

Financial Regulations Manual





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1. Introduction

- 1.1 The purpose of this manual is to ensure that Education Impact Academy Trust (The Trust), maintains and develops system 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).
- 1.2 The academy must comply with the principles of financial control outlined in the academies guidance published by the DfE and this manual expands on that, providing detailed information on the Trust and the individual academy's accounting procedures and systems.

2. Organisation

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

The Board of Trustees and Members

- 2.2 The Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Board are prescribed in the Funding Agreement between the Trust and the DfE and in the individual academies Scheme of Delegation. The main responsibilities include:
 - approving the Trust's financial controls.
 - approve and authorise the award of contracts and orders over £70,000.
 - authorising the award of contracts and orders over the Official Journal of the European Union [OJEU] limit following due tendering processes.
 - authorising and reviewing virements over £50,000.
 - approval of the annual budgets.
 - authority to accept other than best value quotation or tender over £30,000.
 - appointment of the CEO.
 - authorisation by the CEO and Chief Operating Officer (COO who is also the CFO) of all bank account transfers and cheque/BACS/CHAPS.
 - approval of the academies staffing structures.

Members are responsible for arranging the appointment of the external auditors; and informing the Department for Education (DfE) in the event of the removal or resignation of the auditors. They must also notify the DfE of the internal auditor.

The Finance and Audit Committee

- 2.3 The Finance and Audit Committee meets at least once a term, more frequent meetings can be arranged if necessary. The committee shall provide internal scrutiny which delivers objective and independent assurance.
- 2.4 The main responsibilities of the Finance and Audit Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:



- the initial review and authorisation of the annual budget.
- ensuring that grants from the DfE are used only for the purposes intended.
- the regular monitoring of actual expenditure and income against budget.
- ensuring the annual accounts are produced in accordance with the DfE guidance issued to academies.
- authorising the award of contracts and orders between £30,001 and £70,000.
- authority to accept other than best value quotation or tender between £10,001 and £30,000.
- authorising and reviewing virements between £30,001 and £50,000.
- authorising all asset management orders.
- disposal of unusable or obsolete assets over £20,000.

Financial reporting

- to review, before submission to and approval by, the Board of Trustees, and before clearance by the auditors and challenge where necessary, the actions and judgements the academies, in relation to the Academies' financial statements, operating and financial review - Particular attention should be paid to:
 - critical accounting policies and practices, and any changes in them.
 - decisions requiring a significant element of judgement.
 - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed.
 - the clarity of disclosures.
 - significant adjustments resulting from the audit.
 - the going concern assumption.
 - compliance with accounting standards.
 - compliance with Charity Commission and other legal requirements.
 - material post balance sheet events.

Internal control and Risk management

- to review the Trusts procedures for detecting fraud and corruption and for whistleblowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.
- to review management reports on the effectiveness of the systems for internal financial control, financial reporting and risk management.
- to monitor the integrity of the Trust's internal financial controls.
- to review the statement in the annual report and accounts on the Trust's internal controls and risk management framework.
- to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.
- to review the individual academies approach to risk management including an annual review of the Risk Registers.
- to review the Fraud Register and Register of Gifts and Hospitality.
- to review the operation of the Trusts code of practice for board members and code of conduct for staff.

Internal audit/Responsible Officer

- to agree the programme of checks to be carried out by the Internal Auditor.
- to review the reports of the Internal Auditor.

External audit

- to recommend to the Members the appointment or reappointment of Auditors.



- consideration of the audit plan, in advance of the field work.
- to review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgements; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted.
- to review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Trusts business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

The CEO and Chief Finance Officer

2.5 The CEO, in conjunction with the CFO, works within the framework set out in the Scheme of Delegation as approved by the Trust Board having overall executive responsibility for the Trust's activities including financial activities. The CEO as the Accounting Officer has responsibility for:

- approval of new staff to be appointed within the Trust excluding the Executive Head.
- authorising the award of contracts and orders between £10,001 and £30,000.
- accepting other than best value quotation or tender up to £10,000.
- authorise internal bank transfers.
- authorising and reviewing virements up to £30,000.
- disposal of unusable or obsolete assets up to £20,000.
- authorise all ESFA grant claims and ESFA returns with Trust Board if required.

