



OLDFIELD SCHOOL

Oldfield School

Financial Regulations Policy

Last Review:	October 2020
Committee:	FA
Date Ratified:	15/10/2020
Next Review:	October 2021

Purpose

Good financial stewardship depends upon everyone involved in the oversight, governance and management of trusts understanding their roles, promoting the right principles and acting when they recognise circumstances where things might go wrong.

The purpose of these regulations is to ensure that Oldfield School maintains and develops systems for effective financial governance and effective management of funds.

This document is divided into two sections:

Section 1: The roles and responsibilities for the board of Trustees and key personnel

Section 2: The Financial Processes and Internal Controls for Oldfield School



SECTION 1

The roles and responsibilities of the board of Trustees and key personnel

Oldfield School aims to execute their duties in line with best practice as outlined in the following documents.

Each member, Trustee and key personnel member must familiarise themselves with the contents of the current version of each document and annually sign to confirm that they have read and understood the duties and responsibilities as outlined therein.

The key documents that provide guidance are;

- ***The Essential Trustee guidance document – Charity Commission for England & Wales***
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617828/CC3.pdf
- ***Academy Trust Handbook – Education and Skills Funding Agency***
https://assets.publishing.service.gov.uk/media/61018f99e90e0703b58e8c79/Academy_trust_handbook_2021.pdf
- **Oldfield School Funding Agreement with Secretary of State
(on Governor Hub)**
- **Articles of Association (on Governor Hub)**

Annually, the Trustees will need to sign to confirm that they have read and understood the responsibilities as outlined in the above documents.



OLDFIELD SCHOOL

STRUCTURE, ROLES & RESPONSIBILITIES

THE BOARD OF TRUSTEES

- Proper stewardship, including regularity and propriety
- Reasonable discharge of schools funds that commands broad public support
- Ensure Value for Money through economy, efficiency and effectiveness of the use of funds
- Meet regularly enough to discharge their responsibilities in line with Articles of Association, Funding agreement & Handbook
- Must approve a written scheme of delegation of financial powers that maintains robust internal control arrangements
- The trust should have a finance and audit committee to which the board delegates financial scrutiny & oversight
- The trust should appoint a governance professional to the board who is someone other than a trustee,



ISHBEL TOVEY

CHIEF FINANCIAL OFFICER (CFO)

- Must be appointed by the board to lead on financial matters
- CFO should play both a technical and leadership role
- Ensure sound & appropriate financial governance & risk management
- Maintains proper financial records
- Delivery of the trusts' detailed accounting processes
- Hold a business or accountancy qualification



STEVEN MACKAY

ACCOUNTING OFFICER (AO)

- Personal responsibility to Parliament & the ESFA
- High standards of probity in the management of public funds
- Accountability for the trusts financial affairs, delivery of which is delegated to CFO
- Personal responsibility for ensuring compliance with the Handbook & Funding agreement



FINANCE & AUDIT COMMITTEE (F&A)

- Main responsibilities are outlined in TOR's for F&A
- Meet *at least* 3 times per year
- Initial review & scrutiny of annual budget
- Scrutinise management accounts at least 6 times a year but this information should be made available on a monthly basis
- Ensure compliance with annual accounts direction
- Authorise contract expenditure >£25,000
- Ensure there is a whistle-blowing procedure in place and it is published on school's website
- Monitor and review internal controls & procedures
- Authorise large-scale changes to school staffing structure
- Review auditor's findings
- Ensure the school resource management self-assessment tool is completed each year.
- Keep register of interests up to date
- Report their cash position if there are financial management concerns
- Ensure trust funds are not used to purchase alcohol
- Ensure regular review of risk register and internal audit reports
- Maintain a fixed asset register



OLDFIELD SCHOOL

SECTION 2

The Financial Processes and Internal Controls for Oldfield School

Finance Staff Members

Other members of staff, primarily the Finance Officer, Finance Assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

Conflicts of Interest

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all school Trustees, members and members of the Senior Leadership Team and the CFO are required to declare any relevant business and pecuniary interests. The register is open to public inspection.

The school will publish on the school's website all relevant business and pecuniary interests of trustees and members. The school has the discretion whether to publish interests of other individuals including parent, spouse, civil partner, cohabitee or child.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school.

The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person. The register must also identify any material interests arising from close family relationships between the school's trust members or trustees, and relationships between members of trustees and employees.

The register must be kept up to date with notification of changes and through an annual review of entries. This will normally be undertaken by the Company



OLDFIELD SCHOOL

Secretary, who is also, normally, the CFO or governance professional to the board of governors.

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

Delegated Financial Responsibility

If as a result of sickness or other unavoidable absence from school the following transfer of authority for financial responsibility will take place:

- Headteacher – Deputy Headteacher
- Business Manager – Finance Officer
- Finance Officer – Finance Assistant

Accounting system

All the financial transactions of the school must be recorded on the PS Financials accounting system. The PS Financials system is operated by the Business Manager and the Finance Officer.

System Access

Entry to the main database of the PS Financial system is password restricted and can only be accessed by finance personnel and the Headteacher all via individual log-ins.

Access to the component parts of the PS Financial system, such as the purchasing and reporting modules, can also be restricted and the Business Manager is responsible for setting access levels for all members of staff using the system including budget holders.

Back-up Procedures

The backup of the PS Financials accounting system is covered by the IT departments' back-up procedures as outlined here;



Daily Backups

- Runs each day at 10pm
- PS Financials Databases backed up to;

Backups deleted after 2 weeks from above location.

Weekly Back-ups

In addition, the daily backups are backed-up by a whole-school system back-up which happens every Friday. This is backed up to a Staging Server and a copy of this is then duplicated on to a further 2 NAS (Network Attached Storage) servers one of which is located in the IT Office and the other NAS server located in the Sports Hall.

Differential back-ups

Differential backups are run Monday, Tuesday, Wednesday, & Thursday which capture any data that has been entered since the previous Fridays' whole system back-up. Only the changes made to systems are backed up on a daily basis. These will then form part of the Friday full –system back-up, should a restore need to be run.

Network full back-up retention policy is 6 weeks – (*IT aware– to ensure they do not get wiped in the 6 week clear out*)

The Business Manager should ensure that the financial records of the school are covered by the current IT disaster recovery plan in the event of loss of accounting facilities or financial data.

This should link in with the annual assessment made by governors of the major risks to which the school is exposed and the systems that have been put in place to mitigate those risks.



Transaction Processing for Finance System

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. Bank reconciliations should be performed monthly by the Finance Officer and checked, and signed to evidence this check, by the Business Manager as well as the headteacher.

Reconciliations

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

- Credit card reconciliation to credit card statements
- bank balance per the nominal ledger to the bank statement.

The Business Manager will review and sign all reconciliations as evidence of this review.

Financial Planning, Monitoring & Reporting

The school prepares short and medium -term financial plans.

Our financial forecasting & budgets are prepared as part of the development planning process. The School Improvement Plan and the Oldfield Long Term Plan (OLTP) provide direction as to how the schools objectives are to be achieved and the deployment of resources required to deliver those objectives over a 5-year period.

The OLTP provides the framework for the annual budget setting process with scenario planning for future year budgets. The current budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.



