The Painsley Catholic Academy

Accounting, Finance and Resources Policy and Procedures

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Date policy approved by Directors and minuted:
Member of staff responsible: Chief Financial Officer
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People involved in the policy formation and consultation process: Principals, Chief Financial Officer, Resources Committee, Audit & Risk, Finance staff and Bursars/Administration Managers
ACCOUNTING, FINANCE AND RESOURCES POLICY AND PROCEDURES

1. INTRODUCTION AND PURPOSE

Academy status brings increased autonomy through the Funding Agreement with the Secretary of State for Education (SoS). Autonomy brings responsibility and the need for transparency. Operating as charitable company limited by guarantee demands the production of commercial style accounts and the protection of public and donated funds and requires policies and procedures to achieve this. Though independent, the Multi-Academy contributes to the Whole of Government Accounts through the Department for Education (DfE).

The purpose of this policy and the associated procedures is to ensure that the Academy maintains and develops systems of financial control which conform to the requirements of propriety, regularity and of sound financial management. It is essential that these systems operate effectively to meet the requirements of the Academy’s Master Funding Agreement with the SoS.

The Academy must comply with the principles of financial control outlined in the guidance published by the DfE and the Education Funding Agency (ESFA), including the comprehensive Academies Financial Handbook (September 2019). This policy expands on that and provides detailed information on the Academy’s accounting procedures. It should be read by all staff involved with financial and resource systems to ensure accountability.

2. ORGANISATION

The Multi-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 Directors and staff. All persons with delegated authority are expected to act in the best interests of the Academy and within the letter and spirit of the law. To support the effective and efficient administration of resources, training will be identified through the Academy’s performance management system.

2.1 The Board of Directors

The Directors will manage their affairs in accordance with the high standards detailed in the Seven Principles of Public Life:

- **selflessness** - Holders of public office should take decisions solely in terms of the public interest.
- **integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
- **accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **openness** - Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
• **honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

• **leadership** - Holders of public office should promote and support these principles by leadership and example.

As directors of a company that spends Government money, the Directors will adhere to the Cabinet Office guidance on Codes of Practice for Board Members of Public Bodies:

- observe the highest standards of **propriety** involving **impartiality**, **integrity** and **objectivity** in relation to the stewardship of public funds and the management of the bodies concerned.
- maximise **value for money** through ensuring that services are delivered in the most **economical**, **efficient** and **effective** way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price; it is the optimum combination of whole life costs and quality to meet the user’s requirement.
- be **accountable** to Parliament, users of services, individual citizens and staff for the activities of the bodies concerned, their stewardship of public funds and the extent to which key performance targets and objectives have been met.
- in accordance with Government policy on **openness** and **responsiveness**, comply fully with the Code of Practice on Access to Government Information.

2.2 **Managing the Academy Finances**

The Directors have overall responsibility for administration of the Academy’s finances. The main responsibilities of the Board of Directors are prescribed in the Master Funding Agreement between the Academy and the SofS and include:

- Appointing the Chief Executive Officer/Accounting Officer for the Academy
- Appointing the Chief Financial Officer for the Academy
- Appointing the Internal Auditor and reviewing the summary of their reports on the effectiveness of the financial procedures and controls (this will also be undertaken at the Resources committee meetings)
- Appoint the Auditors
- Ensure adequate insurance cover is in place.
- agree the long term financial objectives for the Academy.
- ensure financial policies have been agreed and adhered to.
- ensure the grant from the ESFA is used for the purposes intended.
- approve the annual budget and any material changes.
- approve changes to the personnel establishment.
- ensure a Scheme of Financial Delegation is in place.
- ensure assets and allocated resources, including people, are well managed.
- ensure accurate accounting records are maintained.
- ensure the budget monitoring statements are a true and accurate record of income and expenditure.
- authorise the award of contracts/tenders over the EU limits.
- approve the annual accounts of the multi-academy.
- submit the annual financial Statements and accounts for the multi-academy.
- approve the Implementation Plan
- approve new staff appointments within the authorised establishment.
- determine the pay and conditions of staff.
approve changes within the authorised establishment numbers, including regrading, responsibility allowances and deletions.
Authorise orders and payments within the approval limits shown in the Financial Scheme of Delegation (attached)
The Chair of Directors is authorised to exceed delegated limits in times of emergency, to ensure safety, wellbeing and security, to ensure business continuity and where it is necessary to act quickly to avoid additional expense.

2.3 Resources Committee

The main financial responsibilities of the Resources Committee include:

See Scheme of Delegation – attached

initial review and authorisation of the annual budget and any material changes.
regular monitoring of actual expenditure and income against budget.
ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies.
authorise the award of contracts/tenders over £100,001 to £120,000. From £120,001 to EU threshold limit is authorised by the Board of Directors.
recommend changes re personnel.
Review the reports of the Internal Auditor on the effectiveness of the financial procedures and controls, briefing the Governing Body via exception reporting.
Monitor and track the finances in relation to the Implementation Plan.
Review and monitor capital projects i.e., bids and grants awarded through the ESFA's Academy’s Capital Maintenance Framework
Monitor regular budget reports with the Principals and Chief Financial Officer, acting on any overspends or risks.

2.4 The Accounting Officer / Chief Executive Officer (Mr Stephen Bell)

Appointed as Accounting Officer for the Multi-Academy, the Principal (Mr Stephen Bell) has overall executive responsibility for the Academy and is personally responsible to Parliament, and to the ESFA's Accounting Officer, for the financial resources under the trust's control. The Accounting Officer must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly:

a) Value for money – this is about achieving the best possible educational outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for the trust but for taxpayers generally.
b) Regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust’s funding agreement and the ESFAs Financial Handbook (September 2015) and compliance with the MACs internal procedures – this includes spending public money for the purposes intended by Parliament.
c) Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament’s intentions and the principles of parliamentary control – this covers standards of conduct, behaviour and corporate governance.
d) The accounting officer must take personal responsibility for assuring the board that there is compliance with the Financial Handbook and the funding agreement. The accounting officer must advise the board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the Financial Handbook. Similarly, the
accounting officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the ESFA’s Financial handbook or MAC funding agreement. Where the board of trustees is minded to proceed, despite the advice of the accounting officer, the accounting officer must consider the reasons the board gives for its decision. If, after considering those reasons the accounting officer will consider that the action proposed by the board is in breach of the articles, the funding agreement or the Financial handbook, the accounting officer must notify the ESFA’s accounting officer immediately, and in writing.