The Executive Head

2.6 The Executive Heads work within the framework set out in the Scheme of Delegation as approved by the Board of Trustees having responsibility for the academy's activities. The main financial activities are:

- appointing new staff within the authorised establishment.
- authorising contracts and orders up to the value of £10,000 in conjunction with the Executive Team.
- authorising payroll payments in conjunction with the CEO and CFO.

The School Business Managers (SBM's)

2.7 The SBMs work in close collaboration with the CFO who is responsible to the Finance and Audit Committee. The main responsibilities of the SBMs are:

- Ensuring all financial procedures are followed.
- The agreed budget is followed and any changes are agreed and reported.
- Budgets are monitored regularly and reported to the Executive Head and finance team.
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Trust Board.
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- the day to day management of financial issues including operation of the designated accounting system.
- ensuring returns and reports are prepared for submission to the DfE within designated timescales.
- the development and maintenance of effective systems of internal control.
- ESFA/ DfE returns are submitted timely.

- Assist the annual budgeting process in conjunction with the SBMs/Executive Heads.
- Management Account information is presented to the trust management and trustees.
- Undertake Month end routines in a timely and accurate manner with support from academy finance team where required.
- Liaise with suppliers and ensure payments are made within the agreed times.
- Assist the SBMs and Executive Heads during the budget process.

The Internal Auditor

- 2.8 The Internal Auditor is appointed by the Trust to provide an independent oversight of the academies financial affairs and provide the Finance and Audit Committee with independent assurance that:
- the financial responsibilities of the Finance and Audit Committee are being properly discharged.
 - resources are being managed in an efficient, economical and effective manner.
 - sound systems of internal financial control are being maintained.
 - financial considerations are fully taken into account in reaching decisions.
- 2.9 The Internal Auditor will undertake a programme of reviews to ensure that financial transactions have been properly processed and that the controls specified by the LGB are being adhered to. A report of the findings from each visit will be presented to the Trust Board and the LGB.

Other Staff

- 2.10 Other members of staff, primarily the finance assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff members 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.

Register of Interests

- 2.11 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 MAT Trustees, academy Governors and staff are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services. The register is open to public inspection.
- 2.12 The register should include all business interests such as directorships, share holdings 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 Governor or a member of staff by that person.
- 2.13 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 LGB. Where an interest has been declared, Governors and staff should not attend that part of any meeting.

3. Accounting system

3.1 All the financial transactions of the academy must be recorded on the accounting system. The system is operated by the finance staff and consists of:

- Journals.
- Nominal Ledger.
- Bank Transactions.
- Purchase Ledger.
- Sales Ledger.

System Access

3.2 Entry to the accounting system is password restricted and all users are expected to change their passwords monthly.

3.3 Access to the component parts of the accounting system can also be restricted and the CFO in conjunction with the Executive Head is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

3.4 The system is cloud based and all back-ups are completed off site. The school is therefore protected by the back-up and disaster recovery provision provided by the host.

3.5 The Trust is also covered by a 3 stage back up including shadow copies if something is deleted during the school day, servers backed-up on site and also backed-up off site.

3.6 Each academy within the Trust is responsible for ensuring any additional information not held in cloud services has adequate back up procedures in place to avoid loss of data.

Transaction Processing

3.7 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.

3.8 Detailed information on the operation of the accounting system can be found in the user manuals.

Transaction Reports

3.9 The SBMs will obtain and review system reports to ensure that all transactions are posted to the accounting system. The report obtained and reviewed will include:

- the audit trail reports.
- cost centre spending reports summarising expenditure and income against budget allocations.

