



THE
DE LA SALLE
ACADEMY

FINANCE POLICY & PROCEDURES

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Introduction

The purpose of this policy is to ensure that the academy maintains and develops systems of financial control which conform with 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 Education Funding Agency (ESFA).

The academy must comply with the principles of financial control outlined in the academies guidance published by the ESFA. This policy expands on that and provides detailed information on the academy's accounting procedures and systems and should be read by all staff involved with financial systems.

Organisation

The academy 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 governors and staff. The financial reporting structure is illustrated below:

The Governing Body

The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the ESFA and in the academy's scheme of government. The main responsibilities include:

- Ensuring that grant from the ESFA is used only for the purposes intended;
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
- Approval of the annual budget;
- Appointment of the Principal and
- Appointment of the Academy Business Manager, in conjunction with the Principal.

The Operations, Finance & Staffing Committee

The Operations, Finance & Staffing Committee is a committee of the governing body. The Operations, Finance & Staffing Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the Operations, Finance & Staffing Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFAS guidance issued to academies;
- Authorising the award of contracts over £10,000;
- Authorising changes to the academy personnel establishment and
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Principal

Within the framework of the academy development plan, as approved by the governing body, the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Academy Business Manager but the Principal still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;

- Authorising contracts between £1,000 and £9,999 in conjunction with the Academy Business Manager;
- Signing cheques in conjunction with the Academy Business Manager or other authorised signatory.

The Academy Business Manager

The Academy Business Manager works in close collaboration with the Principal through whom he or she is responsible to the governors. The Academy Business Manager also has direct access to the governors via the Operations, Finance & Staffing Committee. The main responsibilities of the Academy Business Manager are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- The preparation of monthly management accounts;
- Authorising orders below £1,000 in conjunction with budget holders;
- Signing cheques in conjunction with the Principal or other authorised signatory and
- Ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

The Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions.

The Responsible Officer 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 governing body. A report of the findings from each visit will be presented to the Finance, Operations & Staffing Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the ESFAS Guidance.

Other Staff

Other members of staff, if appropriate, will have some financial responsibilities and these are detailed in the following sections of this manual. 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.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers 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.

The register should include 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 governor or a member of staff by that person.

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 governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

Accounting System

All the financial transactions of the academy must be recorded on the SIMs accounting system. The SIMs system is operated by the Business Manager and consists of:

- Journals
- Nominal Ledger, Bank Reconciliation
- Transactions
- Purchases Ledger, Sales Ledger

System Access

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

Access to the component parts of the SIMssystem can also be restricted and the Academy Business Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The Academy Business Manager is responsible for ensuring that there are effective back up procedures for the system. Data should be copied onto a discs or other removable medium and the copies stored in a secure place preferably in a fireproof container. Back-up copies should be taken on at least a weekly basis.

The back-ups should not be recorded on the same disc each time as this results in only one copy being available. In order to provide more protection from the loss of data at least three different discs should be used in rotation and stored in different locations. At least one copy should be stored off-site.

A hard copy of the nominal ledger and audit trail should be printed each month and should be stored separately from the accounting system in a fireproof container.

The Academy Business Manager should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

All journal entries must be documented on the appropriate journal form prior to being input to the accounting system. Bank transactions should be input by the Finance Assistant and the input should be checked, and signed to evidence this check, by the Finance Team.

Transaction Reports

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

- The weekly audit trail reports;
- Master file amendment reports for the payroll, purchase ledger and sales ledger;
- Management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

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

- Sales ledger control account;
- Purchase ledger control account;
- Payroll control account;
- All suspense accounts and
- Bank balance per the nominal ledger to the bank statement.

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

Financial Planning

The academy prepares both medium term and short-term financial plans.

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.

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.

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

Development Plan

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.

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 ESFA

Each year the Principal 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" and

- Feedback into the next planning cycle – “what worked successfully and how can we improve?”

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 Principal.

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.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Academy Business Manager is responsible for preparing and obtaining approval for the annual budget.

The budget must be approved by the Principal, Finance, Operations & Staffing Committee and the governing body.

The approved budget must be submitted to the ESFA by July deadline each year. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of ESFA 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 in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

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

Finalising the Budget

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

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.

