



# **CLIFTON ALL SAINTS ACADEMY**

## **FINANCIAL PROCEDURES MANUAL 2022**

**For Review Summer Term 2023**

**DRAFT**

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## DEFINITIONS

The following terms shall have the following meanings for the purposes of this document:

<b>Academy</b>	means Clifton All Saints Academy
<b>Accounting Officer</b>	means the person with overall accountability for the trust's operation
<b>Financial Leadership Consultant</b>	means TSO the company engaged by the Academy to undertake the higher level financial duties including management accounts and statutory returns
<b>Member</b>	means the members of the trust who oversee the work of trustees
<b>Trust Board</b>	means the Board of Trustees of Clifton All Saints Academy
<b>Trustee</b>	means a director of the Clifton All Saints Academy Trust
<b>BACs</b>	means Bankers Automatic Clearing System
<b>CFO</b>	means Chief Financial Officer
<b>DBS</b>	means Disclosure and Barring Service
<b>DfE</b>	means Department for Education
<b>ESFA</b>	means Education and Skills Funding Agency
<b>GIAS</b>	means the Get Information About Schools website
<b>GRN</b>	means Goods Received Note
<b>Ofsted</b>	means Office for Standards in Education
<b>SORP</b>	means Charity Commission's Statement of Recommended Practice
<b>SCR</b>	means single central record

## 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 properly to meet the requirements of our funding agreement with the DfE.
- 1.2 We will comply with the principles of financial control outlined in the Academy's guidance published by the DfE. This manual expands on that and provides detailed information on how our accounting procedures and systems operate. This manual should be read by all staff involved with financial systems.

## 2. ORGANISATION

### 2.1 Responsibilities

The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions, incorporates a system of segregation of duties and provides a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:

### 2.2 Finance Structure

See Appendix A

### 2.3 The Trust Board

The Trust Board has overall responsibility for the administration of the Academy's finances. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the Academy and the DfE and in the Academy's scheme of government.

The main responsibilities include:

- Ensuring that grant from the DfE is used only for the purposes intended.
- providing a balance budget each year and submit to the ESFA
- ensuring that funds from sponsors are received according to the Academy's Funding Agreement and are used only for the purposes intended.
- approving the annual budget.
- maintaining a published register of interests, including the business and pecuniary interests of members and Trustees
- appointing the Headteacher and
- appointing the Finance Staff, in conjunction with the Headteacher.
- ensuring the ESFA, DfE and Ofsted Financial regulations are implemented
- appointing a senior executive leader as the accounting officer and a chief financial officer of the Trust.

Trustees are required to provide the ESFA with a copy of the Academy's budget plan for the coming financial year. It is the responsibility of the Finance Leadership Consultant and the CFO to submit the ratified plan prior to the July deadline.

## **2.4 The Finance and Management Committee (Risk and Audit)**

- 2.4.1. The Finance and Management Committee (Risk and Audit) is a committee which has received delegated authority from the Trust Board in relation to the Academy's delegated budget. Further delegation of authority is provided to both the Headteacher, Finance Leadership Consultant and Finance Manager (CFO). The delegated authority is reviewed annually by the committee.
- 2.4.2 The Finance and Management Committee (Risk and Audit) meets at least once a term, but more frequent meetings can be arranged if necessary. The main purpose for these meetings is to review the risk register, review the monthly management accounts and to budget priorities in alignment with the priorities within the Academy Improvement Plan.
- 2.4.3. The main responsibilities of the Finance and Management Committee (Risk and Audit) are detailed in written terms of reference which have been authorised by the Trust Board.

The main responsibilities include:

- the initial review of the three year budget, and participation in annual accounts consolidation exercises;
- 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 1985 and the DfE guidance issued to academies;
- to review annually the Trust's Register of pecuniary interests to ensure its accuracy;
- authorising the award of contracts over £2,001;
- authorising changes to the Academy's staffing structure;
- maintain adequate accounting records and prepare an annual report and accounts in line with the (SORP) and ESFA Accounts Direction;
- to appoint an auditor for the annual financial statements;
- review the risk register and approve a programme of internal scrutiny;
- reviewing the reports of the Independent External and Internal Auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the Trust Board.

- annually review and ratify the Academy's financial procedures manual for ratification by the Trust Board;
- any other functions / responsibilities identified within the Finance and Management Committee (Risk and Audit) Terms of Reference;
- monitor impact of pupil premium funding;
- monitor impact of PE and sport premium funding

## **2.5 The Headteacher**

2.5.1 Within the framework of the Academy development plan as approved by the Trust Board the Headteacher has overall executive responsibility for the Academy's activities including financial activities.