Reconciliations

- 3.10 The SBMs are 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.
 - bank balance as per the nominal ledger to the bank statement.
- 3.11 Any unusual or long outstanding reconciling items will be reviewed and queries addressed by the CFO with the assistance of the Academy's SBMs.

4. Financial planning

- 4.1 The academies prepare both medium term and short-term financial plans.
- 4.2 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.
- 4.3 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.
- 4.4 The development planning process and the budgetary process are described in more detail below.

School Development Plan [SDP]

- 4.5 The SDP includes 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 expected resources.
- 4.6 The form and content of the SDP are matters for the academy to decide but due regard should be given to any annual guidance issued by the DfE.
- 4.7 Each year the Executive Head will propose a planning cycle and timetable to the governing body which allows for:
- a review of past activities, aims and objectives - "did we get it right?"
 - definition or redefinition of aims and objectives – "are the aims still relevant?"
 - development of the plan and associated budgets – "how do we go forward?"
 - implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course".
 - feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.8 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 SLT.
- 4.9 The completed SDP will include detailed objectives for the coming academic year. The plan should also

include the estimated resource costs, both capital and revenue, associated with each objective.

- 4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a senior leader and reviewed throughout the year to ensure the objective is achieved. The senior manager will report to the LGB if there is a significant divergence from the agreed SDP and will recommend an appropriate course of action.

Annual Budget

- 4.11 The Chief Finance Officer in conjunction with the SBMs is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Executive Head, CEO, Finance and Audit Committee and the Trust Board.
- 4.12 The approved budget must be submitted to the DfE by designated deadline each year and the Chief Finance Officer 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 academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the budget and the SDP objectives.
- 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 academy.
 - review of past performance against budgets to promote an understanding of the academy cost base.
 - identification of potential efficiency savings.
 - review of the main expenditure headings in light of the SDP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

- 4.15 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 savings can be made. This may entail prioritising tasks and deferring projects until more funding is available but 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.

Finalising the Budget

- 4.16 Once the different options and scenarios have been considered, a draft budget should be prepared by the SBM for approval by the Executive Head, CEO, CFO, Finance and Audit committee and the Board of Trustees. 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 (see the SDP) 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.

Monitoring and Review

- 4.18 Monthly reports will be prepared by the School Business Managers detailing actual income and expenditure against budget both for budget holders and at a summary level for the Executive Head, CEO, COO, Finance and Audit Committee and the Trust Board.
- 4.19 Any potential overspend against the budget must in the first instance be discussed with the CFO. The accounting system will not allow payments to be made against an overspent budget without the approval of the CFO.
- 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.

5. Payroll

- 5.1 The main elements of the payroll system are:
- staff appointments.
 - payroll administration.
 - payments.

Staff Appointments

- 5.2 The Finance and Audit committee has approved a personnel establishment for each academy and any changes can only be made with the express approval in the first instance of the committee, who must ensure that adequate budgetary provision exists for any establishment changes. The Executive Head has authority to appoint staff within the authorised establishment except for Deputy Head who must be appointed by the Trust. The designated HR Officer for each academy ensures personnel files are maintained for all members of staff which include contracts of employment and so all personnel changes must be notified to the SBM immediately.

Payroll Administration

- 5.3 The academy payroll is administered by the Approved payroll provider and HR support by Browne Jacobson.
- 5.4 All staff members are paid monthly by BACS payments and a master file for each employee is held by the LA and includes:
- salary.
 - bank account details.
 - taxation status.
 - personal details.
 - any deductions or allowances payable.
- 5.5 New appointment details or adjustments must be authorised by the Executive Head, the CEO and the CFO.
- 5.6 Staff changes, new starters, leavers and absences are authorised by the Executive Head, the CEO and the CFO.
- 5.7 Data input to the payroll system should be undertaken by the admin staff in accordance with the payroll

timetable and authorised by the Executive Head.