Whilst the Accounting Officer is accountable for the trust’s financial affairs, for keeping proper financial records, and for the management of opportunities and risks, the delivery of the trust’s detailed accounting processes will be delegated to a Chief Financial Officer.

The Accounting Officer has the duty to take action if the Directors or Chair is contemplating a course of action, which is considered to be novel, contentious, an infringement of propriety or regularity or a contravention of seven principles of public life or the Codes of Practice for Board Members of Public Bodies. Objections should be put in writing to the Directors, details sent to the Company Secretary and the Academy’s external auditors.

The Principals retain responsibility for:

- authorising orders and contracts within the approval limits shown in the Appendices.
- authorising payments within the approval limits shown in the Appendices.
- monitoring regular budget reports with the Chief Financial Officer and Internal Auditor, acting on any overspends or risks.

2.5 Chief Financial Officer (Mrs Joanne Bradbury)

The Chief Financial Officer works in close collaboration with the Principals through whom they are responsible to the Directors. The Chief Financial Officer also has direct access to the Resources Committee. The main finance-related responsibilities of the Chief Financial Officer are:

- day-to-day management of financial issues including the establishment and operation of a suitable accounting system.
- management of the Academy’s financial position at a strategic and operational level.
- 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.
- Oversee the preparation of monthly management accounts (undertaken by the MAC Accountants).
- authorising orders and the award of contracts within the approval limits shown in the Appendices.
- authorising payments within the approval limits shown in the Appendices.
- ensuring forms and returns are sent to the DfE/ESFA in line with their reporting deadlines (see Appendices).
- submitting grant applications and reports to all relevant bodies as detailed in the timetable laid out in the Appendices.
The Chief Financial Officer is authorised to exceed delegated limits in times of emergency, to ensure safety, wellbeing and security, to ensure business continuity and where it is necessary to act quickly to avoid additional expense.

The Chief Financial Officer can assume the financial responsibilities of delegated Budget Holders during their absence to ensure business continuity and the effective use of allocated resources.

2.6 Internal Auditor – Mr Nigel Regan

The internal auditor is appointed by the Board of Directors to provide Directors and the Resources committee with an independent oversight of the Multi-Academy financial affairs. The internal audit checks will be undertaken across each of the fifteen schools by the internal auditor whose main duties are to provide the directors with independent assurance that:

- the financial responsibilities of the Directors 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.

The programme of checks will be agreed with the Directors through the Resources committee and financial reviews will be carried out in order to provide the Board of Directors and, indirectly, the DfE, with the required assurance.

General areas for review will cover the following:

- review that bank reconciliations and imprest reconciliations have been carried out each month.
- review of monthly payroll to ensure that any changes have been appropriately authorised and agreed.
- check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised in accordance with the MAC’s financial scheme of delegation.
- check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- review returns to DfE to ensure the information supplied is consistent with the underlying records and internal management reports.
- carry out spot checks of petty cash balances and supporting vouchers.
- review all major contracts and ensure formal tender procedures exist and are being followed.

A report of the findings from each visit will be provided to the Resources Committee. The internal auditor will also present their findings to the Audit and Risk committee.

2.7 Local Governing Bodies

See page 15 of Diocesan Scheme of Delegation May 2019 - attached
2.8 Principals

See Page 16 of Diocesan Scheme of Delegation May 2019 – attached.

2.9 Appointed Auditors and External Audit

The Academy will be subject to annual audited accounts to satisfy the requirements of the SoS, company law and charity accounting. The external auditors appointed by the Board of Directors are Feltons, Birmingham. The MAC’s internal auditor is Nigel Regan who undertakes a programme of internal financial scrutiny approved by the Audit committee.

2.9i Other Staff

Other members of staff, primarily the MAC Accountant, Finance Officers, Bursars and Administrative Managers across the primary schools, and Budget Holders, will have some specific financial responsibilities and these are detailed in the Appendices.

All Directors, staff and volunteers are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency and avoiding waste and extravagance in the use of resources and for conformity with the requirements of the Academy’s financial procedures.

2.9ii 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 Directors, LGBs and staff with significant financial or spending powers 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. See Academies Financial Handbook 2019.

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 Director 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 Directors, LGBs and staff to declare interests whenever they are relevant to matters being discussed by the Board of Directors, a Committee or other meeting. Where an interest has been declared, Directors and staff should not attend that part of any meeting.

3 FINANCIAL PLANNING

The Academy will prepare both medium term and short-term financial plans. These plans are prepared as part of Academy review process. The Implementation Plan indicates how the educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The Implementation 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 and the following two years. The budgetary process is described in more detail below.
### 3.1 Three Year Budget Plan

The Chief Financial Officer is responsible for overseeing the work of the MAC Accountant, in preparing a three year budget plan for consideration by the Resources Committee.

The Resources Committee and Board of Directors must approve the budget prior to being submitted to the DfE by the deadlines detailed in the ESFA's Academies planning calendar.

The Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. See schedule of Director and Committee meetings (attached).

The 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 will be a clear link between the Implementation Plan and financial objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of DfE grant receivable.
- review of other income sources available 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.
- review of the main expenditure headings in light of the Implementation Plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes i.e., Schools Funding Reform.

### 3.2 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 if necessary and expenditure headings will need to be reviewed for areas where reductions 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. Directors have adopted a ‘Reserves’ policy which identifies what actions are to be carried out if a potential surplus is identified across each school – see attached Reserves policy.

