



CHATHAM & CLARENDON GRAMMAR SCHOOL

Finance Regulations Manual

Agreed by Governors: January 2024

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1. Introduction

- 1.01 The purpose of this manual is to ensure that the school maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.02 The school must comply with the principles of financial control outlined in the Academies Trust Handbook published by the DfE. This manual expands on that and provides detailed information on the school's accounting procedures and system manual which should be read by all staff involved with financial systems.

2. Organisation

2.01 The School

The school has defined the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and to provide a framework of accountability for Governors and staff. The financial reporting structure is illustrated below:

2.02 The Board

The Board has overall responsibility for the administration of the school's finances. The main responsibilities of the Board are prescribed in the Funding Agreement between the school and the DFE and in the school's scheme of government. The main responsibilities include:

- ensuring that grant from the DFE is used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher and
- appointment of the Business Manager, in conjunction with the Headteacher.

2.03 The Finance & Resources Committee

The Finance & Resources Committee is a committee of the Board. The Finance & Resources Committee meets at least once a term but more frequent meetings can be arranged if necessary.

2.04 The main responsibilities of the Finance & Resources Committee are detailed in written terms of reference which have been authorised by the Board. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DFE guidance issued to academies;
- authorising the award of contracts over £10,000
- reviewing and agreeing the minimum level of expenditure on capital items;
- reviewing and recommending the level of reserves to be maintained;

- reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board.

2.05 **The Headteacher (Accounting Officer)**

Within the framework of the school improvement plan as approved by the Board the Headteacher has overall executive responsibility for the school's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager but the Headteacher still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board have agreed should be approved by them;
- signing cheques in conjunction with the Finance Manager or other authorised signatory.

2.06 **The Business Manager (Chief Financial Officer)**

The Business Manager (also known as Chief Financial Officer as per the Academies Financial Handbook) works in close collaboration with the Headteacher through whom he or she is responsible to the Board. The Business Manager also has direct access to Governors via the Finance & Resources Committee. The main responsibilities of the Business Manager are:

- as Chief Financial Officer ensure the adherence to the Academies Financial Handbook
- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the school's financial position at a strategic and operational level within the framework for financial control determined by the Board;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the school;
- the preparation of monthly management accounts;
- authorising orders below £10,000 in conjunction with budget holders, signing cheques in conjunction with the Headteacher or other authorised signatory and
- ensuring forms and returns are sent to the DFE in line with the timetable in the DFE guidance.

2.07 **The Audit Committee**

The Audit Committee (who have responsibility for the Responsible Officer remit) is appointed by the Board and provides Governors with an independent oversight of the school's financial affairs. The main duties of the committee are to provide the Board with independent assurance that:

- the financial responsibilities of the Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained;
- overseeing the work of the Scrutiny Officer and
- financial considerations are fully taken into account in reaching decisions.

- 2.08 The Chair of the Audit Committee (in the role of Responsible Officer) will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board. A report of the findings from each visit will be presented to the Audit and Finance & Resources

Committees. Detailed guidance on the transactions to be checked is given in Appendix A of the DFE Guidance.

2.09 Other Staff

Other members of staff, primarily the Finance Manager, the Finance Officers and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

2.10 Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all school Governors and the Senior Leadership Team are required to declare any financial interests they have in companies or individuals from which the school may purchase goods or services. The register is maintained by the Company Secretary and is open to public inspection.

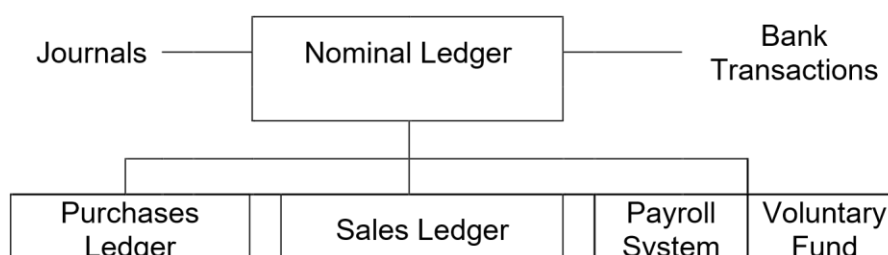
2.11 The register should include all business interests such as Governorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Governor or a member of staff by that person. Any third-party transactions disclosed by the school Governors or the Senior Leadership Team will be declared in the Accounting Statements of the School and shown on the School website.

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

2.13 At the end of this manual, please see the current Financial Delegation statement detailing the approved signatories, delegate authority and authorization limits.

