

# FINANCIAL REGULATIONS POLICY

Reference this policy is aligned to with LCC	n/a
Committee	<b>Operations</b>
Adopted by the Governing Body	<b>Autumn Term (annually)</b>
Next Review Due	<b>Autumn Term</b>
Agreed with Teacher Trade Unions and Professional Associations	n/a

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## The meaning of 'Trustee', 'Director' and 'Governor'

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In this handbook there are frequent references to trustees. This is the same body of people as both the directors of the company and the 'governors' of a single academy trust; these words are used interchangeably.

They are the people responsible under the academy trust's articles of association for controlling its management and administration. They have responsibility for directing its affairs, and for ensuring that it is solvent, well-run, and delivering the trust's charitable outcomes for the benefit of the public.

Single academy trusts have members and trustees. Multi-academy trusts have different governance arrangements because they are established to oversee and manage more than one academy. They typically have members, trustees, and local governing bodies. Individuals who sit on a local governing body at a constituent academy in a multi-academy trust may not necessarily be trustees of that overall trust, but can have duties delegated to them by the trustees.

### The meaning of 'member'

As charitable companies limited by guarantee every trust has members who have a similar role to the shareholders of a company limited by shares. They:

- are the subscribers to the trust's memorandum of association (where they are founding members) any founding members
- may amend the articles of association (the articles include a definition of the trust's charitable objects and governance structure) subject to any restrictions in the articles or in the trust's funding agreement or charity law
- have powers to appoint and remove trustees in certain circumstances
- appoint the trust's auditors and receive the trust's audited annual accounts (subject to the Companies Act).

The ESFAs minimum requirement before entering into a funding agreement is that academy trusts have between three and five members, although the ESFAs recommendation is for trusts to have at least five members wherever possible, as this:

- provides for a more diverse range of perspectives to enable robust decision making and reduces the risks of concentrating power
- ensures members can take decisions via special resolution without requiring unanimity.

Employees of the trust must not be appointed as members unless permitted by their articles of association. The current model articles do not allow members to be employees.

The ESFAs view is that the most robust governance structures will have a significant degree of separation between the individuals who are members and those who are trustees. If members also sit on the board of trustees this may reduce the objectivity with which the members can exercise their powers. The ESFAs recommendation is for a majority of members to be independent of the board of trustees.

As responsibility to conduct the business of the trust in accordance with company and charity law sits with the trustees, members should be 'eyes on and hands off' and avoid compromising the board's discretion in exercising its responsibilities. However if the governance of the trust by the board of trustees becomes dysfunctional the members will have a strong interest in ensuring the board has sufficient plans to address the issues.

### Board of Governors/Trustees/Directors

The trustees of the academy trust are also its company directors. This policy refers to them as trustees, in recognition of the charitable status of trusts.

The board of trustees manages the business of the academy trust and should focus strongly on the three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing the financial performance of the organisation and making sure its money is well spent.

The trustees must ensure compliance with the trust's charitable objects and with company and charity law, and adherence to the trust's funding agreement with the Secretary of State.

Whilst the model articles give the members the decision on whether to appoint the trust's senior executive leader as a trustee, the Department's strong preference is for no other employees to serve as trustees in order to retain clear lines of accountability through the senior leader.

The board may delegate functions to committees. Each committee of the board (other than those in a multi-academy trust constituted under the articles as a local governing body) must contain a majority of trustees, but it may also include other people the board chooses to appoint.

Individuals must ensure that they fully understand their duties as company directors and charity trustees. The duties of company directors are described in sections 170 to 181 of the Companies Act 2006.

The role and duties of charity trustees are described by the Charity Commission in their guidance CC3: the essential trustee: what you need to know, what you need to do.

Academy trusts must not have de facto trustees (as defined in appendix 1 of the Charities SORP 2015) or shadow directors (as defined in section 251(1) of the Companies Act 2006).

In order to fulfil better the obligations placed upon it, the Board of Governors is divided into a number of governor committees. The full Board of Governors meets at least once each term, the Operations committee meetings are planned to coincide with the key points throughout the financial year. All meetings are minuted.

The terms of reference of the full board and each committee are set out in a separate document.

A register of the business interests of each Governor and member of staff with significant financial responsibilities is maintained by the PA to the Principal/HR Officer and is available for inspection throughout the year by parents, Governors and staff. It is the responsibility of each Governor and member of staff with significant financial responsibilities to notify the PA to the Principal/HR Officer of any business interests they have which require inclusion in the register. The disclosures should also include the business interests of relatives such as parents or spouse or business partner where influence could be exerted over a governor or member of staff by that person. Any Governor or member of staff who has an interest in a business tendering for a contract will not form part of the sub-committee awarding the contract. No Governor or member of staff involved in awarding a contract will accept gifts or hospitality from current or potential suppliers. The agenda of all Governors' meetings includes a standing item for declaration of business interests.

The school does not obtain goods and services for the private use of Governors or staff.

### **Financial organisation**

The governing body have appointed a responsible officer to provide an independent oversight of the academy's financial affairs. The Principal/Finance Director is responsible to the Board of Governors for ensuring that financial requirements are implemented.

The day to day financial administration of the school is the responsibility of the Finance Director and the School Business Manager.

## Seven principals of public life

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The governing body & chief accounting officer try at all times to work in line with the seven principles of public life, they are:

- **Selflessness** - Holders of public office should act solely in terms of the public interest.
- **Integrity** - 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** - 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 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 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 should be truthful.
- **Leadership** - 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.

For further information on the 7 principles and the work of the Governing Body on Standards in Public Life, visit the Committee's terms of reference which outline each committees responsibilities.

## Organisational structure of financial responsibility

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- Welland Park Academy has a simple and unified management structure to ensure efficiency. The structure consists of different levels: The Governors, the Senior Leadership Team and the Middle Leadership Team. The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.
- The Governors fulfil a largely strategic role. They adopt a School Improvement Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of Welland Park Academy its capital expenditure and senior staff appointments.
- The SLT consists of the Principal, one Vice Principal and four Assistant Principals (three teaching and one non-teaching – Director of Finance and Operations). These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the senior managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the Governing Body is responsible (having regard to the Principal's advice).
- The middle leadership consists of the Heads of Departments and Support Staff Managers. As a group the middle managers have financial responsibility for their set budgets. The Principal is the Accounting Officer.

### Financial Responsibilities

#### The Principal's (Accounting Officer) Responsibilities

- To advise the Governing Body on the discharge of its responsibilities.
- To ensure the efficient, economical and effective management of the Governing Body's resources and expenditure, including funds, capital assets and equipment and staff.
- To ensure the maintenance of sound financial controls.
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.
- To be responsible for signing, with the Chair of the Governing Body, the approved budget and annual accounts ensuring they are properly presented and causing records to be maintained relating to the accounts.
- To ensure that all financial reports to the ESFA/DfE, Governors, SLT and all other budget holders are accurate and on time.
- To review from time to time with the Director of Finance & Operations the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the school (see Financial Procedures Manual)
- To receive regular reports on the School's income and expenditure, showing a comparison of these against annual budget.
- To approve new staff appointments except for the Principal & Vice Principal posts which will be approved by the Governing Body.
- To share and discuss annual letters from the ESFA that are addressed 'Dear accounting officer' to improve whole school efficiencies.

### **Director of Finance and Operations (Chief Finance Officer)**

- To provide such assistance to the Governing Body as necessary for the satisfactory completion of their financial responsibilities, including access to all financial documents and accounting systems.
- To ensure with finance staff that all aspects of academy financial management requirements are implemented, especially in the critical area of periodic reporting of the School's financial position to the ESFA/DfE, Companies House, Charities Commission & Edubase.
- To sign off month end reports including bank reconciliations.
- To provide regular reports of the school's financial position for the Operations Committee and report variations in the budget
- To ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements.
- To arrange for all financial activities at Welland Park Academy to be fair and honest.
- To agree with the Principal funds to be delegated to Budget Holders taking into account their forecasted requirements.
- To be responsible for all matters not covered by other Budget Holders.
- To utilise financial efficiency initiatives from the ESFA and share with the governing body annually the output.

### **Responsible Officer**

The main duties of the **responsible officer** are to provide the Governing Body with independent assurance that:

- the financial responsibilities of the Governing Body are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake a 'periodic' programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Finance & Resources Committee. Detailed guidance on the transactions to be checked by the internal auditors is given in Appendix A.

\*\*Should the governing body decide to dispense with the internal audit function then a review of the current responsible officer should take place to ensure that the responsible officer has the relevant experience to undertake the financial checking elements of the role.

### **Internal Audit**

The main duties of the **Internal Audit** are:

- The Governing Body has appointed internal auditors from the Local Authority to provide them with an independent oversight of the academy's financial affairs.
  - The internal auditors will undertake a programme of internal audit to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Governing Body. A report of the findings from each visit will be presented to the Finance Committee.
- Duties of the auditors is set out in appendix B.

### **Budget Holder's Responsibilities**

- To exercise responsibility for routine control and monitoring of their budget expenditure.

### **Business integrity**

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- All Governors and staff with significant spending powers must declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in the school. This Register should be regularly drawn to Governors' attention at least once a year and amended as needed. It is held by the Principal's PA and is open to public inspection.