### 3.3 Finalising the Budget

Once the different options and scenarios have been considered, the draft budget should be submitted with a statement of assumptions to the Resources Committee and Board of Directors for approval. 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 seen as a working document which may need revising throughout the year as circumstances change.
3.4 Budget Management, Monitoring and Review

The budget setting process will be undertaken by the CFO, MAC Accountant, Principals and SBMs ensuring a transparent process enabling a true understanding of the budget setting process, following a MAC budget template which will be used as the working papers for each school. The CFO and Accountant will discuss the preliminary budgets with the CEO prior to uploading for directors.

The CFO and MAC Accountant will visit the schools at key times of the financial year. The MAC Accountant will produce monthly management accounts each month together with consolidated monthly management accounts. The reports will detail actual income and expenditure against budget both for Budget Holders and at a summary level of explanations. In addition, a commentary for ease of understanding will also be included for each Principal, CEO, CFO, Resources Committee and Board of Directors. As the Board of Directors meet less than six times each year, the monthly Management Accounts will be sent to the Chair of the Board on a monthly basis as well as the CEO, CFO, LGBs and Principals.

The Principals may delegate elements of the budget to staff where this is appropriate. These Budget Holders must operate within the same objectives and controls as those agreed for the Academy as a whole. Delegated Budget Holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such Budget Holders are accountable to the Chief Executive who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspend against the budget must in the first instance be discussed with the Chief Financial Officer or MAC Accountant.

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.

The Resources Committee will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of the timing, level of detail and narrative.

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 appropriate person detailed in the Appendices.

3.5 Capital Budget

The Academy receives a small allowance under Devolved Formula Capital. Major capital investments can be funded through reserves, DfE capital grants or charitable donations. In most cases, the funds will be specific to the project.

In relation to the SCA (School Condition Allocation) capital funding, Directors will use the MAC’s Estate Management Strategy to prioritise any capital works, including the conditions of building works required across the multi-academy and approve these works and tenders (if appropriate) at the Resources committee or Board of Directors, dependent upon the expenditure.

The ‘Little Extras’ the schools receive will be spent on the conditions of the school buildings/capital projects as outlined in the guidance from ESFA.

4 ACCOUNTING SYSTEM
All the financial transactions across the MAC must be recorded onto the PS Financials accounting system. PS Financials is operated by the MAC Accountant (MAC Accountant), Finance Officers, Bursars and Administrative Managers across the primary schools and includes the following key elements:

- income.
- purchasing.
- payroll.
- assets.
- bank accounts.

Detailed information on the operation of PS Financials can be found in the user manuals held in the Finance Office.

Painsley South used the HCSS accounting system up to May 2019. However, all schools across the MAC are now using PS Financials, this ensures consistency in working processes and procedures and will result in accurate and timely monthly management accounts and financial reporting.

4.1 Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records will be stored for 7 years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

4.2 Access Rights

The MAC Accountant is responsible for setting access levels for all members of staff using the system. Access rights within PS Financials are defined for each user with a unique ID and password.

4.3 Back-up Procedures

The finance system will be protected by robust back up procedures; the system should be backed up daily and should be stored off site. An additional back up will be stored on site in an alternative location. Back-up procedures are the responsibility of the ICT Network Manager and are completed electronically.

4.4 Transaction Processing

- See the Academy's Financial Scheme of Delegation for transaction processing.
- bank transactions will be input by the Finance Officer/Finance Assistant.
- the MAC Accountant will obtain and review system reports with the Finance Officers and the internal auditor to ensure all transactions are posted to the accounting system.
- the MAC Accountant will ensure that reconciliations are performed each month for sales ledger control account, purchase ledger control account, payroll control
account, debtor control account, all suspense accounts, and bank balance per the nominal ledger to the bank statement and that any reconciling or balancing amounts are cleared. Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer.

- The Finance Officers at Painsley and the Bursars and Administrative Managers across the primary schools are responsible for the monthly reconciliations of the imprest account for their school.
- the MAC Accountant will ensure the imprest accounts have been reconciled prior to any imprest funding top-ups, unless there is an emergency, when the reconciliation can be processed following the imprest top-up.
- The Chief Financial Officer and the LGB Finance Link governors will sign a sample of reconciliations as evidence of review once a term.

5 PAYROLL AND STAFF PAYMENTS

The main elements of the payroll system are:

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

5.1 Staff Appointments and Changes

The LGB have the authority to appoint staff within authorised establishment and to make changes within the overall cost, such as regrading, responsibility allowances and deletions. In all cases, any staff changes with financial implications must seek the approval of the CEO for new appointments and then to the CFO or MAC Accountant to confirm affordability. Bursars and Administrative Managers will maintain personnel files (for their relevant school) for all members of staff, which include contracts of employment.

All personnel changes must be acknowledged in writing by the central HR team, Bursars and Administrative Managers. Personnel files must be kept up-to-date to reflect all pay rises, contractual changes and/or band changes in order to support the amounts paid to employees and to fully comply with GDPR regulations.

All employees should receive employment contracts within a timely manner following their appointment to the MAC. A copy of the contract should be kept on the employee’s personnel file.

5.2 Payroll Administration

Payroll is undertaken by Carval for Painsley North and Stoke payroll for Painsley South.

All Payroll transactions relating to Academy staff permanent or casual will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism.

All personnel files are stored in a lockable cabinet. Only the Principals, CEO, CFO, Bursars and Administrative Managers, external audit and the MAC’s internal auditor have full access to staff files but individuals can request to see their own files in line with data protection policies.

The HR office is responsible for keeping the staff files for Painsley North, the Head’s PA responsible for keeping staff files for Blessed William Howard and the relevant
Administrative Manager or Bursar will keep the staff files for their primary school. The Finance Officers or Bursars and Administrative Managers within the primary schools are responsible for ensuring the personnel database is up-to-date via SIMS Personnel recording system.