Oldfield Longterm Plan

The OLTP is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

Annual Budget

The Business Manager along with the Headteacher is responsible for preparing and obtaining approval for the annual budget.

The Board of Trustees **must** approve a balanced budget and any significant changes to that budget, for the financial year to 31st August, which can draw on unspent funds brought forwards from previous years.

The board **must** minute their approval.

In order to assure the EFA that the funds are in sound financial health, Oldfield School **must** submit a copy of the budget forecast in the format specified by the EFA.

These must be approved by the trustees before submission. ESFA has produced guidance on both returns.

The Board of Trustees **must** notify the EFA within 14 days if it is formally proposing to set an unplanned *deficit revenue* budget for the current financial year which it is unable to address, after unspent funds from previous years are taken into account.

Budgetary Considerations

The school should use its allocated funding for the full benefit of students. If the school has a substantial surplus there should be a clear plan for how it will be used to benefit students e.g. a long term capital project or to cover any shortfall in funding due to potential increase in student numbers.

The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be



OLDFIELD SCHOOL

utilised. There should be a clear link between the OLTP objectives and the budgeted utilisation of resources.

Budget Monitoring

Once the budget has been agreed by the Board of Trustees, any changes to be made will be captured in a Current Year Forecast - allowing comparisons to be made with original budget and more accurate forecast position.

The Business Manager will update the management accounts spreadsheet termly with the actual income and expenditure position and the estimated reserves position. This will include year-to-date actuals information so that it can be reviewed against the schools' budgeted and forecasted position. This information will be presented to the Headteacher and Chair of Governors each month either in the management accounts spreadsheet or in the automatically generated management accounts spreadsheet from PS Financials.

Financial performance must also be presented at the F&A committee meetings, supported by any supplementary information the committee might need to highlight potential risks and opportunities and any viability concerns.

The Board of Trustees must obtain prior approval from the Secretary of State before any borrowing can take place and for certain liabilities such as leaseholds, tenancies, indemnities and Finance Leases.

The Board of Trustees must obtain prior approval for writing off debts and losses or entering into guarantees, letter of comfort or indemnities subject to the following delegated limits (subject to a maximum of £250,000): -

- 1% of total income or £45,000 (whichever is smaller) per single transaction;
- cumulatively, 2.5% of total annual income (grant income) in any one financial year per category of transaction for any school that has not submitted timely, unqualified audited accounts for the previous two financial years;
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any school that **has not** submitted timely, unqualified audited accounts for the previous two financial years.

Cash Management



OLDFIELD SCHOOL

The trust should manage its cash position, avoid going overdrawn, and reconcile bank and control accounts regularly.

Investments

The board of trustees may invest to further their trust's charitable aims, but **must** ensure that investment risk is properly managed. When considering making an investment the board of trustees **must**;

- Act within their powers to invest as set out in their articles of association
- Have an investment policy to manage, control and track their financial exposure and ensure value for money
- Exercise care and skill in all investment decision, taking advice as appropriate from a professional adviser
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support
- Review the trusts investments and investment policy regularly
- The Board should follow the Charity Commissions guidance: [Charities and investment matters: a guide for trustees - GOV.UK](#).
- EFA's prior approval **must** be obtained for investment transactions which are novel and/or contentious.

Income Generation

Academy trusts should set fees for their chargeable services at full costs, but can apply an additional rate of return when in a commercial environment.

Whistleblowing

Academy trusts must have appropriate procedures in place for whistleblowing, including making all staff aware to whom they can report their concerns, and the way in which those concerns will be managed.

Risk Management



OLDFIELD SCHOOL

The academy trust should make a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. Oldfield school must recognise and manage present and future risks to ensure its effective and continued operation.

The trust must maintain a risk register.

The trusts management of risks **must** include contingency and business continuity planning.

Insurance

Oldfield School must ensure that it has adequate insurance cover in compliance with its legal obligations or has opted into the academies Risk Protection Arrangement (RPA). Not all risks are covered under RPA, for example, Motor Vehicles.

Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll & pension administration
- payments.

Staff Appointments

The School's staffing structure is modelled in HCSS software (by the Headteacher) which allows the accurate calculation of salary, NI, allowances and pension contributions. Major staffing changes can only be made to this structure with the express approval of the Finance & Audit Committee who must ensure that adequate budgetary provision exists for any changes. Any significant changes to the overall staffing provision or the management structure should also be presented to the Personnel and Student Welfare Committee.

The Headteacher has authority to appoint staff within the staffing structure except for the Deputy Headteacher and the Business Manager roles (if acting as CFO), whose appointments must follow consultation with the governors. The Headteacher



OLDFIELD SCHOOL

maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to HR immediately.

Payroll Administration

The school payroll is administered by an external payroll provider. The school must ensure that senior employees' payroll arrangements fully meet tax obligations and comply with HM Treasury guidance regarding the employment and contract arrangements of individuals on the avoidance of tax. Failure to comply with this requirement may result in a fine by HM Treasury, equivalent to five times the amount paid to the employee.

Oldfield school must also ensure that it complies with the latest guidance on IR35 legislation for Supply Agencies and the Clerk of Governors. Written confirmation should be sought and recorded for any individuals working in this capacity to ensure they comply with IR35 legislation.

All staff are paid no later than the 25th of each month through the external payroll provider.

Any new starters/ leavers or variations to contracts are notified via our payroll providers portal by the HR Team.

This information can only be notified to payroll if a formal offer letter/resignation letter or variation to contract letter is in existence.

This information must be submitted by the payroll deadline which is on or around the 3rd of each month.

The Cover Administrator must complete a monthly staff return which provides details for all staff sickness. These staff returns should be sent to the HR Manager who authorises and files the documents for payroll processing. Any other unpaid absence must be authorised by the headteacher. All staff must have a written record of the unpaid absence held on their personnel file.

Any additional /supply/casual hours worked must be submitted on a timesheet according to our procedures which is signed off by both the member of staff's line manager and the Headteacher before being submitted to payroll.



OLDFIELD SCHOOL

Each month the above data is collected along with any claims for petrol and send to payroll for processing by the payroll deadline of on or around the 3rd of the month.

Payments

After payroll has been processed but before payments are dispatched, a draft payroll report is received from payroll. This must be checked against expected and any changes for accuracy with any anomalies discussed and accounted for before permission is given to run the payroll. The report produced during this check – the payroll variance check – should be signed off by the headteacher before the Business Manager gives payroll permission to run the payroll.

All salary payments are made by BACS.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and BACS payments for these amounts should be authorised for payment by the Finance Officer then signed for by authorised signatories by the due date.

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

Payroll processes and control should be reviewed at least once a year, by way of an audit and signed by a person independent of those preparing and checking the payroll.

Where an under or over payment of salary occurs due to a mistake of fact, the school or the employee must correct the error promptly, by the school making an



OLDFIELD SCHOOL

additional payment or deducting future payments or by the employee making a refund to the school.

It is the responsibility of both individual staff members and the school to check pay is correct. Every employee is given an annual salary statement and a monthly electronic pay slip to enable this to happen.