2.5.2 Much of the financial day to day responsibility has been delegated to the Finance Manager, but the Headteacher still retains responsibility for:

- approving new staff appointments within the approved staffing structure, except for any senior staff posts which the Trust Board have agreed should be approved by them;
- authorising contracts up to £2,000.

## **2.6 The Financial Leadership Consultant**

2.6.1 The Financial Leadership Consultant works closely with the Headteacher and the Trust Board and is responsible to the trustees for producing clear management accounts, presenting them to the board and maintaining compliance with the *Academy Trust Handbook*.

2.6.2 The main responsibilities of the Financial Leadership Consultant are:

- the financial procedures including the deployment of a suitable accounting system;
- the management of the Academy financial position at a strategic level within the framework for financial control determined with the Trust Board;
- ensuring robust systems of internal control are in place and adhered to, with sufficient segregation of duties are in place to reduce the risk of fraud;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy;
- the preparation of financial and management accounts;
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- ensuring that all other statutory returns are completed within a timely manner, including but not exclusive to VAT, ESFA, Ofsted returns.

## **2.7 The Finance Manager**

2.7.1 The Finance Manager works in close collaboration with the Finance Leadership Consultant who has direct access to the trustees via the Management Committee.

2.7.2 The main responsibilities of the Finance Manager are:

- The day-to-day management of financial procedures including the operation of a suitable accounting system;
- the management of the Academy financial position at an operational level within the framework for financial control determined by the Trust Board;
- ensuring robust systems of internal control are adhered to, with sufficient segregation of duties in place to reduce the risk of fraud;
- ensuring that the annual accounts are adequately supported by the underlying books and records of the Academy;
- ensuring forms and returns are completed in line with the timetable in the DfE

- guidance.;
- ensuring that all other statutory returns are completed within a timely manner, including but not exclusive to VAT, ESFA, Ofsted returns.

## **2.8 Internal Scrutiny**

2.8.1 Internal Scrutiny is completed by an appropriately skilled and qualified trustee who is appointed by the Trust Board and provides trustees with an independent oversight of the Academy's financial affairs.

2.8.2 The main duties of internal scrutiny is to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board, Headteacher and Academy finance staff are being properly discharged;
- resources are being managed in an efficient, economical, and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully considered in reaching decisions.

## **2.9 Internal Scrutiny Trustee**

The Trustee assigned to undertake internal scrutiny will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings from each visit will be presented to the Management Committee.

## **2.10 Other Staff**

2.10.1 Other members of staff, primarily the Admin Officers and budget holders, may have some financial responsibilities and these are detailed in the following sections of this manual.

2.10.2 All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures. Teachers who are senior and middle leaders may be budget holders for the relevant funds for the academic year.

## **2.11 Register of Interests**

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

2.11.2 The register includes all business interests such as directorships, shareholdings, or other appointments of influence within a business or organisation which may have dealings with the Academy. 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 Trustee or a member of staff by that person.

2.11.3 The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or a committee. Declarations of Business Interests are added as an agenda item to all Trust Board and committee meetings. Where an interest has been declared, Trustees and staff should not have voting rights on matters relating and should not attend that part of any committee or other meeting.

### **3. ACCOUNTING SYSTEM**

#### **3.1 Financial Transactions**

- 3.1.1. All the financial transactions of the Academy must be recorded on the Academy's accounting system. The E1 system is operated by the Finance Manager.
- 3.1.2 Payroll services are provided by Central Bedfordshire Council. Payroll Information is sent to the Finance Manager to enter onto the Finance System.

#### **3.2 System Access**

- 3.2.1 Entry to the Finance system is password restricted and the Finance Manager is responsible for implementing a system which ensures that passwords are changed at least every 6 months.
- 3.2.2 Access to the component parts of the Finance system can also be restricted and the Finance Manager is responsible for setting access levels for all members of staff using the system.

#### **3.3 Back-up Procedures**

- 3.3.1 The Business Manager is responsible for ensuring that there is effective back up procedures for the system.
- 3.3.2 Back-ups are completed by the ICT team and stored remotely/off site.
- 3.3.3 A hard copy of the nominal ledger and audit trail should be printed each month and should be filed.
- 3.3.4 The Finance 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 Trustees of the major risks to which the Academy is exposed and the systems that have been put in place to mitigate those risks.