5.3 Payments and Monitoring of the Payroll

Painsley North currently uses Civica payroll Bureau for all payroll transactions. Painsley South currently use Stoke Payroll. From April 2020, Painsley South will move over to the Civica payroll system.

Painsley North – any changes to payroll are received by the Payroll Officer, based at Head Office ie new starters, changes, additional hours, expenses or any other adjustments that need to go through payroll. The Academy Payroll Officer uploads the payroll to Civica which is then approved by the MAC Accountant or CFO.

When the draft payroll is ran, it is received centrally by the MAC Accountant or the Payroll Officer, this is then separated by school and sent to the Admin Managers in the primary schools to check. The Admin Manager or Bursar will sign off the payroll for their school with confirmation from the Principal that the payroll is correct. Once these checks are completed, the MAC Accountant signs off the BACs listings as approval for Civica to proceed to BACs.

Painsley South payroll – Bursars and the Finance Officer at the secondary school complete all the payroll transactions through Stoke payroll. Directors are fully aware that during 2019/19 there is no effective segregation of duties across Painsley South. Once the Bursars confirm that the payroll for their individual schools is correct and their Principal has also confirmed the payroll is correct, they provide confirmation to the MAC Accountant or CFO who in turn, gives the authority to run the payroll via Stoke payroll.

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. In relation to Painsley North, the amounts payable are summarised on the gross to net pay print and Civica are authorised to make monthly BACS payments from The Painsley Catholic Academy bank account to employees and on the last Wednesday of the month and to pension agencies (TPA and LGPS) and HM Revenue and Customs approximately the 19th day of following month.

In respect to Painsley South, Stoke payroll are authorised to make the monthly BACs payments from Painsley South account to employees and on the last Wednesday of the month and to pension agencies (TPA and LGPS) and HM Revenue and Customs approximately the 19th day of following month.

The Chief Financial Officer, MAC Accountants, Bursars/Admin Mgrs and Finance will randomly check for one employee the calculation of gross and net pay each month to ensure that the budget is being charged correctly.

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 Finance Officer at Head Office will 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. (Note: Entrust checked the payroll control account and salary postings to the financial system for Painsley South up to June 2019, this then moved to the central finance team checking the payroll journals and postings).
Each year the Chief Financial Officer, MAC Accountant, Finance Officers, Bursars or Administrative Managers will check each member of staff’s gross pay against the payroll system to the contract of employment.

5.4 Staff and Director Travel and Subsistence Claims

Staff travel claims are authorised by the Principal unless the travel is in relation to CPD in which case the Assistant Principal responsible for Professional Development will authorise the travel expenses. The CFO and the Principals’ travel claims are authorised for payment by the CEO. The Chair of Directors will authorise the CEO’s travel expenses and the CFO will authorise the Chair of Directors’ travel expenses.

In accordance with HM Revenue and Customs regulations all claims must be supported by a VAT fuel receipt purchased during the month for which the mileage claim relates.

Normal home to Academy mileage must be excluded from any claim for days of travel where the start and/or finish is the claimant’s home.

Director allowances update re LGB and travel across MAC

Directors provide a voluntary service, and cannot be paid for their role as a Director, unless they are a ‘Staff Director’. But they can receive out of pocket expenses. This may include reasonable expenses to cover travel costs or child care costs incurred as a result of fulfilling their role as Director. Directors shall be paid the standard mileage allowance as directed by HMRC.

Payments can only be paid for expenditure necessarily incurred to enable the person to perform any duty as a Director. This does not include payments to cover loss of earnings for attending meetings. Travel expenses must be at a rate not exceeding the HM Revenue and Customs (HMRC) approved mileage rates which are changed annually and are on HMRC website. Other expenses should be paid on provision of a receipt and be limited to the amount shown on the receipt.

5.5 Interview Expenses

Interview expenses are paid at the discretion of the Principals and only after a formal request by the candidate. Payment can only be made on the production of valid invoices or receipts. Travel expenses, if approved, will be calculated at the lower of public transport rates or staff mileage rate.

5.6 Removal Expenses

Removal expenses will be paid at the discretion of the directors to enable staff to work at the Academy.

6 PURCHASING AND PAYMENTS

The Academy will achieve the best value for money for all purchases in line with the Academy’s Best Value Statement. This means that we get what we need in the correct quality, quantity and time, at the best price possible. A large proportion of our purchases will be paid for with public funds and we 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 engaged by the Academy are dealt with on a fair and equitable basis.

The Chief Financial Officer will ensure that there is a clear separation of duties within the finance team, such that one individual is not able to record a complete transaction.

### 6.1 Orders for Goods and services

Official orders will be raised using the Academy financial accounting system on receipt of a requisition form signed by a relevant Budget Holder and in accordance with the Financial Scheme of Delegation. Where the value of an order is over £1000, the VFM procedures detailed below must be followed and the documentation attached. Orders will be raised only if the VFM documentation is present and correct.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable. In such cases, a written confirmation order will be raised as soon as possible, normally within 48 hours.

Competitive quotes can be obtained from [http://www.tesbuywire.com/](http://www.tesbuywire.com/), Staffordshire County Council's approved list of suppliers or the DFE’s Procurement service and advice where supplier prices are constantly monitored for standard products, or can be obtained to meet specific requirements.

### 6.2 VFM Procedures and Authorisation Limits

See Appendices to ensure the correct approval has been obtained. All orders are subject to the rules concerning quotes and tenders below. ARE THERE ANY CIRCUMSTANCES WHERE DIRECTORS WOULD WAIVE PROCUREMENT RULES BELOW? IDENTIFIED DURING INTERNAL AUDIT

#### 6.2.a Secondary Schools

**Orders between £500 to £1000** – consideration to be given to alternative suppliers and evidence attached to requisition.