The school operates a Childcare Voucher Scheme and a Cycle Scheme. Any queries regarding the scheme should be addressed to the Finance Officer or Business Manager.

If the Headteacher is considering making a staff severance payment above the contractual entitlement, consideration must be made as to whether such a payment is justified based on the chances of the school successfully defending the case at tribunal. If the case is justified the Headteacher would 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 in the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal or gross misconduct or poor performance.

The school will ensure the use of confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest under the Public Interest Disclosure Act 1998.

Compensation payments can be made, for example, to provide redress for personal injuries, travel accidents or damage to property. The Headteacher must make sure before any compensation payment is made that the proposed payment is based on the careful appraisal of the facts, including legal advice and that value for money has been achieved.

The Headteacher must seek prior approval from HM Treasury, via the Educational Funding Agency, if consideration is being made for a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more.

Purchasing

Oldfield School should seek to achieve the best value for money from all purchases.

Routine Purchasing



OLDFIELD SCHOOL

Budget holders will be informed of the budget available to them within the first few weeks of Term 1. It is the responsibility of the budget holder to manage their departmental budget and to ensure that the funds available are not overspent. Budget holders must supervise staff to which they have delegated authority. This supervision must be shared with the Business Manager in order to ensure transactions are carried out in accordance with the financial regulations in this manual and that they are correctly authorised. A statement detailing actual expenditure as well as any commitments against budget will be supplied to each budget holder no later than two weeks after the end of term.

Routine purchases up to £500 can be requisitioned by budget holders, for approval by Finance before ordering. However, the budget holder needs to check for value for money and include in the requisition one other price if value is over £100.

Routine purchases of up to £1000 can be ordered by the Business Manager on checking that there are enough funds available but value for money must be taken into account and two alternative prices should be sought where possible.

Routine purchases greater than £1000 can be authorised by the Headteacher.

A quote or price must always be obtained before any order is placed. A second quote or price must be attached to the official order for any order over £1,000 to show that value for money has been investigated. If another quote is not attached, the Finance Officer must return the requisition and not process the order until another quote is attached.

Before placing an order staff should think about the Health and Safety implications of the purchase, departments will be held responsible if a Health and Safety issue arose after purchase.

All orders must be made, or confirmed, in writing using an official requisition form, blank copies of which are held in the Resources Office. Orders must bear the signature of the budget holder and must be forwarded to the Finance Office. Orders should only be used for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their private use.

Requisitions should be used for goods and services except utilities (e.g. water, electricity and gas), rent, rates and petty cash payments. Where urgency requires a verbal order, this should be followed up, where practical, by a written confirmation



OLDFIELD SCHOOL

order. The following members of staff are authorised to place orders for goods or services over the telephone – Headteacher, Deputy Headteacher, Business Manager.

Where regular telephone ordering is justified the authority of the Business Manager should be obtained. Internet orders can only be made with the prior authorisation of the Business Manager or Headteacher.

Requisitions are not required for formal contracts or leases e.g. for contracts/leases which have specific budget headings allocated on the PS Financials finance system.

Countersigned requisitions are input into the PS Financials accounting system which automatically allocates the order a purchase order number. The approver then checks to ensure adequate budgetary provision exists and there are no health and safety implications regarding the purchase before signing the automated order. Any order can be cancelled and deleted from the PS Financials accounting system at this point.

Once authorised, orders are then dispatched to the supplier by the Finance Team directly from the system.

Once processed, one copy of the requisition is returned to the requisitioner and one is sent to be filed in the order file kept at main reception so that when the goods are delivered the office staff will know where it needs to be sent.

If special delivery instructions are required, these should be written on the original requisition so that the instructions can be included on the order.

On receipt of the goods, the requisitioner must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. The Goods Received Note must be given to the Finance Office for audit trail purposes and should be attached to the invoice and input into the accounting system. If this happens, the invoice will not need to be signed again by the budget holder and can be processed immediately.

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



OLDFIELD SCHOOL

received note will not be processed and the items will not pass to the invoice stage. If the goods received were from a non-purchase order invoice, the invoice will be marked as disputed on PS Financials, thus preventing it from being paid until a credit note for the returned items is received. The school should always consider redress for dissatisfaction on any contract.

All invoices should be forwarded to the Finance Office and budget holders should always give finance@oldfieldschool.com as the invoice email rather than their own.

When invoices are received, they will be batched, stamped and marked for the attention of the budget holder by the finance officer and coded but the Business Manager should be consulted if there is any doubt in the coding. This process should be completed in a timely manner and not be drawn out unnecessarily. No payments should be made on a photocopied invoice or a monthly statement from a supplier.

Once photocopied the invoices will then be distributed to the budget holder for their signature. It is the budget holders responsibility to make a detailed check against the order to check that the school is paying for what was requested and that the goods or services have been received. Any proof should be attached and the invoice and supporting documents should be sent back to the finance office. Budget holders must undertake these checks without undue delay and inform the finance office if there is a delay such as the goods have not yet been delivered.

If a budget holder is pursuing a query with a supplier, the Finance Officer must be informed of the query and kept up to date with progress.

Once the signed invoices are received the Finance Officer will destroy the copy of the invoice she holds and then process the invoices on PS Financials.

A weekly BACS run will be generated which will pick up all pending payments. The BACS payment run and associated paperwork must be checked by the Business Manager or Headteacher and then passed for authorisation by two of the nominated banking signatories. Finance should allow 24 hours for SLT to approve the payment run.

BACS remittance advices are sent via email to the suppliers the day after the BACS run has been authorised by the Senior Leadership Team.



OLDFIELD SCHOOL

BACS runs over the summer break should be scheduled to avoid a large number of accruals but the final BACS run should be scheduled for no later than GCSE results day to avoid the BACS payment not clearing in time for the year end on 31st August.

In order to facilitate accurate reporting for the year-end process, any orders which are not processed in time during July and August are documented to enable accurate year end accruals figures to be compiled. Any urgent orders during this time have to be authorised by the Business Manager or Headteacher before they are given to the Finance Officer to process.

If late orders are processed towards the end of the academic year, a complete record of supplier, amount and date must be kept in order to complete the year end accrual adjustment to ensure that expenditure is captured in the academic period to which it relates and in order to calculate an accurate end of year reserves figure.

Orders and contracts over £1,000 but less than £6,000

At least two written quotations should be obtained for all orders between £1,000 and £6,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the official order for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed/faxed confirmation of quotes has been received before a purchase decision is made. Where a quotation is not possible the circumstances should be placed on record.

These can be authorised by the Business Manager.

Orders and contracts over £6,000 but less than £25,000

At least two written quotations should be obtained for all orders between £6,000 and £10,000 and three quotes for those between £10,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the official order for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed/faxed confirmation of quotes has been received before a purchase decision is made.

These can be authorised by the Headteacher.



OLDFIELD SCHOOL

Orders and contracts over £25,000

Goods and services ordered with a value of over £25,000, or for a series of contracts which in total exceed £25,000 must provide evidence of Value for Money by either obtaining information from other schools' best practice or from statutory guidelines. These should drive decision making.