Payments

- 5.8 After the payroll has been processed, but before payments are despatched, a print of salary payments by individual and showing the amount payable in total is received for verification by the SBMs. A hard copy of the amended salary payments is authorised by the Executive Head prior to submitting to the LA for processing.
- 5.9 The SBMs will prepare a reconciliation between the current month's individual salary costs against the budgeted monthly costs, showing reasons for any variances which is reviewed and signed by the Executive Head.
- 5.10 The payroll system automatically calculates the deductions due from payroll to comply with current legislation, including tax, National Insurance and pensions contributions. The amounts payable are summarised on the gross to net report and BACS payments for these amounts are automatically processed by the service provider.
- 5.11 The SBMs 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.
- 5.12 After the payroll has been processed the nominal ledger will be posted and the SBMs will approve the postings prepared by the finance team, to both the payroll control account and to individual cost centres.

6. Purchasing

- 6.1 The Trust wants to achieve the best value for money for all purchases and thus wants to get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and each academy needs to maintain the integrity of these funds by following the general principles of:
- **Probity** - demonstrate that there is no corruption or private gain involved in the contractual relationships of the academy.
 - **Accountability** - be publicly accountable for its expenditure and the conduct of its affairs.
 - **Fairness** - ensure all those dealt with by the academy are done so on a fair and equitable basis.

Routine Purchasing

- 6.2 Budget holders will be informed of the budget available to them at 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. Access to view actual expenditure against budget will be granted to each budget holder and they are expected to review their budgets at least half termly and to keep their own records of orders placed but not paid for.
- 6.3 Routine purchases up to the lower of their annual budget limit or £1,000 can be ordered by budget holders.
- 6.4 All requisitions are placed on-line by staff and authorised by the budget holder which are then converted into an order by admin. The Executive Head or another designated person within each academy then authorise them on-line which allocates an order number and they are then emailed to the supplier by the office staff at academy level.

- 6.5 The budget holder must make appropriate arrangements for the delivery of goods to the academy and upon receipt, undertake a detailed check of the goods received against the original order and the goods received note [GRN]. The budget holder identifies any discrepancies between the goods delivered and the GRN and discusses with the supplier of the goods without delay. Agreed delivery notes should be signed, dated and returned to the office.
- 6.6 If any goods need to be returned to the supplier because they are not as ordered or are of sub-standard quality, the member of staff who ordered the goods arranges the return and notifies the office; who then take the parcel and await collection by the supplier.
- 6.7 The finance staff within each academy will attach the signed delivery note to the order and then enter the details onto the finance system (GRN). Any anomalies between the invoice amounts and the original order will be reported to the budget holder to investigate.
- 6.8 All invoices will be reviewed by the finance staff and include the following:
- order number.
 - cost centre and ledger code details.
 - authorised for payment by budget holders.
 - date.
- 6.9 Invoices are authorised for payment on the finance system by the Head of School and another designated person at academy level.
- 6.10 On a weekly basis the SBMs will review the outstanding invoices from the purchase ledger and pass them to the finance team for payment/completion.
- 6.11 The finance office staff will then input details of payments to be made to the purchase ledger and then generate the BACS payments required. The BACS payment and associated paperwork must be signed and authorised by 2 of the 3 nominated signatories.
- 6.12 BACS payments will be emailed to suppliers by the finance office who will also complete payment details on the invoices and then place in the appropriate file.

Orders between £10,000 and £70,000

- 6.13 At least three quotations should be obtained for all orders between £10,000 and £70,000 to identify the best source of the goods/services and retained with the orders for audit purposes.

Orders over £70,000

- 6.14 All goods/services ordered with a value over £70,000 will be subject to formal tendering procedures and the authorising the award of those contracts by the Trust Board. Purchases over £189,330 (threshold from 01/01/2020) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union [OJEU]. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

Forms of Tenders

6.15 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 SBM 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 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.

Preparation for Tender

6.16 Full consideration should be given to:

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

6.17 It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

6.18 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.

6.19 An invitation to tender should include the following:

- introduction/background to the project.
- scope and objectives of the project.
- technical requirements.
- implementation of the project.

- terms and conditions of tender.
- form of response.