**Orders of £1,000 but less than £3000 – evidence of vfm**

At least two written/verbal quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to requisition for audit purposes. Telephone quotes are acceptable if these are evidenced on the order requisition and faxed confirmation of quotes has been received before a purchase decision is made.

**Orders over £3,000 but less than £20,000** – evidence of three quotes.

At least three written quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the order requisition for audit purposes.
Orders over £20,000 out to tender

Primary Schools:

Orders between £500 to £1000 – consideration to be given to alternative suppliers and evidence attached to requisition.

Orders of £1000 but less than £3000 (Primary Schools) – evidence of vfm

At least two written/verbal quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to requisition for audit purposes. Telephone quotes are acceptable if these are evidenced on the order requisition and faxed confirmation of quotes has been received before a purchase decision is made.

Orders over £3,000 but less than £14,999 – three quotes

At least three written quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the order requisition for audit purposes.

Orders over £15,000 – out to tender

A minimum of three formal tenders to be obtained in writing by a specified date and time, based on a written specification. Evidence to be attached to the requisition. If Local Authority suppliers/contractors are used, Directors have the right to waive the tender process, as value for money would have previously been demonstrated to the LA through their tender process.

6.2.b Orders over £20,000 but less than the EU Threshold

Goods/services ordered with a value over £20,000 for a series of contracts which in total exceed £20,000 must be subject to formal tendering procedures as detailed above. All paperwork relating to the tender to be kept with the Chief Financial Officer. Directors have the right to waive the tender if they agree unanimously that value for money has been demonstrated. This would not be the norm, but on rare occasions may be carried out where time may be an issue i.e., transport.

6.2.c Orders over EU Threshold

Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and the Award of Contracts.

6.2.d Interschool/Trust transactions

The MAC Accountant will review all interschool/trust transactions and ensure that these are properly balanced on a monthly basis. This will ensure that any interschool creditor/debtor accounts are eliminated properly when consolidated.

6.3 Forms of Tenders and Formal Tender Process

There are three forms of formal tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described at the Appendices.
6.4 Payments

When goods received and delivery note checked, and the purchase invoice is correct, it is entered onto the system ie PS Financials, so it becomes available for payment in line with the settlement terms set up for that individual supplier. Where necessary, especially at year end, purchase invoices that are in dispute for some reason can be entered onto the system and flagged as disputed ie they are not available for payment selection.

On a weekly basis a payment selection report will be ran which will identify invoices for payment. This is then reviewed and if there are any questions over any particular invoices or if there is a general dispute with a supplier, then those payments can be blocked. Where a photocopied or faxed invoice has been received, the original must be requested prior to any payments being made. Invoices sent electronically by email are acceptable.

At least two different people must be involved in the process of agreeing invoices and authorising payment.

Wherever possible payments will be made by BACS, but cheques will be issued if this is not an option.

The Finance Officer or Administrative Manager/Bursar will ensure that cheques are sent out with the required numbers of signatures and that all controlled stationery is recorded and stored in a locked cupboard.

All cheques and cash are to be stored in the safe and the keys held within a locked cabinet and are not to be accessible by any cheque signatory. Similarly, electronic payment input screens, such as BACS, are accessible by authorised signatories.

6.5 Payments to Self-Employed Individuals

Payments can be made to individuals who are genuinely self-employed on production of an invoice. An enquiry must be carried out on the individual on the HMRC Employment Status Indicator Tool and a reference number obtained. The link is: https://esi2calculator.hmrc.gov.uk/es

6.6 Leases

The Academy may enter into operating lease agreements where these provide an affordable option over outright purchase eg photocopiers, IT equipment, Design and Technology and minibuses etc. Approval must be given by the Resources Committee and the Board of Directors. Finance leases are not permitted without express permission of SofS.

7 INCOME (including cash handling)

The main sources of income for the Academy are the General Annual Grants (GAG) from the ESFA and other outside agencies. The receipt of these sums is monitored by the MAC Accountant who is responsible for ensuring that all grants due to the Academy are collected.

The Academy also obtains income from students, mainly for voluntary contributions towards educational trips and activities, and from the public, mainly for lettings and the use of
facilities. Any cash received within the fifteen schools across the multi-academy will be receipted above £5. Cheques received do not require receipting. Any cheques received from suppliers accompanied with a remittance advice will not require a receipt. This also includes any BACs payments received into the academy will not require receipting. Directors are aware that cheques put directly onto the ParentPay system automatically sends a receipt onto parents by email.

Cash receipting will exclude charity donations of less than £10 including PTA fundraising events and monies paid directly to catering staff for food. Directors recognise that it is not always possible to check event/charity fundraising money collected at the time of the event. They recognise that when events take place, the money is locked away in the school safe until it can be checked by two officers (where possible) and banked.

Where money is transferred between staff e.g., Classroom Assistants taking money within the primary schools for break sales, this money should be checked by the member of staff they are passing it on to within the kitchen, to ensure the money received correlates with the total cost of the break sales orders.

At Painsley, students pay any cash/cheques via the Administration team at Student Enquiries where a receipt is automatically given to the student. At the end of each day, all monies collected by the Administration team are handed to the Finance Office where the monies are locked in a secure area (safe) prior to banking.

To comply with money laundering regulations, the Academy will not accept any payment in cash over £5,000.

7.1 Trips/Activities

All trips and activities must be authorised by the Principal within each of the fifteen schools. Objectives must be clearly stated in order to apply the Academy’s Charges and Remissions Policy (see Appendices). Educational activity is provided by voluntary contribution only except for residential trips where charges will be made – see Charges and Remissions Policy.

A leader must be appointed for each trip to take responsibility for ensuring the students pay any sums due at the Student Enquiries reception or Admin Office within the primary schools. The trip leader must work with the MAC Accountant to prepare a costing sheet giving an estimate of income and expenditure for the number of students going on the trip and there must be evidence to show that there is no intention to make a profit. The trip leader must advise the Finance Officer which students are participating in the trip to ensure that ParentPay is updated respectively. The trip leader will remind students of any outstanding payments.