#### **3.4 Transaction Processing**

- 3.4.1 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.
- 3.4.2 Bank transactions should be input by the Finance Manager and the bank reconciliation should be checked and authorised monthly by the Headteacher.
- 3.4.3 The Finance Manager will obtain and review system reports to ensure that transactions are posted correctly to the accounting system including:
  - The monthly audit trail reports.
  - Masterfile amendment reports for the payroll, purchase ledger and sales ledger.
- 3.4.4 The Financial Leadership Consultant will, once the month end procedures are completed, produce monthly management accounts including expenditure and income, a balance sheet and a cashflow statement.



### **3.5 Reconciliations**

3.5.1 The Finance Manager is responsible for ensuring the following reconciliations are performed, 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.

3.5.2 Any unusual or long outstanding reconciling items must be brought to the attention of the Headteacher.

## **4. FINANCIAL PLANNING**

### **4.1 Financial Plans**

4.1.1 The Academy prepares both medium term and short-term financial plans.

4.1.2 The medium-term financial plan is prepared as part of the development planning process. The 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.

4.1.3 The 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.

4.1.4 The development planning process and the budgetary process are described in more detail below.

### **4.2 Development Plan**

4.2.1 The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy'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.

4.2.2 The form and content of the development plan are matters for the Academy 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+\*. <https://www.gov.uk/government/publications/academies-planning-calendar>

4.2.3 Each year the Headteacher and Trust Board will propose a planning cycle and timetable 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, monitor 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?"

4.2.4 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.

4.2.5 The completed development 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.

4.2.6 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a subject or project Leader. The responsible leader should monitor performance against the defined success criteria throughout the year and report to the senior management team on a termly basis. The senior management team will report to the Trust Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **4.3 Annual Budget**

4.3.1 The Financial Leadership Consultant and Headteacher are responsible for preparing and obtaining ratification of the annual budget. The budget must be approved by the Trust Board.

4.3.2 Once ratified the budget must be submitted to the DfE annually and the Financial Leadership Consultant is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.3.3 The annual budget will reflect realistic assumptions of the resources available to the Academy for the forthcoming year and will detail how those resources are to be utilised. The staffing estimate will be based on those staff in post at the time of budget and any planned amendments to the staffing structure. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.3.4 The budgetary planning process will incorporate the following realistic assumptions:

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

### **4.4 Balancing the Budget**

4.4.1 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.

4.4.2 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.

### **4.5 Finalising the Budget**

4.5.1 Once the different options and scenarios have been considered, a draft budget should be prepared by the Financial Leadership Consultant for approval by the Headteacher, the Finance and Management Committee (Risk and Audit) and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.5.2 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.

#### **4.6 Monitoring and Review**

4.6.1 Monthly reports will be prepared by the Financial Leadership Consultant. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance and Management Committee (Risk and Audit).

4.6.2 Any potential overspend against the budget must in the first instance be discussed with the Headteacher.

### **5. PAYROLL**

#### **5.1 Payroll main elements**

The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

#### **5.2 Staff Appointments**

5.2.1 The Trust Board has approved a staffing structure for the Academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance and Management Committee (Risk and Audit) who must ensure that adequate budgetary provision exists for any establishment changes. The changes must then be taken to the **Personnel committee**. If applicable any decisions about the levels of executive pay must follow robust evidence –based process and be reflective of the individual’s role and responsibilities.

5.2.2 The Headteacher has authority to appoint staff within the authorised establishment except for those on the leadership spine whose appointments must follow consultation with the Trustees. The Finance Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Finance Manager, who then submits to the payroll provider.

#### **5.3 Payroll Administration**

5.3.1 The Academy payroll is administered by Bedford Council HR and Payroll Department.

5.3.2 All staff are paid monthly. Bedford Council send a report detailing the breakdown of pay, expenses, NI, and pension payments. The Finance Manager is responsible for entering these details onto the finance system.

5.3.3 Tax and pension contributions are taken from the Academy’s bank account after salaries have been paid. The Finance Manager is responsible for ensuring these are entered onto the finance system.

5.3.4 All staff are paid monthly. Master files are received from Bedford Council which record:

- Salary.
- Taxation status.
- Any deductions or allowances payable.

5.3.5 By the 18th of each month the Finance Manager should receive a file from Bedfordshire

Council along with a timetable for payroll for the month in question. This should be checked against source documentation by the Finance Manager and then reviewed, authorised and initialled by the Headteacher.

