

John Paul II Multi-Academy

Accounting, Finance and Resources Policy and Procedures

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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 (SofS). 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 SofS.

The Academy must comply with the principles of financial control outlined in the guidance published by the DfE and the Education Funding Agency (EFA), including the comprehensive Academies Financial Handbook ([September 2015](#)). 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 Accounting Officer for the Academy
- Appointing the PFO for the Academy
- Appointing the Responsible Officer 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 EFA 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 Academy Development 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
- 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 Finance and Audit Committee

The main financial responsibilities of the Finance and Audit Committee include:

- 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 £50,000 but below the EU limit.
- recommend changes re personnel.
- Review the reports of the Responsible Officer on the effectiveness of the financial procedures and controls, briefing the Board of Directors via exception reporting.
- Monitor and track the finances in relation to the Academy Development Plan.
- Review and monitor capital projects i.e., bids and grants awarded through the EFA's Academy's Capital Maintenance Framework
- Monitor regular budget reports with the Principals and Principal Finance Officer, acting on any overspends or risks.

2.4 The Accounting Officer (Mr John Farrell)

Appointed as Accounting Officer for the Multi-Academy, the Principal (Mr John Farrell) has overall executive responsibility for the Academy and is personally responsible to the Directors for:

- ensuring regularity and propriety.
- prudent and economic administration.
- avoidance of waste and extravagance.
- efficient and effective use of available resources.

The Accounting Officer may formally delegate, or appoint others to assist in these responsibilities.

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 <http://www.public-standards.gov.uk/> 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 Principal Finance Officer and Responsible Officer, acting on any overspends or risks.

2.5 Principal Finance Officer (Mrs Dawn Knott)

The PFO in close collaboration with the Principals through whom they are responsible to the Directors. The PFO also has direct access to the Finance and Audit Committee. The main finance-related responsibilities of the PFO 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.
- preparation of monthly management accounts (supported by Entrust)
- authorising orders and the award of contracts within the approval limits shown in the Financial Scheme of Delegation.
- authorising payments within the approval limits.
- ensuring forms and returns are sent to the DfE/EFA in line with their reporting deadlines .
- submitting grant applications and reports to all relevant bodies as detailed in the timetable laid out the Business Cycle Wall Planner published on the EFA website.

The PFO 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 PFO 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 Responsible Officer and Internal Audit (to be appointed – Named Responsible Officer)

The Responsible Officer (RO) supports internal audit and is appointed by the Board of Directors to provide Directors and the Finance and Audit committee with an independent oversight of the Multi-Academy financial affairs. The full RO checks will be undertaken across each of the four schools by an external service who will report to the Academy's Finance and Audit Committee. The main duties of the RO's internal audit checks 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 Finance and Audit 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.
- 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 Finance and Audit Committee.

2.7 Appointed Auditors and External Audit

The Academy will be subject to annual audited accounts to satisfy the requirements of the SoFS, company law and charity accounting. Felton's are the auditors appointed.

2.8 Other Staff

Other members of staff, primarily the Finance Team across the multi-academy, the external Accountant (Entrust) and Budget Holders, will have some specific financial responsibilities and these are detailed in the Financial Scheme of Delegation.

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.

2.9 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 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.

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 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, Governors 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 Academy Development 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 Academy 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 and the following two years. The budgetary process is described in more detail below.

3.1 Three Year Budget Plan

The PFO is responsible for working with the Principals and Entrust and others to prepare a three year budget plan for consideration by the Finance and Audit Committee.

The Finance and Audit Committee and Board of Directors must approve the budget prior to being submitted to the DfE by the deadlines detailed in the Appendices.

The PFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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 Academy Development 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 Academy Development Plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes i.e., Schools Funding Reform 2015/16.

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. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

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 Finance and Audit 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

For each Academy budget a half termly report will be prepared by the Schools Accountant with the PFO. The reports will detail actual income and expenditure against budget both for Budget Holders and at a summary level for each Principal, Finance and Audit Committee and Board of Directors.

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 PFO.

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 Finance and Audit 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 Financial Scheme of Delegation.

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.