Students should make payments via Student Enquiries, where all income will be receipted.

The Finance Officers will maintain an up to date record for each trip showing the amount paid and the amount outstanding. This record should be sent to the trip leader and who is responsible for chasing any outstanding contributions with students where appropriate. Any overpayments made by parents for trips, must be refunded within thirty days of the trip taking place.

As per the Behaviour and Attendance Policy and Charges and Remissions Policy refunds for trips will not be given if the student has been withdrawn from the trip for behaviour reasons.
Trip Organisers are responsible for notifying the Finance Office, Admin Manager or Bursar if a trip does not take place or if a student does not attend a planned trip and they will update this information onto ParentPay respectively.

7.2 Lettings

The policy for lettings and charging of premises is contained in a separate document. The policy and charges will be reviewed annually and approved by the Resources Committee.

The Site Manager and Finance Officer, Administration Manager or Bursar are responsible for maintaining records of bookings for facilities. They will ensure the amount due from each organisation to enable entry on the sales ledger on the Academy accounting system.

Wherever possible payments will be collected in advance and receipted.

7.3 Debtors

Debts may be written off only with the approval of the Resources Committee, though any debts above the level detailed in the annual funding letter must be submitted to DfE for approval to be written off.

The Finance Team, Administration Manager or Bursar will pursue outstanding debts in accordance with the debt recovery policy:

- if payment has not been received 14 days after invoice a first reminder will be sent requesting payment.
- if payment is not forthcoming after a further 30 days, a second reminder will be sent with a threat of further action (unspecified) to recover the debt if payment is not received within 7 days.
- if payment is still not forthcoming, a third reminder will be sent with a threat of legal action through the Small Claims Court if payment is not received within 7 days.
- if payment is still not forthcoming the matter is reported to the Resources Committee to seek approval for proceeding with legal action through the Small Claims Court.
- the current aged debtors report together with details of any debts outstanding and requests for debts to be written off will be provided for each Resources Committee meeting.

For educational trips etc where voluntary contributions are asked for, a more discrete way of chasing the outstanding contribution should be followed e.g., texts home, telephone calls, talking to parents etc.

7.4 Debt Recovery Code of Practice

- we do not use oppressive or intrusive collection methods.
- we do not act in a manner intended to embarrass the debtor.
- we are circumspect and discreet when attempting to contact the debtor, whether by telephone, letter, or by personal visit.
- we ensure that all attempted contact with the debtors is made at reasonable times and at reasonable intervals.
- unless instructed otherwise by the debtor, we do not discuss with or disclose to neighbours, relatives or employers a consumer’s indebtedness.
we do not use improper means to obtain the telephone number or the address of the debtor.
we do not pressure debtors to sell property or raise funds by further borrowing.
we do not falsely imply that criminal proceedings will be brought nor that civil action has been instituted in dESFAult of payment.

7.5 Custody

Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office or with the Administration Managers or Bursars within the primary schools in a safe prior to banking. Banking will take place every week at Painsley or more frequently if the sums collected exceed the £5,000 cash or £250,000 cheques insurance limit on the Finance Office safe within each school. Where possible, two officers should be involved in the banking of monies. Cash collections will be made by Security Plus across the multi-academy on a regular basis as required, but at least every six weeks. However, directors recognise that within the primary schools it is not always viable to arrange a cash collection every six weeks due to very low cash levels within the primary schools.

The Catering Supervisor at Painsley Catholic College will ensure that regular ‘z’ readings are taken from the till and cash takings will be reconciled to each of these readings. Blessed William Howard Catholic High School subcontracts the school’s catering provision to Chartwells and operates a cashless system.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer or Administrative Manager/Bursar 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 either the second Finance Officer for Painsley or the a verification check made by a second officer or the Principal of the primary schools.

7.6 Waivers and Discounts

Waivers of income due or authorisation of discounts allowed require the same scrutiny, consideration and formal decision as any requirement to spend Academy money. Sometimes there are sound business reasons for not charging, e.g. community cohesion, or for giving discounts, e.g. some income is better than no income where our rates are simply unaffordable by the user. For discounts, the expected minimum recovery rate is the extra costs of providing the activity. Waivers and discounts can therefore only be approved Directors, the CEO/CFO or Principal.

7.7 Donations and Donated Assets

The Academy welcomes donations, which are accounted for in accordance with our Donations and Gifts Policy.

7.8 Gifts and Hospitality by Suppliers

Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars, branded stationery). However, any gifts or hospitality in excess of £20 should be reported to the Chief Financial Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a Director, a Budget
Holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the Academy for items other than travel expenses.

7.9 Pupil Premium

See the Pupil Premium statement for Funding expended from the Pupil Premium allocation. Where possible, the Pupil Premium Request form should be used by parents to apply for financial support where appropriate.

8 CASH MANAGEMENT

8.1 Bank Accounts

The opening of all accounts must be authorised by the CEO or Board of Directors who must set out the arrangements covering the operation of accounts in the Scheme of Delegation (see Appendices). This should include any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

8.2 Deposits

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

- the amount of the deposit.
- a reference, such as the number of the receipt or the name of the debtor.

8.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures in line with the Appendices.

Authorised signatories must not sign a cheque or authorise BACS relating to goods or services for which they have also authorised the expenditure.

8.4 Main Academy Bank Reconciliations

The Finance Officer at Painsley or Entrust (Painsley South) will ensure bank statements are received regularly although the Finance Team have access to the bank statements on-line. The MAC Accountant will ensure that the main Academy bank reconciliations are performed at least on a monthly basis ensuring that the bank accounts are reviewed, reconciled and approved on a monthly basis. Reconciliation procedures will ensure that:

- all bank accounts are reconciled to the Academy’s computerised ledger.
- reconciliations are prepared monthly by the MAC Accountant/Finance Officer for the 15 schools.
- reconciliations are subject to an independent review carried out by the Chief Financial Officer.
- adjustments arising are dealt with promptly.

