



Noadswood School

Finance Manual

March 2023,  
Approved at Mar 23 FRAC

*The purpose of the Finance Manual is to ensure that Noadswood School (The Academy) maintains and develops systems of financial control which conform to the requirements of the latest version of the*

*Academy Trust Handbook as well as the requirements of the funding agreement with the Department for Skills and Education (DfE).*

<b>INTRODUCTION.....</b>	<b>4</b>
<b>ROLES AND RESPONSIBILITIES .....</b>	<b>4</b>
MEMBERS .....	4
TRUSTEES/GOVERNORS .....	4
THE GENERAL PURPOSES COMMITTEE .....	6
THE AUDIT COMMITTEE .....	6
THE HEADTEACHER/ACCOUNTING OFFICER .....	6
CHIEF FINANCIAL OFFICER .....	7
FINANCE TEAM.....	8
BUDGET HOLDERS.....	8
<b>TRANSPARENCY .....</b>	<b>8</b>
REGISTER OF BUSINESS INTERESTS.....	8
TRADING WITH RELATED PARTIES .....	9
OTHERS .....	10
<b>ASSURANCE .....</b>	<b>10</b>
INTERNAL SCRUTINY .....	10
EXTERNAL AUDIT .....	10
<b>FINANCIAL PLANNING .....</b>	<b>10</b>
ANNUAL BUDGET.....	11
BALANCING THE BUDGET .....	11
FINALISING THE BUDGET .....	11
BUDGET MONITORING.....	11
BUDGET MONITORING FOR BUDGET HOLDERS .....	12
<b>ACCOUNTING SYSTEM.....</b>	<b>13</b>
BACK-UP PROCEDURES.....	13
BUSINESS CONTINUITY PLAN.....	13
TRANSACTION PROCESSING AND REPORTING .....	13
RECONCILIATIONS .....	13
<b>PAYROLL .....</b>	<b>14</b>
STAFF APPOINTMENTS.....	14
PAYROLL ADMINISTRATION.....	14
NEW EMPLOYEES.....	15
LEAVERS AND CHANGES TO CONTRACTS (INCLUDING MATERNITY LEAVE).....	15
TIME SHEETS .....	15
ABSENCE.....	15
TRAVEL CLAIMS .....	16
CHILDCARE VOUCHERS.....	16
PAYROLL PAYMENTS.....	16
PAYROLL WORK INSTRUCTIONS .....	16
TEACHERS' PENSIONS .....	16
LOCAL GOVERNMENT PENSION SCHEME .....	17
<b>PURCHASING .....</b>	<b>17</b>
PURCHASING GUIDELINES.....	17
ROUTINE ORDER PROCEDURE .....	17
DELIVERY NOTES/GOODS RECEIPTS.....	18

INVOICES.....	18
ORDERS BETWEEN £5,000 AND £25,000 .....	19
PAYMENTS .....	19
BUSINESS CHARGE CARD.....	20
PAYMENT OF THE ACCOUNT .....	20
<b>INCOME .....</b>	<b>21</b>
ESFA INCOME .....	21
OTHER GRANT INCOME .....	21
OTHER INCOME .....	21
INCOME FROM TRIPS/EVENTS .....	21
PAYMENTS AND WITHDRAWALS .....	22
CASH FLOW FORECASTS.....	22
INVESTMENTS .....	22
<b>TRANSACTIONAL PROCESSING .....</b>	<b>22</b>
NOVEL, CONTENTIOUS AND REPERCUSSIVE TRANSACTIONS .....	22
BORROWING.....	23
GIFTS .....	23
WRITE-OFF OF DEBTS AND LIABILITIES .....	23
SPECIAL PAYMENTS .....	24
SPECIAL STAFF SEVERANCE PAYMENTS .....	24
USE OF CONFIDENTIALITY CLAUSES .....	25
COMPENSATION PAYMENTS .....	25
EX-GRATIA PAYMENTS .....	25
ACQUISITION AND DISPOSAL OF FIXED ASSETS .....	25
LEASING.....	26
<b>FIXED ASSETS .....</b>	<b>26</b>
SECURITY OF ASSETS .....	27
DISPOSAL .....	27
LOAN OF ASSETS.....	27
<b>HANDBOOK REFERENCES .....</b>	<b>27</b>
<b>APPENDIX A - FINANCIAL SCHEME OF DELEGATION.....</b>	<b>28</b>

## Introduction

These procedures relate to the academic accounting period commencing 1st September 2022 and will remain in force until such time as they are updated. This manual will be reviewed on an annual basis or if there is a significant change into the operations of finance.

The purpose of this manual is to ensure that the Noadswood School develops and maintains systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Department for Education (DfE) and the Education & Skills Funding Agency (ESFA).

The academy must comply with the principles of financial control outlined in the academies guidance published by the DfE and ESFA, and in particular with the Academy Trust Handbook (ATH) published annually by the ESFA. This manual expands on that guidance and provides detailed information that should be read by all staff involved with financial systems.

Trustees, the Accounting Officer, finance staff and budget holders must be aware of the “seven principles of public life” and ensure these are adhered to.

Throughout this document Noadswood School or The School will be referred to as ‘The Academy’ or ‘Academy Trust’, Governors will be referred to as “Trustees”, Directors and the Full Governing Body will be referred to as the ‘Board of Trustees’ or ‘Trust Board’

## Roles and Responsibilities

The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below and is set out in the financial scheme of delegation attached as Appendix A.

### ***Members***

The members have overall responsibility for the strategic direction of the academy. The main responsibilities of the members are prescribed in the Funding Agreements between the academy and the DfE. The main responsibilities include:

- Amending the Articles of Association
- Appointing new members of the removal of members
- Appointing new members of the removal of Trustees
- Appointing the academy’s auditors and receiving the annual accounts
- Ensuring that government grants are used only for the purposes intended;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act, the Charities Act, and the Charities Statement of Recommended Practice (SORP), and the guidance issued to academies by the DfE and the EFA

### ***Trustees/Governors***

The Trustees of the academy are both charity trustees and company directors. This policy refers to them as Trustees.