Monitoring and Review

Monthly reports will be prepared by the Academy Business Manager. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Principal and the Finance, Operations & Staffing Committee.

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

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the Finance, Operations & Staffing Committee.

Payroll

The main elements of the payroll system are:

- Staff appointments;
- Payroll administration and
- Payments

Staff Appointments

The governing body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance, Operations & Staffing Committee who must ensure that adequate budgetary provision exists for any establishment changes.

The Principal has authority to appoint staff within the authorised establishment, Head of School and the Academy Business Manager whose appointments must follow consultation with the governors. The Academy Business Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Academy Business Manager immediately as they occur.

Payroll Administration

The academy payroll is administered by an outside contractor who maintains employee data and records:

- Salary;
- Bank account details;
- Taxation status;
- Personal details and
- Any deductions or allowances payable.

The Academy Business Manager must complete a monthly staff return which provides details for all staff in the sickness and other absences during the month and any new appointments or terminations. The staff return must be authorised by the Principal. Authorised staff returns are filed in preparation for payroll processing by the outside contractor. Before the payroll is processed a print of all data input should be obtained and this should be checked against source documentation by the Academy Business Manager and then reviewed and initialled by the Principal.

Payments

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

All salary payments are made by BACS.

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

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and authorised for payment by the Principal, Academy Business Manager and the Principal (or other authorised cheque signatory if one is unavailable) by the due date and paid by BACS.

The Academy Business Manager should complete monthly salary monitoring against budgeted figures to ensure the payroll system is operating correctly and investigate any discrepancies found.

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

On an annual basis the Academy Business 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.

Purchasing

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

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

Routine Purchasing

Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

Routine purchases up to £500 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Team. A quote

or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Academy Business Manager.

All orders must be made, or confirmed, in writing using an official purchase order form. Orders must bear the signature of the budget holder and must be forwarded to the Academy Business Manager who will check to ensure adequate budgetary provision exists before countersigning the order.

Orders are entered on to the SIMs accounting system and 2 copies are printed. One copy is sent directly to the supplier, the other is filed.

The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Administrator should be notified. The Business Manager will keep a central record of all goods returned to suppliers.

All invoices should be sent to the Business Manager who will stamp invoices with a grid against which the following can be evidenced:

- Invoice arithmetically correct;
- Invoice posted to purchase ledger;
- Goods/ services received;
- Goods/services as ordered;
- Prices correct;
- Invoice authorised for payment;
- VAT treated correctly and
- Payment made.

The invoice will then be sent to the budget holder for approval.

If a budget holder is pursuing a query with a supplier the Business Manager must be informed of the query and periodically kept up to date with progress.

The Business Manager will generate a payment list weekly from SIMs based upon due dates and will generate the cheques (or BACS run) required. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories. The cheque number will be recorded on the invoice.

Orders over £1,000 but less than £10,000

At least three written quotations should be obtained for all orders between £1,000 and £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made.

Orders over £10,000

All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures. Purchases over £118,133 (threshold from 1/01/18) may fall under EU procurement rules which requires advertising in

the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

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 Academy Business Manager how best to advertise for suppliers' e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where: There is a need to maintain a balance between the contract value and administrative costs, a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the 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

- Full consideration should be given to:
- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract.

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

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.

An invitation to tender should include the following:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Terms and conditions of tender and
- Form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.

- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

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

Other Considerations

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

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 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

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

- For contracts up to £25,000 - two of the budget holder, the Academy Business Manager or the Principal;
- For contracts over £25,000 - either the Academy Business Manager or the Principal plus a member of the Finance, Operations & Staffing Committee.
- A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance, Operations & Staffing Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance, Operations & Staffing Committee.

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

The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

Income

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

The academy also obtains income from:

- Students, mainly for trips and
- The public, mainly for community and sports lettings.

Trips

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Business Manager or Registrar.

Students should make payments at the Academy Office. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

The Academy Office should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

Custody

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 Finance Team safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed £1,000.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Administrator 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 Academy Business Manager.