Aspects to Consider

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.

Tender Acceptance Procedures

- 6.20 The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

- 6.21 All tenders submitted should be opened at the same time and the tender details recorded. The persons that should be present for the opening of tenders as follows:
- For contracts between £30,001 and £70,000 the CEO, CFO and a Trustee from F&A committee.
 - For contracts over £70,000 the CEO, CFO and a Trustee.
- 6.22 A separate record should be established to record the names of the firms submitting tenders and the amount tendered; and this must be signed by the people present at the tender opening.

Tendering Procedures

- 6.23 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.
- 6.24 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.
- 6.25 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance and Estates Committee highlighting the relevant issues and recommending a decision.
- 6.26 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.
- 6.27 The accepted tender should be the one that is economically most advantageous to the academy or occasionally from a specialist provider. All parties should then be informed of the decision.

Borrowing and Leasing

- 6.28 No academy should agree or sign for any operating lease and should refer to the CFO for approval who will follow the guidance of the Academies Financial Handbook and seek professional external advice.
- 6.29 Any borrowing must be approved by the Trust Board and ESFA as Clause 3.4.1 of the Academies Financial Handbook.

Novel and Contentious Payments

- 6.30 Any novel and contentious payments or other transactions that are outside the normal range of business, or the Trust has no experience of dealing, with must be referred to the ESFA for explicit prior authorisation.

7 Income

- 7.1 The main source of income for the academy is the grant from the DfE. The receipt of all income is monitored directly by the SBM who is responsible for ensuring that all grants due to the academy are collected.
- 7.2 The academy also obtains income from:
- parents for trips, lunches, lettings and after academy activities.
 - donations.

Trips

- 7.3 The teacher takes responsibility for the booking of the trip venue, cost and arranging transport. The office staff administers the collection of monies from the pupils using a cashless system whenever possible.
- 7.4 The office staff maintains up-to-date records for each pupil showing amount paid and amount outstanding. The teacher is responsible for chasing any outstanding amounts.

Lettings

- 7.5 All lettings will be at the discretion of the Trustees, who may refuse lettings if they consider it in the interests of the academy to do so.
- 7.6 The office is responsible for maintaining records of bookings including the pool and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
- 7.7 The academy is committed to safeguarding and promoting the welfare of children and young people and expects hirers and their representatives to share this commitment. It is a requirement that for all hirers working with children, an appropriate level of disclosure has been obtained.
- 7.8 All charges will be subject to periodic review by the Finance and Audit Committee. The minimum increase will be in line with inflation.
- 7.9 The calculation of charges will include consideration of the real costs of heat, light, water and the cost of caretaking for the event.

Custody

- 7.23 All cash and cheque payments are sent into the finance office via the pupil's guide are recorded appropriately. All cash and cheques are kept in the safe prior to banking and banking should take place every week or more frequently if the sums collected exceed the insurance limit.
- 7.24 Monies collected must be banked in their entirety in the appropriate bank account. The office is responsible for preparing the banking deposits weekly/monthly and the SBM checks the deposits before they are banked. The sums deposited at the bank along with all voucher and BACS payments made by parents for services will be posted onto the finance system by the office staff. The Business Operations Manager will oversee the bank reconciliation process.

8 Cash Management

Bank Accounts

- 8.1 The opening of all accounts must be authorised by the Trust Board and the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements should be minuted. The operation of systems BACS and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

- 8.2 Particulars of all deposits are recorded and include:
- amount of the deposit.
 - name of the debtor.
 - total income banked broken down over different cost centres.

Payments and withdrawals

- 8.3 All cheques and other instruments authorising payments and withdrawals from academy bank accounts up to the value of £100,000 must bear any 2 of the 3 signatures of the CEO, CFO and Head of school. Above this limit and up to £300,000 would also require the approval of the Chair of F&A Committee except for monthly salary payments.
- 8.4 This provision applies to all accounts, public or private, operated by or on behalf of the Trust. Authorised signatories must not authorise a payment relating to goods or services for which they are being reimbursed, unless processed as part of the main Bacs Run. The purchasing system ensures a division of duties.