#### **5.4 Payments**

- 5.4.1 After the payroll has been processed, a print of salary payments by individual and showing the amount payable in total should be obtained from the system. The printout must be reviewed and authorised by both the Finance Manager and the Headteacher.
- 5.4.2 All salary payments are made by BACS.
- 5.4.3 The Finance Manager should prepare a review of any difference between the current month and the previous month's salary costs and investigate any changes. A record of this Headteacher.
- 5.4.4 The Finance 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.
- 5.4.5 On an annual basis the Finance Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

### **6. PURCHASING**

#### **6.1 Best Value**

The Academy wants to achieve the best value for money from all our purchases. This means the Academy wants to get the correct quality and quantity at the best price possible and within the timescale required. 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 Academy.
- **Accountability**, the Academy is publicly 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.

#### **6.2 Routine Purchasing**

- 6.2.1 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 regularly and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 6.2.2 Routine purchases up to £500 can be ordered by budget holders. Where practical a quote or price must always be obtained before any order is placed. Budget holders should seek best value at every opportunity.
- 6.2.3 All orders must be made, or confirmed, in writing using an official purchase order request form. Orders must bear the signature of the requestor and must be forwarded to the Finance Manager who will seek authorisation from the Headteacher and will raise a purchase order. All purchase orders are authorised by the Academy's Finance Manager up to the delegated authority level.
- 6.2.4 Countersigned order/requisitions are filed with copy purchase orders from the Finance system. Purchase Orders are dispatched to the supplier by the Finance Manager. Purchase Orders **also** need to be raised for routine or recurring transactions (such as utilities) or where there is a

service level agreement in place.

- 6.2.5 The Finance Manager must agree with the budget holder to make appropriate arrangements for the delivery of goods to the Academy. On receipt the requisitioner must undertake a detailed check of the goods received against the 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.
- 6.2.6 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Manager should be notified.
- 6.2.7 All invoices should be sent to the Finance Manager who will check to ensure that quantity is in line with purchase order. If the invoice is within 5% - and no more than £50 -of the original purchase order then the invoice will be processed on the E1 system.
- 6.2.8 Invoice payments will be authorised by:
- Up to £2,000: Headteacher  
Over £2,001: The Chair of the Trust and/or the Chair of the Finance and Management Committee (Risk and Audit).
- 6.2.9 The management accounts will also be presented to the Finance and Management Committee (Risk and Audit). monthly. The presentation will include a full year forecast and commentary as well as income and expenditure, a balance sheet and the cashflow statement. If the budget is likely to be exceeded this need to be noted at the meeting and any remedial action discussed if necessary.
- 6.2.10 Where goods are received, the GRN should be signed by the requisitioner to confirm the quantity and quality of items received.
- 6.2.11 If a requisitioner is pursuing a query with a supplier the Finance Manager must be informed of the query and periodically kept up to date with progress.
- 6.2.12 Invoices will be paid at least fortnightly.
- 6.2.13 The Finance Manager will then arrange payment via (BACS) or Cheque and input details of payments to be made to the purchase ledger. The cheques or online payments and associated paperwork will be authorised by two of the nominated signatories.
- 6.3 Orders over £2,000 but less than £5,000**  
At least two written quotes should be obtained for orders between £2,001 and £4,999, three written quotations should be obtained for all orders between £5,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the Finance Manager for audit purposes. No orders are to be placed before a purchase decision is made by the relevant party.
- 6.4 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. Purchases over the current threshold may need to be placed on FTS.

## 6.5 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 Financial Leadership Consultant 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 is such that only specific suppliers can be expected to supply the Academy'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.

## 6.6 Preparation for Tender

Full considerations should be given to:

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

## 6.7 Criteria for evaluating Tenders

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.

## 6.8 Invitation to Tender

6.8.1 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.

6.8.2 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.

## 6.9 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? Or do you specify best price to be provided on initial submission?

### **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**

- Presales 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.

## 6.10 Tender Acceptance Procedures

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 via email to the Headteacher.

## 6.11 Tender Logging Procedures

6.11.1 For contracts up to £25,000 - the Finance Manager and the Headteacher.

6.11.2 For contracts over £25,000 – the Finance Manager the Headteacher and at least one Trustee, ideally the Chair or Chair of Finance and Management Committee (Risk and Audit).

## 6.12 Tendering Procedures

6.12.1 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.

6.12.2 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.

6.12.3 Full records should be kept of all criteria used for evaluation and for contracts over £2,000 a report should be prepared for the Finance and Management Committee (Risk and Audit) highlighting the relevant issues and recommending a decision. For contracts under £2,000 the decision and criteria should be reported to the Finance and Management Committee (Risk and Audit).