The Trustees should focus on three core functions:

- Ensuring clarity of vision, ethos, and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- Overseeing and ensuring effective financial performance.

Trustees **must** apply the highest standards of conduct and ensure robust governance, as these are critical for effective financial management. They should follow the Governance Handbook, which describes the following features of effective governance and will aid compliance with the Academy Trust Handbook:

- Strategic leadership that sets and champions vision, ethos, and strategy
- Accountability that drives up educational standards and financial performance
- People with the right skills, experience, qualities, and capacity
- Structures that reinforce clearly defined roles and responsibilities
- Compliance with statutory and contractual requirements
- Evaluation of governance to monitor and improve its quality and impact

They **must** comply with the academy's charitable objects, with company and charity law, and with their funding agreement. Company directors' duties are described in sections 170 to 181 of the Companies Act 2006, but in summary are to:

Act within their powers

- Promote the success of the company
- Exercise independent judgement
- Exercise reasonable care, skill, and diligence
- Avoid conflicts of interest
- Not accept benefits from third parties
- Declare interest in proposed transactions or arrangements

The Trustees **must** ensure regularity and propriety in use of the academy's funds, and achieve economy, efficiency, and effectiveness – the three elements of value for money. Other responsibilities include:

- Ensuring that grant income from the DfE is used only for the purposes intended
- Approval of the annual budget, ATH 2.10 'balanced budget'.
- Approval of Academy Staffing Structure
- Establishing the financial limits of delegated authority
- Authorising expenditure and contracts over £50K.
- Establishing the terms of reference for the General Purposes Committee (GPC) and Finance Audit and Risk Committee (FARC)
- Making a recommendation to Members on the appointment of the external auditors
- Approval of the annual accounts

Trustees may delegate functions to committees. Each committee **must** contain a majority of Trustees, but it may also include other people the Trustee board chooses to appoint.

The trust board **must** appoint an audit committee – either a dedicated committee or combined with another committee to advise on the adequacy of financial and other controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit.

### ***The General Purposes Committee***

The General Purpose Committee has been established with approved Terms of Reference and meets once a term. Key responsibilities include:

- Reviewing and authorising the annual budget which is to be taken to the board of Trustees
- Reviewing and authorising a staffing structure which is to be taken to the board of Trustees
- Reviewing and monitoring of actual expenditure and income against budget
- Ensuring appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
- Ensuring the annual accounts are produced and audited in accordance with the requirements of the Companies Act and the ESFA guidance
- Authorisation by majority vote at a quorate committee meeting purchases over £15K
- Reviewing on an annual basis the Finance Manual in accordance with published versions of the Academy Trust Handbook to ensure compliance
- Reviewing on an annual basis and recommending to Trustees approval of the academy's accounting policies
- Responsible / consulted on staff pay recommendations

### ***The Audit Committee***

In accordance with ATH, an Audit Committee has been established with approved Terms of Reference. The committee meets three times a year and is responsible for:

- Overseeing and approving the academy's programme of internal scrutiny, ATH 3.8
- Reviewing each internal scrutiny report and reporting to the board on the adequacy of the academy's internal control framework, including financial and non-financial controls and management of risks, ATH 3.8

### ***The Headteacher/Accounting Officer***

The Headteacher, as Accounting Officer, has overall executive responsibility for the academy's financial activities. The Accounting Officer is personally responsible to Parliament and to the Accounting Officer of the ESFA for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially Accounting Officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The Accounting Officer must advise the board of Trustees if, at any time, in her opinion, any action or policy under consideration by the trust board that is incompatible with the terms of the handbook or EFSA. Similarly, the Accounting Officer must advise the board if the board appears to be failing to act where required to do so by the terms and conditions of the handbook or EFSA.

Under the guidance of the board, the Accounting Officer must ensure that there is appropriate oversight of financial transactions. In doing so, they must:

- Ensure that bank accounts, financial systems and financial records are operated by more than one person
- Ensure that all the academy's property is under the control of the Trustees and that measures are in place to prevent losses or misuse
- Keep full and accurate accounting records; and

- Prepare accruals accounts, giving a true and fair view of the academy’s incoming resources and application of resources during the year, and the state of affairs at the year-end, in accordance with existing accounting standards.
- The Accounting Officer is personally responsible to the board, and through it to the Secretary of State and Parliament, for:
  - ensuring regularity and propriety
  - ensuring prudent and economical administration
  - avoiding waste and extravagance
  - securing value for money through the efficient, effective, and economic use of available resources; and
  - the day-to-day organisation, staffing and management of the academy

Further guidance on these responsibilities is set out in HM Treasury’ “Managing Public Money”.

The Accounting Officer of the ESFA is required to provide assurance that the bodies that the ESFA funds on behalf of the Secretary of State are in sound financial health. For this reason, the academy must submit to the ESFA a copy of that final budget in a form specified by the ESFA by a date to be notified. The Accounting Officer is required to complete and sign a short statement each year explaining how the academy has secured value for money. This should be completed as an annex to their annual Accounting Officer’s Statement.