## Authorisations limits

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### Revenue Expenditure Limits

Principal/Director of Finance & Operations	Up to £20,000
Other budget holders	Budget allocation
Operations Committee	Between £20,001 & £50,000
Full Governing Body	Over £50,000

### Capital Expenditure Limits

Principal	Up to £25,000
Operations Committee	Between £25,001 & £50,000
Full Governing Body	Over £50,000

### Tenders

Principal/Director of Finance & Operations	Up to £20,000 – Revenue & £25,000 – Capital
Operations Committee	Over £20,000 – Revenue & £25,000 – Capital
Full Governing Body	Over £50,000

### Virement Limits

No virement allowed	Ringed fencing funding
No virement required	Within a cost centre
Principal/Director of Finance & Operations	Up to £20,000 – Revenue & £25,000 Capital between budget headings
Operations Committee	£20,001 - £50,000 between budget headings
Full Governing Body	Over £50,001 between budget headings

### Writing off bad debts

All require approval of Operations Committee

### Internal Controls

HoD, Line Manager, Principal, Director of Finance & Operations (DFO)	Expense forms & absence requests
Budget holder	Order requisitions & invoice approval
1 of Principal, DFO, VP1, AP2, Chair Govs	Cheque signature (up to £10,000)
1 of above + Chair of Governors	Cheque signature (over £10,000)
Principal, VP1, DFO	BACS authorisation (up to £10,000)

### Mileage Allowance

HM Revenue & Customs approved rate

### Safe Cash Held Limits

£5,000 cash as per the schools insurance policy

### **Note: Financial records should be retained for current year plus six years**

These limits are extracted from the financial regulations that were approved by the Governing Body.

## Terms of Reference – Operations 2018-19

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Membership	<b>A core group of up to 10 – Chairman, Vice Chairman, 1 Parent Governor, 3 Community Governors, 1 Co-opted Governor, 1 Staff Governor, Principal &amp; Finance Director.</b>	
Chair and Vice Chair	To be members of the governing body. To be appointed by the members at the first meeting following the appointment of members for the academic year. In the absence of the chair or vice-chair, the quorate membership will appoint a chair for that meeting.	
Clerk	Clerk to the Governors. In his/her absence, one of the members present.	
Quorum	Four members. Including Three of the governing body members and the Principal or t representative.	
Meetings	<u>Frequency</u>	Minimum of one per term, prior to the regular governing bod meetings.
	<u>Notice</u>	One week, in writing, with agenda.
	<u>Minutes</u>	To be circulated within one week of meeting.

### Overall purpose

To guide and assist the Principal and Governing Body in all matters concerning budgeting, finance, personnel and premises, including grounds, security and Health & Safety.

### Finance Matters

- To provide guidance and assistance to the Principal and Governing Body in all matters relating to administration and finance (particular reference should be made to the Academies Financial Handbook)
- To contribute to and monitor the School Improvement and Development Plan in particular its financial implications.
- To promote and monitor the school aims and operate value for money when considering major expenditure.
- To consult with other committees where necessary.
- To recommend the annual budget to the governing body, taking account of the School Improvement and Development Plan.
- To monitor and review income and expenditure on a regular basis and ensure compliance with the overall plan for the academy, and with the financial regulations of the DfE/ESFA, making recommendations where necessary.
- To monitor and review medium to long term financial forecasts
- To monitor and review relevant policies, making recommendations to the governing body as required.
- To ensure the annual financial statements are produced in accordance with the DfE/ESFA/Companies Act requirements.
- To award contracts by tender up to the level of authority delegated by the governing body
- To recommend to the governing body the appointment of external auditors and to review the external audit reports, making recommendations where necessary.

### Internal control and risk management

- To review the Academy's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- To review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;

- To monitor the integrity of the Academy's internal financial control
- To review the statement in the annual report and accounts on the Academy's internal controls and risk management framework;
- To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.

#### **Responsible Officer**

- To review the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must be reported to the Full Governing Body.

#### **External audit**

- To recommend to the Full Governing Body the appointment or re-appointment of Auditors having consulted the Operations Committee about the appointment, in particular about the level of audit fee.
- Consideration of the audit plan, in advance of the field work;
- To review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- To review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Academy's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

#### **Premises Matters**

- To provide support and guidance for the Principal on all matters relating to premises & grounds, security and health and safety;
- To advise the Governing Body on an annual basis of the priorities and the financial implications for Site development and maintenance;
- To consider recommendations for the long term need for space in relation to student numbers.
- To oversee the preparation and implementation of relevant contracts.
- To promote best environmental practise in areas such as energy management, paper usage, waste disposal and recycling;
- To ensure that the Governors' responsibilities are discharged regarding litter under the Environmental Protection Act 1990.
- To monitor and review all policies relevant to premises, making recommendations to the Governing Body as required.

#### **Health & Safety**

- To select one member of the Governing body on an annual basis to sit on the H & S committee.
- To monitor Health and Safety issues on all school activities, whether on or off site.
- To ensure that regular inspections take place by the H & S Committee and to report the outcome to the Principal and Governing Body.
- To monitor and review the Health and Safety Policy, making recommendations to the Governing Body as required.
- To ensure that staff follow Health and Safety procedures and prepare Risk Assessments for all school activities, whether on or off site.
- To receive and respond to information or regulations concerning Health & Safety.

#### **Personnel**

- To provide guidance and assistance to the Principal and the Governing Body in all matters relating to personnel, including Safe Recruitment procedures;
- To draft and keep under review the Pay Policy and Performance Management Policy for approval by the Governing Body and to undertake formal consultations on personnel matters;

- To draft and recommend for adoption by the Governing Body the procedures for dealing with discipline and grievance and ensure that the staff are informed of them;
- To draft and review, in consultation with staff, criteria for redundancy for approval by the Governing Body;
- Establish the annual and longer term salary budgets and other costs relating to personnel, e.g. training;
- To review the staffing structure whenever a vacancy occurs and at least annually in relation to the College's Improvement Plan;
- To update and advise the Governing Body on Staff CPD needs and requirements;
- To ensure that Performance Management Policy procedures are adhered to, including ensuring appropriate Governor Training relating to Performance Management
- To review salaries/targets of the Principal / Leadership Group according to Pay and Conditions of Service;
- To act as the Staff appointments committee and to be part of SLT Appointment Panel through Governor representation;
- To act as a staff disciplinary and appeals committee within the context of LEA policies as adopted by the Governing Body;
- Make recommendations to the Governing Body regarding policies.

#### **Budgetary planning & control**

- The academy trust prepares rolling 3 to 5 year budgets.

## The budget cycle

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- The budget cycle is as follows:
- Autumn term (Sept – Dec)
  - Implementation of current budget plan
  - Monitoring expenditure (continuous-monthly)
  - Reconciliation and closure of previous financial year
- Spring term (Jan – Mar)
  - Monitoring and Reviewing of year's budget
  - Revised Budget where appropriate
  - Pre-planning new financial year
- Summer term (Apr – Aug)
  - Planning for forthcoming year
  - Preparation and submission of financial budget plan
  - Review of current year's budget
- The budgetary organisational structure is as follows:
- Governing Body – Authorisation of budget
- Operations Committee – Propose budget to FGB
- Principal & Director of Finance and Operations – Prepare provisional budget
- SLT & budget holders – Input
- School staff – Input
- All requirements of the ESFA, in particular relating to carry forward of unspent funds, are taken into account when preparing and submitting the budget.
- Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of the School's economic health. Success in meeting the budget aims can only be achieved if care has been taken in determination of policies and expenditure is strictly controlled throughout the budget life span. A continuous review of the aims and priorities of the strategy should follow from monitoring and analysis of performance. Responsibility for control of budgetary affairs ranges from the Chair of Governors through the Principal, the Director of Finance and Operations and Budget Holders to colleagues directly concerned in the classroom or in supporting roles.

## Budget planning

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- The size of the school and the wish to retain wide representation suggests the separation of the budget into distinct and manageable categories.
- The Principal together with the Director of Finance and Operations create the budget. This budget will, after endorsement by the Operations Committee of the Governing Body go forward as the suggested budget for authorisation by the full Governing Body when it then becomes the Final Budget.
- The Budget Holders will control expenditure in their category of the Final Budget. These operating budgets are prepared within the context of the school improvement plan.
- A clear statement of the assumptions supporting the budget must be maintained by the Director of Finance and Operations.
- This budget is based on department/cost centre expenditure plans rather than by nominal/ledger code income & expenditure reports.

- The annual budget reflects the best estimate of the resources available to the academy for the forthcoming year and details how those resources are to be utilised. There is a clear link between the development plan objectives and the budgeted utilisation of resources.
- The budgetary planning process incorporates the following elements:
  - Forecasts of the likely number of pupils to estimate the amount of General Annual Grant
  - Latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
  - Review of other income sources available to the academy to assess likely level of receipts
  - Review of past performance against budgets to promote an understanding of the academy cost
  - Identification of potential efficiency savings
  - Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
  - All carry forward balances
  - Any unspent grants from the previous financial year
  - Any funds held in Trust

### **Budget control & monitoring**

- Budget Holders retain responsibility to the Principal for routine control and monitoring of their budget expenditure. Variations to predicted expenditure are investigated by the Director of Finance and Operations and if significant, the Principal is informed.