The exception to this is the school's annual insurance schedule. A formal tender is not required; however, the school should allow enough time to obtain quotes under the governments' RPA scheme for insurance and also with Commercial Providers. Quotes should be presented to F&A Committee in a format which allows for comparison on key details such as price, value for money, service, quality etc. for discussion and approval prior to renewal.

Contracts over £25,000 to be approved at Finance & Audit Committee.

Contracts with a value greater than £75,000 should be subject to a formal tendering process and should be agreed by the Full Governing Body.

The below guidance should be considered.

<https://www.gov.uk/guidance/public-sector-procurement-policy>

Scheme of delegation

<£500 - Finance Officer approval (unless they are raising the order)

<£6,000 – Business Manager

<£25,000- Headteacher

>£25,000 - Finance & Audit Committee

>£75,000 - Full Governing Body

Requirements to obtain quotes:

- a minimum of 2 quotes/catalogue prices up to £500
- a minimum of 2 quotes up to £10,000 attached to requisition form
- a minimum of 3 quotes over £10,000



Trading with Connected Parties

At cost requirements.

A trust must pay no more than 'cost' for goods or services provided to it by the following ('services' does not include services provided under a contract of employment):

- any member or trustee of the school
- any individual or organisation connected to a member or trustee of the school including a relative of the member or trustee, an individual or organisation carrying on business in partnership with a member, trustee or relative of a member or trustee, a company in which a member or relative of a member, and/or a trustee or relative of a trustee holds more than 20% of the share capital or an organisation which is controlled by a member, and/or trustee or the relative of a trustee.
- any individual or organisation that is given the right under the Articles of Association to appoint a member or trustee or anybody related to such an individual or organisation.
- any individual or organisation recognised by the Secretary of State as a sponsor of the school or anybody related to such an individual or organisation.

The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively, in any one financial year.

The 'at cost' requirement does not apply to the school's employees unless they are one of the parties listed above.

Asset, Borrowing, Leases and Tenancy Agreements



OLDFIELD SCHOOL

Operating leases on assets that are not land and buildings may be taken out by the school **without** the approval from the Secretary of State. Any such lease must be disclosed in the annual accounts in accordance with the Academies Accounts Direction.

Prior written approval from the Secretary of State **must** be sought for a finance lease on any type of asset for any length of time, for a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven years or more or for the granting of a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Academies **must** seek and obtain prior written approval from the EFA 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 the Trusts funding agreement in respect of the disposal of assets generally.

Forms of Tenders

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

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

Restricted Tender: This is where specific suppliers are 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 school's requirements



OLDFIELD SCHOOL

- costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

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

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

Preparation for Tender

Full consideration should be given to:

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

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

When the Finance & General Purposes Committee decides not to invite tenders but grant an extension to an existing contract, then the reasons for that decision should be recorded in the minutes of the Finance & General Purposes Committee. However, this extension should generally last no more than three years.

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.



OLDFIELD SCHOOL

An invitation to tender should include the following:

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

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations



OLDFIELD SCHOOL

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

Tender Acceptance Procedures

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

Tender Opening Procedures

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

- For contracts over £75,000 - the Finance & Facilities and HR Manager or the Headteacher plus a member of the Finance & General Purposes Committee/or external adviser.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Evaluation Procedures

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



OLDFIELD SCHOOL

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £75,000 a report should be prepared for the Finance & General Purposes Committee highlighting the relevant issues and recommending a decision. For contracts under £75,000 the decision and criteria should be reported to the Finance & General Purposes 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 school, but must also take into account service offering also and after sales service. All parties should then be informed of the decision. If a tender, other than the lowest price, is accepted by the Finance & General Purposes Committee, the reasons for this should be recorded in the Finance & General Purposes Committee minutes.

The Business Manager will maintain a contracts log, detailing start and end dates of contracts, contract value and a column detailing when a re-tender date is due to be actioned by. This should form part of the monthly finance process to check if we need to start re-tendering and to present the above details for inspection to a meeting of the Finance & General Purposes Committee.

ParentPay

The school operates a separate payments system called ParentPay which parents can pay for activities, revision guides, text books, trips etc. The system is linked to SIMS. Parents have to register themselves, on receipt of an activation letter from the Finance Office.

The school puts an activity on ParentPay which can include a cut-off date, essential information regarding the student, limited availability for the activity. Parents are charged 1.3% on top of the actual cost to cover the administration fee charged to the school for using Parent Pay.



OLDFIELD SCHOOL

Twice a month reports are produced by ParentPay which the Finance Officer allocates to each activity in the main school account and journals them onto PS Financials. This amount is net of the ParentPay administration fee and VAT.

School Visits/Trips

The school must ensure that it has sufficient insurance cover in place to cover activities and operation of the Schools' trips and visits.

Any school activity charged to students should not include VAT.

A group leader must be appointed for each trip to take overall responsibility for the collection of sums due.

Payments for school visits should be made through ParentPay. ParentPay is administered by the Finance Officer. If parents cannot log in to ParentPay, they may telephone the finance officer and other payment arrangements will be made.

The receipt of school visits cash may involve many staff who must be aware of their responsibilities. Cash must be promptly recorded in the accounting records and banked by either the Finance Officer or Finance Assistant.

Any cheque or cash payments made should be placed in a sealed envelope marked with the name of the account holder and a note stating what the payments are for. Any payments, cheques or cash, should be put in safe custody as soon as they are received. Cheques/money should not be left in pigeon holes or in the Finance Office after 3.00pm. A receipt may be issued on request for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

The Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record can be sent to the group leader on request; the group leader is responsible for chasing the outstanding amounts with the support of the Finance Officer. However, the finance officer will chase payments in the first instance and provide the group leader with details of late payers.

A statement of account, if required, can be produced by the Finance Officer for each school visit. £1 is to be added to the per-pupil cost for each residential/foreign trip to contribute to the hardship fund. If there is a surplus arising at the end of the trip



OLDFIELD SCHOOL

this will be transferred to the Hardship fund. When, however, the surplus on a residential or day trip exceeds £10 per student, a refund should be made on ParentPay with a letter to parents unless there is some reason, at the Headteacher's discretion, to override this decision.

Trips or activities should not take place unless income covers expenditure or after reference to the Headteacher for authorisation. A summary of income and expenditure for any school visit will be available for inspection.

The school will meet any deficit that may arise from a visit only after reference to the Headteacher and Business Manager for authorisation.

If a trip is oversubscribed or cancelled the parents should be refunded by a letter going home via ParentPay.

School trips will be subject to an annual audit by the school's auditors at the same time as the Annual Accounts are produced. Any surplus on the general fund will be held in the Main School Account after the Annual Accounts have been approved by the Full Governing Body.

Novel and Contentious Transactions

Novel payments are those which the school has no experience or are outside the normal business activity of the school.

Contentious transactions are those that might give rise to criticism of the school by the public or media. It is for the school to decide when we should seek advice from the EFA over such transactions taking into account that public money must always be spent prudently and in ways that command broad public support.

Novel and contentious transactions must always be referred to the EFA for explicit prior authorisation.

Trusts must obtain ESFA's prior approval, using ESFA's on-line form, for contracts for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract exceeding £20,000
- a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August



OLDFIELD SCHOOL

- a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.