8.5 Academy Petty Cash Accounts
Petty cash is administered by the Finance Officer or Bursars and Administrative Managers and is kept in the Finance Office safe to the limit of £5,000 per month. Maximum of £200 is allowed for cashing cheques on the imprest account. A maximum of £50 cash reimbursement is allowed e.g. reimbursement to staff, however, the academy is moving away from petty cash payments during 2019/19, with any reimbursements of expenses being paid through the staff ledger. Imprest cheques can be written up to the value of £300. Cheques between £300-£400 will need the approval of the Chief Financial Officer. Payments of petty cash will not be made without receipts and signed authorisation from the relevant Budget Holder. The Accounting Officer may authorise an increase in this limit in special circumstances. VAT receipts will be obtained for purchases where appropriate.

Admin Managers/Bursars will request a top-up to their school imprest account as and when required. The request will be made via the MAC Accountant in an email request attaching the reconciled imprest account, which must be signed-off by the school's Principal. The primary school imprest accounts will not exceed a £1500 balance. Once approved, the MAC Accountant will instruct the Painsley Finance Officers to transfer the funds from the main Academy Account to each Imprest account across the primaries and £4,000 will be transferred to the Painsley Imprest Account when required.

8.6 Cash and Cheques in Stowage

The maximum holdings in the safe are £5,000 cash and £250,000 cheques. Up to £250 may be held in a lockable container within an Academy office.

8.7 Cash and Cheques in Transit

Appropriate safeguarding of individuals and cash/cheques must be taken when monies are in transit. The maximum cash to be carried outside of the Academy is £5,000 cash and £250,000 for cheques. All schools across the multi-academy use Security Plus for cash collections except for The Faber Primary School where the Office Manager / Principal make regular payments into the main Academy bank account with Lloyds TSB. This is due to the low amount of weekly cash collected within this primary school.

8.8 Student Visits

When it is necessary for staff to have access to money during a Academy visit every effort will be made to minimise the amount of cash being carried by using travellers cheques or other appropriate means. Authorisation for cash to be taken may be given by the Principal. The amount authorised will be consistent with the budget previously approved for the visit. At all times receipts must be obtained.

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

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

8.9 Cash Flow Forecasts

The MAC Accountant 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 and if a shortfall is forecast the Chief Financial Officer must be informed to ensure remedial action is taken.
8.10 Investments

Investments must be made only in accordance with procedures approved by the Board of Directors. The Academy is able to invest surplus funds with Lloyds TSB through the '32 Day Account'.

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. As with all income, the Chief Financial Officer is to ensure that the income receivable from the investment is received.

9 FIXED ASSETS

9.1 Fixed Asset Register

All items purchased with a value over £2,000 (the Academy's capitalisation limit) must be entered in the asset register, which will include the following information:

- asset description.
- asset number.
- serial number.
- date of acquisition.
- asset cost.
- source of funding (% of original cost funded from ESFA grant and % funded from other sources).
- expected useful economic life (in years).
- depreciation.
- current book value.
- location.
- name of member of staff responsible for the asset.
- date of last physical check.
- expected replacement date (to assist resource planning).

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets.
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse.
- manage the effective utilisation of assets and to plan for their replacement.
- external auditors 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. A copy of the Asset Register for each school must be kept by either the Principals or the Chief Financial Officer.

9.2 Security of Assets and Inventory

Stores and equipment must be secured by means of physical and other security devices.

All the items in the register should be permanently and visibly marked as the Academy’s property and there will 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 will be investigated promptly and, where significant, reported to the Resources Committee by the Chief Financial Officer. Inventories of Academy property will be kept up to date and checked by the Admin Managers/Bursars/Finance Officers and/or ICT Technician on an annual basis. Any individual item purchased over the value of £2000 will be recorded on the asset register. The asset register will audit sample items on the register annually). The inventory should be checked annually by a member of staff within the school who is not responsible for maintaining the inventory register, to ensure separation of duties, this should be evidenced with a signature and dated. Where items are used by the Academy but do not belong to it this will be noted.

9.3 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Principals, Chief Financial Officer or Finance Officer 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 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 to other Academy assets. If the sale proceeds are not reinvested then the Academy must repay to the DfE a proportion of the sale proceeds.

9.4 Loan of Assets

Items of Academy property must not be removed from Academy premises without the authority of the appropriate Leader/Line Manager. A record of the loan must be recorded in a loan book held by the Chief Financial Officer or Administrative Manager/Bursar and booked back in Academy when it is returned. The person or organisation borrowing the asset become liable for returning it to the Academy in the same condition and must ensure that they have sufficient insurance cover to address any damage or loss of the asset.

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 DEPRECIATION POLICY

The Academy will depreciate fixed assets in line with recognised accounting standards, Academy best practice and DfE guidelines. Depreciation rules and revisions will be approved by the Board of Directors and are subject to review following recommendations by the MAC’s external auditors.

Assets costing £2000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.
Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust’s depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

- Freehold buildings \( \times 2\% \) (50 years)
- Fixtures, fittings and equipment \( \times 20\% \) (5 years)
- ICT equipment \( \times 33\frac{1}{3}\% \) (3 years)
- Motor Vehicles \( \times 25\% \) (4 years)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is not charged on assets under construction until they are brought in to use.

11 ACADEMY COMPANIES POLICY

The Academy will not form any companies, subsidiaries or joint ventures without the approval of the Board of Directors and Trustees.

12 RESERVES, INVESTMENTS AND BORROWING POLICY

12.1 Reserves

Where affordable, the Academy will aim to maintain a revenue reserve fund of 5% of the accumulated GAG to provide flexibility and certainty in forward planning.

The MAC has a separate Reserves policy which details how reserves will be managed – see attached.

12.2 Investments

Reserve funds will be held with Lloyds TSB or in other instruments and investments as agreed from time to time by the Board of Directors.