3 Accounting System

3.01 All the financial transactions of the school must be recorded on the Access accounting system. The Access system is operated by the Finance Department and consists of:



3.02 **System Access**

Entry to the Access system is password restricted and the Network Manager is responsible for implementing a system which ensures that passwords are changed at least every 3 months.

3.03 **Back-up Procedures**

The Access system is cloud based and as such is fully managed and backed up externally by the Access Group. The Network Manager is responsible for ensuring that there are effective back up procedures for the system.

3.04 The Network Manager 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 school is exposed and the systems that have been put in place to mitigate those risks.

3.07 **Transaction Processing**

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. Bank transactions should be input by the Finance Manager and the input should be checked and signed, to evidence this check, by the Business Manager.

3.08 Detailed information on the operation of the Access system can be found in the user manuals held in the Finance Office.

3.09 **Transaction Reports**

The Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- Masterfile amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level.

3.10 **Reconciliations**

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

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

3.11 Any unusual or long outstanding reconciling items must be brought to the attention of the Business Manager. The Business Manager will review and sign all reconciliations as evidence of his/her review.

4 **Financial Planning**

- 4.01 The school prepares both medium term (5 years) and short-term (annual) financial plans.
- 4.02 The medium-term financial plan is prepared as part of the improvement planning process. The improvement plan indicates how the school's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.03 The improvement plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.
- 4.04 The improvement planning process and the budgetary process are described in more detail below.
- 4.05 **Improvement plan**
The improvement plan is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.06 The form and content of the improvement plan are matters for the school to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DFE.
- 4.07 Each year the Headteacher will propose a planning cycle and timetable to the Board 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?"
- 4.08 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.
- 4.09 The completed improvement plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a school manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

4.11 Annual Budget

The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance & Resources Committee and the Board.

4.12 The approved budget must be submitted to the DFE according to their published timetable, each year and the Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.13 The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the improvement plan objectives and the budgeted utilisation of resources.

4.14 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
- review of other income sources available to the school to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the school cost base;
- identification of potential efficiency savings and
- review of the main expenditure headings in light of the improvement plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

4.15 Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. If a potential deficit is identified, Governors may agree to use reserves in order to meet the shortfall.

4.16 Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Business Manager for approval by the Headteacher, the Finance & Resources Committee and the Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.17 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

4.18 **Monitoring and Review**

Monthly reports will be prepared by the Finance Manager. The reports will detail actual income and expenditure against budget on an accruals basis both for budget holders and at a summary level for the Business Manager and the Finance & Resources Committee. A monthly Balance Sheet and Cashflow Forecast will also be produced and presented to Governors.

4.19 Any potential overspend against the budget must in the first instance be discussed with the Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Business Manager.

4.20 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency.

4.21 All budget virements up to £10,000 must be approved by the Headteacher and reported to Finance and Resources Committee; all budget virements between £10,000 and £20,000 must be approved by the Finance and Resources Committee and reported to the Full Board; all virements above £20,000 to be approved by the board of governors .

5 **Payroll**

5.01 The main elements of the payroll system are:

- staff appointments
- payroll administration and
- payments.

5.02 **Staff Appointments**

The Board has approved a personnel establishment for the school. Changes can only be made to this establishment with the express approval in the first instance of the Headteacher and Business Manager, reporting to the Finance & Resources Committee who must ensure that adequate budgetary provision exists for any establishment changes.

5.03 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the Business Manager whose appointments must follow consultation with the Governors. Human Resources maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Head's PA and the Business Manager immediately.

5.04 **Payroll Administration**

The school payroll is administered in-house by the Payroll Manager.

5.05 All staff are paid monthly through BrightPay. A master file is created for each employee which records:

- salary;
- bank account details;

- taxation status;
- personal details and
- any deductions or allowances payable.

5.06 New master files can only be created by the Payroll Manager. with the express approval of the Business Manager. Any amendments must be printed out each month prior to the payroll run and must be authorised by the Business Manager.

5.07 The Head's PA must complete a monthly staff return which provides details for all staff in the section of sickness and other absences during the month and any new appointments or terminations. The staff return must be authorised by the Business Manager. Authorised staff returns should be sent to the Payroll Manager for Payroll Processing.

5.08 By the 12th of each month, and before the payroll is processed a print of all data input should be obtained and this should be checked and initialled against source documentation by the Business Manager.

5.09 **Payments**

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained. The print must be reviewed by the Payroll and Finance Managers and authorised together with authority to release payment by the Business Manager.