6.12.4 Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.

6.12.5 The Academy should accept the most economically advantageous tender that best meets the needs of the Specification. All parties should then be informed of the decision.

## **7 INCOME**

### **7.1 Main Sources of Income**

The main sources of income for the Academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Finance Manager who is responsible for ensuring that all grants due to the Academy are collected.

### **7.2 Other Income**

The Academy also obtains income from:

- students, mainly for trips and lunches
- the public, mainly for lettings
- fundraising

### **7.3 Trips**

7.3.1 The Office Administrators are responsible for all trips, taking responsibility for the collection of sums due. A record must be prepared showing all student's intending to go on the trip, and the amount due on parent pay.

7.3.2 The Finance Manager is responsible for reviewing Academy trips; and, in conjunction with the Headteacher, make the decision as to whether sufficient income has been received to enable to trip to proceed.

7.3.3 The Finance Manager should maintain an up-to-date record for each student showing the amount paid and the amount outstanding and is responsible for chasing the outstanding amounts.

### **7.4 Lettings**

7.4.1 The Finance Manager is responsible for maintaining records of bookings of the Academy facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. Lettings charges are reviewed annually.

7.4.2 Details of organisations using the facilities should be maintained by the Finance Manager and produce a sales invoice on an individual or half term basis. The Finance Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made. Copies of the hirer's Public Liability Insurance must be held on file, together with DBS information and certification to do an activity or includes children.

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

7.4.4 Organisations using the facilities should be instructed to send all payments directly to the Academy bank account by BACS.

### **7.5 Custody**

7.5.1 Where practical official, pre-numbered Academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the office safe prior to banking. Banking should take place every 2nd week or more frequently if the sums collected exceed the £500 limit.

Ideally all payments should be made directly via the Academy bank account to ensure a full audit trail and reduce financial risk to the Academy.



7.5.2 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Manager is 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 Headteacher as part of the bank reconciliation review process. To ensure segregation of duties any cash cheques to be banked should be completed by a member of office staff other than the Finance Manager.

## **8 CASH MANAGEMENT**

### **8.1 Bank Accounts**

The opening of all accounts must be authorised by the Trust 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 (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **8.2 Deposits**

Particulars of any deposit must be entered onto the Academy's E1 system. 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.

### **8.3 Payments and withdrawals**

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

- Headteacher
- Finance Manager
- Chair of the Finance and Management Committee (Risk and Audit)

8.3.2 This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board of the Academy. Cheques must be signed by two signatories; at least one of which must be different from the person who authorised the expenditure.

### **8.4 Administration**

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

- all bank accounts are reconciled to the Academy's financial management system
- reconciliations are prepared by the Finance Manager
- reconciliations are checked and signed by the Headteacher
- adjustments arising are dealt with promptly.

### **8.5 Cash Flow Forecasts**

The Financial Leadership Consultant is responsible for preparing cash flow forecasts to ensure that the Academy 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.

## **8.6 Investments**

- 8.6.1 Investments must be made only in accordance with written procedures approved by the Trust Board.
- 8.6.2 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**

### **9.1 Asset Register**

- 9.1.1 All items purchased with a value over the Academy's capitalisation limit £1000 must be entered in an asset register.

- 9.1.2 The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

- 9.1.3 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 Academy's financial system and
- support insurance claims in the event of fire, theft, vandalism, or other disasters.

### **9.2 Security of Assets**

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

- 9.2.2 9.3All the items in the register should be permanently and visibly marked as the Academy'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 Trust Board. Inventories of Academy property should be kept up to date and reviewed regularly.

Where items are used by the Academy but do not belong to it this should be noted.

### **9.3 Disposals**

- 9.3.1 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Manager and, where significant, should be sold following competitive tender.
- 9.3.2 The Academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant more than £20,000 was paid.
- 9.3.3 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner.
- 9.3.4 The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested, then the Academy must repay to the ESFA a proportion of the sale proceeds.
- 9.3.5 All disposals of land must be agreed in advance with the Secretary of State.

### **9.4 Loan of Assets**

- 9.4.1 Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in Academy when it is returned. Alternatively, staff can complete a laptop sign off sheet.
- 9.4.2 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 Academy's auditors.

## **10 MEMBER/ TRUSTEE/ SENIOR STAFF COMPLIANCE**

### **10.1 Letters from ESFA**

The annual letters from the ESFA about the accountability framework must be presented to the Trust Board for review.