Special Payments

Special payments are those that fall outside the school's planned range of activities. They are non-statutory and non-contractual and so are subject to greater control than other payments. They include:

- staff severance payments – paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination contract;
- compensation payments – made to provide redress for loss or injury e.g. personal injuries, traffic accidents, damage to property;
- ex gratia payments – including payments to meet hardship caused by official failure or delay, payments to avoid legal action on the grounds of official inadequacy.

Before any special payments are considered reference should be made to the Academies Financial Handbook.

Irregular or Improper Transactions

Situations may arise where it would make sense for the school to enter into an irregular, improper or does not provide value for money transaction. The school must seek prior written permission from the EFA and dependant on the nature of the transaction, HM Treasury, for any such transaction.

Income

The main source of income for the school is in the form of various grants from the DfE ie GAG, Pupil Premium, Literacy and Numeracy Catch up and Devolved Capital. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the school are collected.

The school also obtains income from:



OLDFIELD SCHOOL

- Local Authorities for top ups
- Other schools for managed move payments
- For the PGCE programme run by BET
- students, mainly for trips and
- the public, mainly for sport facilities lettings.

Sports and Facilities Lettings

The Events Manager is responsible for maintaining records of bookings of sports or other facilities and for identifying the sums due from each organisation. Payments are made in advance for the use of facilities for initial and one-off bookings and regular bookings are invoiced for at the end of the month they take place.

When an invoice is raised details of organisations using the sports or other facilities should be sent by the Events Manager to the Finance Office who will establish a computerised sales ledger account. Details of payments made will be maintained by the Finance Officer who is also responsible for chasing outstanding debts. The Finance Officer must ensure the Events Manager knows of any unpaid invoices so no use is made of the facilities unless payment has been made.

Any debts to be written off must follow the rules as laid out in the Writing off Debts section of this manual.

Organisations using the sports or other facilities should be instructed to send all payments to the Finance Office or pay via BACS direct into the school's main bank account.

Charges for other activities during normal opening hours or extra-curricular activities and examination fees are detailed in the ***Charging and Remissions Policy***. Loss or damage to school property will be on a recoverable basis or such other method determined by the Headteacher in consultation with the Finance, Facilities and HR Manager.

The school may run out-of-hours clubs which are self-financing. Income and expenditure for these clubs is held within the main school account.



OLDFIELD SCHOOL

Terms and Conditions of lettings and relevant forms required to be completed prior to lettings taking place are available from the Events Manager.

Normal rates for lettings are available from the Events Manager, who is authorised to negotiate variations to these charges where appropriate. Significant variations, such as reductions of greater than 20% for charitable institutions, are to be referred to the Finance & Audit Committee.

Charges for letting of school buildings and other facilities must be approved by the Governing Body. Charges should be reviewed each year by the Business Manager. Recommended changes should be approved by the Finance & Audit Committee.

Custody

Official, pre-numbered school receipts should be issued, if requested, for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the school safe prior to banking. Banking should take place every week or more frequently if the sums collected exceeds the cash limits in insurance policy for money on site.

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

Income from Sale of Stock

If any department wishes to sell stock, then the process for this must be agreed on an annual basis with the Business Manager. In any instance, a record of all stock purchased and sold must be kept by the department as this may be subject to inspection by internal or external audit. Any income received for stock must be banked or put in the safe immediately. Employees should not retain any cash/cheques in their personal possession for any reason.

Cash Management

Bank Accounts



OLDFIELD SCHOOL

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

Deposits

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

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

All payments to bank must be made in the form in which they are received. Personal cheques are not to be cashed from money held on behalf of the school. No post-dated cheques are accepted unless in exceptional circumstances and with the prior agreement of the Business Manager or Headteacher.

All unpaid cheques returned from the bank must be investigated by the appropriate person. Where possible cheques should be re-presented to the bank. The Business Manager should be informed if it is returned for a second time for appropriate action to be taken. The sundry debt procedure may be used as a final course of action.

The paying in slips should be reconciled to income within the school's accounting system – PS Financials within the paying in control account.

Bank Account Authorised Signatories

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

- Headteacher;
- Deputy Headteacher;



OLDFIELD SCHOOL

- Assistant Headteachers

This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the school. Signatories on cheques or other payment authorisations by signature must not be obtained before the payee name and the amount of the cheque is entered. All cheque or BACS requests must be accompanied by an appropriate invoice or letter before the Business Manager or Headteacher will authorise it.

Administration

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

- all bank accounts are reconciled to the school's cash book;
- reconciliations are prepared by the Finance Officer;
- reconciliations are subject to an independent monthly review performed by the Business Manager or Headteacher.
- queries arising are dealt with promptly.

Petty Cash Accounts

The school maintains a maximum cash balance of £250 for the main petty cash account. The cash is administered by the Finance Officer and is kept in the school safe. All petty cash claims are to be supported by a receipt.

The school maintains a petty cash account for exam postage of £300. The cash is administered by the Admin Office Staff. All claims on the account are to be supported by a receipt.

The school maintains a petty cash account for the loan of bus/lunch money for students of £30. The cash is administered by Admin Office Staff. All loans provided to students are recorded and recovered by the Admin Office Staff or sent on to Finance to be paid via ParentPay.

Deposits



OLDFIELD SCHOOL

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

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £25. Higher value payments should be made preferably by BACS (or cheque) directly from the main bank account as a cash book payment. Reimbursement of staff and Governing Body expenses are to be made by the Finance Officer on receipt of a properly authorised claim form. The form is completed personally by the claimant and authorised either by the Business Manager or Headteacher. Self-authorisation is not permitted.

Administration

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

Physical Security

- Access to cash, cash records and forms must be restricted to authorised personnel.
- Secure safes and containers must be provided for cash, records and valuables. The Business Manager, the Finance Officer, Finance Assistant and the main office staff have access to the safe.
- Cash passing between employees must be signed for.
- Employees should not retain any cash/cheques in their personal possession for any reason. As soon as an employee receives any cash/cheques it must be either banked or put in the safe.
- Petty cash should be held in a locking cash box which is put in the safe overnight.

Cash Flow Forecasts



OLDFIELD SCHOOL

The Business Manager is responsible for preparing cash flow forecasts to ensure that the school has sufficient funds available to pay for day to day operations. These are to be presented at each F&A meeting.

If significant balances can be foreseen, steps should be taken to invest the surplus funds in line with the school's investment Policy.

Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments

Investments must be made only in accordance with the Investment Policy approved by the Finance and Audit Committee.

The school must exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser. Security of funds should take precedence over revenue maximisation.

Donations

Any donation received by the school should be distinguished between "restricted" and "unrestricted" for accounting purposes. "Restricted" donations can only be used for given purpose of the donation, "unrestricted" donations can be used for any purpose the school chooses. Both types of donations can either be cash or goods in kind.

Any donations in kind over the value of £100 must be identified as a donation in kind in a register held by the Business Manager, this does not include volunteer time. It is the responsibility of the member of staff receiving the donation in kind to provide details of it to the Business Manager.

Any donation given by the school must be approved in writing by the Headteacher and have regard to propriety and regularity for the use of public funds. The Headteacher may agree to give assets that had been bought for a proper purpose but which are no longer needed by the school up to a maximum value of £1,000 per single donation.

Fixed assets



OLDFIELD SCHOOL

Asset Register

All items purchased with a value over the school's capitalisation limit of £2,500 must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset
- cheque number/BACS reference for purchase
- nominal ledger code for purchase

The Asset Register helps:

- ensure that staff takes responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;



OLDFIELD SCHOOL

- help the external auditors in the preparation of the annual accounts and the school's financial system
- supports insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

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

All the items in the register should be permanently and visibly marked as the school's property. Inventories of school property should be kept up to date and reviewed regularly. Where items are used by the school but do not belong to it this should be noted. The Smartwater method of identification should be used wherever possible.

The Finance Officer is to record an asset in the register on receipt of an invoice. A separate computer hardware register is maintained by the Network Manager. A separate file containing photocopies of all potential Capitalised items should be maintained for the year end accounts audit.

There should be a regular check to confirm the completeness and correctness of the asset register by the Leader of Learning or responsible person. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Headteacher. The asset register items that have been checked should be signed and dated by the Head of each Leader of Learning or responsible person before being finally signed by the Business Manager.

Disposals



OLDFIELD SCHOOL

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and, where significant, should be sold following competitive tender.

The Headteacher can approve disposals up to 1% of total income or £45,000 (whichever is the smaller) per single transaction or cumulatively 5% of total income in any one financial year.

The Governing Body must seek and obtain explicit prior approval from the Secretary of State, through the EFA, for items disposed of beyond these limits. Further guidance can be found in the Academies Financial Handbook.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested then the school must repay to the DfE a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State. Disposal of any other fixed asset, i.e. other than land, buildings and heritage assets can be done without the approval of the Secretary of State.

Loan of Assets

Items of school property must not be removed from school premises without the authority of the Head of Department and Business Manager. A record of the loan must be recorded on a loan authorisation form (obtainable from the Business Manager) and again recorded when it is returned. Loan authorisations are to be filed by the person with the responsibility for the equipment.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the school's auditors. Employees having access to equipment to use at home should be advised of the Inland Revenue Regulations. Employees must inform the Business



OLDFIELD SCHOOL

Manager if they intend to use the equipment for private use. Employees should provide a signed declaration to the Business Manager in those cases where the employee states that the equipment is not for private use.

Staff who have laptops on loan to them complete a separate form which covers the use of laptops at school or at home and for the duration of the loan of the laptop. The Headteacher authorises this form.

General Administration

It is important that the governors and staff not only act impartially but are also seen to act impartially.

The school is not to obtain goods or services for private use by governors, staff or students and no goods or services should be delivered to an address other than the schools.

The Governing Body is not to lend money, give guarantees, indemnities, letters of comfort, or incur any other contingent liability.

All instances of fraud or theft committed against the school over £5,000, individually or cumulatively, whether by employees, governors or third parties must be reported by the Headteacher to the EFA as soon as is operationally practical. Any unusual or systematic fraud, regardless of value, must also be reported. The school will take appropriate action where fraud and irregularity is suspected or identified.

Financial Notice to Improve

Where ESFA has concerns about financial management and/or governance in an academy trust it may issue, and publish, a Notice to Improve (Ntl). The trust must comply with the Ntl. Failure to comply will be deemed a funding agreement breach. The funding agreement may be terminated due to non-compliance with a Ntl.

ESFA will notify the trust of the date of which ESFA has published the Ntl. The trust must then publish the Ntl on its own website within 14 days, and retain it on the website until the Ntl is lifted by ESFA.

A Ntl describes what a trust must do to address concerns about financial management or governance. For example, a Ntl may be issued due to an actual or 60 projected deficit, cash flow problems, insolvency risk, irregular use of public funds, or



OLDFIELD SCHOOL

inadequate governance and management (including weak oversight by trustees, poor internal scrutiny and breaches of related party requirements).

If a Ntl is issued, the delegated authorities in sections 5.6 to 5.31 of Academy Handbook are revoked, and all transactions of this nature must be approved in advance by ESFA, specifically:

- special staff severance payments
- compensation payments
- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement

- taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- pooling of GAG. The trust may also be prevented from entering into transactions with related parties without approval. These delegated authorities shall be returned once the Ntl has been complied with, and improvement is sustainable.

Where ESFA intervenes because of concerns about financial management and/or governance it may require the trust to submit additional information such as monthly income and expenditure accounts, cash flow statements and balance sheets.

Student Tickets

The school sells bus tickets on behalf of bus operators. A stock register of tickets must be maintained, recording the receipt of tickets from bus operators and sales as income is received in the Admin Office. Finance office will carry out the reconciliation.

Stationery



OLDFIELD SCHOOL

The custody of stationery is the responsibility of the Admin Office staff. Official order forms are held in the Resources Room.

Cheque Controls

- The school's payment system no longer uses pre-printed cheques as the majority of payments are made by BACS. Manually prepared cheques are still used on occasion and are to be kept under lock and key in the safe.
- Spoiled cheques must be identified in the cash book and retained by the Finance Officer. Spoilt cheques are to be stapled to the cheque stub to which they relate.
- Any cheque books received from the school's bankers should on receipt by the Finance Officer be kept under lock and key. Access to cheque books as required is confined to the Business Manager, Finance Officer and the Finance Assistant.

Business Credit Card Usage

- The school have three charge cards that are assigned to the Headteacher, Deputy Headteacher and the Art and Technology Technician (for the purchase of Art and Tech items).
- The school's business credit cards have limits of £4,000, assigned to the Headteacher and Deputy Headteacher.
- The limit for Technician is set at £500 limit.
- Receipts must be obtained for all purchases made via the cards. The Finance Officer reconciles purchases made against credit card statements each month. This is signed off by the Business Manager or Headteacher.
- The Headteacher's business credit card is kept in a locked drawer in the Finance office. The Business Manager can approve requests for the Finance Officer to purchase online train tickets or items of stock from Amazon (for example), where this represents better value for money.
- No member of staff is authorised to apply for or use a charge card on the school's behalf. A purchase via a personal charge card can be made in exceptional circumstances with the prior approval of the Business Manager/Headteacher but never for subscriptions or goods that can be capitalised.

Sundry Debt Recovery Procedure



OLDFIELD SCHOOL

All sums due to the school for services provided to one-off users will be invoiced or paid for via BACS in advance of the letting taking place. In any case where the charge is outstanding for payment by the debtor the following will apply:

- a reminder letter from the Finance Office will be sent to the debtor four weeks after the invoice being sent;
- a second letter from the Finance Office will be sent after a further two weeks, making reference to the conditions under which the service or charge arose and drawing attention to the possible referral of the matter to the Finance and Audit Committee;
- a final letter (marked FINAL) referring to the legal processes available to the school to effect recovery of the outstanding debt will be sent after a further two weeks.

The debt may be referred to the school's legal advisers for recovery action, provided a report by the Business Manager, supported by the Headteacher, recommending this course of action is approved by the Governing Body. With prior approval from the Headteacher, the Business Manager can at any point in this procedure take individual action against a debtor.