5.10 All salary payments are made by BACS.

5.11 The Payroll Manager should prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed and signed by the Business Manager.

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

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

6 **Purchasing**

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

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school;

- **Accountability**, the school is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the school are dealt with on a fair and equitable basis.

6.02 **Routine Purchasing**

Budget holders will be informed of the budget available to them at least one month before 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. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

- 6.03 Routine purchases up to £1,000 can be ordered by budget holders. Orders between £1,000 and £9,999 must be authorized by the Headteacher and/or Business Manager.
- 6.04 All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the budget holder and must be forwarded to the Finance Office where the Finance Manager will check to ensure adequate budgetary provision exists before countersigning the order.
- 6.05 Countersigned orders are recorded in the orders placed book, allocated a reference number and dispatched to the supplier by the Finance Officers.
- 6.06 The Finance Officers must make appropriate arrangements for the delivery of goods to the school. 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.
- 6.07 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Finance Officers will keep a central record of all goods returned to suppliers.
- 6.08 All invoices should be sent to the Finance Office. Invoice receipt will be recorded by the Finance Officers in the order book and also in the purchase ledger. The Finance Officers will stamp invoices with a grid against which the following can be evidenced:
- a. School order number;
 - b. Order checked;
 - c. Nominal code and cost centre;
 - d. Cheque number;
 - e. Signatories.
- 6.09 Box (a) will be completed by the Finance Officers. The invoice will then be sent to the budget holder to complete (b). Before completing this box 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 Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

- 6.10 If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.11 When the budget holder has completed box (b), the invoice, order and GRN should be sent to the Finance Office. At the end of every week the Finance Officers will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the Finance Manager. The Finance Manager will indicate on the list the invoices that should be paid.
- 6.12 The Finance Officers will then input details of payments to be made to the purchase ledger and generate the cheques required. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories. Cheques/BACS payments over £20,000 per transaction must be countersigned by either the Chair of Governors or an Authorised Governor. Signatories will complete box (e). Cheque run reports will be made available to committee on their request for random checks of smaller payments.
- 6.13 Cheques will be dispatched to suppliers by the Finance Officers who will also complete box (d) on the invoice and then place it in the appropriate file.
- 6.14 **Orders over £10,000 but less than £50,000**
At least three written quotations should be obtained for all orders between £10,000 and £49,999 to identify the best source of the goods/services. The Finance and Resources Committee will approve all orders between £10,000 and £49,999. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made. There may be exceptional circumstances when, due to the nature of the procurement, three written quotations may not be obtained. In these circumstances authorization must be obtained from a majority of Governors before procurement of the goods or services takes place. (Examples of these exceptional circumstances include: i) where the provision is unique and can only be made by one service provider or ii) in an emergency or time critical situation). A record of the transaction must be recorded together with the date that Governors waived the requirement for other quotations to be sought.
- 6.15 **Orders over £50,000**
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. Public Sector organisations are required since January 1st 2021 to use the Government's Find a Tender Service (FATS) for large procurement projects. All orders over £50,000 will be reported to and approved by the Board of Governors.
- 6.16 **Forms of Tenders**
There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

6.17 **Preparation for Tender**

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required • after sales service requirements
- form of contract.

6.18 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.

6.19 **Invitation to Tender**

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.

6.20 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 and

- form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations
- After sales service
- 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.

6.21 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the school. Tenders should be submitted by email addressed to the tenders@ccgrammarschool.co.uk Tenders received after the submission deadline should not normally be accepted.

6.22 Tender Opening Procedures

All tenders submitted should be reviewed at the same time and the tender details should be recorded. Two persons should be present for the reviewing of tenders as follows:

- For contracts over £50,000 – either, the Business Manager or the Headteacher plus a member of the Finance & Resources Committee.
- 6.23 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.
- 6.24 **Tendering Procedures**
The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 6.25 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 6.26 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Board highlighting the relevant issues and recommending a decision. For contracts under £50,000 a report should be prepared and a recommendation made to the Finance & Resources Committee.
- 6.27 Where required by the conditions attached to a specific grant from the DFE, the department's approval must be obtained before the acceptance of a tender.
- 6.28 The accepted tender should be the one that is economically most advantageous to the school. All parties should then be informed of the decision.