Cash Management

Bank Accounts

The opening of all accounts must be authorised by the governing body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- The amount of the deposit and
- A reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

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

- Principal
- Academy Business Manager;
- Chair of Governors;

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

Administration

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

- All bank accounts are reconciled to the academy's cash book;
- Reconciliations are prepared by the Finance Administrator;
- Reconciliations are subject to an independent monthly review carried out by the Academy Business Manager or in their absence the Responsible Officer (RO) and
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

The academy maintains a maximum cash balance of £500. The cash is administered by the Business Manager and/or Registrar and is kept in the Finance Team safe.

Deposits

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

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £50. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.

Administration

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

Physical Security

Petty cash should be held in a locking cash box which is put in the safe overnight.

Cash Flow Forecasts

The Academy Business Manager 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. Similarly plans should be made to transfer funds from another bank account or to re-profile APG to cover potential cash shortages.

Investments

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

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.

Fixed Assets

Asset register

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

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding (% of original cost funded from ESFAS grant and % funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the asset

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.

Security of assets

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

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

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

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.

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.

All disposals of land must be agreed in advance with the De La Salle Trustees and the Secretary of State.

Loan of Assets

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

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.

Financial Responsibilities

The following tables provide a Scheme of Delegated Authority for the Governing Body to the Principals, Academy Business Manager, and Financial Team.

Managing Money

Authorising expenditure and non-order invoices for goods and services

| Job Title/Grade | Name | Limits/Restrictions |
|---|----------------|---|
| Finance, Operations, Staffing Committee | | £10,000-100,000 |
| Full Governing Body | | Over £100,000 |
| Principal | David Hayes | Up to £10,000 |
| Head of School | Alicia Freeman | Up to £5,000 only in absence of Principal |
| Business Manager | Eileen Davison | Up to £5,000 only in absence of Principal |

Authorising order invoices (note invoice should not be authorised by person who placed the order, but same people can appear on this list and above list. Must be segregation of duties for each transaction)

| Job Title/Grade | Name | Limits/Restrictions |
|--------------------|------|---------------------|
| SEE BUDGET HOLDERS | | |

Completing annual financial reports to Governors and/or LEA (including income/expenditure, cash flow, projections etc)

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Approval of annual financial reports to Governors (including income/expenditure, cash flow, projections etc.). Requires Principal plus one:

| Job Title/Grade | Name | Limits/Restrictions |
|---|----------------|---------------------|
| Chair of Governors | Gerald Proctor | N/A |
| Principal | David Hayes | N/A |
| Chair of Finance, Operations & Staffing Committee | Jane Owens | N/A |

Signing/approval of annual financial reports to the ESFA (including income/expenditure, cash flow, projections etc). Requires Business Manager and one other:

| Job Title/Grade/Position | Name | Limits/Restrictions |
|--------------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |

Completing periodic financial reports to Governors and/or ESFA (including income/expenditure, cash flow, projections etc)

| | | |
|-----------------------|----------------|-----|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Approval of periodic financial reports to Governors and /or the LEA (including income/expenditure, cash flow, projections etc). Requires Business Manager and one other:

| Job Title/Grade | Name | Limits/Restrictions |
|------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |

Authorised to request a licensed deficit or loan. Requires all three:

| Job Title/Grade | Name | Limits/Restrictions |
|--------------------|----------------|---------------------|
| Chair of Governors | Gerald Proctor | Full Governing Body |
| Principal | David Hayes | Full Governing Body |

Authorised to open a bank account and become an approved signatory. Requires Chair of Governors plus one other:

| Job Title/Grade | Name | Limits/Restrictions |
|--------------------|----------------|---------------------|
| Chair of Governors | Gerald Proctor | N/A |
| Principal | David Hayes | N/A |

Authorised credit card user

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------|-------------|---------------------|
| Principal | David Hayes | £500 limit |

Authorised to reconcile charge card statements (cannot be charge card user)

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Business Manager | Eileen Davison | £1,000 limit |
| Finance Administrator | Tianqi Liu | N/A |

Authorised to input financial data onto local system - Authorising (Creditors/Debtors)

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Business Manager | Eileen Davison | £1,000 limit |
| Finance Administrator | Tianqi Liu | N/A |