### **Review of budget**

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- This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Director of Finance and Operations and Principal. Any further action taken must be clearly documented.
- Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
- If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Operations Committee as part of the termly reporting procedure.
- The approved budget is then entered onto the finance system at the start of the new financial year.
- As part of the funding agreement with ESFA academy trust's must submit their Budget Forecast Returns: <https://www.gov.uk/government/publications/academies-budget-forecast-form>
- The approved budget must be submitted to ESFA by 31 July each year by the Director of Finance and Operations/ School Business Manager. The School Business Manager in conjunction with the Director of Finance and Operations is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

### **Revised budget**

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- Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Director of Finance and Operations and School Business Manager. Where significant variations to the agreed budget are identified or where a number of substantial variations have been approved by the Director of Finance and Operations and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Governors. This Revised Budget should then form the basis of analysis of all income and expenditure until either the financial year end, the time of the next review or the time when a further revised budget is required.

## Budget conclusion

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- A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore Budget Holders responsible for expenditure with definable manageable areas help the Director of Finance and Operations produce a consolidated budget. The budget requires consideration by the Operations Committee and the Principal before going to the Governing Body and a suggested time scale for Budget progression is included in the Financial Calendar. The Operations Committee has delegated authority from the Governing Body to exercise control and advice over financial affairs.

## Financial reporting calendar

### Key

	<b>Census related</b>
	<b>Audit related</b>
	<b>Finance related</b>

Date	Description	Explanation
1st Sept	Beginning of new financial year	
30th Sept	SLT	School Improvement Plan to be updated
30th Sept	Teachers' pension audit	To be fully audited no later than this date
September	Quarterly Vat Return	Submit to HMRC
October	Responsible officer visit	
October	Year end audit period	
October	Pupil census	
Oct/Nov	School workforce census	
November	Management Accounts to Operations Committee	Operations Committee monitoring of Accounts (End of Year and Indicative)
Mid Nov /Early Dec	Operations Committee. Review of audited accounts	Audited accounts to be approved by Operations Committee
December	FGB	Approval of audited accounts
31st Dec	Financial statements	Balance sheet and I&E summary to be submitted to ESFA
31st Dec	Audited accounts	Hard copy of audited accounts - governors annual report and signed financial statements - to DfE/ESFA/Companies House (4 months after end of financial year)
January	Management Accounts to Operations Committee	Operations Committee monitoring of Accounts (1 <sup>st</sup> Quarter – Period 3)
Jan / Feb	FGB	Approval of 1st Quarter Management Accounts
January	Pupil census	
31st Jan	AAR (Annual Accounts Return)	To the ESFA & put on the Academy website
February	GAG indicative funding letter	Indicative funding for the following year should be received from ESFA
End of Feb	FMGE	Only required on conversion to an Academy or if any major change required in FMGE judgements
March	Quarterly Vat Return	Submit to HMRC
March	Responsible Officer Visit	
March	Quarterly Mgmt Accounts & Next Year's Budget to Ops Committee	Operations Committee monitoring of Accounts (2 <sup>nd</sup> Quarter – Period 6) and recommendation of next year's budget to FGB
31 <sup>st</sup> Mar	End of WGA period	Whole of Government Accounts
Mar/Apr	FGB	Approval of 2 <sup>nd</sup> Quarter Management Accounts and approval of Next Year's Budget
30th Apr	Teachers pensions	Teachers pensions end of year certificate to be submitted (audited or unaudited)
16th May	LGPS pensions	Year End data for support staff pensions
June	Responsible Officer visit	
June	Management Accounts to Operations Committee	Operations Committee monitoring of Accounts (3 <sup>rd</sup> Quarter – Period 9)
June	Quarterly Vat Return	Submit to HMRC
Jun / Jul	FGB	Approval of 3 <sup>rd</sup> Quarter Management Accounts
31st Jul	GAG	Final budget to ESFA.
30 <sup>th</sup> Jun	WGA	Possible Provision of WGA to ESFA
July	Pupil Census	
End of Aug	Preparation for audit	Meeting to plan forthcoming audit
31st Aug	End of financial year	

## Other government funding

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- In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds. This funding may be from the Department for Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
- The Director of Finance and Operations is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

## Other grants & specific funding

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- In addition to the GAG funding from the ESFA, the academy may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, and Charitable Grants etc. Governors should be advised of any applications for additional external funding with approval sought from the Board of Governors of significant value grant bids. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
- The Director of Finance and Operations is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

### Funds held in trust

- Where funds are held in trust the Director of Finance and Operations is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

## Virements

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- Substantial virements shall be approved and minuted by the Operations Committee and should be within the agreed criteria and financial limits.
- The Director of Finance and Operations is given delegated power to vire from one budget to another and shall seek approval from the Operations Committee and retrospectively where the amount exceeds £5,000.
- All virements exceeding £5,000 up to £20,000 for revenue and £25,000 capital or 2% of the budget shall require prior approval from the Principal and Operations Committee.

## Monitoring & review (including management accounts)

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Monthly reports are prepared by the School Business Manager and approved by the Director of Finance and Operations. The reports include:

- Actual income and expenditure against budget (shown as month to date and cumulatively)
- Balance sheet
- Cash flow forecast
- One page summary highlight and explaining variances of at least 5% or £10,000 (whichever is smaller)
- Any potential overspend against the budget must in the first instance be discussed with the Director of Finance and Operations.
- The monthly reports are reviewed by the Director of Finance

## Review of regularity

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The Principal (in their role as Accounting Officer) has delegated the duty to the Director of Finance and Operations of reviewing the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:

- Reviews monthly management accounts
- Reviews compliance against the scheme of delegation
- Reviews transactions for evidence of connected party transactions
- Value for money practice

**The Accounting Officer has delegated the following responsibilities to the Director of Finance and Operations:**

- Adherence to tendering policies
- Review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
- Review of trustees/governors' minutes
- The Academies Accounts Direction S9.2 explains the requirement and potential tests:  
<https://www.gov.uk/guidance/academies-accounts-direction>

### Annual Accounts

- The academy trust prepares annual audited financial statements for the accounting period to 31 August, which are prepared in house by the Director of Finance and Operations & School Business Manager in conjunction with our auditors.
- The accounts are then submitted as follows:
- By 31 December – to ESFA
- By 31 December – to Companies House (deadline 31<sup>st</sup> May)
- By 31 January – published on our own website

## Value for money statement

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The Governors of Welland Park Academy are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school and will:

- Regularly review functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitor outcomes and compare performance with similar schools and within the school;
- Consult appropriate stakeholders before major decisions are made; and
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.
- We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.
- We will review our Best Value statement annually. The progress of the annual budget plan and the Best Value statement will be monitored with the School Improvement and Development Plan in order to determine the extent of continuous improvement.
- The school has in place a three year School Improvement and Development Plan which identifies the key priorities for action. These are all directly linked to the primary objective of further improving Teaching and Learning, thus maximising Student Achievement.
- Specific details of how the objectives of the improvement plan will be met are described in the Annual School Improvement and Development Plans.
- These plans will ensure that Best Value will be reviewed and demonstrated.
- **Teaching and Learning – Developing 'Independent Learning'** – Interactive Whole Class Teaching, Behaviour For Learning, Assessment for Learning/Learning to Learn, Cross Curricular Skills – ICT, Literacy and Numeracy.

- Curriculum **Enrichment** - Able Students, Curriculum Support Initiative, Citizenship, Extended Schooling and Technology Status.
- **Subject Specific Developments** – Each Department has written an Annual Improvement Plan outlining specific end of Key Stage targets and reflect the Whole School Improvement and Development Plan. In addition to subject specific priorities, all departments have to address the following priorities: Assessment for Learning, Interactive Whole Class Teaching, Able Students, Independent learning and Cross Curricular Skills.
- **Professional Development** – Performance Management/Sharing Good Practice and Self Review.
- **Partnerships/Resources/Accommodation** – Professional working relationships with all stakeholders, Deployment of Human, Physical and Financial Resources and College Environment.
- Value for money is reviewed annually and examples are focussed on how educational outcomes have been improved. The accounts direction s4.2.5 explains the requirement in further detail.  
<https://www.gov.uk/guidance/academies-accounts-direction>

## Statement of internal control

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### Scope of responsibility

- Governors have overall responsibility for ensuring that there is an effective and appropriate system of control in place. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.
- The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Welland Park Academy and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### The purpose of the system of internal control

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- The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Welland Park Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the effect should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place since the school's incorporation as an Academy on 1 August 2011 and up to the date of approval of the latest annual report and financial statements.

### Capacity to handle risk

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- The Governing Body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the school's significant risks that has been in place since incorporation as an Academy Trust on 1 August 2011 and up to the date of approval of the latest annual report and financial statements. This process is regularly reviewed by the Governing Body.

## The risk & control framework

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- The school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:
- Budgeting and monitoring systems with an annual budget
- Periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Operations Committee of reports which indicate financial performance against the Forecasts and of major purchase plans, capital works, and expenditure programmes;
- Setting targets to measure financial and other performance;
- Purchasing guidelines; delegation of authority and segregation of duties;
- Identification and management of risks.

### Statement of internal control

- The Governing Body has appointed RSM Uk Audit LLP as accountants/auditors.
- **The Governing Body has appointed an external auditor to undertake the role of internal auditor. We currently have a LCC auditor – Scott Brownlow Appendix B documents what he looks at, we are looking into this changing to Graeme Hornsby for the coming year. Graeme would undertake the health check audit, the RO would then arrange a visit to check the actions have been completed.**

### Review of effectiveness

- As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question (1 September 2015 to 31<sup>st</sup> August 2016), the review has been informed by:
  - The work of the Responsible Officer;
  - The financial management and governance evaluation process;
  - The work of the senior leadership within the school who have responsibility for the development and maintenance of the internal control framework.
  - The Operations Committee has been advised of the implications of the result of the review of the system of internal control by the Accounting Officer and ensure continuous improvement of the system is in place.

## Pay policy

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- Please refer to the website for the Pay Policy which is monitored in conjunction with the Pay I Committee.
- Any change in Policy requires the approval of the Operations Committee.

## Risk management

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- Please refer to the Risk Management Register.

## Audit arrangements

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- External auditors must be appointed in accordance with the Academies Financial Handbook.
- The Director of Finance and Operations is responsible for managing the audit process in conjunction with the School Business Manager, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

## Work undertaken during accounting period

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The Director of Finance and Operations, School Business Manager and Clerk to the Governors are responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- Reviewing the structure of the trial balance (SBM)
- Maintaining a fixed asset register (SBM)
- Annual depreciation charges (SBM)
- Maintaining income and expenditure records, including filing of invoices (SBM)
- Reviewing aged debtors for any provisions required (SBM)
- Maintaining a record of governors/trustees interests, related and connected party transactions (DFO)
- Control account reconciliations, i.e. bank, wages, debtors, creditors (SBM)
- Maintaining a record of meeting attendance (CG)
- Monitoring & reporting to the Accounting Officer and Board of governors/trustees (DFO)

## Work undertaken for the year end

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The Director of Finance and Operations and School Business Manager are responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- Stock take and including of year end stock value (SBM)
- Prepayments for IT licenses (SBM)
- Prepayments or accruals for grant income (SBM)
- Control account reconciliations, i.e. bank, wages, debtors, creditors (SBM)
- Close down of the purchase ledgers (SBM)
- Close down of the Sales ledgers and aged debtors (SBM)
- Pension valuations (DFO)
- Pension Audit (DFO)
- Post-accruals final trial balance for use in audit process (SBM)

## Accounts return

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- The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.
- The accounts return is prepared in house by the Director of Finance and Operations in conjunction with the School Business Manager and our auditors.
- Help and guidance for the Accounts Return can be found at the following address:  
<https://www.gov.uk/government/publications/academies-august-accounts-return-template-and-guide>

## Document retention

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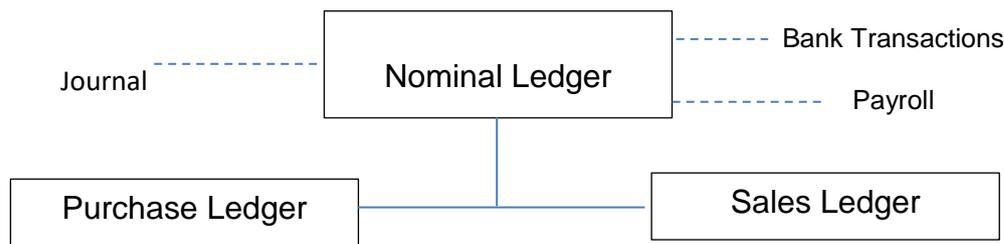
Please see separate Retention Schedule

## Accounting system

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All the financial transactions of the academy trust must be recorded into the Capita FMS computerised financial information accounting system. A manual is available which shows how to complete these transactions. This system

is operated by the Finance Department and consists of:



### System Access

- Access to the system is password restricted to Director of Finance and Operations, School Business Manager & 2 x Finance Officers.
- When passwords are changed the new password should be placed in a sealed envelope and passed to the Director of Finance and Operations to keep in the safe. The Director of Finance and Operations is responsible for implementing a system which ensures that passwords are changed regularly.

### Back-up Procedures

- The IT Manager is responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a suitable medium or server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least a daily basis.
- A hard copy of the nominal ledger and audit trail are printed each month and stored separately from the accounting system in a locked cupboard.
- The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. A file called "General Information" is held within the Business Continuity folder.

### Transaction processing

- All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
- All journal entries are documented on the journal form, recorded electronically in the FMS journal section. By separate agreement with our accountants journals are authorised after being input to the accounting system. After input, journals are printed, authorised and filed in the journal folder.
- Bank transactions are input by the School Business Manager and reviewed by the Director of Finance and Operations as part of the bank reconciliation.

### Transaction reports

The School Business Manager reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- The monthly audit trail reports (known as BA2)
- Master file amendment reports for the payroll, purchase ledger and sales ledger;
- Management accounts summarising expenditure and income against budget at budget holder level.
- The above reports are reviewed monthly with the Director of Finance and Operations, along with control account reconciliations.

## Reconciliations

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

- Sales ledger control account
- Purchase ledger control account
- Payroll control account
- VAT control account
- All suspense accounts
- Bank balance per the nominal ledger to the bank statement

The Director of Finance and Operations signs all reconciliations as evidence of review.

Any unusual or long outstanding reconciling items are brought to the attention of the Director of Finance and Operations and dealt with according to the bad debt limits in this manual.

## Cash management – bank accounts

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The following procedures must be followed when opening a bank account and operating it:

- The trust is responsible for selecting the banking institution and negotiating the terms and conditions
- The governing body must authorise the opening of all bank accounts
- The academy will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted via governors
- The trust must inform the bank, in writing, that their accounts must not become overdrawn
- The trust must ensure there are sufficient funds to cover large payments

## Deposits

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A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:

- The amount of the deposit
- A reference (for example the number of the receipt or the name of the debtor)

The Finance Officer is responsible for updating the accounting system (within 2 working days) for deposits placed.

## Payments & withdrawals

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All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of one of the following authorised signatories:

- Principal
- Director of Finance & Operations
- Vice Principal 1
- Assistant Principal 1
- Chairman of Governors for any payment over £10k to a single supplier (approval confirmed in writing)

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

The Finance Officer is responsible for updating the accounting system (within 2 working days) for deposits placed.

## **Administration**

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

- All bank accounts are reconciled to the academy's cash book
- Reconciliations are prepared by the Finance Department
- Reconciliations are subject to an independent monthly review carried out by the Director of Finance and Operations.
- Adjustments arising are dealt with promptly

## **Petty cash**

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- The academy does not currently operate a petty cash system.

## **E-procurement & payments**

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- The school debit card (Lloyds Bank) is used only when it is not practical to use the purchase order/cheque system. It is used mostly for internet purchases such as educational goods and services, rail tickets for travel, etc.
- The card is kept in the safe and is only used by:
  - Principal
  - Director of Finance and Operations
- Any department wishing to make a purchase by debit card must complete an order form and pass this to the Finance Officer to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
- Occasionally the debit card is used to purchase small items, for which it is not possible to order elsewhere. This must be recorded and countersigned by the Director of Finance and Operations.
- When the debit card is used, a copy of the purchase documentation is filed in the Support Documents file. A VAT invoice is requested for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is entered when the purchase appears on the bank statement.

## **BACS payments**

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On receipt of an invoice, the budget holder signs the invoice, to signify:

- An official purchase order has been raised for the purchase
- The delivery note has been checked
- The delivery is of correct quantity, quality and price
- It has not been previously paid
- Funds are available in the relevant budget
- VAT chargeability on qualifying expenditure is shown
- The payment is then prepared by the Finance Officer and the BACS payment is passed to one of the cheque signatories who checks and ensures that the bank account number and sort codes have been correctly entered. Payment is then approved.
- Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.

- The Admin Team ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Admin Team should request that the individual states his/her self-employment reference number on any invoice issued to the school.

## Investments

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- The purpose of the investment policy is to consider the management of the school's funds bearing in mind the responsibilities that come with the receipt of central government funding.
- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and supplier payments) and that the current account has adequate balances to meet forthcoming commitments.
- To identify funds surplus to immediate cash requirements and transfer the funds to the Welland Park Community College Academy Trust deposit account bearing a higher interest rate. To this end an automatic transfer facility will be implemented.
- To review periodically and at least annually interest rates and compare with other investment opportunities.
- To review periodically and at least annually the Academy's current policy to only invest funds in risk free and immediately accessible deposit accounts.
- Any change in policy requires the approval of the Operations Committee.
- Further ESFA policy details can be accessed via the ESFA Library: <http://www.nasbm.co.uk/ESFALibrary.aspx>

## Capital & revenue reserves

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- The purpose of the reserves policy is to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the school, such as delays between spending and receipt of grants or unexpected emergencies.
- The Academy will identify and maintain an appropriate level of free reserves.
- Any overall surpluses or deficits (reserves) at the end of the financial year are carried over to the following year.
- A regular review will be conducted of the nature of income and expenditure streams and the need to match income with commitments.
- The Academy will consider the set aside of funds for significant projects which cannot be met by future income alone.
- If the academy trust is anticipating a deficit at the end of any financial year, the governing body and Principal have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The governing body must ensure that a recovery plan is submitted and approved by the ESFA.
- Any change in policy requires the approval of the operations Committee.
- Further ESFA policy details can be accessed via the ESFA Library: <http://www.nasbm.co.uk/ESFALibrary.aspx>

## Endowments

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- Welland Park Academy has no endowment funds.

## Payroll

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### Staff Appointments

- The governing body has approved a staffing structure for the academy trust. Changes can only be made to this structure with the express approval in the first instance of the Operations Committee who must ensure that adequate budgetary provision exists for any changes to the structure.

- The Principal has authority to appoint staff within the authorised establishment except for Principal and the Vice Principal whose appointments must follow consultation with the Governors/Trustees. The Director of Finance and Operations maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Director of Finance and Operations immediately.
- The HR Officer is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

## Payroll administration

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- Payroll is administered through the academy trust's payroll provider (Leics County Council).
- All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
  - Salary
  - Bank account details
  - Taxation status
  - Personal details
  - Any deductions or allowances payable
  - Other legal and relevant details
- New master files can only be created by the HR Officer with the express approval of the Principal and Director of Finance and Operations. Any master file amendments made by the HR Officer must be printed out each month prior to the payroll run and must be authorised by the Director of Finance and Operations. Any master file amendments made by the Director of Finance and Operations must be authorised by the Principal.
- Termly sickness & absence forms are compiled by the HR Officer and given to each employee for verification. The employee should sign, date and return the form if they are in agreement. If not, the employee should make the HR Officer aware of any variances. Once returned, any changes to the data are recorded electronically on the employee's personnel record and the forms are filed securely.
- Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder, prepared by the Finance Team and submitted for payment.
- At the beginning of each financial year LCC the payroll provider prepares and distributes a timetable for payroll processing specifying key dates for the month in question. This is particularly relevant to the monthly submission of pay claims (timesheets).

## Payments

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- Before payments are made electronic files of all data is obtained, including an exceptions report from the payroll provider and this is checked against source documentation by the School Business Manager. Any exceptions identified are dealt with, the Director of Finance and Operations is advised of any major exception
- All salary payments are made by BACS.
- The School Business Manager prepares a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by the Director of Finance and Operations.
- An exception report is received from the payroll provider which identifies any manual payments required. Once the payroll accounts have been reconciled the manual payments are made directly by WPA by cheque. All costings for manual payments are made by the payroll provider as part of the monthly payroll process.
- The School Business Manager selects at least three employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the Director of Finance and Operations.
- After the payroll has been processed the nominal ledger is posted via journal. Postings will be made both to the payroll control account and to individual cost centres. The Director of Finance and Operations 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.

- Annually, the Director of Finance and Operations checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Principal's office.

## Salary advances

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- The trust does not award salary advances, except in exceptional circumstances (payroll error or exceptional staff need) where authorisation by the Principal is required.

## Overtime

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- Overtime is recorded by the individual and submitted by timesheet to the Line Manager for authorisation. The Finance Officer completes the claim forms and copies of the timesheets in the main office. The claim forms are authorised by the Director of Finance and Operations before being despatched to the payroll provider for payment. It is the responsibility of WPA to ensure that the claim forms arrive before the deadline stipulated by the payroll provider.
- Claim forms must not be submitted prior to work having been undertaken.
- No payments for work undertaken will be made other than via the payroll system.

## Severance payments

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- Severance payments are made in line with the Academies Financial Handbook, further information of which is provided at:  
<https://www.gov.uk/guidance/academies-severance-payments>
- The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
- Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
- The Accounting Officer must sign off and review each business case.

## Ex-gratia payments

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- Ex-gratia payments are made in line with the Academies Financial Handbook. Any ex-gratia payments must be submitted to ESFA for prior approval.

## Income

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- The Academies Accounts direction (<https://www.gov.uk/guidance/academies-accounts-direction>) explains revenue recognition in respect of ESFA and other grants.

## ESFA grants

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- The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Director of Finance and Operations and School Business Manager who are responsible for ensuring that all grants due to the academy are collected.

## Other grants

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- The receipt of these sums are monitored directly by the Director of Finance and Operations and the School Business Manager who are responsible for ensuring that all grants due to the academy are collected.

## Trips

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- A lead member of staff is appointed for each trip to take responsibility for the collection of sums due. The Finance Officer assists by monitoring the collection of monies due on behalf of the trip leader. The trip leader liaises regularly with the Finance Officer, who prepares a record for each student intending to go on the trip showing the amounts paid and due.
- Parents are encouraged wherever possible to make payments via the online electronic system. For those who choose not to pay by this method, cheque or cash payments to the Finance Department are accepted. A receipt is issued 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 Department uses the online electronic system to maintain an up to date record for each student showing the amount paid and the amount outstanding. This record is sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.
- Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Principal in advance of the booking being made.

## Catering

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### **If cash payments**

- Cash payments must be reconciled on a regular basis by the Finance Officer to the catering records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the banking sheet. The cash is kept in the safe prior to banking. The Finance Officer must reconcile the banking sheet to actual receipts banked.

### **If electronic cash collection**

- The weekly bank credits are reconciled to the Parent Pay / Impact reports in the first instance. The amounts are then processed in the FMS system. Checks are undertaken by the School Business Manager during the bank reconciliation process.

## Lettings

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- The Site Manager is responsible for maintaining records of bookings of sports & leisure facilities and for identifying the sums due from each organisation. Amounts due are invoiced at least monthly. Credit terms are agreed in advance by the Site Manager, with the standard being 14 days.
- Details of organisations using the sports & leisure facilities are held by the Site Manager. The Finance Department then establish a sales ledger account and produce a sales invoice from the FMS accounts receivable system.
- Copies of the organisations up to date relevant Public Liability, indemnity, insurance, DBS checks and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept by the Site Manager with the Letting Agreements and are reviewed at least annually.

## Sundry income

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- Income from other sources (for example educational consultancy) is priced in consultation with the Principal. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy. The Director of Finance and Operations approves all credit and lease agreements.

## Gift aid

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- To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to, the Director of Finance and Operations in partnership with the School Business Manager will:
- Reconcile income against records to confirm expected amounts have been received by the donor.
- Ensure the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.
- Further information is available at: <https://www.gov.uk/claim-gift-aid/overview>

## Bad debts

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- The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, are contacted by telephone or letter. There are a series of letters which are sent to chase unpaid debts, the 3<sup>rd</sup> of which being a final demand.
- If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the School Business Manager submits a report to the Director of Finance and Operations for approval of further action. At this point it is likely that WPA will contact the Local Authority debt collection agency or its own legal representatives to take advice and to have the debt managed. If the debt is still not paid there is an option to commence legal proceedings, dependent upon circumstances such as debt value. If WPA is advised to write off the debt, Operations Committee approval must be gained.
- Write offs are in line with delegated authorities set out in the Academies Financial Handbook.

## Purchasing

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The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

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

## Routine purchasing

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- Budget holders are informed of the budget available to them in an academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget is supplied to each budget holder each month. Budget holders are able to monitor data relating to their own budget areas on a monthly basis via their reports.

- Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier is chosen from the list of approved suppliers maintained by the Finance Department. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the School Business Manager/Director of Finance and Operations. Copies of all quotes must be attached to the order form.

## E-procurement

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- Any department wishing to make a purchase by debit card must complete an official order form in the usual manner and pass this to the Finance Officer to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
- Occasionally the debit card is used to purchase small items, where it is not possible to order this elsewhere. This must be recorded and countersigned by the Director of Finance and Operations.

## Orders

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- All orders must be made, or confirmed, in writing using an official order request form, stocks of which are held by the Finance Department. Order request forms must bear the signature of the budget holder and must be forwarded to the Finance Department where the Finance Officer will check to ensure adequate budgetary provision exists before placing the order.
- Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Finance Department
- The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder 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. Finance Department must be informed of all discussions.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified. In most cases the budget holder will inform the Finance Department of the issue and the Finance Department will arrange for the return of the goods.
- All invoices should be sent to the Finance Department. Invoice receipt will be recorded by the Finance Department into the Financial Information System purchase ledger module. The Finance Department will stamp invoices with a grid against which the following can be evidenced by the budget holder authorising payment:
  - Invoice arithmetically correct
  - Invoice posted to purchase ledger
  - Goods/ services received
  - Goods/services as ordered
  - Prices correct
  - Invoice authorised for payment
  - Payment authorised
  - VAT treated correctly
  - Payment made
- On receipt of goods delivery is made to the budget holder, who makes a detailed check against the order and the GRN. Budget holders must undertake these checks without undue delay and highlight any issues within 7 days of invoice receipt.
- If a budget holder has a query with their order they must inform the Finance Department, who will in turn inform the supplier. The Finance Department will keep the budget holder informed of all developments.
- At the end of each month the Finance Department will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the School Business Manager.

- For cheque payments the Finance Department will input details of payments to be made to the FMS Accounts Payable and generate the cheques required. The cheques and associated paperwork must be authorised by one of the nominated cheque signatories.
- BACS payments are input by the Finance Team and authorised on-line by one signatory in accordance with the banking policy and procedures (see E-procurement and Payments above).

## Orders over £1000 but less than £10,000

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- At least three written quotations should be obtained for all orders over £10k to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

## Orders over £10,000

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- All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures.

## Official journal of the European union

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- OJEU (<http://www.ojeu.eu/>) updates the procurement thresholds per annum and the most up to date ones can be found on their website: <http://www.ojeu.eu/thresholds.aspx>

## Trading with related and connected parties

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The Governors/Trustees of Welland Park Academy abide by the following measures provided in the Academies Financial Handbook/Academies Accounts Direction in relation to trading with connected parties.

Declarations of business interests have been completed (for those in a position to influence the academy trust, including key staff) and published on the academy trust's website.

Contracts with connected parties have been procured following the academy trust's procurement and tendering process.

Where contracts are entered into or renewed on or after 7 November 2013 the academy trust has obtained statements of assurance (confirming no profit element was charged) and the academy trust has followed their internal processes in reviewing this.

The academy trust has requested, under the open book arrangement, a clear demonstration that the charges do not exceed the cost of supply.

Governors who provide consultancy services to the academy trust are not receiving a profit for their services and the correct procurement and tendering process is being followed.

No connected party gains from their position by receiving payments under terms that are preferential.

If employees are providing external consultancy that the income is being received into the academy trusts accounts if the work was performed within the academy trusts normal working hours.

Disclosures of the transactions are in accordance with the Accounts Direction

## Goods & services for private use

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- No goods are ordered or services provided to include any elements of private use by governors and staff.

## Forms of tenders

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- 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 Director of Finance and Operations 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.
- **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.
- **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

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- 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.
- A tender brief must always be prepared and is reviewed by the Director of Finance and Operations.

## Invitation to tender

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

- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of tender
- Form of response
- Dates for decision and work to be delivered

## **Tender acceptance procedures**

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- The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are 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 will not be accepted.

## **Tender opening procedures**

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- 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 Director of Finance and Operations
  - For contracts over £25,000 – the Principal or the Director of Finance and Operations plus a member of the Operations Committee.
- A separate record detailing the names of the companies submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

## **Tendering procedures**

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- 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.
- 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 £25,000 a report should be prepared for the Operations Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Operations Committee.
- The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

## **Insurance**

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- The Director of Finance and Operations reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
- WPA has not currently opted in to the Department for Education’s Risk Protection Arrangements.
- Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.
- The first £500 (insurance excess) of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

## Government/trustee expenses

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- This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2003. These regulations give Governing Bodies the discretion to pay allowances from the school's annual budget allocation to governors for certain allowances which they incur in carrying out their duties. Welland Park Academy's Governing Body believes that the paying of governors' allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds. The specific items allowable reflect this objective.
- Governors will be able to claim the following allowances providing the allowances are incurred in carrying out their duties, as a Governor or representative of Welland Park Academy, and are agreed by the Operations Committee as justified before any reimbursable costs are incurred.
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language;
- The cost of travel relating only to travel to meetings/training courses that are not held at the academy. The current casual rate user rate will be applied to all claims which does not exceed the specified rates for school personnel;
- Any other justifiable allowances.
- The Governing Body at Welland Park Academy acknowledges that:
  - Governors may not be paid attendance allowance;
  - Governors may not be reimbursed for loss of earnings.
- Governors wishing to make claims under these arrangements, once prior approval has been sought, should complete a claims form (obtainable from the Finance Office), attaching receipts, and return it to the school within two weeks, when they will be submitted for approval by the Chair of Governors or Chair of Operations to be presented to the Operations Committee for final approval.
- Claims will be subject to independent audit and may be investigated by the Chair of Governors (or the Vice-Chair in respect of the Chair of Governors) if they appear excessive or inconsistent.
- Any change in policy requires the approval of the Operations Committee

## Energy management

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- The Site Manager is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Director of Finance and Operations immediately.
- The Site Manager ensures that the school's heating system is operated and run as efficiently as possible.
- The Site Manager in conjunction with the Director of Finance and Operations ensures that the school is purchasing energy at the most competitive prices available.
- All staff has the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

## Charging & remissions policy

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- The charging and remissions policies adopted by the governing body ensures that statutory requirements are met and is intended to reflect the general principles of the Education Act which identifies activities for which:
  - Charges will not be made
  - Charges will be made
  - Charges may be waived

## Voluntary contributions

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- The school will seek voluntary contributions for any activity in order to benefit the school or support a school activity whether during or outside school hours, residential or non-residential and including inviting parents to pay for materials or ingredients where they wish to own the finished product. However all requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have. Such contributions will be genuinely voluntary.
- There is no limit to the level of voluntary contributions which parents or others can make to school activities, nor is there any restriction placed on the use which can be made of such contributions, provided they are used for the purpose specified in the request for them. They could, for example, be used to subsidise pupils from low-income families, or the cost of travel for accompanying teachers.
- The Law says that:
  - If the activity cannot be funded without voluntary contributions the parents will be notified of this from the outset.
  - No child will be excluded from an activity because the parents are unable to pay.
  - If insufficient contributions are raised the trip or activity may have to be cancelled.
  - If a parent is unwilling or unable to pay their child will be given an equal chance to go on the visit.

## Education provided within school hours

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- Education provided by any Academy for its registered pupils should be free of charge if it takes place wholly or mainly during school hours, school hours being those hours when a school is actually in session and not including the break in the middle of the day. This means that neither the pupil nor his or her parents or guardian may be required to pay for, or to supply, any materials, books, instruments or other equipment for use in connection with education provided during school hours.

## Education provided out of school hours

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Where education is provided out of school hours, charging is permitted, except where the education is provided:

- To fulfil any requirements specified in the syllabus for a prescribed Public examination; or
- Specifically to fulfil statutory duties relating to the National Curriculum:
- To fulfil duties relating to Religious Education.

In these cases the only charge that may be made is for board and lodging or for residential trips.

## Music tuition

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- The main exception to the principle of free education, which the law allows is that a charge may be made in respect of individual tuition in playing any musical instrument, even if such tuition takes place during school hours. Parental agreement must be obtained before a pupil is given that tuition.

## Activities run by a third party

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- The Act permits an organisation other than the governing body to levy a charge directly on parents for activities organised in school hours by a non-school organisation. The school will not be involved in collection of charges on behalf of the third party organisation.

- Where pupils are granted leave of absence to attend these activities it would be for parents and any staff members similarly released to satisfy themselves about the adequacy of the arrangements made by the third party to secure the safety and welfare of the children.

## **Charging policy**

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- If a charge is made for each pupil it should not exceed the actual cost. If further funds are needed for additional costs e.g. to help hardship cases this must be by voluntary contributions or general fund raising.

## **Board & Lodging on residential visits**

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- Board & lodging on residential visits may be charged for whether or not the visit takes place within school time and whether or not the activity is provided to fulfil the requirements of:
  - The syllabus of a prescribed public examination; or
  - Of the National Curriculum; or
  - To fulfil statutory duties relating to religious education.
- Charges for board and lodging must not exceed the actual cost to the pupil. They must not, for example, include any element representing a share of the costs of staff accompanying the visit. (This may, however, be covered by voluntary contributions.)
- Governors will, as a statutory minimum, remit any charges for board and lodging in the case of pupils whose parents are in receipt of Income Support or Child Tax Credit etc. where the activity is deemed to take place in school hours. Governors may wish to consider whether to remit charges in other circumstances.

## **'Optional extra' activities**

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- 'Optional extra' activities are those which take place wholly or mainly outside school hours, but which are not provided as part of the syllabus for a prescribed public examination and are not required in order to fulfil statutory duties relating to the national curriculum or to religious education.
- Participation will be on the basis of parental choice and a willingness to meet such charges as are made. Any charge made in respect of individual pupils may include an appropriate element for the following: a pupil's travel costs; a pupil's board and lodging; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to museums, theatres etc; insurance costs.
- It should be noted that any charge for an 'optional extra' activity, as distinct from a request for a voluntary contribution, should not exceed the actual cost of providing that activity, divided equally by the number of pupils willing to participate. It may not, therefore, include an element of subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.
- The costs of teaching staff involved in optional extra activities may only be passed on through charges if:-
  - They are engaged specifically by the governors for the purpose of providing the activity;
  - They are employed by the governors to provide instrumental music tuition; or
  - They are teachers already employed by the governors, who have been engaged on a separate contract for services to provide the optional extra.

## **School minibuses or transport provided by the LA**

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- Any transport provided in school hours by the LA or the school to carry particular pupils between parts of the school's premises or between the school and any other place where education is to be provided by the LA or the

school must be provided free of charge. However, if a pupil makes use of transport not provided by the LA or school to travel direct from home to an activity sanctioned, though not provided by the LA or the school, then parents may be asked to meet the cost of such travel. An example of this would be travel direct from home to work experience and vice versa.

## Charging in kind

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- The cost of ingredients, materials, equipment etc. needed for practical subjects such as craft or food technology, must be budgeted for and borne by the school. Parents who are willing to contribute in cash or kind can however be encouraged to do so on a voluntary basis.
- Pupils must not be treated differently according to whether or not materials are being provided by their parents. The governors' charging policy should make their policy on this clear. It should be recognised that much of the practical work in craft or food technology is of an investigative nature and will not necessarily result in a "finished product", however this is an essential part of the learning process.

## Breakages & fines

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- There is nothing to prevent schools from asking parents to pay for the cost of replacing a broken window or defaced, damaged or lost textbook where this is the result of a pupil's behaviour. Parents cannot, however, be taken to court for this money.
- Any change in policy requires the approval of the Operations Committee

## Financial support policy

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### Introduction

- The school recognises that education places financial demands on parents and there are some occasions when parents/carers will find it hard to meet these demands. Although funds are very limited the school would like to support parents/families where possible.
- We realise that it is hard for parents/carers to ask for financial support but funds are very limited so the school will have to apply certain criteria in deciding whether or not support can be given.

### Criteria

- Consideration will be given to students whose parents/carers are:
- In receipt of Employment Support Allowance
- Eligible for free School Meals
- In receipt of Disability Living Allowance
- Experiencing temporary situations which are causing difficulty, for example caused by recent job loss, bereavement or other serious and unforeseen circumstances
- Priority will be given to parents/carers who have not already been supported by this policy.

### Qualifying Resources

- Application for financial support will be considered for:
- Obligatory items of school uniform
- Costs of educational visits that are integral to the curriculum
- Educational equipment e.g. text books

### Making an Application

- Where appropriate applications are made using the Financial Support application form. This can be completed by the parent/carer or a member of staff in their place. Evidence should be provided to support the eligibility criteria.

- All information provided on this form will be kept in the strictest confidence.

#### **Notification**

- If support is agreed, the parent/carer and the Finance Office must be notified.
- Any change in policy requires the approval of the Operations Committee.

## **Lettings policy**

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#### **Rationale**

- The governors have agreed to supplement the budget by encouraging the letting of the school premises where possible, provided that any letting must not be detrimental to the school or its pupils.

#### **Guidelines**

- All lettings will be at the discretion of the governing body or its representatives, who may refuse lettings if they consider it in the interests of the school to do so.

#### **Safeguarding**

- The school is committed to safeguarding and promoting the welfare of children and young people and expects hirers and their representatives to share this commitment. The Governors require that for all lettings involving groups working with children, appropriate level of disclosure has been obtained from the DBS for individuals working on the school premises.

#### **Charges**

- All charges will be subject to an annual review by the governing body. The minimum increase will be in line with inflation.
- The calculation of charges will include consideration of the real costs of heat, light sewerage and water, and the cost of caretaking for the event.
- Lettings to staff and charitable groups will be considered for discounted rates.
- Other charges are agreed by the governing body and may include an element for profit above actual costs.

#### **Hiring of facilities process**

- The Affiliated Societies & User Handbook together with the Indemnity and Conditions of Lettings Document (available from the Site Manager) details the complete process.

## **Gifts & hospitality policy**

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- Employees of the Academy should take guidance from the following general rules relating to the receipt of gifts and hospitality as an employee of the Academy:
- To accept gifts should be the exception. Small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value may be accepted. The Director of Finance and Operations should be notified of any gift over this value for entry in the Register of Business Interests.
- Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a more prompt service or preferential treatment.
- Gifts or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract with the academy, seeking employment with the academy or is in dispute with the academy, even if you are not directly involved in that service area.
- Where items purchased for the Academy include a 'free gift', such a gift should either be used for academy business or handed to the Director of Finance and Operations to be used for charity raffles.
- If there is any doubt about the acceptability of any gift or offer of hospitality the Principal or Director of Finance and Operations must be consulted

- A gauge of what is acceptable in terms of hospitality is whether Welland Park Academy would offer a similar level of hospitality in similar circumstances.
- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
- Sponsored cultural and sporting events, or other public performances, as a representative of the school.
- Special events or celebrations.
- But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.
- 
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Principal or Director of Finance and Operations must be consulted, or in the case of the Principal, with the Chair of Governors.
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- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
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- Staff visiting a company to view equipment that the school is considering buying, you should ensure that expenses of the trip are paid by the school. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the school's purchasing and/or tender procedures are not compromised.
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- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
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- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the school must be agreed in advance with a Principal or in the case of the Principal with the Chair of Governors. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.
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- Any invitation accepted should be made in a professional/working capacity as a representative of the school.
- Any change in policy requires the approval of the Operations Committee.

## Fraud

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- **Welland** Park Academy is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the academy has a responsibility in respect of recognising a potential fraud, preventing and detecting fraud. The academy also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- It is **the** duty of all staff and governors to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the Responsible Officer/auditors on the adequacy of the measures taken by the academy to ensure financial compliance.
- Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.
- Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.
- Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Welland Park Academy, its staff or Governors.
- Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
  - **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
  - **Bribery and corruption** (Gifts & Hospitality – see separate policy) involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
  - **Failure to observe**, or breaches of, Scheme of Delegation and Finance Policy
  - **Failure to observe**, or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.
- Examples of what could constitute fraud and corruption are –
    - Theft of cash
    - Non-receipt of income;
    - Substitution of personal cheques for cash;
    - Travelling and subsistence claims for non-existent journeys/events;
    - Travelling and subsistence claims inflated;
    - Manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
    - Payment of invoices for goods received by an individual rather than the Academy;
    - Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Academy;
    - Unauthorised borrowing of equipment;
    - Breaches of confidentiality regarding information;
    - Failure to declare a direct pecuniary or otherwise conflicting interest;
    - Concealing a generous gift or reward;
    - Unfairly influencing the award of a contract;
    - Creation of false documents;
    - Deception;
    - Using position for personal reward.
  - The above list is not exhaustive and fraud and corruption. If in any doubt about whether a matter is an irregularity or not, staff must refer to the Principal or Director of Finance and Operations.
  - If there is concern or doubt about any aspect of a matter which involves an irregularity or an ongoing investigation into a suspected irregularity, staff must refer to the Principal or Director of Finance and Operations.
  - Any change in policy requires the approval of the Operations Committee

## Whistleblowing

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The trust has a Whistle Blowing Policy which can be accessed on the staff intranet.

## Leasing

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Welland Park Academy follows the guidance given in the Academies Financial Handbook in regards to leasing. Welland Park Academy will only enter into operating leases.

WPA will obtain ESFA's prior approval for the following leasing transactions:

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

- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

WPA will ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not EFA's prior approval is required. WPA would seek advice from a professional financial adviser and/or external auditor if there was any doubt over whether a lease involves an element of borrowing.

## VAT

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Welland Park Academy is registered for vat purposes and submits the VAT 100 form per quarter and ensures compliance with HM Revenue and customs for claiming the correct levels of VAT

## Fixed assets – Asset register

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- The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) valued over **£2,500** that are considered to have a life longer than that of the financial year in which they were purchased. They will be entered on to the register with the following details:
  - Asset description
  - Date of acquisition
  - Asset cost
  - Expected useful economic life
  - Depreciation
  - Current book value
- The asset register helps: -
  - Ensure that staff take responsibility for the safe custody of assets
  - Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
  - To manage the effective utilisation of assets and to plan for their replacement
  - Help the external auditors to draw conclusions on the annual accounts
  - Support insurance claims in the event of fire, theft, vandalism or other disasters
  - Capitalised assets are not necessarily purchased on one order; so long as a group of items is purchased for use in conjunction with one another, and within the same accounting period, they will be capitalised.
- Fixed Assets are categorised as follows:
  - Land and Buildings
  - Plant and Machinery
  - Furniture and Equipment
  - Motor Vehicles
  - Computer Equipment and Software
  - Assets under construction
- Examples of items to include on the asset register include:
  - ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
  - Reprographic equipment – photocopiers, comb binders, laminators

- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses
- The appropriate accounting transactions will be processed for all capitalised assets and recorded on the Fixed Asset Register.
- All items which have been included on the Fixed Asset Register will be security marked, where practicable, as the property of the school.
- All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial system.
- All working papers for the purchase of Assets, including invoices, will be retained for the required retention period.
- Attractive and portable items of equipment that fall below the capitalisation limit of £2,500 will be recorded in the Fixed Asset register but will not appear on the Balance Sheet.

## Security of assets

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- All the items in the register should be permanently and visibly marked as the academy trust's property.
- Equipment is, where possible, stored securely when not in use.
- An annual count should be undertaken by the Finance Officer, who is independent from the preparer of the asset register (Director of Finance and Operations). Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

## Depreciation

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- Fixed assets are depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- The depreciation is calculated on an annual basis for preparation of the year end accounts.
- Groups of assets use the same method of depreciation. There may very occasionally be an asset which does not completely fit into one of the categories below; the Operations Committee will discuss these items on an individual basis.

Asset Group	Depreciation Method
Land	No depreciation
Buildings and Building modifications	2% (50 yrs) Straight line
Plant and Machinery	20% (5 yrs) Straight line with nil residual value
Furniture and Equipment	10% (10yrs) Straight line with nil residual value
Computer Equipment and Software	33% (3 yrs) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.
Motor Vehicles / Minibuses	20% (5 yrs) Straight line with nil residual value.

- The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.
- Any change in policy requires the approval of the Operations Committee.