Administration

- 8.5 The SBMs must ensure bank statements are reconciled regularly and at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's finance system.
 - reconciliations are prepared by the Finance Team and reviewed by the CFO.
 - reconciliations are subject to an independent monthly review carried out by RO and adjustments arising are dealt with promptly.

Business Charge Card

- 8.6 The use of the academy Business Card should be administered in the same way purchase orders with prior approval from the budget holder were possible/ appropriate. All transactions should be actioned each month in line with the reconciliation of bank statements.

Administration

- 8.7 The SBM is responsible for entering all transactions into the petty cash records on a regular basis. The cards should be used only when there is no alternative method of payment.

Physical Security

- 8.8 All cards should be kept secure.

Staff Expenses

- 8.9 Staff expenses should be approved by the Executive Head prior to the transaction taking place. They should not be used as an alternative to the formal purchasing process.

Cash Flow Forecasts

- 8.10 The SBMs are 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.

Investments

- 8.11 Reinvestment of funds already invested can be done so by the Trust if funds are not required for the

duration of the investment period.

- 8.12 New investments are made once minuted approval of the Trust Board is obtained or by email confirmation if timings of meetings is impractical.
- 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

Asset register

9.1 All items purchased with a value over the academy's capitalisation limit of £1,000 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).
- Location.
- name of member of staff responsible for the asset.

9.2 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.
- support insurance claims in the event of fire, theft, vandalism or other disasters.

9.3 **Depreciation**

- The depreciation will be calculated on an annual basis for preparation of the year end accounts.
- Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance and Audit Committee will discuss these items on an individual basis.

ASSET GROUP	No OF YEARS	DEPRECIATION METHOD
Land		No depreciation
Buildings	50	2% Straight line
Plant and Equipment	5	20% Straight line
Motor Vehicles / Minibuses	5	20% Straight line
ICT Equipment	3	33.3% Straight line
Assets Under Construction		These are not depreciated until the asset is brought into use.

- The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

Security of assets

- 9.4 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 9.5 All 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 governing body. 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.

Disposals

- 9.6 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance and Audit Committee and, where significant, should be sold following competitive tender. The academy must seek the approval of the DfE in writing if it proposes to dispose of any heritage asset.
- 9.7 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.
- 9.8 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 DfE a proportion of the sale proceeds.
- 9.9 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

- 9.10 Items of academy property must not be removed from academy premises without the authority of the Executive Head. A record of the loan must be recorded in a loan book and booked back into the academy when it is returned.
- 9.11 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. Fraud

- 10.1 Fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals and subsequent loss to the Multi Academy Trust (MAT).

- 10.2 Everyone involved with the MAT and the academies within the MAT have a responsibility in respect of recognising a potential fraud, preventing fraud and detecting fraud. As such everyone should have read and understood the Anti-Fraud policy.
- 10.3 If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, staff must refer the matter to the CEO or CFO.

If any person is unsure of the lines of accountability/authority for any financial matter they should seek clarification prior to any transaction taking place from the CEO or the CFO.

11. Scheme of Delegation

In order to allow EIAT to function effectively, the Trust Board delegates financial responsibility to the CEO, CFO, F&A Committee and the Executive Head at each academy. The extent and level of any such delegation is determined by the Trust Board and set out in the Scheme of Delegation.

This scheme distinguishes between matters reserved exclusively for the Board's approval or decision, and matters delegated to other individuals. The Scheme sets out financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within the Trust.

For the avoidance of doubt any financial powers not mentioned in this document are reserved matters for the Trust Board.