12.3 Borrowing
The Academy will plan expenditure to avoid borrowing money, but where it is necessary to bridge Financial Years due to significant up front expenditure, the Academy will seek an advance of allocation from the ESFA.

13 VAT REFUND SCHEME FOR ACADEMIES

The Academy is registered for VAT. Quarterly VAT returns are made to HMRC C&E by the MAC Accountant in line with current regulations.

14 KEYS AND KEY CODE INVENTORY

The key inventory is the responsibility of the Site Manager at the secondary schools and Administration Managers/Bursars across the primary schools and will be kept up to date at all times. It is the responsibility of the Principals and Admin Managers/Bursars within the primary schools to keep up to date records of keyholders. Staff must report any lost and stolen keys, or compromised key codes, to enable new security measures to be put in place and for the key inventory to be updated.

15 MINIBUS

The Finance Officer is responsible for booking out the minibus to staff. Staff must ensure that the minibus is kept clean and tidy and nothing left in the minibus after use. The Site Supervisor is responsible for ensuring the minibus has sufficient diesel for forthcoming school trips. When filling up the minibus with fuel, a VAT receipt must always be requested.

The Site Supervisors will ensure that both the Tax and MOT are renewed annually.

The minibus is available (subject to availability) for hire by the feeder primary schools. A charge will be made to cover the cost of the fuel – see Charges and Remissions policy.

16 DATA MANAGEMENT

Academy data is a key resource, whether held in paper or electronic format. All data is processed in accordance with GDPR.

Physical protective measures will be in place for hard copy information relative to the classification of the data.

Systems are in place to protect key computer and electronic data; control features include:

- back-up procedures.
- passwords.
- disaster recovery plans.

17 INSURANCE
The Academy purchases adequate insurance to protect assets, activities and outcomes. The insurance policy terms and levels of cover are reviewed annually by the MAC Accountant, Chief Financial Officer and Directors. The current Balance of Risks is covered by Zurich Municipal and the Buildings insurance is through DE Ford insurance brokers.

18 COUNTER FRAUD, THEFT AND CORRUPTION POLICY

The Academy takes a firm zero tolerance approach to all instances of fraud, theft or corruption. Through its systems, checks and controls, the Academy aims to prevent theft, fraud and corruption, but will act as necessary to identify suspected instances and irregularities and will take appropriate action against those responsible. Full details can be found in the Academy’s Counter Fraud, Theft and Corruption policy.

19 WEBSITE

The multi-academy will ensure that each website displays all statutory documentation, policies, results, governance requirements and reporting etc. The MAC Compliance Officer will undertake a compliance audit each half term to ensure that each school website and the MAC central website is compliant.

The audit findings will be sent via email to the Principal and Bursar/Administration Manager of each school for action. The Compliance Officer will allow ten working days for any information missing on the school websites to be corrected and will then complete a follow-up audit, three weeks after the audit report findings were sent through to the schools. The Compliance Officer will ensure that the CFO is copied into these emails for information.
Appendix 1

**LIST OF SPECIMEN SIGNATURES** (signatures are not for publication – master copy to be held in the Finance Office)

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APPENDIX 2 - REPORTING TIMETABLE (may change to align with revised DfE/ESFA requirements). Regularly refer to the Academies planning calendar published on the ESFA website.

A4.1 The Budget

The Academy is required to submit a copy of its annual budget to the ESFA. This will be in the format of an income and expenditure statement on an accrual basis.

Following approval from the Board of Directors, the Chief Financial Officer and MAC Accountant submit an indicative budget to the ESFA by the published deadline.

A4.2 Budget Monitoring

The Academy will submit budget-monitoring returns to ESFA, on an accrual basis through the ‘March accounts’ and submitted in accordance with the published deadlines.

A4.4 Annual Accounts

As a Charitable company the Academy must comply with company law as set out in the Companies Act 1985. This includes a requirement to prepare a Directors’ Report and Financial Statement (‘annual accounts’) and for these to be independently audited by a registered auditor. Financial Statements should be prepared to 31st August each year.

The Annual accounts must be submitted to the DfE by 31 December and to Companies House by no later than 31 May (9 months after the end of the accounting year). They will not need to be filed with the Charity Commission.
APPENDIX 3

FORMS OF TENDER AND FORMAL TENDER PROCESS

A6.1  Open Tender

This is where all potential suppliers are invited to tender. The Budget Holder must discuss and agree with the Chief Financial Officer 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.

At all times, the academy will consider using the Schools Resource Management Allocation support through the DfE and consider using national procurement frameworks where these are in place. Directors recognise that at times, the academy will need to write their own tender and the Chief Financial Officer will lead on this process.

A6.2  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.

A6.3  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.

A6.4  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.
A6.5 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.
- form of response.

6.6 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.

A6.7 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. Where tenders have been received via the MAC’s architects in relation to capital works, Directors recognise that these tenders may be opened by architects and reported directly to the CEO
and CFO, who in turn will report the findings to the Resources committee or the Board of Directors depending upon the tender values.

A6.8 Tender Opening Procedures

Where appropriate, tenders submitted should be opened at the same time and the tender details should be recorded. The Accounting Officer, Chief Financial Officer and a Primary Principal (where appropriate) should be present for the opening and recording of tenders.

A 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.

A6.9 Tender Evaluation Procedures

The evaluation process should involve members of the Resources Committee and at least two representatives from the Academy, usually the Budget Holder and the Chief Financial Officer. 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 a verbal report should be made to the Resources Committee highlighting the relevant issues and advising the decision. Any further negotiation with contractors who have submitted tender bids, must be recorded in writing either via notes from meetings, verbal conversations should be noted in writing via email or letter, and a confirmation of what was agreed sent in writing to the contractor within five working days. Where a negotiated tender has been agreed, this must be approved by the relevant body within the Scheme of Delegation.

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.

The accepted tender should be the one that is economically most advantageous unless it can be demonstrated that is not the best option for the Academy. All parties should then be informed of the decision.