Within the framework of the scheme of delegation, as approved by the trust board, much of the financial responsibility has been delegated to the Accounting Officer and Chief Financial Officer. This includes the following responsibilities for the Accounting Officer:

- Approving new staff appointments (within approved academy’s staffing structure), except for any senior leadership posts which the boards of Trustees have agreed should be approved by them
- Ensuring that pupil numbers are monitored carefully and reflected in all financial planning
- Approving the academy’s annual budget, prior to submission to the FARC and board of Trustees
- Reviewing income and expenditure reports and highlighting actual or potential overspending to the FARC
- Ensuring compliance with conditions of all funding received
- Providing regular reports to the board of Trustees
- Preparing loan and grant applications for approval
- Authorising all orders placed by the academy over the value of £5,000 in accordance with financial scheme of delegation attached as Appendix A.
- Monitoring in-year and projected financial results
- Authorising BACs payments alongside other authorised signatories as and when needed
- Effective use of available resources
- Ensuring that the day-to-day organisation, staffing and management of the academy is adequately resourced and compliant
- Ensuring that appropriate tendering processes are followed by key personnel
- Ensuring that income generation is maximised

### ***Chief Financial Officer***

The CFO works in close collaboration with the Headteacher and is responsible for:

- Ensuring that 3-year planning is supported by forecasted with accurate pupil recruitment data

- Ensuring that the day-to-day management of financial operations including the establishment and operation of a suitable accounting system
- Ensuring the maintenance of effective systems of internal controls
- Ensuring that the annual accounts are presented by External Auditors, in line with ATH Compliance.
- Consulting with Senior Leadership colleagues in the preparation of the annual budget
- Consulting with Senior Leadership colleagues on work with Integrated Curriculum & Financial Planning (as recommended by ESFA)
- Ensuring that a monthly monitoring regime is in place and forecasting is included, to minimise deviation from budget, with reports signed by Headteacher, Chair of Trustees and made available to all Trustees of the FARC
- Ensuring that capital funds are monitored and reported monthly, in the same way that revenue funds are.
- Ensuring relevant submissions are made to external agencies, in line with their agreed timetables
- Ensuring that all income due to the academy is collected
- Ensuring expenditure is in line with the budget and that the agreed purchasing procedures are followed with regard to quotes and tendering
- Ensuring that agreed purchasing procedures are followed with regards to quotes and tendering.
- Ensuring that lettings income is maximised and supporting processes robust

### ***Finance Team***

The academy employs a Finance Manager (FM) and Finance Assistants (FA) who are responsible for the following:

- Record income including receipts, onto IRIS
- Processing of purchase orders and invoices
- Preparation of BACS payments
- Preparation of VAT returns
- Lettings and minibus invoices
- Payroll journal posting
- Monthly reporting / close down procedures
- Creation of monthly management accounts

### ***Budget Holders***

Budget holders within the academy are responsible for:

- Managing their budget within the guidelines set by the academy
- Ensuring that all goods and services are procured in accordance with the ATH and this finance manual

## **Transparency**

### ***Register of Business 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, the academy will maintain a register of business interests. All members, Trustees, senior staff, and staff with significant financial or spending powers, such as budget holders, are required to declare any financial interests they have in companies or individuals from which the academy may purchase



goods or services. Declarations should be updated throughout the year as necessary. The register is open to public inspection. The ESFA require the declaration of interests of members, and Trustees to be displayed on the academy's website.

The academy's register of interests captures relevant business and pecuniary interests of members, Trustees, and senior employees, including:

- Directorships, partnerships, and employments with businesses
- Trusteeships and governorships at other educational institutions and charities
- For each interest: the name and nature of the business, the nature of the interest and the date the interest began

The existence of a register of business interests does not, of course, detract from the duties of members, Trustees, and staff to declare interests whenever they are relevant to matters being discussed by the trust board or its sub-committees. Where an interest has been declared, Trustees and staff should not attend that part of any committee or other meeting.

All members, Trustees and employees of the academy must make themselves fully aware of the academy's conflicts of interest's policy and ensure it is complied with.

### ***Trading with related parties***

The academy is even-handed in its relationships with related party transactions by ensuring that:

- Trustees comply with their duties as company directors/Trustees to avoid conflicts of interest, not accept benefits from third parties, and declare interests in proposed transitions or arrangements
- All members, Trustees, senior staff, and staff with significant financial or spending powers, such as budget holders, are required to complete the register of business interests, in accordance with the Academy Trust Handbook
- No member, Trustee, employee or related individual or organisation uses their connection to the academy for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- There are no payments to Trustees by the trust unless permitted by the Articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Consideration is given to three obligations where payments are made to other business entities which employ a Trustee, are owned by a Trustee, or in which a Trustee holds a controlling interest

The board of Trustees ensures requirements for managing related party transactions are applied across the academy.

The academy recognises that some relationships with related parties may attract greater public scrutiny, such as:

- Transactions with individuals in a position of control and influence, including the board chair and accounting officer
- Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- Relationships with external auditors beyond their duty to deliver a statutory audit.

The academy keeps sufficient records and makes sufficient disclosures in the annual accounts to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required by the public sector.

The academy obtains ESFA's prior approval, using the ESFA related party on-line form, for contracts or other agreements for the supply of goods or services to the academy by a related party transaction agreed where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative
- value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

Wherever possible the academy avoids any related party transactions.

### **Others**

Members, Trustees, and employees should ensure they are aware of the academy's policies regarding gifts and hospitality and fraud and corruption. Any reportable occurrences should be directed to the Chief Financial Officer as soon as they are identified. Members, Trustees, and employees should ensure they are aware of the academy's whistleblowing policy.

## **Assurance**

### **Internal Scrutiny**

On an annual basis the board of Trustees outlines a programme of internal scrutiny, which is to provide independent assurance to the board that its financial, non-financial controls and risk management procedures are operating effectively.

Internal scrutiny focuses on:

- evaluating the suitability of, and level of compliance with, financial and nonfinancial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the academy
- ensuring all categories of risk are being adequately identified, reported, and managed.

### **External Audit**

The academy adheres to the external audit regime as outlined in the Academy Trust Handbook and as required by the Companies Act, to carry out an audit and certify that the accounts are 'true and fair'. The auditors are engaged to carry out a 'true and fair' audit and a regularity audit.

## **Financial Planning**

The academy will produce an annual and a 3-year budget plan. The academy's key performance indicators (KPIs) will provide the framework for the annual budget and 3-year plan and indicate how the academy's educational and other objectives are going to be achieved within the expected levels of resources available.

KPIs will incorporate the future aims and objectives of the academy and how they are to be achieved, by matching the objectives and targets to the resources available.

### ***Annual Budget***

The CFO is responsible for collaborating with leadership colleagues in the preparation of an annual and 3-year plan and obtaining approval from the board of Trustees, before submission to the ESFA.

The CFO is responsible for the submission of the approved budget to the ESFA within the timetable set by the ESFA and detailed in the ESFA's 'Dear Accounting Officer' letters.

The budget will reflect the best estimate of the resources available to the academy for the forthcoming years and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

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

### ***Balancing the Budget***

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

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

### ***Finalising the Budget***

Once the different options and scenarios have been considered, a draft budget and supporting paperwork is prepared for agreement by the Finance, Risk and Audit Committee (FARC), for a recommendation to the full board of Trustees. Once approved by the Trustees, the budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The final budget and its constituent parts, as approved by the Trustees, should be clearly identified on the budget system as "Approved by Trustees".

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

### ***Budget Monitoring***

The budget will be monitored monthly, and outcomes reported to Headteacher, Chair of Trustees, Chair of FARC and all Trustees six times a year, in line with Academy Trust Handbook requirements.

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.

Reports will report actual expenditure against the original September budget previously agreed by board of Trustees and submitted to the ESFA. The reports will include forecasts which take into account known changes and/or amendments. All other Trustees will receive copies of the financial reports six times a year (ATH 2.19).

The format of monthly management accounts includes; an income and expenditure account, variation to budget report, cash flow analysis and a balance sheet.

***Budget Monitoring for Budget Holders***

Budget Holders will receive half termly monitoring reports which will be produced by the academy's finance team. Monitoring reports are there to enable budget holders to monitor their expenditure to ensure the budget does not overspend

All funds are allocated at the beginning of the financial and academic year. Where a Budget Holder feels that aspects of the Academy Development Plan cannot be fulfilled without additional funds, they should urgently liaise with their SLT link who will need to raise at SLT to identify where savings can be made elsewhere, should an increase in allocation be deemed necessary.

The Finance Manager will hold a list of specimen signatures for budget holders. Signatures on paper orders are compared to the specimen list.

## Accounting System

All the financial transactions of the academy will be recorded on the **IRIS Financials** accounting system, which is a cloud-based accounting package. Entry to the system is password protected. The CFO responsible for authorising access levels for members of staff using the system and the FM is responsible for setting access levels within IRIS.

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

Software support has been procured from Edufin.

### ***Back-up procedures***

The financial system is backed up externally on a daily basis by an external company, Edufin.

### ***Business Continuity Plan***

The Business Continuity Plan identifies mission critical activities and identifies risk and prioritisation. The plan will be updated on an on-going basis but no less than annually by the Premises Manager to ensure that names of personnel are current and accurate. The plan will be reviewed annually by the CFO and Headteacher and ratified by the GPC, including details on the testing of the Business Continuity Plan.

### ***Transaction processing and reporting***

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

All journal entries must be documented/printed and authorised by the Headteacher. Entry to the system is password protected. If journals are prepared by the Finance Manager/CFO, then the Accounting Officer should authorise the journal.

### ***Reconciliations***

The Finance team are responsible for ensuring the following reconciliations are performed, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control accounts
- credit card control account
- bank balances
- any other balance sheet items

Bank reconciliations will be carried out on a monthly basis. Reconciliation reports will be printed and reviewed and signed by the Headteacher. Any anomalies will be investigated by the Finance Manager and outcomes reported and countersigned by the Headteacher

The Finance Manager completes all monthly reconciliations by the 14<sup>th</sup> of each month so that reports can be produced, and the accounting period closed within the accounting system,

## Payroll

The main elements of the payroll are:

- Staff appointments
- Payroll administration
- Mileage expenses
- Monthly payroll checking and approval

### **Staff Appointments**

For budget monitoring, all staff changes will be agreed in line with the academy's pay policy and signed by the Headteacher (in SAAF) made by the HR Administrator(s).

All appointments require sight of the correct documentation prior to any amendments, appointments or terminations being made to the academy's payroll.

### **Payroll Administration**

The academy's payroll is administered by SAAF Education using the SAAF payroll system.

Within the academy, access to the payroll system is limited to the HR Administrator(s) and Finance Manager

The academy is responsible for the input of:

- New starters
- Leavers
- Changes to contracts
- Time sheets
- Travel claims
- Staff absence

Input of data into the payroll system will only be made following signed authorisation as follows:

New starters	Headteacher
Leavers	Headteacher
Changes to contracts	Headteacher
Time Sheets	Line Manager in respect of casual staff. For additional hours of regular or permanent staff this should be Line Manager and counter signed by the Headteacher
Travel Claims	Line Manager and counter signed by the Headteacher
Travel Claims (HT)	Chair or Vice Chair of Trustees

\*

All pay progression will be supported by appropriate documentation including minutes where decisions have been agreed.

Changes must be entered in accordance with the payroll schedule for that month, in order to appear in the end of the month payroll.

SAAF produce a draft payroll report in accordance with the payroll schedule for that month which is checked by the HR Administrator for any discrepancies **between the current month and the last one only** with discrepancies reported to the Headteacher. Variances will be reported to SAAF for rectification and further draft payroll reports may be produced which will be checked in the same way.