7 Income

- 7.01 The main sources of income for the school are the grants from the DFE and from our sponsors. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the school are collected.
- 7.02 The school also obtains income from:
 - students, mainly for trips and
 - the public, mainly for sports lettings and fund raising.
- 7.03 **Trips**
A lead teacher must be appointed for each trip to take responsibility for the trip. The Finance Officers must prepare a record for each student intending to go on the trip showing the amount due.
- 7.04 Students should make payments to the Finance Office whenever possible; where this is not possible the member of staff who received the income should record the money on their records and pass the payment to the finance office at their earliest convenience. All monies for residential trips must be accompanied by the student's payment card so a record can be kept of the payment. Receipts will be issued to parents on request.
- 7.05 The Finance Officers should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead

teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts. All amounts are to be paid not later than one month before the start of the trip.

7.06 Sports Lettings

The Premises Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. Regular lettings will subsequently be invoiced a term in arrears.

7.07 Details of organisations using the sports facilities should be sent by the Premises Manager to the Finance Officers who will establish a sales ledger account and produce a sales invoice from the Access accounting system. Details of payments made and outstanding accounts will be forwarded to the Finance Manager at the beginning of each week and the Site Finance Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

7.08 No debts should be written off without the express approval of the Board (the DFE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

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

7.10 Custody

Official, pre-numbered school receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more

frequently if the sums collected exceed the £1,000 insurance limit on the Finance Office safe.

7.11 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officers are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Business Manager.

8 Cash Management

8.01 Bank Accounts

The opening of all accounts must be authorised by the Board 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.

8.02 **Deposits**

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 receipt or the name of the debtor.

8.03 **Payments and withdrawals**

All cheques and other instruments authorising withdrawal from school bank accounts must bear the signatures of two of the following authorised signatories:

- Headteacher;
- Business Manager;
- Deputy Headteacher;
- Chair of Governors;
- Authorised Governor;
- Finance Manager
- Head's PA

8.04 This provision applies to all accounts, public or private, operated by or on behalf of the Board of the school. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

8.05 **Administration**

The Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the school's cash book;
- reconciliations are prepared by the Finance Manager;
- reconciliations are subject to an independent monthly review carried out by the Business Manager or in his absence the chair of the Audit Committee and
- adjustments arising are dealt with promptly.

8.06 **Petty Cash Accounts**

The school maintains a maximum cash balance of £250 at each of the five school sites. The cash is administered by a designated member of staff or a Finance Officer and is kept in a secure place.

8.07 **Deposits**

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

8.08 **Payments and Withdrawals**

In the interests of security, petty cash payments will be limited to £30. Highvalue payments should be made by cheque directly from the main bank account as a cash book payment.

8.09 **Administration**

The Finance Officers are responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation.

8.10 **Physical Security**

Petty cash should be held in a locking cash box which is put in a safe or other locked cupboard overnight.

8.11 **Cash Flow Forecasts**

The Business Manager is responsible for preparing cash flow forecasts to ensure that the school has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile payment and purchasing arrangements to cover potential cash shortages.

8.12 **Investments**

Investments must be made only in accordance with written procedures approved by the Board.

8.13 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9 Fixed Assets

9.01 **Asset register**

All items purchased with a value over the school's capitalisation limit must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

9.02 The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;

- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the school's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

9.03 **Security of assets**

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

- 9.04 All the items in the register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Board. Inventories of school property should be kept up to date and reviewed regularly. Where items are used by the school but do not belong to it this should be noted.

9.05 **Disposals**

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and, where significant, should be sold following competitive tender. The school must seek the approval of the DFE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

- 9.06 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

- 9.07 The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested then the school must repay to the DFE a proportion of the sale proceeds.

- 9.08 All disposals of land must be agreed in advance with the Secretary of State.

9.09 **Loan of Assets**

Items of school property must not be removed from school premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in to the school when it is returned.

- 9.10 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the school's auditors.

10 **Procurement - Best Practice Checklist**

1. **Policies and procedures for procurement should be documented and adhered to, to ensure that the process is being carried out on a fair, open and best value basis.** The documentation should describe:

- **roles and responsibilities** of those involved in procurement (eg Board, Headteacher, Business Manager, other senior managers and the central finance office);
- **delegated authority levels**, in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the Board;
- arrangements to ensure segregation of duties;
- how purchases are recorded (papers records and computer records (eg accounting system arrangements)).

In all cases it is important to ensure that the procedures that are set out are followed, both for routine day to day procurement, and for periodic high value items.