	Delegated Duty	Value	Delegated Authority	Method
PROCUREMENT	Ordering goods, works and services. To include cumulative expenditure by supplier and /or contracts of more than 1 year	Up to £500	Budget holder	Approved by Executive Head
		£501 – £5,000	Executive Head / Executive Team	Notify Chief Financial Officer
		£5,001 - £10,000	Executive Head / Executive Team	Notify Chief Financial Officer Advised to obtain 3 quotes
		£10,001 - £30,000	CEO	Notify Chief Financial Officer to ensure best value is demonstrated. Selection from preferred supplier list. Minimum of three quotes and business case
		£30,001 - £70,000	Finance and Audit Committee	Minimum of three quotes and business case
		Over £70,001	Trust Board	Formal tendering process including advertising on OJEU (if over OJEU threshold)
	Asset Management orders	Any	Finance and Audit Committee	Minimum of three quotes. Formal tendering process including advertising on OJEU (if over OJEU threshold)
Authority to accept other than best value quotation or tender	Any	CEO/CFO (up to £10,000) and F&A Committee (£10,001-£30,000) Trust Board (over £30,000)	Ensure procurement maintains principles of regulatory, proprietary and value for money.	



	Delegated Duty	Value	Delegated Authority	Method
SIGNATORIES	Signatories for cheques	Any	Two Signatories from: CEO, CFO, Executive Head	
	Signatories for BACS and CHAPS	Any	Two Signatories from: CEO, CFO, Executive Head	
	Signatories for internal bank transfers	Any	CFO with signed authority from CEO/COO	
	Signatories for ESFA grant claims and ESFA returns	Any	Two Signatories from: Trust Board, CEO, CFO	
VIREMENTS	Approving transfer between budget headings	Up to £30,000	CEO, CFO	
		£30,001 -£50,000	Finance and Audit Committee	
		Over £50,000	Trust Board	
ASSETS	Authorising disposal of unusable or obsolete assets	Up to £20,000	CEO, CFO	Ensure disposal maintains principles of regulatory, proprietary and value for money.
		Over £20,000	F&A Committee	
	Disposal of heritage assets	Any	Trust Board and ESFA approval	Clause 5.22 Academies Financial Handbook 2019



	Delegated Duty	Value	Delegated Authority	Method
WRITE-OFFS	Write off Bad Debts/Losses/Disposal of assets	Up to £1,000 per transaction	CFO	
		Over £1,000 and up to £45,000 or 1% of annual income (whichever is smaller) per transaction or cumulatively 2.5% of annual income	Trust Board	
		Over £45,000 or 1% of annual income (whichever is smaller) per transaction or cumulatively 2.5% of annual income	Education Funding Agency	
LEASES	Finance Leases	Any	Trust Board and ESFA approval required	Clause 5.24 and 5.32 Academies Financial Handbook 2019
	Purchase or sale of any freehold property	Any	Trust Board and ESFA approval	Clause 5.22 Academies Financial Handbook 2019
	Granting or take up of any leasehold or tenancy agreement exceeding five years	Any	Trust Board and ESFA approval required	
	Operating leases	Up to £1,000	CEO, CFO	Professional advice should be sort if any uncertainty whether a lease involves an element of borrowing
		£1,001 - £20,000	Finance and Audit Committee	
		Over £20,000	Trust Board	



	Delegated Duty	Value	Delegated Authority	Method
MISCELLANEOUS	Borrowing	Any	Trust Board and ESFA approval required	Clause 5.32 and 5.33 Academies Financial Handbook 2019
	Staff severance payment or compensation	Non-Statutory/non-contractual element, up to £49,999	Trust Board	Clause 5.7 and 5.8 Academies Financial Handbook 2019
		£50,000 and over	Trust Board and ESFA approval required	Clause 5.1 Academies Financial Handbook 2019
	Novel and/or contentious transactions	Any	Trust Board and ESFA approval required	Clause 5.43 Academies Financial Handbook 2019
	Connected Party trading	Any	Trust Board	

12. Declaration of Self-employed Person

Name:

Address:

NI Number:

I declare that I am registered with the Inland Revenue as being self-employed. I agree that it will be my responsibility to inform the Inland Revenue of any payment that I receive from the above academy.

Signed:

Date: