

**WESTWOODSIDE CHURCH
OF ENGLAND ACADEMY
TRUST**

**Finance Policy and
Procedure Manual**

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Signed: _____

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1. Introduction

The purpose of this policy is to ensure that the Academy maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of Westwoodside Church of England Academy Trust's Funding Agreement with the Department of Education

The Academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This policy expands on that guidance and forms the manual detailing information on the academy's accounting procedures and systems. It should be read by all staff involved with financial system and accountability.

2. Principles

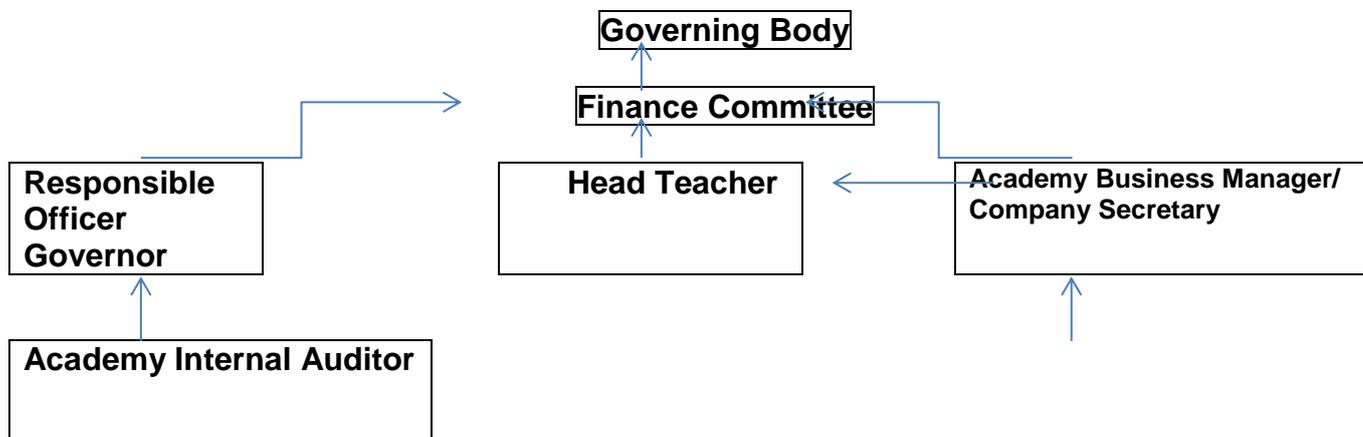
The Governing Body will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life:

- Selflessness
Holders of public office should take decisions solely in terms of the public interest.
[Holders of public office should act 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 their performance or their official duties
[Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.](#)
- 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.
[Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.](#)
- 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.
[Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.](#)
- 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 interests clearly demands
[Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.](#)
- 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 interests.
[Holders of public office should be truthful.](#)
- Leadership
Holders of public office should promote and support these principles by leadership and example.
[Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.](#)

3. Organisation and Responsibilities.

The Academy has defined the responsibilities of each person involved in the administration of the Academy's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff

3.1 Reporting Structure:



3.2 Governing Body

The governing body has overall responsibility for administration of the Academy's finances. The main financial responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and the DfE. The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended
- Approval of the annual budget and any material changes
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure
- Together with Members, Approval of the Annual Statutory Accounts

3.3. Finance Committee

The main financial responsibilities of the Finance Committee are detailed in their terms of Reference, these include:

- Initial review and recommendation to the GB of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Reviewing the reports of the Academy Internal Auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body.
- To review the financial policies of the academy and where necessary make recommendations to the GB

3.4. Head Teacher

The Head Teacher has overall executive responsibility for the Academy. The Head Teacher retains responsibilities for:

- Authorising contracts up to the amount stated in the Scheme of delegation (Appendix 1), reporting these decisions to the Finance Committee.
- Signing cheques as detailed in the scheme of delegation.
- Debit Card/Credit Card Holder
- On-Line Banking & BACS Authorisation

The funding agreement identified the Head Teacher as the Accounting Officer who is personally responsible to the governing body for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy

The Accounting Officer has the duty to take action if the Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the governing body, details sent to the Permanent Secretary and the academy's external auditors.

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

3.5. School Business Manager

The School Business Manager works in close collaboration with the Head Teacher through whom he or she is responsible to the governors. The School Business Manager also has direct access to the Finance Committee. The main responsibilities of the School Business Manager are

- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of academy's financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- Preparation of monthly management accounts
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.
- Signing cheques / authorising BACs in accordance with the Bank Mandates
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academy's payroll service provider.
- Management of the Academy's Service Level Agreements
- Signing cheques as detailed in the scheme of delegation.
- Debit Card/ Credit Card Holder
- On-Line Banking & BACS Authorisation
- Day to day running of Academy cash office
- Cash collection
- Weekly banking
- Order and invoice processing

3.6. Delivering Assurance

Checks and balances need to be put in place to ensure that the financial management arrangements within the Academy are monitored. We manage this programme of risk review and checking of financial controls by the appointment of a non-employable trustee with an appropriate level of qualifications and/or experience to check the trust's internal controls, who neither charges, nor is paid by the trust for their work.

The Academy Internal Auditor is appointed by the Governing Body and is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the governing body within on-going independent assurance that:

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

A programme of checks will be agreed with the governing body and the internal auditor will carry out financial reviews in order to provide the governing body and indirectly the Department for Education with the required assurance.

These reviews will be undertaken termly. The Internal Auditor will undertake the checks and balances in line with the recommendations shown in Annex 2b of the Finance Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Personnel committee and SLT minutes)
- 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 invoice, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation supports the claim and that the claim is appropriately authorised.
- Review returns to Department for Education 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.

Forrester Boyd will produce a full report after each RO visit to the Academy's named RO Governor who will personally report findings of each visit to the Finance Committee and these will be reported back to the Governing Body.

3.7 Deputy Head Teacher

The Deputy Head Teacher will assume the financial responsibilities if the Head Teacher is absent.

3.8 Other Staff

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

3.9 Register of Business Interests

It is vital that governors and staff act, and are seen to act, impartially. All members of the governing body are therefore required to complete a declaration of business interests.

The principal and other senior staff are also required to complete a declaration.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a governor or member of staff.

The existence of a register of business interests does not of course detract from the duties of the Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governors or a Committee. Where an interest has been declared, Governors and staff should not attend that part of the meeting.

It is the role of the Clerk to Governors to ensure the Register of Business Interests are up to date,

4 Financial Planning

The School Business Manager will prepare both medium and short-term financial plans. These plans are prepared to inform the academy's strategic development planning processes for the next 3 years. The Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available.

The Academy's Development Plan provides the framework for the annual budget. The Annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources during the year.

5 Annual Budget

The budget process follows an annual planning cycle which is contained in Appendix 2.

The School Business Manager, in liaison with the Head Teacher is responsible for the preparing and obtaining approval for the annual budget from the Finance Committee, and the Full Governing Body must approve the budget each year.

The approved budget must be submitted to the DfE by the published timetable each year.

The School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the DfE is met.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School **Improvement** Plan. The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.

The draft budget should be presented to the Head Teacher the Finance Committee and full Governing Body together with a supporting report for approval. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are 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, Any revision should be reported to the Finance Committee through the School Business Manager's Report to Governors. Any substantial changes must be approved in accordance with the Scheme of Delegation – Appendix 1.

6 Budget Management

The School Business Manager will reconcile all Bank Accounts and Budgets monthly.

The Head Teacher, Finance Committee and Governors will receive bi-monthly budget monitoring reports from the School Business Manager on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at Finance Committee.

The Head Teacher 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 Head Teacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budget must in the first instance be discussed with the School Business Manager.

The accounting system will not permit payments to be made against an overspend budget without the approval of the School Business Manager. The Finance Committee will continually monitor the quality of the financial Information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The Original Budget must be set in the Sage 50 Accounting systems and up-to-date changes monitored against a Master budget which will record in-year changes. **An audit trail of all virements made after the approval of the original budget must be made.**

7. Accounting System

7.1 Financial Accounting System

The Academy uses Sage 50 Accounting System and all financial transactions must be recorded using this System. Access rights within Sage are defined for each user with a unique ID and password. Users are detailed in the Scheme of Delegation (Appendix 1). Full support for the use of this software can be found at <http://corerresource.com/support-extranet/>. Log in details are held in a sealed envelope in the office safe.

- All financial transactions relating to the Academy's budget must be recorded using Sage
- There must be a clear audit trail for all financial transactions from the original documentation to accounting records.
- Finance records must 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 should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures.
- The system is backed up automatically by NLC each night. This back up can be accessed remotely and is held off site.

7.2 Transaction Processing

- All journal transfers and transactions in the Nominal Ledger will be processed by the School Business Manager
- Cash Book entries will be made by the School Business Manager
- Fixed Asset transactions will be made by the School Business Manager
- Orders on requisitions authorised in accordance with the scheme of delegation (Appendix 1) will be raised by the Business Manager
- Invoices will be processed ready for payment by the Business Manager
- Sales Ledger & Purchase Ledger transactions will be processed by the Business Manager
- BACS or Manual Payments should be raised by School Business Manager and countersigned in accordance with the Bank Mandate as per Scheme of Delegation (Appendix 1)
- The School Business Manager will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The School Business Manager will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book

8. Payroll

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

8.1 Staff Appointments:

The governing body approves a personnel establishment for the Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the full Governing Body who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff.

The Appointments Committee has the authority to appoint staff within the authorised staffing structure. The School Business Manager will maintain personnel files for all members of staff, which include contracts of employment.

8.2 Payroll Administration

The Academy's payroll is currently outsourced to East Riding of Yorkshire Council. This will change to Smailes Goldie as at 1st January 2016. 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 or visiting lecturers through any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to our payroll providers on the appropriate form (for guidance contact payroll) Forms should be completed by the School Business Manager and signed by the Head Teacher. In the case of changes to the Head Teachers salary, forms should be signed by the Chair of Governors as per the Scheme of Delegation (Appendix 1). Copies should be retained on the employees personnel file and the original sent to payroll.

All personnel files shall be stored in a lockable cabinet. Only the Head Teacher, School Business Manager, Company Secretary or Chair of Governors will have access to staff files but individuals can request to see their own files in line with data protection policies.

The School Business Manager is responsible for keeping the staff personnel database up-to-date via SIMS Personnel recording system. Absence records are maintained by the School Business Manager. Both paid and unpaid leave is notified to payroll using our own forms which are emailed to the payroll provider. Staff claims for overtime must be checked by the Business Manager. Claims for overtime / variance of grade of duties, casual claims and supply claims will be entered on to the correct form which is then countersigned by the Headteacher and sent to payroll by the 5th of each month for claims up to the end of the previous month.

8.3 Payments and Monitoring

All salary payments are made by BACS.

Our Payroll provider submits payroll reports prior to salary payments being dispatched detailing costs and individuals payment details. A BACS report is also submitted. The School Business Manager will undertake a sensibility check whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The School Business Manager will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation. Our payroll providers are authorised to make BACS payments from the Academy's Bank Account by direct payment for the amounts of the deductions to the following agencies; Local Government Pension Scheme, Teachers Pensions, Prudential Teachers AVC's, Unison, GMB & Student Loans by the 7th of the month following the pay run and to HMRC by the 19th of the month following the pay run.

The School Business Manager will enter the payroll data into Sage at the earliest opportunity.

Each year the School Business Manager will check the gross pay of each staff member against the payroll system to the contract of employment.

9. Value for Money (VFM) Procedures

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

9.1 Orders of £1,000 and below

Consideration to be given to alternative suppliers and evidence attached to requisition if quotes have been sought

9.2 Orders over £1,000 but less than £2,500

At least two written/verbal quotes should be obtained for all orders to identify the best source of the goods and services. These should be recorded on or attached to the requisition form.

9.3 Orders over £2,500 (£5,000 works) but less than £10,000

At least 3 written quotations should be obtained for all orders to identify the best sources of the goods/services. Written details of quotations should be attached to the requisition form for audit purposes.

9.4 Orders over £10,000 -£50,000

A minimum of three formal quotations to be obtained in writing by a specified date and time based on a written specification. (Evidence to be attached to the requisition form) Formal tenders may be requested if it is felt appropriate

9.5 Orders over £50,000 – E U Threshold (check up to date limits

<http://www.ojec.com/Thresholds.aspx>

Goods or services ordered with a value over £50,000 or for a series of contracts in which the total exceeds £50,000 must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be kept in the School Business Managers office.

9.6 Orders over E U Threshold

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

10. Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

10.1. Open Tender:

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

10.2 Restricted Tender:

This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

10.3. Negotiated Tender:

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

10.4. Preparation for Tender

Full consideration should be given to:

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

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

10.5. Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- 3.4. implementation of the project;
- 3.5. terms and conditions of tender and
- 3.6. form of response.

10.6 Aspects to Consider

Financial:

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- If there is scope for negotiation, this must be considered.

Technical/Suitability:

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

Other Considerations:

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.
- If in practice there is a sole provider of the goods or services, appropriate consideration will be given to ensuring that value for money is being obtained (which may include benchmarking similar services or providers elsewhere in the country) and evidence retained for audit purposes.

10.7. Tender Acceptance Procedures

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

10.8. Tender Opening Procedures

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

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

10.9. Tender Evaluation

- The evaluation process will involve at least two people. Those involved shall disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- Those involved in making a decision shall not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- Full records will be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance & Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance & Audit Committee.
- Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
- The accepted tender should be the one that is economically most advantageous to the academy. All parties shall then be informed of the decision.
- In the event that a tender other than the lowest is accepted, those involved in making the decision shall document and report the reasons for not accepting the lowest bid to the Board of Directors.

10.10. Retention of Records

All relevant documents relating to the tender process (including minutes of meetings held and a written record of the reasons for the decision made) shall be retained by the Academy for audit purposes.

11. Purchasing

The Academy will aim to achieve best value for money for all its purchases 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. The Head Teacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the Academy are dealt with on a fair and equitable basis. The School Business Manager will ensure that there is a clear separation of duties within the finance team, which would, if combined, enable one individual transaction to record a complete transaction.

11.1 Orders for Goods and services

Budget Holders should raise an order for goods or services using a requisition form (Appendix 3) available from the office. Where the value of an order is over £1000, the requisition must be accompanied evidence of appropriate number of quotes /or proof that VFM exercise has taken place – as per section 10. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the School Business Manager.

Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).

- Official orders will be raised through Sage and faxed, emailed or posted to the supplier by the Finance Administrator
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval from the School Business Manager. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.
- Requisition forms must have the Sage generated purchase order recorded on it and filed in number order in the office.

11.2 Delivery of Goods and Services

- On receipt of goods the Clerical Assistant or Caretaker (Receivers) will check the goods received match the delivery note and sign the note to confirm this.
- The Receivers will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file
- The Receiver will raise any discrepancies with the Business Manager for investigation

- The Receiver will despatch goods to the budget holder
- The budget holder must ensure that the goods received are of acceptable Quality of any goods that are rejected must be notified to the Business Manager within 2 days of delivery.

12. Payment of Accounts

12.1 Processing of Invoices

Payment for supplies and services will be paid upon receipt of an Invoice when:

- It is confirmed that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Business Manager will do the above checks and enter the invoices on to Sage as soon as possible. The Headteacher will authorise the invoice for payment, and then Business Manager will authorise the payment of the invoice within Sage to make it available for payment within the Accounting System. All invoices are to be processed through Sage, payments generated via BACS and authorised in accordance with the Bank Mandate. Only in exceptional circumstances should payment be made by cheque or debit card.

12.2 Payments to individuals

Payments can be made to individuals on production of an invoice. An enquiry must be carried out on the individual using the HMRC, Employer Status Indicator Tool. <https://esi2calculator.hmrc.gov.uk/esi>. The generated reference number must be kept with the invoice. If the enquiry shows that the payment cannot be made to the individual via the invoice produced, the appropriate HR form should be completed and the individual paid through the academy's payroll provider.

13. Other Purchases

The academy recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Also purchasing goods and services over the internet which require payment at the time of ordering is becoming more common in practice.

13.1 Internet Purchases

Normally Internet Purchases will be an exception to the norm, and best value/ practice will be followed. When making a request for an Internet order the following items must be adhered to:

- Requisitions are required as per 'ordering goods and services' procedures above.
- The Headteacher and the Company Secretary hold credit cards for orders placed over the Internet and orders may only be placed by these people, after first checking that the necessary funding is in place.
- The transaction is recorded in Sage as soon as possible and the transaction reference number recorded on the documentation
- The credit cards should be held securely by the above people at all times and the PIN code not disclosed to any other party,

13.2 Reimbursements to individuals

For reimbursement of cash transactions:

- Requests for re-imbursement to individuals are to be made on the Request for Reimbursement Form and MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the School Business Manager or Headteacher considers maverick purchasing methods have been used, or the budget holder has already spent their full allocation and did not seek prior approval to exceed the funds available.
- The person being reimbursed signs for receipt of the reimbursement

- The reimbursement is recorded in Sage as soon as possible and the transaction number recorded on the documentation

14. Income

The main source of income for the Academy are the Grants from the EFA and the Local Authority. The receipt of these funds are monitored by the School Business Manager who is responsible for ensuring all grants due to the Academy are collected.

14.1 Income collected by the Academy

The Academy collects income from parents or the public for:

- School Meals (this is not banked into the Academy bank, as it goes straight to North Lincs own account).
- Trips and residential visits
- Book bags & Uniform
- Lettings
- Reimbursements from various parties for activities in which the academy plays an active role

14.2 Trips / Activities

A lead teacher must be appointed for each trip. For every trip or activity an On / Off Site Activities form must be completed. The Clerical Assistant is responsible for budgeting for the trip and collecting the sums due and liaising with the Lead Teacher over amounts outstanding.

There must be evidence that there is no intention to make a profit from any trip or activity.

Lunch money must be paid on line via Squid.

Cash/cheques sent in via pupils must be placed in named envelopes into the class collection boxes, which are taken to the office each morning.

14.3 Lettings

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the Finance Committee. The Business Manager is responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for these facilities whenever possible.

The Business Manager will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the governing body. (the DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

14.4 Custody

All cash and cheques must be held in the Finance Office safe prior to banking. Banking will take place twice weekly or more frequently if the cash sum held exceeds £1,000.

14.5 Debtors

Debts under £50 may be written off by the Head Teacher. Debts over £50 may be written off only with the approval of the Finance Committee

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off. The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £100, a threat will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.

- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on at Finance Committee meetings where governors will decide on action to be taken.
- The current aged debtors report together with details of any debts written off (under £50) and solicitor's letters sent will be provided for each Finance Committee meeting.

15. Cash Management

15.1 Bankers

The Academy have appointed Co-operative Bank plc as their bankers for all funds. The opening of all bank accounts must be authorised by the governing body who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

15.2 Deposits

Particulars of any bank deposit must be entered in a paying in slip and should include:

- The amount of the deposit
- Who it was collected from

15.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from any of the Academy's bank accounts must bear signatures / electronic signatures in line with the scheme of delegation.

15.4 Bank Reconciliations

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

- All Bank Accounts are reconciled to Sage 50 system
- Adjustments are dealt with promptly.

15.5 Petty Cash Accounts

Deposits into petty cash can only be made by cashing a cheque on the Academy's main bank account. Deposits from other sources cannot be allowed. The Academy will maintain a maximum of £100 as petty cash.

The administrator will:

- Ensure receipts are kept for every purchase
- Present a claim to the SBM at least monthly
- Keep Petty Cash in a locked box in a secure area
- Make the Petty Cash available for checking at any time

The School Business Manager will ensure that;

- Petty Cash is held securely
- Reimbursements are only made on the 'Reimbursement to individuals' form
- In exceptional circumstances make cash available to staff in advance of a receipt being available – these should be limited to small items under £30
- Petty Cash is reconciled monthly
- Petty Cash is available for checking at any time
- Record all petty cash transactions in Sage as soon as possible

To minimize the risk of loss through possible card fraud the Credit Card Holders will;

- Ensure cards are held securely
- Ensure PIN numbers are not disclosed to any other persons

In recognising the increased risks associated with card use, the academy will;

- Report any instances of unauthorised card use to the Finance Committee
- Report the loss of card or PIN details to the Bank immediately

15.6 Cash Flow Forecasts

The School Business Manager is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

15.7 Investments

Investments must be made only in accordance with written procedures approved by the governing body under a separate Investment Policy.

15.8 Reserves

The Budget is managed in line with the Academy's Investment Policy which is reviewed annually.

16. VAT

16.1 VAT 126 Claims Under legislation

Vat claims can be made on expenditure supporting the Academy's core business purposes according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued in June 2011. Claims will be made to the HMRC on form 126 by the School Business Manager monthly following full reconciliation of all accounts.

16.2 VAT Registration

Separate to the activities mentioned above the Academy may choose to register for VAT in relation to its non-business activities. I.E production of Adult Meals.

The Academy is not registered for VAT at present this is kept under on going review with the Academy's External Auditors.

Guidance on VAT can be found at <http://www.hmrc.gov.uk/vat/start/introduction.htm>

17. Fixed Assets

The treatment of Fixed Assets is detailed in the Academy's Capitalisation and Control of Assets Policy.

18. Key Inventory

The Key inventory is the responsibility of the Premises Manager to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security ensures to be put in place and for the inventory to be updated.

19. Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

20. Reporting to the DfE

The Academy is required to submit reports to the DfE in the following areas

- Annual Accounts Return (AAR) Annual Budget
- Budget Monitoring Statutory Accounts

The School Business Manager will prepare these returns with assistance from the Academy's appointed accountants where required.

Annual Accounts Return and Whole of Government Accounts

The Academy is required to submit an AAR by 30th January each year in the format supplied by the EFA. The School Business Manager will ensure this is completed and when necessary signed off the external auditors. The EFA will request a WGA if they require one.

20.1 FMGE

A new Academy must complete a full FMGE return by 31st January or within 4 months of opening. Any Academy declared 'inadequate' by the DfE will also have to complete this form. In other cases, where an Academy wishes to upgrade it's rating a summary FMGE may be completed.

20.2 The Annual Budget

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

The School Business Manager must ensure that a final budget is submitted setting out the Academy's plans for the forthcoming academic year in more detail in the required format and by the required deadline as notified by the DfE year on year.

20.3 Budget Monitoring

The Academy will submit budget-monitoring returns to the DfE, on an accrual basis in the required format by the required deadlines as notified by the DfE year on year.

20.4 Annual Accounts

As a Charitable company the Academy must comply with company law as set out in the Companies Act 1985. This includes a requirement to prepare a governors' report and financial statement ('annual and for these to be independently audited by a registered auditor). Financial Statements should be prepared to 31st August each year. They should include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of the Academy at the balance sheet date
- All cash received and expended within the period

The Annual accounts must be submitted by 31December. As soon as the DFE deadline, but by no later than 30June (10 months after the end of the accounting year), a copy of the governors annual report and audited final accounts must be sent to Companies Register and to the Charity Commission.

21 Self Assessment of Management and Governance

There is no requirement to complete the FMGS (Self assessment) on an annual basis after the initial form is completed, unless an 'inadequate' verdict is received from the DfE. Therefore Governors have agreed to undertake the self-assessment this year and then to complete tri-annually. This self-assessment will help provide assurance that conditions of funding are being met, and that appropriate systems of control are in place. Governors also up-date this policy on an annual basis, which will also provide the same assurance.

22. External Auditors

The Academy appointed Forrester Boyd as their external auditors from 01.09.2012 – 31.08.2015. This was reviewed in 2015 and Smailes Goldie were appointed from 01.09. 2015. The appointment of Auditors must be approved by the Full Governing Body.

23. Whole of Government Accounts

Currently we do not need to complete WGA - If the DfE or EFA require information from us they will contact us and the Business Manager will ensure that all deadlines are adhered to.

WESTWOODSIDE CHURCH OF ENGLAND ACADEMY TRUST
SCHEME OF DELEGATION/MANAGING MONEY

Authorising orders for goods and services, authorising payments, entering into contracts

Position	Limit/ Restriction
Governing Body	Over £30000 – decision recorded in minutes
Finance Committee	£30,000 – decision recorded in minutes
Head Teacher	£5,000
Deputy Head Teacher when acting in absence of Head Teacher	£5,000

Authorisation to make virements between cost centres

Position	Limit/ Restriction
Full Governors	Over £30,000 – decision recorded in minutes
Finance Committee	£30,000 – decision recorded in minutes
Head Teacher	£10,000
Deputy Head Teacher when acting in absence of Head Teacher	£10,000

Managing the Academy Bank Accounts

Position	Authority
Head Teacher	Cheque signatory one of two to sign Debit Card Holder On-line payment Authenticator one of two to authenticate payments
Deputy Head Teacher when acting in absence of Head Teacher	Cheque signatory one of two to sign
School Business Manager	Cheque signatory one of two to sign On-line payment Authenticator one of two to authenticate payments
Company Secretary	Cheque signatory – one of two to sign Debit Card Holder On-line payment Authenticator one of two to authenticate payments

Users of computerised finance package Sage 50

Position	Limit/Restriction
School Business Manager	System Administrator
Company Secretary	System user – access all ledgers

Certification payroll documents

Position	Limit/Restrictions
Chair of Governors	Sign payroll forms relating to Headteacher
Head Teacher	Sign all appointment and leaver forms Sign off monthly claim documents
School Business Manager	Completion of payroll forms Sign supply starter declarations Preparation of monthly claim documents

Certificate of travel / Subsistence claims

Position	Limit / Restriction
Head Teacher	All claims with the exception of their own.
Chair of Governors	Travel claims of Head and above £50
Authorisation to write off bad debts	
Position	Limit / Restriction
Head Teacher	£50
Finance Committee	Over £50 – recorded in minutes
Secretary of State	Detailed in funding letter
Completion of VAT returns	
Position	Limit / Restriction
School Business Manager	N/A
Administration of Petty Cash	
Position	Limit / Restriction
School Business Manager	£100
Authorisation of Petty Cash / expenses vouchers	
Position	Limit / Restriction
School Business Manager	£100
Opening of Tenders	
Position	Limit / Restriction
Head Teacher	N/A
School Business Manager	N/A
Evaluation of Tenders – for decision making at appropriate delegated levels	
Position	Limit / Restriction
Head Teacher	N/A
School Business Manager	N/A
In some instances it will be necessary to involve an appropriate member of staff i.e: Premises, Kitchen or network Manager in order to ensure the evaluation process take into account the view of the immediate service area	

Appendix 2.

WESTWOODSIDE CHURCH OF ENGLAND ACADEMY TRUST

Annual Budget Cycle.

- January:** School Business Manager completes the Spring census return which is used by Government as the basis for the funding for the next financial year. Accounts returns for previous year ending 31st August must be submitted to EFA by 31st January (this is usually done along with Financial Statements etc in December). Company Secretary must publish financial statement and value for money statement as at 31st August on web site by 31st January.
- February:** The Senior Leadership Team start work on next year's priorities and possible staffing needs. These priorities will be discussed with the various committees of the Governing Body. Company Secretary must publish a statement regarding appeals time table on web site.
- March:** Academy receives its Draft Recurrent Grant for the following year from the Education Funding Agency (EFA). The School Business Manager starts to construct next year's budget. A mid-year review of current budget takes place. EFA make available Budget Forecast return form for the next financial year on line.
- April:** The Head Teacher and School Business Manager discuss detail of next years' budget. The Headteacher, Business Manager and Company Secretary publish and submit to LA their determined admission arrangements for entry in September.
- May:** The Business Manager completes the summer census return. Continued discussion and presentation to Finance Committee of next years budget. EFA issues academies' accounts direction for academy trusts.
- June:** Full Governing Body approve final budget for the following year. The School Business Manager then prepares return to DfE which is signed by head Teacher and Chair of Governors and returned to the EFA.
- July:** Appointed Auditors start their preparative work on the Annual Accounts. Agreed Budget Forecast Return for next financial year to be submitted to EFA by 31st July.
- Aug/Sept:** Financial Year end (31st August) Start of new Financial Year (1st Sept)
Company Secretary & Head Teacher support Governors in preparation of Governors Report.
- Oct:** Appointed Auditors continue audit field work and produce draft Annual Accounts for governors to review. Business Manager to complete and submit Autumn Census. EFA publishes August Accounts return on line training video
- Nov/Dec:** Appointed Auditors present accounts to Members and Full Governors. Governors approve Financial Statements.
Business Manager to complete school workforce census.
EFA requests estimated pupil numbers for following year from a small number of Academies'.
- Dec:** By 31st Dec Financial Statements are published. School Business Manager must submit audited Financial Statements, auditor's management letter and value for money statement to EFA by 31st December.

Appendix 3

WESTWOODSIDE CHURCH OF ENGLAND ACADEMY TRUST

Specimen Signature List

Name	Position	Signature	Initials	Date added	Date removed
Doreen Fowler	Company Secretary			01.09.2012	
Lorraine Hardy	Business manager			12.05.2014	
Alex Jenman	Chair of Personnel			01.09.2012	
Sean McKay	Deputy Head			01.09.2012	
Maria Potter	Chair of Governors			01.09.2014	
June Richardson	Headteacher			01.01.2014	
Warren Steele	Chair of Finance			24.07.2014	

Appendix 4

WESTWOODSIDE CHURCH OF ENGLAND ACADEMY TRUST

REQUEST FOR RE-IMBURSEMENT FORM

Name: _____ (Signature) _____

Date: _____

Date	Items Purchased	Price/Cost	Receipt attached?

I certify that I have purchased the above items for use in the Academy and I wish to claim reimbursement.

Signed _____

Print Name: _____

.....Office Use only.....			
Date of Payment	Authorised By:	Received By:	Date Entered on Sage:

