFICIAL PURCHASE ORDER SAMPLE**Section 1 Supplier information**

Name & address:

Telephone

Section 2 Your information

Your name:

Your Department/Class:

N.B. Charlton Park Academy Financial Procedures state that value for money should be sought. It is your responsibility to ensure that this requirement is met. For all expenditure on a single item over £1000 three quotes must be obtained from different suppliers. You are required to sign below to indicate that you have met this requirement. If you are not able to obtain three quotes then you need to complete the Waiver Form which is available from Finance.

Signed..... Date

Section 3 Order details**Is a Data Sheet needed? (Hazardous items)**No

Page No.	Code/Item No.	Description of Item	Quantity	Unit Price	Total
		Total			

Section 4 Budget holder authorisation

Budget holder name...

Signature Date

Please FULLY complete all sections of this form to ensure the order can be processed**Section 5 Finance use only**

Nominal code: Cost centre:

Description:

Waiver Form attached (where required) ?.....

Appendix 7: Fixed Assets Type

Type of Asset	Responsibility	
ICT equipment i.e. computers screens and hard drives, printers, laptops, IWB, projectors for use by staff.	ICT technician	All ICT equipment needs to be security marked.
List of all equipment used in cleaning and maintaining the site e.g. floor cleaners, pressure washers, ceiling hoists.	Site Manager	To include logs of maintenance records and SLAs
iPADS for students	ICT Technician	All ICT equipment to be security marked.
Communication devices for students	ICT Technician	All ICT equipment to be security marked.
CENMAC equipment	CENMAC staff	CENMAC will keep their own inventory records including details of equipment loaned out to Academies and Local Authorities. Damaged equipment whilst on loan should where practical be reimbursed.
Departmental/classroom equipment	Teaching staff	Departments/ classroom are required to keep an inventory or their equipment and assets with a value over £250 or less if it aids internal control.
Minibuses and cars	Transport Manager	Inventory to include a list of portable items i.e. removable seats, wheelchair equipment, first aid packs. Regular servicing cycle.
Playground and Sensory garden equipment Departments/ classroom are required to keep an inventory or their equipment and assets with a value over £250 or less if it aids internal control.	Teaching Staff	
PE equipment	HOD PE	Responsibilities include ensuring suitable maintenance schedules.

Appendix 8: Scheme of Delegation

Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
<i>Ordering goods and services (raising requisitions) and approving invoices</i>	£1000	Budget Holders Senior Leadership Team	FD/MS to ensure best value demonstrated. Selection from preferred suppliers.
	Up to £20,000 for goods	Principal	In conjunction with above At least 3 written quotes
	£20,001 - £50,000 for all goods and contracts	Principal, Resources Committee	Minimum of three quotes
	Over £50,001	Full Committee	Formal tendering process, including advertising in OJEU (if over the OJEU threshold)
	Authority to accept other than best value quotation or tender	Principal, Resources Committee	Best Value would be decided according to factors such as service, suitability to work in school plus other mitigating factors, not just initial cost
<i>Signatories for cheques and BACS payments</i>	Any	Two signatories from: Principal SLT members Finance Director CFO	
<i>Credit/Debit Card</i>	Up to £20,000	Personnel; Mark Dale-Emberton	
<i>Write-off of Bad Debts/Losses/Disposal of Assets</i>	Up to £1,000 per transaction	Principal	
	Over £1,000 and up to £45,000 per transaction	As above plus Resources Committee	
	Over £45,000	ESFA approval required	
<i>Borrowing</i>	Any	ESFA approval required	

<i>Leases</i>	Any	ESFA approval required	
<i>Purchase or sale of any freehold property</i>	Any	ESFA approval required	
<i>Granting or take up of any leasehold or tenancy agreement</i>	Any	ESFA approval required	
<i>Staff Severance payment or compensation</i>	Up to £50,000	Full Committee	
	Above £50,000	ESFA approval required	