4 ACCOUNTING SYSTEM

All the financial transactions of the Academy must be recorded onto the SAP accounting system. SAP is operated by the Finance Team, Entrust and the PFO and includes the following key elements:

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

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

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 Entrust/PFO is responsible for setting access levels for all members of staff using the system. Access rights within SAP 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 Systems Officer and Staffordshire County Council 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 Team.
- Entrust 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 PFO.
- The Finance Team are responsible for the monthly reconciliations of the imprest account for their school. Principals to sign as evidence of review
- the PFO will review and sign all reconciliations as evidence of review.
- Academy Committee Finance to review each schools termly.

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 Directors have the authority to appoint staff within authorised establishment and to make changes within the overall cost, such as re-grading, responsibility allowances and deletions. The PFO or the 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 notified, in writing, to the PFO to enable budget monitoring of the salaries budgets and for reviewing at the Finance and Audit Committee.

5.2 Payroll Administration

Payroll is outsourced to Staffordshire County Council's Shared Service Centre.

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, PFO, Finance Team and Head teachers PA have full access to staff files but individuals can request to see their own files in line with data protection policies.

The PFO is responsible for keeping the staff files for the secondary school and the relevant Administrative Manager will keep the staff files for their primary school. The Finance Officers or Administrative Managers within the primary schools are responsible for ensuring the personnel database is up-to-date via SAP Personnel recording system.

5.3 Payments and Monitoring of the Payroll

After the payroll has been processed, but before payments are dispatched, a print out of salary payments by individual will be forwarded to the PFO and Finance Team/Principals in the primary schools by Staffordshire County Council's Payroll for checking to ensure any HR operational changes, additional hours claimed by employees etc has been included in the payroll report. Once checked the Finance Team/Principal will forward their reports to Payroll with any amendments etc ensuring the PFO is copied into all correspondence. The pay and associated payments over calculations must be reviewed and authorised together with authority to release payment by the PFO.

In the unplanned absence of the PFO, the Accounting Officer or Chair of Finance and Audit Committee can authorise the payroll. In planned close down periods, the PFO can pre-authorise the payments within sensible limits. The payroll will be checked retrospectively by the PFO at the earliest opportunity upon return to office and any anomalies will be pursued.

All salary payments are made by BACS.

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 SCC's Payroll are authorised to make monthly BACS payments from John Paul II Multi-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.

The PFO, Finance Team or Entrust and 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 PFO 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. Each year the PFO, Finance Team and the Support Officer 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 Principals or PFO. The Principal's travel claims are authorised for payment by the PFO or one of the other Principals..

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.

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.

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 PFO 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. Orders must be in line with Financial Scheme of Delegation.

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.

6.2 VFM Procedures and Authorisation Limits

See Financial Scheme of Delegation. Ensure the correct approval has been obtained.

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. See document attached.

6.4 Payments

Invoices will be paid when either the Finance Team have shown approval that goods or services have been received and are of the quality expected. Any discrepancies must be notified and suppliers contacted by the Finance Team.

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 three different people must be involved in the process of agreeing invoices and authorising payment. Vice Principals or budget holder to sign invoices as well as Principals authorising on the SAP system.

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

The Finance Team 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 not to be 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 in to operating lease agreements where these provide an affordable option over outright purchase. Approval must be given by the Finance and Audit 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 EFA and other outside agencies. The receipt of these sums is monitored by the PFO 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.

At the end of each day, all monies collected by the Finance/Administration team 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 four schools. Objectives must be clearly stated in order to apply the Academy's Charges and Remissions Policy. 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. The trip leader must work with the PFO/Finance Team 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 Team which students are participating in the trip. The trip leader/Finance Team will remind students of any outstanding payments.

The Finance Team 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 if a trip does not take place or if a student does not attend a planned trip. The Finance Office will update this information 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 Finance and Audit Committee.

The Lettings Manager and Finance Team are responsible for maintaining records of bookings for facilities.

7.3 Debtors

Debts may be written off only with the approval of the Finance and Audit Committee or Board of Directors, 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 will pursue outstanding debts in accordance with the debt recovery policy.

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 default of payment.

7.5 Custody

All cash and cheques must be kept in the Finance Office safe prior to banking. Banking will take place every week at Bishop Walsh or more frequently if required. Primaries will bank funds fortnightly or more frequently if required.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Team are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

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 by the Principals or PFO.