A reconciliation between the 'post' Payroll report and HCSS staff budgets currently takes place *by the 14<sup>th</sup> of the month*, but any adjustments cannot be made at that point, however any required adjustments will be instructed to SAAF immediately for rectification.

### ***New Employees***

The Headteacher is responsible for appointing new employees, within the approved staffing structure. The Headteacher is responsible for ensuring that the administration required for appointing all new employees, including NQT registration, is undertaken by the HR Administrator.

### ***Leavers and Changes to Contracts (including maternity leave)***

The Headteacher will inform the HR Administrator that a resignation/change to contract has occurred and will pass on the resignation letter or appropriate documentation. The HR Administrator will ensure that the resignation is acknowledged and that all necessary administration changes are made and that the change is reflected in financial planning and the HR Administrator will be responsible for ensuring that SAAF payroll are informed.

### ***Time Sheets***

There is no budget for additional hours claims where hours have not been agreed in writing and in line with operational needs.

Requests for additional hours and/or teaching cover are to be made as follows:

- Claims for additional hours (overtime, casual and supply) will be authorised by the relevant Line manager, Department manager, SLT or Headteacher and submitted to the HR Administrator by the end of the week following the month worked
- Authorised forms will be entered on the SAAF payroll system by the HR Administrator
- Copies of all forms will be held on file
- Where a casual claim form is received without prior authorisation, the HR Administrator will alert the Headteacher, who will investigate why

### ***Absence***

The HR Administrator will submit maternity, paternity claims with the Administrative Assistant being responsible for long-term sickness claims and will inform the Finance Manager to inform financial planning.

- Staff absence will be recorded via Outlook Calendars on the employee's first day of absence. On returning, the employee is asked to complete the appropriate paperwork and forward this to the HR Inbox
- The HR Administrator will ensure that absence data is added to Arbor on a weekly basis by the HR Administrator
- The HR Administrator will upload a monthly absence report on the SAAF payroll system
- Copies of all absence paperwork will be held on file

### ***Travel Claims***

- Travel claim forms will be checked for accuracy by the HR Administrator and passed to the Headteacher for authorisation
- Payment of the claim will be made through payroll and entered directly onto the SAAF Payroll system by the HR Administrator
- Refer to expenses policy for approved rates.

### ***Childcare Vouchers***

Childcare vouchers are administered by Computershare and co-ordinated by the HR Administrator. Information and guidance are held in the academy Childcare Voucher file or from

Computershare

website: [www.computersharevoucherservice.com](http://www.computersharevoucherservice.com) email: [customerservice@computershare.so.uk](mailto:customerservice@computershare.so.uk)

Telephone: 0845 002 1111

### ***Payroll Payments***

All staff are paid monthly on the last working day of each calendar month through the SAAF Payroll system. A master file is created for each employee which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable

SAAF payroll system automatically calculates the deductions due from the payroll to comply with current legislation.

The Finance Manager will process the monthly payroll journal through the IRIS Financials accounting system and this will be authorised by the headteacher

### ***Payroll Work Instructions***

The academy has a formal contract with SAAF Payroll Services, to provide the payroll facility for the academy.

### **SAAF Payroll Contact information for support and advice:**

**0115 9752400**[payroll@saaf.finance](mailto:payroll@saaf.finance)

### ***Teachers' Pensions***

All teachers' pension returns are completed and submitted by SAAF.



## Local Government Pension Scheme

All support staff pension returns are completed and submitted by SAAF.

## Purchasing

### Purchasing Guidelines

Procedures have been put in place to achieve best value for money, when spending all funds. In order to achieve this, the academy will follow the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
- **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis

All Trustees, and those members of staff with significant influence on spending decisions, will be required to declare any pecuniary interests to avoid any conflict between their business and personal interests and the interests of the academy (*see section on transparency*).

Authorisation Limits for Purchase Order Requests	
Up to £4,999	Delegated Budget Holder
Between £5,000 and £15,000	Budget Holder + Headteacher
*£15,000 - £49,000	Always requires x3 quotes. Budget Holder + Headteacher + 2x Governors (via Finance Manager)
* £50,000	Budget Holder + Headteacher + 2x Governors + presentation to FARC (via Finance Manager)
<i>* At least 3 quotations should be obtained for all orders, or series of orders, between £5,000 and £25,000. Written details of quotes should be prepared, together with rationale for the decision and retained for audit purposes</i> <i>* Orders over £25,000, or a series of orders which in total exceed £25,000, must be subject to formal tendering procedures</i>	

All Purchase Order Requests must be fully completed in line with the above authorisation limits. Expenditure in excess of £5,000 in relation to academy improvement priorities, will require the budget holder to meet with the appropriate personnel as per the authorisation limits.

### Routine Order Procedure

No member of staff is permitted to procure goods and/or services from a supplier directly – they must use the Purchase Order Request system so that the commitments are made in the accounting system, IRIS Financials. If colleagues are unsure of these procedures or have any queries, then please contact a member of the finance team.

There is a 10-working day deadline on Purchase Order Request received by the finance team. All Purchase Order Requests are dates stamped on receipt and processed fully, in sequence. Although arrangements are in place for emergencies, colleagues should allow as much time/provide as much notice as possible to ensure finance staff are able to complete the process in a transparent manner.

All staff should be reminded that at times the finance team have certain deadlines which need to be adhered to, so providing as much notice as possible is preferable.

'Non-Purchase Order Invoices' are used infrequently. Any invoice that is received by the finance team without a corresponding purchase order on file, will be brought to the attention of the Finance Manager, The Finance Manager will send the budget holder a Non Purchase Order form which they are required to complete stating the reason why a purchase order was not completed. This is then signed by the budget holders line manager, prior to be returned to the Finance Manager.