Writing off Debts

The following rules apply if after following the above procedures for collection or debt recovery a debt has to be written off:

- the Headteacher, in conjunction with the Business Manager, has authority to write off debts up to £1000;
- Debts over £1000 are to be reported to the Finance and Audit Committee by the Business Manager for authorisation to be written off;
- the school is to maintain a record of all debts written off, showing recovery action taken and justification of non- recovery.
- The DfE's prior approval is required if debts to be written off are above the value set out in the Academies Financial Handbook.

Accounting Records

The school must establish procedures to ensure all records are appropriately protected against unauthorised modifications, destruction, disclosure or loss



OLDFIELD SCHOOL

whether by accident or intention. The school should also demonstrate compliance with GDPR requirements.

This applies to both manual and computer systems.

The retention period for financial records shall be as follows:

- for a period of six financial years prior to the current financial year – all accounting and financial records, including payroll and superannuation records of staff, insurance records and insurance policies, personnel records including contracts of employment
- Cash books, bank statements and other accounting records are to be made available for examination by the Finance & Audit Committee if requested.
- A daily back up of data held on computerised systems is automatically done via the school's computer network.

Construction (Design and Management) Regulations 2015 (CDM)

The Construction (Design and Management) Regulations 2015 (CDM 2015) came into force on 6 April 2015, replacing CDM 2007. It describes:

- the law that applies to the whole construction process on all construction projects, from concept to completion
- what each duty holder must or should do to comply with the law to ensure projects are carried out in a way that secures health and safety
- CDM 2015 is subject to certain transitional provisions which apply to construction projects that start before the Regulations come into force and continue beyond that date.

Oldfield School should familiarise itself with the Regulations when undertaking any works at the site.

DfE School Census

The system for recording and processing data showing the total number of students on the school's registers, split by age and sex must be accurate because of its importance in



OLDFIELD SCHOOL

determining the student related part of the annual GAG calculation. There are 3 census collections; October, January and May. They are completed each year by the Data Manager in liaison with the Senior Leadership Team. The Workforce Census is prepared by the Business Manager.

Travelling and Subsistence Rates and Rules

Breakfast	Up to £5.00 (leaving home before 7.30am)
Lunch	Up to £7.00 (usually course includes cost of lunch, allowance only if paying for lunch)
Tea	Up to £2.50 (arriving home after 6.30pm)
Evening Meal	Up to £9.00 (arriving home after 8.30pm – no tea allowance payable)

Overnight accommodation – actual cost provided prior approval is obtained from the Headteacher to the overnight charge. The hotel invoice for the stay to be submitted in support of the claim.

Travelling - Other than training	£
Per mile by car – first 10,000	45.0p
Per mile by car – after 10,000	24.0p

By public transport Actual cost limited, in the case of train travel, to the standard fare unless 1st class fare is authorised by the Headteacher or Chair of Governors.

(where public transport is convenient and available)

Travelling – Training

Per mile by car	26.25p
-----------------	--------

By public transport Actual cost limited, in the case of train travel, to the standard fare unless 1st class fare is authorised by the Headteacher or Chair of Governors.

Car Parking

Car park costs are claimable (receipts required)

Rules



OLDFIELD SCHOOL

- The rates shown are applicable to claims for travelling and subsistence by governors and staff alike.
- Most training events provide lunch and/or dinner.
- Claims for subsistence must be supported by receipts.
- Travelling claims must be completed to show all details required on the claim form
- Where journey undertaken by car from home to a location other than the school, the mileage claimable is limited to the return journey mileage less the normal home to school mileage.
- Where the outward journey is home to a location other than the school and then from that location to the school, the equivalent of a single journey from home to school is deductible from the total mileage claimed.
- The payment of travelling and subsistence expensed is subject to scrutiny and, if in doubt, governors and staff should be sure a journey is authorised before travelling.

Audit Requirements

Internal Audit

There is also a requirement for 3 internal audits a year and the findings from these are to be presented at the Finance and Audit Committee Meetings. The F&A Committee will also receive both the draft and final reports on the internal audits. The F&A Committee is also tasked in ensuring that actions from these reports are actioned where agreed and to help in this, a report is presented at each F & A Meeting on the status of these actions.

Statutory Audit

In accordance with the Companies Act 2006, and academy must;

- Appoint an auditor, to certify whether the accounts present a true and fair view of the trusts financial performance and position
- Produce audited accounts
- The contract for the audit **must** be in writing
- It **must** take the form of a letter of engagement and this letter **must** only include the external audit
- If additional services are to be purchased, a separate letter of engagement **must** be obtained **which must** specify the precise requirements of the work and the fees to be charged.

Removal of Auditors



OLDFIELD SCHOOL

- The letter of engagement must provide for the removal of the auditors, before the expiry of the term of office, in exceptional circumstances.
- Proposals to remove auditors **must** require a majority vote of the members who must provide reasons for their decision to the academy's trust board.
- If the auditors resign, there **must** be a requirement in the letter of engagement for them to provide the trust with an explanation, within 14 days of their resignation.

Appointing Auditors

- The appointment of external auditors should be for one year renewable at the discretion of the Governing Body.
- A formal reassessment of external auditors should take place every 5 years, usually by competitive tender.
- The Governing Body may wish to delegate responsibility for this work to the Finance & Audit Committee.
- The Governing Body of the school should agree a list of firms to be invited to tender, or open tender procedures should be followed as appropriate to the rules of the school. A tender list of at least three suitably qualified firms should normally be adequate. Firms with experience of auditing charities or similar bodies and knowledge of the education sector would be an advantage.
- The letter of invitation to prospective firms should describe the requirements of the basic audit service required
- The invitation might also ask candidates to outline other, wider, services they would be able to offer to academies. The DfE may also ask the appointed firm to act for them and report directly on internal control arrangements.
- Representatives (at least two governors) from the Finance and Audit Committee will conduct the appointment procedure. The representatives should request a written statement from the firms invited to tender. Firms will normally require a short scoping meeting to assess the audit approach to be adopted and the resources required to carry out the audit, this can be done with the Headteacher/Business Manager.
- The contract for the audit should be in writing. This must take the form of a letter of engagement. A standard letter of engagement has been issued by the CCAB (Consultative Committee of Accountancy Bodies) with which the chosen auditor will be familiar. Academies should check the proposed letter of



OLDFIELD SCHOOL

engagement against the standard letter and ensure that any differences are acceptable.

Ongoing Monitoring of Audit Performance

The Governing Body should ensure that auditors are not free from oversight and that they are accountable for the work they do. At the appointment stage, consideration should be given to a set of performance criteria against which the audit service should be assessed.

Audit Findings

The audit process can support trusts by helping identify key areas that may require improvement. The board of trustees must ensure there is an appropriate, reasonable and timely response by the trust to any findings by auditors, taking opportunities to strengthen the trust's systems of financial management and control.