7.7 Donations and Donated Assets

The Academy welcomes donations, which are accounted for in accordance with our Acceptance of 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 £50 should be reported to the PFO in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift 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.

8 CASH MANAGEMENT

8.1 Bank Accounts

The opening of all accounts must be authorised by the Board of Directors who must set out the arrangements covering the operation of accounts in the Scheme of Delegation. 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 two signatures from the signatory list.

8.4 Main Academy Bank Reconciliations

The PFO will ensure bank statements are received regularly and have access to the bank statements on-line. Entrust will ensure that the main Academy bank reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure that:

- all bank accounts are reconciled to the Academy's computerised ledger.
- reconciliations are prepared by Entrust.
- reconciliations are subject to an independent monthly review carried out by the PFO.
- adjustments arising are dealt with promptly.
- The Accounting Officer will sign reconciliations as evidence of review once a term
- The Audit and Finance Committee to check termly.

8.5 Academy Petty Cash Accounts

Petty cash is administered by the Finance Teams Payments of petty cash will not be made without receipts and signed authorisation from the relevant Budget Holder. VAT receipts will be obtained for purchases where appropriate.

Petty cash claims will be submitted through SAP and imprest bank accounts reimbursed.

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. At present the finance staff make regular payments into the main

Academy bank account with Lloyds in Sutton Coldfield. This is in the process of being reviewed.

8.8 Student Visits

Authorisation for cash to be taken on a trip may be given by the Principal. The amount authorised will be consistent with the budget previously approved for the visit.

The Finance Team are responsible for entering all transactions into the petty cash records on a regular basis.

8.9 Cash Flow Forecasts

The PFO 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 PFO 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.

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 PFO 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 £1,000 (the Academy's capitalisation limit) must be entered in the asset register, which will include the following information: for valuation of IT equipment it is understood that IT assets will be valued as a whole rather than individual assets

- asset description.
- asset number.
- serial number.
- date of acquisition.
- asset cost.
- source of funding (% of original cost funded from EFA 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 PFO.

9.2 Security of Assets

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 Finance and Audit Committee by the PFO. Inventories of Academy property will be kept up to date and reviewed regularly. 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, The Finance and Audit Committee or the Board of Directors 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 member of staff. A record of the loan must be recorded in a loan book held by the PFO or Finance Team 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.

Assets costing £1,000 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:

Leasehold buildings	x 2% (50 years)
Fixtures, fittings and equipment	x 20% (5 years)
ICT equipment	x 33½ (3 years)
Motor Vehicles	x 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 12% of annual turnover to provide flexibility and certainty in forward planning.

Where affordable, the Academy will aim to maintain a capital reserve fund of 10% of annual turnover to fund capital projects. These amounts are based on Directors limits with regard to carry forwards of 12%.

12.2 Investments

Reserve funds will be held with Lloyds 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 EFA.

13 VAT REFUND SCHEME FOR ACADEMIES

The Academy is not registered for VAT at present, but will keep this under review. Monthly claims are made by Entrust to HMRC or more frequently on major capital projects. PFO to submit claim promptly, check payments are received and to contact HMRC to chase overdue repayments if necessary.

14 KEYS AND KEY CODE INVENTORY

The key inventory is the responsibility of the Site Manager to maintain and will be kept up to date at all times. It is the responsibility of the Principals and Finance Team within the primary schools to keep up to date records of key holders. 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

Staff who have successfully completed their minibus vehicle competence test through the Local Authority are qualified to drive the school minibus. The EVO is responsible for keeping the database up-to-date and ensuring staff renew their minibus test when required. The EVO is also 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 Senior Science Technician with responsibility for the mini bus 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 Senior Science Technician 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 hire charge will be made – 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 the Data Protection Act.

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 PFO and Principals. 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 SELF-ASSESSMENT OF GOVERNANCE AND MANAGEMENT (FMGS)

The Board of Directors and the PFO will ensure that a self-assessment was undertaken by 30 April 2014 in order to provide the EFA with assurance on the adequacy of the Academy's arrangements for financial management and governance. The self-assessment will provide assurance to the Academy's Accounting Officer that conditions of funding are being met, and that appropriate systems of control are in place.