Purchase Order Request forms are available via the academy's internal intranet, FROG. Before submitting to finance, the budget holder must sign the forms and confirm the relevant ledger code. All completed forms should be emailed to finance@ with a copy being retained by the budget holder/department. Once received orders will be date stamped and processed accordingly. Incomplete Purchase Orders will be returned to the requestor for completion.

A Purchase Order Request that takes the budget over 100% spent will not be processed and returned to the requestor, with an alert. Other points to note are:

- Purchase Order Requests can only be used for goods and services provided for the academy
- Individuals must not use official orders to obtain goods or services for their private use.
- Where additional items are required, a new order should be raised.
- All Goods Received Notes (GRN) should be signed by the Budget Holder or a member of their department and sent to the Finance Office to confirm receipt.
- If, when the Finance Office receive an invoice for which they have a signed Goods Receipt Note and there is no deviation in price, over 10%, the invoice will be processed without further reference to the Budget Holder
- If no GRN has been forwarded to the Finance Office and/or the invoice is different to the Purchase Order, the Finance Office will check this with the Budget Holder by email. The invoice will remain in the Finance Office until the Budget Holder responds.
- The Finance Manager will run an Outstanding Purchase Order report on a monthly basis

### ***Delivery Notes/Goods Receipts***

On delivery, all goods must be checked by the department as soon as possible after receipt with a signature and date being provided confirming receipt of the goods. The delivery note should then be returned to the finance team to enable them to enter the goods receipt onto the accounting system and to process the invoice. If any goods are rejected or need to be returned to the supplier, please let the finance team know.

### ***Invoices***

If, when the finance office receives an invoice for which they have a signed Goods Receipt Note, the invoice will be processed without further reference to the Budget Holder. If there is no GRN or the invoice is different to the Purchase Order, the finance team will check this with the Budget Holder. In the absence of a Goods Receipt Note, the Budget Holder will need to authorise that the goods/services have been received as ordered.

The finance team will enter the goods receipt and invoice on the IRIS Financials system having verified the following:

- The invoice has been correctly certified
- The invoice has not been previously paid
- The expenditure is covered by an approved budget provision

- Any recoverable vat is correctly accounted for
- Items over £1,000 are identified and added to the academy's asset register

Wherever possible a supplier should be chosen from the approved suppliers lists, including Hampshire County Supplies, National Deals for Academy's, Local Buying Hubs or through the DfE approved supplier framework. A best value approach must also be taken within all procurement exercises.

### **Orders between £5,000 and £25,000**

At least 3 quotations should be obtained for all orders, or series of orders, between £5,000 and £25,000. Written details of quotes should be prepared, together with rationale for the decision and retained for audit purposes. Telephone quotes are acceptable if evidenced before the purchase decision is made. In exceptional circumstances such as when there are not three suitable suppliers available to quote or when the purchase is of a time-critical nature, fewer than three quotes will suffice. A best-value approach must still be adhered to. A note explaining the reason for having received fewer than three quotes must be attached to the order before the Headteacher and/or Trustees are asked to sign.

*The three-quote rule does not apply to examinations of approved CIF bids. Teachers/SLT should consider the cost of examinations when deciding which boards to use but this should not be the overriding concern.*

### **Orders over £25,000**

All goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000 must be subject to formal tendering procedures. Further information can be found in the academy 's Competitive Tender Policy.

Purchases over the UK Tender threshold, currently £189,330, (January 2020) which require advertising on the UK's new e-tendering portal, called Find a Tender Service (FTS). Utilising the Find a Tender Service is a requirement of the Academy Trust Handbook. Advice can be obtained from the academy's legal partner or external auditors if required.

The principles of best value apply, and the selection process should be documented. If the contract is then awarded to any other than the lowest tender then the reasons for doing so should be justified, recorded, and approved in line with the academy's internal delegated spending limits.

In the case of repeat orders, a tendering process is not required if the service or product has not changed significantly in cost and the supplier is still considered to be reliable. Repeat orders will be subject to the formal tendering procedures every three years, for example IT equipment that has been purchased in the last 6 months.

The financial viability of suppliers of services will be investigated before entering into a contract, for example reputable IT companies or Resellers.

### **Payments**

All payments will be made in a timely manner and wherever possible within the time frame as set out by the suppliers agreed payment terms, to avoid late payment charges. The academy's preferred payment method for goods and services is via BACs payments, however from time-to-time cheques may be used to make payment.

Authorisation Personnel	
Cheques	Two signatories from the following members of staff; <ul style="list-style-type: none"> <li>• Headteacher</li> <li>• Deputy Headteacher</li> <li>• Assistant Headteacher</li> </ul>
BACs	Headteacher to authorise the paper copy of the BACS run (in their absence, the Deputy Headteacher).  One signatory from the following members of staff is able to approve the BACs file for payment; <ul style="list-style-type: none"> <li>• Headteacher</li> <li>• Deputy Headteacher</li> <li>• Assistant Headteacher</li> </ul>

### **Business Charge Card**

The Business Charge Card is a *method of payment* - it is not a separate budget, to which any allocation has been made. It therefore requires the same authorisation process and Budget Holders must approve, in advance.

The academy has three Lloyds Business Charge Cards, held in the Finance Office safe and used to purchase high volume, low value goods, up to an agreed transaction limit of £250\*, over the phone, via the internet and face to face. It can also be used to buy 'one-off' or 'specialist' purchases and can substantially reduce the administrative costs involved in ordering and paying for goods. Cards are available to be taken off site, however this must be authorised by the Headteacher.

The Admin Assistant has a limit of £25 per transaction.

Spending Limits	
CC1 – Finance Manager	£9,500
CC2 – Assistant Headteacher	£9,500
CC3 – Admin Assistant 1	£500

The cards are intended to assist the academy with:

- In place of petty cash for purchases
- Improving ordering processes for specific specialist, non-contracted suppliers

All credit cards are stored within the safe which the Finance Manager and Finance Assistants have access to. The process for ordering through the school credit card is the same as those outlined above.