Reappointment of Auditors

- Under company law a private company which has not elected to dispense with the laying of accounts must formally appoint an auditor each year. Where the existing auditors are re-appointed the arrangement should be confirmed by writing to the auditor by renewing the letter of engagement. The decision to reappoint auditors must be made after the audit report to the financial statements has been signed, to allow the Governing Body the opportunity to review how the audit was carried out. Each year, the governors must review the audit to satisfy themselves that they are getting work of a high standard and at a reasonable price. The Governing Body should consider the quality of the audit and the training and experience of senior and supervisory staff in relation to academies, before considering reappointment.
- It should normally not be necessary to repeat a full selection process each time the auditors are re-appointed. Provided the governors are satisfied with the performance of the existing auditors the Governing Body may reappoint them unless a competition has not been held within the last 5 years.

Change of Auditors

The procedures to be applied when it is proposed to change auditors, at the end of a term of office, are specified by company law and include:



OLDFIELD SCHOOL

- The Governing Body must send notice of the intended resolution to appoint new auditors to both the proposed new auditors and the outgoing auditors at least 28 days prior to the meeting of the Governing Body.
- The outgoing auditors may make written representations with respect to the intended resolution and request circulation of these to the Governing Body. If the representations are not circulated the outgoing auditors may require the representations to be read out at the meeting. The outgoing auditors have a right to be heard orally and to attend the meeting.

The outgoing auditors must provide the Governing Body with either:

- a statement of any circumstances connected with their removal which they consider must be brought to the Governing Body's attention or
- a statement that there are no such circumstances.

Resignation of Auditors

External auditors who have resigned during their term of office also have certain rights and obligations under company law and these include:

- They must be entitled to attend the meeting of the Governing Body at which their term of office would otherwise have expired (i.e. once they have signed the audit report and the accounts have been presented to the Governing Body), or at which it is proposed to fill the vacancy caused by their resignation;
- They must receive all notices of or other communications relating to the meeting and must be heard on any part of the business which concerns them as former auditors of the school.

They must provide the Governing Body with either:

- a statement of any circumstances connected with their resignation which they consider must be brought to the Governing Body's attention; or
- a statement that there are no such circumstances. This statement is to accompany their written resignation.

If an auditor has completed an audit but does not wish to seek reappointment, 'resignation' is not required. However, the auditor must still provide a "statement of circumstances" which should be copied to the Department.



OLDFIELD SCHOOL

The Governing Body must convene a meeting where so requested by the auditors to consider the auditors' statement.

Removal of Auditors

Where it is proposed to remove the auditors before the end of their term in office, the procedures discussed under "Change of Auditors" apply. In addition, the auditors who have been removed have a right to receive notice of, attend and be heard on any part of the business which concerns them as former auditors at the meeting

- 1) at which their term of office would otherwise have expired; or
- 2) at which it is proposed to fill the vacancy caused by their removal.

In practice the meeting under (2) may be the same meeting at which the resolution for the appointment of new auditors is proposed.

Conflicts of Interest – Governors Who Are Practising Accountants

All potential and actual conflicts of interest must not only be avoided but must also be seen to be avoided. These restrictions are particularly important for audit contracts to maintain independence.

If a governor has a direct or indirect interest in an office or firm of accountants which may wish to tender for the audit contract of that school, then the governor must declare the possible conflict of interest to the Governing Body at the earliest available opportunity. This declaration must be noted in the minutes.

A direct interest in the firm wishing to tender is considered to exist where the governor is;

- a partner in the firm or office of that firm of accountants;
- an employee of the office or firm of accountants.

An **indirect** interest in the firm wishing to tender is considered to exist where the governor has a close relative, including spouse or partner who would be treated as having a direct interest as defined in the preceding paragraph.

If the governor has a direct interest then the governor should resign from the Governing Body if that firm in which he\she has a direct interest is appointed to audit the school. The resignation should take place as soon as possible after the date when the Governing Body decided to appoint that firm as auditors.



OLDFIELD SCHOOL

A governor with a direct or indirect interest must:

- not take part in the consideration or discussion and must not vote in the selection, appointment or reappointment of the auditor;
- play no part in the annual audit.

Governors who are accountants and who find themselves in this position are referred also to the ethical advice on independence issued by their professional body.

Policy Monitoring and Review

The policy is monitored on an on-going basis by the Headteacher, as Accounting Officer, and by the Business Manageras CFO.

The policy is reviewed and approved each year by the Finance and Audit Committee.

This policy will be approved by the Finance and Audit Committee.

INDEX

SECTION 1	The roles and responsibilities of the board of Trustees and key personnel	p2
	Structures, roles, responsibilities	p3
SECTION 2	Finance Staff Members	p4
	Conflicts of Interest	p4



OLDFIELD SCHOOL

Delegated Financial Responsibility	p5
Accounting System	p5
System Access	
Back up Procedures	
Transaction Processing for Accounting System	p7
Reconciliations	p7
Financial Planning, Monitoring & Reporting	p7
Oldfield Longterm Plan	p8
Annual Budget	p8
Budgetary Considerations	p8
Budget Monitoring	p9
Cash Management	p9
Investments	p10
Income Generation	p10
Whistle-blowing	p10
Risk Management	p10
Insurance	p11
Payroll	p11
Staff Appointments	p11
Payroll Administration	p12
Payments	p13
Purchasing	p14
Routine Purchasing	p14
Orders and contracts over £1000 but less than £6000	p18
Orders and contracts over £6000 but less than £25000	p18
Orders and contracts over £25000	p19
Trading with connected parties	p20
Assets, Borrowing, leases and Tenancy Agreements	p20
Forms of Tenders – Open Tender	p21
Restricted Tender	p21
Negotiated Tender	p21
Preparation for Tender	p22
Invitation to Tender	p22
Aspects to Consider	p23
Other Considerations	p23
Tender Acceptance Procedures	p24
Tender Opening Procedures	p24
Tendering Evaluation Procedures	p24
ParentPay	p25
School Visits/Trips	p25



OLDFIELD SCHOOL

Novel and Contentious Procedures	p26
Special Payments	p27
Irregular or Improper Transactions	p28
Income	p28
Sports and Facilities Lettings	p29
Custody	p30
Income from Sale of Stock	p30
Cash Management	p30
Bank Accounts	p30
Deposits	p31
Bank Account and Authorised Signatories	p31
Administration	p32
Petty Cash Accounts	p32
Deposits	p32
Payments and Withdrawals	p33
Administration	p33
Physical Security	p33
Cash Flow Forecasts	p33
Investments	p34
Donations	p34
Fixed Assets	p34
Security of Assets	p36
Disposals	p36
Loan of Assets	p37
General Administration	p38
Financial Notice to Improve	p38
Student Bus Tickets	p39
Stationery	p39
Cheque Controls	p39
Business Credit Card Usage	p39
Sundry Debt Recovery Procedure	p40
Writing Off Debts	p40
Accounting Records	p41
Construction (Design and Management) Regulations 2015	p41
DfE School Census	p42
Travelling and Subsistence Rates and Rules	p42
Car parking	p43
Audit Requirements – Statutory Audit	p43
Removal of Auditors	p44



OLDFIELD SCHOOL

Appointing Auditors	p44
Ongoing Monitoring of Audit Performance	p45
Reappointment of Auditors	p45
Change of Auditors	p46
Resignation of Auditors	p46
Removal of Auditors	p47
Conflict of Interest – Governors who are accountants	p47
Policy Monitoring & Review	p48