### **10.2 Seven Principles of Public Life**

The Accounting Officer and all Trustees must be made aware and adhere to "The Seven Principles of Public Life".

### **10.3 Appointments of Members and Trustees**

- 10.3.1 The Academy must update the DfE of appointments or vacating of certain positions, such as Accounting Officer, Members and Trustees. This can be done via GIAS.
- 10.3.2 Member/ Trustee/ Senior Staff Records compliance
- 10.3.3 The Finance Manager will update Trustee/ Member/ senior leader details on the Academy's website, GIAS, Companies House and on internal records e.g., SCR when any change occurs. This may be but is not limited to term of office start or end, change of name, change or pecuniary interest, change of address or change of role.
- 10.3.4 The Finance Manager will keep accurate and update the register of pecuniary interests and edit the Academy's website, GIAS, Companies House, and internal records e.g. SCR when any change occurs.
- 10.3.5 The Finance Manager will audit and update records annually in line with the accounting year.

10.3.6 Trustees / Members are to notify the Academy's Business Manager of any changes to role outside of the yearly audit. (Clerk role???)

**10.4 Trustee Meeting Details Compliance**

The Admin Assistant will record Trustee meeting attendance on the Academy's website (Clerk role??/)

**10.5 Website Compliance**

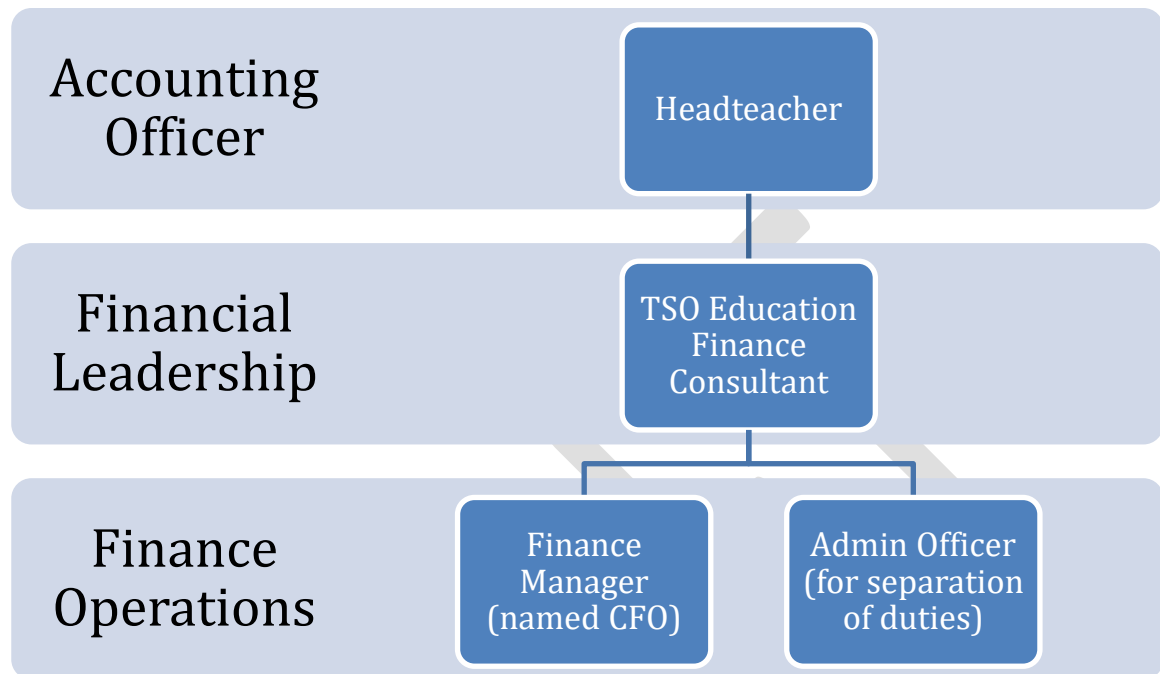
The Admin Assistant will ensure website compliance audits are completed termly.

**10.6 Novel and/or contentious transactions**

The Academy must refer any novel and/or contentious transactions to the ESFA for authorisation, to additionally cover a repercussive transaction.

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# Appendix A: Finance Structure – Clifton All Saints Academy



## Responsibilities:

- **Accounting Officer** – Overall accountability for financial procedures. Approval of orders and payments.
- **Financial Leadership** – Monthly Management Accounts and reporting to the Trust Board. All statutory returns. Budgeting.
- **Finance Operations** – Raising purchase orders and paying invoices. Payroll adjustments. Checking income. Banking. Accounting system.