### **Payment of the account**

When the charge card statement is received the purchase orders, receipts and supporting papers will be checked and reconciled with the statement, by the Finance Manager and countersigned by the Headteacher as approval for payment.

Payments will be recorded in IRIS Financials with VAT identified by using individual receipts and filed with the statement and receipts.

## Income

### **ESFA Income**

The main source of income for the academy is from the General Annual Grant (GAG funding) received from the DfE through the ESFA (Education and Skills Funding Agency). The receipt of income is monitored by the Finance Manager who is responsible for ensuring that all grants due to the academy are recorded accurately and received.

The ESFA income can include:

- Pupil Premium
- Devolved Formula Capital Income

### **Other Grant Income**

The academy will also receive, other grant income which will be appropriately recorded within the academy's accounting system and may include:

- SEN top up funding from the LA
- Pupil Premium for looked after children from the LA
- Grants from external bodies

Where grants are received from the LA the Finance Manager will liaise with the appropriate key staff to ensure income matches the academy's assumption, for example, SEN top up funding.

### **Other income**

Other income the academy receives will be appropriately recorded in the academy's accounting system and where necessary a copy of the necessary appropriate documentation will be retained, for example a paying in slip.

In addition to ESFA grants and local government agencies, the academy also obtains income from:

- Students, mainly for trips
- The public, mainly for sports lettings

### **Income from Trips/Events**

Income for trips is recorded on Arbor, before being entered into the IRIS Financials system. **It should be noted that any trip which was set up prior to 31/08/2022 is recorded on Tucasi.**

A Trip Leader is then appointed for each trip and is responsible for obtaining approval of the trip, in the first instance, via Evolve (authorised by the Headteacher). Once Evolve authorisation is received, the Trip Leader must meet with the Finance Manager to prepare a costing of the trip and allocation of places. The costing must be approved by the Finance Manager before any Expression of Interest or Payment Letters are sent to families.

The academy's only method of payment is online.

Both Arbor and ~~The~~ Tucasi systems maintain an up-to-date record for each student showing the amount paid and the amount outstanding for each trip. The Finance team will monitor late payments and send 3 'layers' of debt letter. Letter 1 is issued by the Finance Manager, Letter 2 by the CFO, by the Headteacher. The Trip Leader will be kept informed but must not chase overdue payments directly with pupils or families.

Surplus balances on trips must not exceed £10 per pupil. A higher figure will require reimbursement

### **Lettings**

The academy's administration team is responsible for maintaining the record of bookings of facilities and must provide a copy of the Lettings Agreement and payment schedule to the Finance Manager, of all bookings so that payments can be collected in a timely manner.

Invoices will be raised and issued by the finance team via the academy's accounting systems, IRIS Financials at least monthly in advance. Hirers will be instructed to pay directly into the academy's bank account All income will be matched to the invoice and recorded on the IRIS Financials system

On a monthly basis a debtor's report is run and outstanding debtors chased if payments have not been received, which may result in the letting being cancelled.

No debts will be written off without the express approval of the FGB.

### ***Payments and withdrawals***

All cheques and BACS withdrawals from the academy bank account will bear the signatures of one authorised signatory for BACs and two for cheques out of the following authorised signatories

Headteacher  
Deputy Headteacher  
Assistant Headteacher

This provision will apply to all accounts operated by or on behalf of the FGB. Authorised signatories will not sign a cheque relating to reimbursement of their own expenses.

### ***Cash flow forecasts***

The Finance Manager and CFO are responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available for the day-to-day operations. This forms part of the monthly monitoring process for Trustees, as per the ATH:-

### ***Investments***

Investments will be made in accordance with written procedures approved by the governing body. All investments will be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

## **TRANSACTIONAL PROCESSING**

### ***Novel, contentious, and repercussive transactions***

Novel, contentious and/or repercussive transactions must always be referred to ESFA for prior approval. ESFA may refer such transactions to HM Treasury for approval, so academy s should allow sufficient time for proposals to be considered.

- Novel transactions are those of which the academy has no experience, or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the academy by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other academy 's to take a similar approach and hence have wider financial implications.

### ***Borrowing***

The academy trust must obtain ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable. Credit cards (Charge Cards) must only be used for business expenditure, and balances cleared before interest accrues.

The Secretary of State's position is that academy's will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. For example, the Department's Condition Improvement Fund for capital projects, and the Salix scheme that supports energy saving, are available to academy trusts

### ***Gifts***

The academy has a policy and a register for the acceptance of gifts, hospitality, awards, prizes, or any other benefit which might be seen to compromise their personal judgment or integrity; and all members of staff are made aware of this. When giving gifts, the academy must ensure that the value of the gift is reasonable, £25, the decision is fully documented, and has due regard to propriety and regularity in the use of public funds.

### ***Write-off of debts and liabilities***

The academy must obtain ESFA's prior approval for the following transactions beyond the delegated limits of the two categories set out below:

- Writing-off debts and losses
- Entering into guarantees, letters of comfort or indemnities

The delegated limits, subject to a maximum of £250,000, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy's that have not submitted timely, unqualified audited accounts for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of audited accounts
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy's that have submitted timely, unqualified audited accounts for the previous two financial years.

In relation to these limits the academy will:

- Always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled
- Only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the academy's insurers, or the risk protection arrangement, and should be satisfied that there is no feasible alternative
- The amounts for write-offs are before any successful claims from an insurer or the risk protection arrangement
- The total annual income is defined as grant income as disclosed in the academy's last audited accounts. ESFA should be contacted if the academy has not yet published their first audited accounts

Before accepting any liabilities by:

- Issuing specific guarantees, or
- Providing a letter of comfort, or
- Providing indemnities

The academy will secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The academy must ensure that the value of any liability is within its delegated authority to commit.