2. Where appropriate, **individuals with relevant experience including the end-users (eg ICT managers, teachers) should be involved** when putting together invitations to tender, or making key decisions. This will not only aid selection of the best solutions for the school, but may also help achieve buy-in by the end-users.

3. An officer should be nominated for coordinating the initial procurement of assets, and stocks of teaching and learning materials, during the school's start up period. This person should provide an assessment of the completeness and reasonableness of items procured, to ensure that all essential purchases are made prior to opening, and that they non-essential purchases are challenged.

4. **Procurement decisions should be clearly recorded** to ensure that the decision has been reached fairly and to provide a clear audit trail:

- minutes should be taken of all relevant meetings;
 - the options available should be recorded;
 - the basis for scoring/ranking should be set out;
 - the individuals responsible for scoring/ranking should be identified;
 - the outcome of the scoring and the final decision should be recorded;
- the reasons on which the decision was reached should be clearly documented.

5. **All key documents should be retained together by the School.** This includes:

- invitations to tender;
- tenders received from bidders;
- quotes obtained for smaller purchases;
- papers/minutes documenting the procurement decision; • signed copies of the contracts awarded; • invoices.

Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, the school prior to cessation of the contract with the project management company.

6. **An asset register of all capital items should be established in an appropriate format and should be updated on a continual basis as assets are purchased.**
The register should include:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of “attractive items” (ie items with a cost below the School’s capitalisation threshold) such as minor office equipment.

7. **Fitness for purpose should be a key consideration in any procurement decision** (eg ICT should be of the correct specification; fixtures and fittings should be of adequate durability).
8. Opportunities should be taken for **bulk purchase discounts**, for example by combining similar orders.
9. When ordering goods an assessment of likely **delivery timeframes** should be made, to ensure that appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.

11 FINANCIAL DELEGATION

Approved Payroll Signatories

Debra Liddicoat	Headteacher
Chris Freeman	School Business Manager

Approved Cheque Signatories: Lloyds Bank/HSBC/Virgin Bank Accounts

Debra Liddicoat*	Headteacher
Clark Goodwin	Deputy Headteacher
Kate Parkins	Deputy Headteacher
Chris Freeman*	School Business Manager
Susan Fenton	Finance Manager
Craig Lewis	Head of Sixth Form
John Waker	Chair of Governors
David Harris	Vice Chair of Governors
Melanie Chaston	Chair of Finance & Resources

Two signatories are required to sign each cheque. Two signatories marked with an asterisk can approve BACS and CHAPS payments.

Two authorising officers can approve Lloyds Bank Commercial banking transactions (School Business Manager and Finance Manager).

Cheques with the value exceeding £20,000 must have a third signatory (which should be a School Governor)

Approved Credit Card Signatories

Debra Liddicoat	Headteacher
Chris Freeman	School Business Manager
Susan Fenton	Finance Manager

DELEGATED AUTHORITY

Officer	Generate Purchase Order	Authorise Purchase Order	Process Invoices or Raise Cheques	Sign Cheques	Authorise Capital Expenditure	Authorise Payment of Invoice
Headteacher	Y	Y	N	Y	Y	Y
School Business Manager	Y	Y	Y	Y	Y	Y
Deputy Headteacher	Y	Y	N	Y	Y	Y
Assistant Headteacher	Y	Y	N	N	N	Y

Finance Manager	Y	Y	Y	Y	Y	Y
Heads of Department	Y	Y	N	N	N	Y
Other Budget Holders	Y	Y	N	N	N	Y
Finance Officer	Y	Y	Y	N	N	N
Network Manager	Y	Y	N	N	N	Y
Data Manager	Y	Y	Y	N	N	Y
Chair of Governors	Y	N	N	Y	Y	Y
Vice Chair of Governors	Y	N	N	Y	Y	Y

LIMITS OF DELEGATION

OFFICER	LIMIT
Senior Caretaker	£500
Finance Officer	£1,000
Catering Manager	£1,000
Data Manager	£1,000
Heads of Departments	£1,000
Premises Manager	£1,000
Assistant Headteacher/ Head of CCVI	£1,000
Finance Manager	£1,000
Deputy Headteacher	£1,000
Network Manager	£2,000
School Business Manager	£10,000
Headteacher	£10,000
Finance & Resources Committee	3 Quotes between £10,000 and £50,000
Full Governing Body	3 Tenders limited by funds available

In the absence of a senior member of staff, the School Business Manager or Premises Manager are able to authorise orders for Capital Works which if not completed immediately would present a risk to staff, students the General Public, or the security of the school.

Date of next review: January 2025