Authorised to approve financial data on local system - authorising (Creditors/Debtors)

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Authorised to write-off bad debts

| Job Title/Grade | Name | Limits/Restrictions |
|---|-------------|---------------------|
| Principal | David Hayes | £500 limit |
| Finance, Operations, Staffing Committee | | Over £1,000 |

Authorised to approve PAYE/VAT returns

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Authorised to make virements between cost centres

| Job Title/Grade | Name | Limits/Restrictions |
|---|-------------|-------------------------|
| Principal | David Hayes | Up to £40,000 |
| Finance, Operations, Staffing Committee | | Over £40,000 to 100,000 |
| Full Governing Body | | Over £100,000 |

Authorised to make budget adjustments/subjective code variations within cost centres

| Job Title/Grade | Name | Limits/Restrictions |
|------------------|----------------|---------------------|
| Principal | David Hayes | N/A |
| Business Manager | Eileen Davison | N/A |

Authorised to collect cash income:

| Job Title/Grade | Name | Limits/Restrictions |
|------------------|------------------|---------------------|
| Business Manager | Eileen Davison | N/A |
| Administrator | Jessica Skidmore | N/A |
| Administrator | Diane Tippey | N/A |

Authorised to bank income

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Business Manager | Eileen Davison | N/A |
| Registrar | Stacey Taylor | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Responsible for reconciling audit trails (cash)

| Job Title/Grade | Name | Limits/Restrictions |
|-----------------------|----------------|---------------------|
| Business Manager | Eileen Davison | N/A |
| Finance Administrator | Tianqi Liu | N/A |

Contracts and Tendering

Authorised to sign contracts. Requires Business Manager plus one other:

| Job Title/Grade | Name | Limits/Restrictions |
|---|----------------|---------------------|
| Chair of Governors | Gerald Proctor | Over £25,000 |
| Chair of Finance, Operations & Staffing Committee | Jane Owens | Over £5,000 |
| Principal | David Hayes | Up to £5,000 |
| Business Manager | Eileen Davison | Up to £5,000 |

Budget Holders

Budgets

Budget holders (approved by the Principal are responsible for monies allocated under their control) will be advised of the amount allocated to them as early as possible in the financial year and will be provided guidance regarding the discharge of their financial responsibilities. Any concerns, doubts or the need for advice should be addressed to the Academy's Business Manager.

Training

All budget holders will receive training on an annual basis by the Finance Team to include ensuring that all aspects of the Academy's Finance Policy are clear and understood as it is the budget holders responsibility to set an example to other staff by adhering and promoting the systems and procedures laid out within the Finance Policy and to ensure Best Value is being elicited from all expenditure against the budget they are responsible for.

Planning

Budget holders, will be expected to first project their expenditure in advance of the new financial year in accordance with the Academy Development Plan. This will enable the Senior Leadership Team to see where any pressure points may arise during the new financial year, and then allocate final budgets accordingly. Departments should review their spending for the current financial year when planning for the next one. The Academy's Business Manager will contact budget holders in the summer term prior to the beginning of the next financial year and request input for both revenue and capital expenditure for the following financial year. (i.e. September to August).

Ordering

All ordering by budget holders must be made through the finance office using the Academy's official 'Purchase Order Form' and budget holders are not authorised to place orders directly with suppliers by telephone or any other means. Internal Financial Control Procedures must be followed, see the 'Purchasing' section in these procedures. Regular checks are in place to ensure that procedures are being followed. Advice should be sought from the Academy's Business Manager or the Finance Team if there are any issues arising from these procedures.

Expenditure/Monitoring

Each budget holder is responsible for ensuring that their Department spending (actual and outstanding commitments) remains within their allocated budget. Overspending is not allowed without authorisation of the Principal. The Finance Team will issue on the first of each month (or nearest working day) monthly printouts of accounts to budget holders that give details of all transactions through the account, including committed and cleared items, balance and percentage of budget remaining.

Records

All budget holders should keep copies of Purchase Order Request forms submitted - help and advice on the management of budgets can be sought from the Academy's Business Manager.

All Budget Holders should be aware that expenditure can only be authorised from their *approved* budget and not from anywhere else.