### ***Special payments***

Certain transactions by public bodies may fall outside their usual planned range of activity and may exceed statutory and contractual obligations. HM Treasury calls these special payments, (see annex 4.13 of Managing Public Money), and are subject to greater control than other payments. They include:

- staff severance payments
- compensation payments
- ex gratia payments

### ***Special staff severance payments***

Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

If an academy is considering a staff severance payment above statutory or contractual entitlements, it **must** consider the following issues before making a binding commitment:

- that the proposed payment is in the academy's interests
- Whether the payment is justified, based on legal assessment of the academy's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the academy is likely to be successful, a settlement should not be offered
- If the settlement is justified, the academy would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to succeed in an employment tribunal because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

The academy has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000. Where the academy is considering a non-statutory/non-contractual payment of £50,000 or more ESFA's prior approval must be obtained before the academy makes any binding settlement offer to staff. ESFA will refer such transactions to HM Treasury, so academy s should allow sufficient time for proposals to be considered. Examples of approval requirements are as follows:



Statutory/contractual payment	Non-statutory/non-contractual payment	ESFA/HM Treasury approval required?
£30,000	+ £30,000	No
£60,000	+ £30,000	No
£30,000	+ £50,000	Yes – for £50,000

The academy will demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the level of settlement reached. Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook and in ESFA's guidance and submission template.

### ***Use of confidentiality clauses***

The academy ensures confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

### ***Compensation payments***

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If an academy is considering a compensation payment, it **must** base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

The academy has delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the academy is considering a non-statutory/non-contractual payment of £50,000 or more ESFA's prior approval **must** be obtained. ESFA will refer such transactions to HM Treasury.

The academy routinely considers whether particular cases reveal concerns about the effectiveness of internal control systems and take any necessary steps to put failings right.

### ***Ex-gratia payments***

Ex-gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules. Annex 4.13 of HM Treasury's Managing Public Money provides examples, which include payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy.

Ex-gratia transactions must always be referred to ESFA for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction. If the academy is in any doubt about a proposed transaction, they should seek prior advice from ESFA.

### ***Acquisition and disposal of fixed assets***

The academy must seek and obtain prior written approval from ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in academy's funding agreement in respect of the disposal of assets generally.

The academy can dispose of any other fixed asset without ESFA's prior approval. However, the academy must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety, and value for money. This can involve public sale where assets have a residual value.

### **Leasing**

There are two types of leases:

- operating leases: these do not represent borrowing
- finance leases: these are a form of borrowing

The academy does not require ESFA's approval for operating leases except for some transactions relating to land or buildings.

The academy must obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party (borrowing)
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

The academy must ensure that any lease arrangement maintains the principles of value for money, regularity, and propriety whether or not ESFA's prior approval is required. The academy should seek advice from their external auditor if they are in any doubt over whether a lease involves an element of borrowing.

### **Fixed Assets**

Items with a purchase value above £1,000 will be recorded. The inventory will be maintained by the Finance Assistants and the IT Systems Manager. Assets on the inventory will be security marked as the Academy's property with an Academy Asset Manager sticker.

Stock checks of all assets on the register will be carried out annually by departments. Stock checks will be recorded on the register by Admin Assistant or IT Systems Manager. Discrepancies between the physical count and the register will be investigated promptly, and where significant, reported to the board of Trustees.

On an annual basis the auditors will update the academy's fixed asset register using information stored in IRIS Financials and Academy Asset Manager. The Fixed Asset register will include the following:

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Cost
- Expected useful economic life
- Depreciation
- Current book value
- Location

- Name of member of staff responsible for the asset

### **Security of assets**

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

All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the board of Trustees. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Mobile equipment (such as laptops, tablet, and mobile phones) must be encrypted, and password protected. Laptops and any other appropriate items must be security marked as academy property.

### **Disposal**

Assets for disposal have the following conditions that must be met. These include:

- Items between £1000 and £5000 of the notebook value which are disposed of must be authorised by the original budget-holder or their successor.
- Items over £5,000 of the notebook value which are disposed of must be authorised by the Headteacher.
- The Headteacher will review a disposal report showing all items which have been disposed of each financial year.
- Approval from the DfE will be sought before disposing of an asset purchased with a capital grant in excess of £20,000.

Further details can be found in the academy's' assets and depreciation policy.

### **Loan of Assets**

Items of academy property must not be removed from the premises without authority. A record of the loan will be recorded by the IT Manager for all IT equipment and Premises Manager for any keys issued to staff and booked back in when it is returned. Teacher laptops will be recorded on a separate list.

## **Handbook References**

- This handbook refers to several academy policies, which include:
- Assets and Depreciation Policy
- Anti-bribery Policy
- Competitive Tendering Policy
- Conflict of Interest Policy
- Fraud Policy
- Gifts and hospitality Policy
- Investment Policy
- Reserves Policy
- Whistleblowing Policy

## Appendix A - Financial Scheme of Delegation

Authorisation Limits for Purchase Order Requests	
Up to £4,999	Delegated Budget Holder
Between £5,000 and £15,000	Budget Holder + Headteacher
*£15,000 - £49,000	Always requires x3 quotes. Budget Holder + Headteacher + 2x Governors (via Finance Manager)
* £50,000	Budget Holder + Headteacher + 2x Governors + presentation to FARC (via Finance Manager)
<p><i>* At least 3 quotations should be obtained for all orders, or series of orders, between £5,000 and £25,000. Written details of quotes should be prepared, together with rationale for the decision and retained for audit purposes</i></p> <p><i>* Orders over £25,000, or a series of orders which in total exceed £25,000, must be subject to formal tendering procedures</i></p>	