## Disposals of assets

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- The Governors of Welland Park Academy recognise that the following are valuable assets of the school:
  - Staff;
  - Land;
  - Buildings;
- For the purpose of this policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the school and having an original individual value of £250 or more.
- It shall be the responsibility of the appropriate Head of Department or Budget Holder to identify any such assets which are surplus to requirements.
- The Head of Department or Budget Holder shall identify surplus assets to the Director of Finance and Operations who upon endorsing the identification shall recommend disposal to the Principal.
- An asset with a carrying amount (cost less accumulated depreciation) above £500 must be approved by the Operations Committee.
- Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register.
- If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary Interests must also be considered at all times.
- The requirements of the academy's funding agreement with the Secretary of State will be adhered to when considering the disposal of a capital item.
- Funds obtained by the sale of surplus assets shall be identified in the school accounts and accessible for audit.
- Any change in policy requires the approval of the Operations Committee
- Items which are to be disposed of by sale or destruction must be authorised for disposal by the Director of Finance and Operations and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- Further ESFA policy details, which are in line with the Academies Financial Handbook, can be accessed via the ESFA Library: <http://www.nasbm.co.uk/ESFALibrary.aspx>

## Loan of assets

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- Items of academy property must not be removed from academy premises without the authority of the Director of Finance and Operations. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
- If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

## Appendix A – Guidance for ROs

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**Guidance for Responsible Officers** (\*this role is undertaken by the internal audit function, should the governing body decided to dispense with the LCC internal audit function the governing body will need to seek a governor with the following experience)

### The Role of the Responsible Officer

- The role of the Responsible Officer (RO) is to provide the Governing Body (GB) with an on-going independent oversight of the academy's financial affairs. Most public sector organisations, and a growing number of private sector organisations, are required to have an internal audit service but due to the relatively small size of academies this requirement is thought to be too onerous. In the absence of an internal audit service it falls to the RO to provide the GB with independent assurance that:
  - The financial responsibilities of the GB are being properly discharged;
  - Resources are managed in an efficient, economical and effective manner;
  - Sound systems of internal financial control are being maintained and
  - Financial considerations are fully taken into account in reaching decisions.
- The RO should be a Governor (but not the chairman), or an appropriately qualified and experienced individual not on the academy's staff, with the necessary financial interest and skills to be able to perform the role competently. The RO is not expected to do the detailed accounting work personally, but will be required to check some transactions to ensure that the correct procedures have been followed. The RO will need to be sufficiently familiar with the finances of the academy to be able to report to the GB, and hence indirectly to the DfES, that the above requirements have been met.

### Performance of the RO Role

- The conditions of DfES grant, and the financial procedures which the DfES expect the academy to follow, are described in the DfES Academies Financial Handbook, which expands upon the academy's funding agreement with the Secretary of State. Further details may be set out from time to time in financial circular letters, and in the annual funding letters. The main purpose of the RO role is to ensure that these requirements are followed.
- Responsible Officers are often consulted before significant financial decisions are taken and provide a useful source of advice for academies. However, the RO should also perform a wider role by visiting the academy at least once a quarter and undertaking a series of detailed tests to confirm the operation of the main financial systems. Details of the expected checks are shown below.
- Written records of the checked performed by the RO should be maintained.

### Suggested Systems Checks to be Undertaken by the RO Each Year

#### Payroll

- Select 5 employees from the payroll and check salary details back to personnel records to confirm that the amount paid is correct.
- Check 5 amendments to the payroll to ensure that appropriately authorised source documentation exists.
- Review the final payroll print for one month to ensure it has been appropriately authorised.

#### Purchases

- Select 5 payments made within the quarter and ensure:
  - The payment is correctly authorised
  - The payment is correctly recorded in the accounting system
  - The invoice is correctly authorised
  - The invoice agrees to the order

- That goods or services have been certified as received
- The order is correctly authorised
- That the order has been placed with an appropriate supplier
- Obtain details of any contracts with a value over a prescribed limit and review documentation to ensure correct quotation/tender procedures have been followed.
- Review progress against any significant capital contracts to ensure payments made are appropriate and progress satisfactory.

#### **Income**

- Review receipts from the DfES and sponsors and check that the amounts received agree to source documentation;
- Select one category of 'miscellaneous receipts' and ensure:
  - Appropriate action has been taken on any overdue amounts
  - Primary records of amounts due reconcile to records of monies collected
  - Monies recorded as collected have been banked promptly and in full
  - Ensure monies collected are correctly recorded in the accounting system

#### **Accounting System**

- Review bank reconciliations to ensure that they have been correctly prepared and authorised.
- Review control account reconciliations to ensure that they have been correctly prepared and authorised.
- Review through sample checks the procedures used to prepare financial reports issued to governors and officers of the Academy and DfES financial returns to be satisfied that they are completed accurately and promptly.

## Appendix B – Audit coverage & objectives

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The following areas are typically covered during an Academy's Internal Audit visit. These checks are significantly over and above the scope of the "Responsible Officer checks" set out in the Academies' Financial Handbook:-

### GOVERNANCE AND STATUTORY RESPONSIBILITIES

To give assurances to management and governors that:-

- The roles and responsibilities of Senior Management, finance staff, the Governing Body and its committees are set out in writing in a formal Finance Policy which is fit-for-purpose and is aligned to best practice, legislative requirements and the DfE Academies' Financial Handbook;
- A register of business interests is maintained for all members of the Governing Body and any staff with influence over purchasing (e.g. budget holders);
- There are adequate systems in place for the training and development of both new and existing Governors;
- Governors' meetings are properly constituted, business transacted is appropriate and minutes are prepared to an acceptable standard;
- The Academy has appointed a suitable individual as its formal Responsible Officer;
- The Academy's key systems and procedures are underpinned by written procedure notes to promote effective continuity of operation in the absence of key staff;
- The Academy has completed and submitted its annual FMGE return, and any weaknesses identified during the self-assessment process have been addressed;
- Previous audit recommendations have been considered and implemented, where appropriate;
- Financial accounts are satisfactorily prepared, audited by the External Auditors, and filed with Companies' House in accordance with statutory deadlines;
- Other statutory reporting deadlines are met.

### RISK MANAGEMENT

To give assurances to management and Governors that:-

- Effective risk management procedures are in place to identify and to manage business risk critical to the Academy's overall objectives;
- Major risks are adequately insured against loss or misfortune;
- Effective Health & Safety procedures are in place and vulnerabilities addressed where necessary;
- There is adequate cash-flow management;
- The Academy utilises efficient working practices where exposure to risk is not considered to be significant as a result.

### FINANCIAL INFORMATION SYSTEM

To give assurances to management and governors that:-

- The Financial Information System used is fit-for-purpose and is capable of generating the year-end statutory financial accounts;
- Access to the FIS is password controlled and given only on a "need to do" basis;
- Access levels are established to enforce an adequate separation of duties between the processing of financial transactions and the signing of cheques;
- Data is regularly backed-up, and a back-up retained securely, as part of a wider disaster recovery plan;
- The FIS operated on a double-entry accounting basis and the system Trial Balance is "in balance";
- Control Accounts are reviewed and cleared regularly.

### DATA PROTECTION ISSUES

To give assurances to management and Governors that:-

- The Academy is appropriately registered as a data user under the Data Protection Act 1998;
- The Academy takes reasonable steps to safeguard all personal and sensitive data held and any personal data transmitted electronically;
- Confidential information is retained securely and disposed of securely;

#### **SECURITY**

To give assurances to management and Governors that:-

- Cash held on the premises is retained securely, and within established insurance limits;
- Adequate arrangements exist for the banking of income.

#### **TREASURY MANAGEMENT / INVESTMENT STRATEGY**

To give assurances to management and Governors that:-

- A Governor-approved Treasury Management / Investment Strategy exists;
- The Academy's assets are invested wisely in low-risk investments and in accordance with the Strategy.

#### **UNOFFICIAL FUNDS**

To give assurances to management and Governors that:-

- Arrangements are made for the proper administration of unofficial funds where they exist and where there is a business need for them;
- An adequate division of duties exists in the processing of financial transactions;
- Accounts for unofficial funds are subject to an annual audit carried out by a person of appropriate experience and independence, having regard to the size and complexity of the fund;
- Audited accounts are presented to the Governors on an annual basis.

#### **INVENTORY**

To give assurances to management and Governors that:-

- The Academy's assets and equipment are appropriately recorded on an appropriate inventory record;
- Adequate steps are in place to ensure the such items are held securely;
- A physical check of all inventory items is undertaken annually, and the results of this check reported to the Governors;
- Health & safety obligations are met through the regular portable appliance testing of electrical assets;
- Access to computerised inventories is secure and files are adequately backed-up;
- Appropriate procedures are in place to authorise the disposal of surplus items and their subsequent removal from the inventory record.

#### **SCHOOL MEALS (where provided by the LA under the catering contract)**

To give assurances to management and governors that:-

- Income due from pupils for school meals is properly recorded and accounted for accurately;
- Free meals are given only to pupils with current authorisations.

#### **MINIBUSES AND OTHER VEHICLES (where applicable)**

To give assurances to management and governors that:-

- The vehicle is maintained in accordance with statutory requirements and recommended practice, i.e. is taxed, insured, routinely serviced, MOT certificate held;
- The roadworthiness of the vehicle is routinely checked, and such checks are evidenced;
- All drivers of the minibus have undertaken Driver Assessment Training;

- There is a system for the annual verification of driving licenses.

#### **PAYROLL, PERSONNEL AND SAFER RECRUITMENT**

To give assurances to management and governors that:-

- Adequate arrangements exist for the completion and authorisation of salaries documentation (starters, leavers, changes to contracts, supply, overtime);
- Adequate arrangements exist for the reconciliation of the payroll each month / monitoring of salary costs to the budget;
- Personnel records are maintained accurately and up-to-date and used proactively to predict future salary costs;
- There are effective recruitment practices (e.g. clearance);
- Confidential payroll documentation is processed, transmitted and retained securely.

#### **BUDGETARY PLANNING, MONITORING & REPORTING**

To give assurances to management and governors that:-

- Medium-term budgetary planning is sound (e.g. costed SDP, multi-year budget);
- Adequate and effective procedures are in place for the preparation, approval, monitoring and control of the budget including budgetary returns to the DfE;
- The Financial Information System agrees with the approved annual budget;
- Balances held are within any acceptable limits prescribed by the DfE;
- Academies in a deficit budget position have adequate plans agreed with the DfE for the recovery of any overspends;
- Financial information given to Governors, Senior Management and budget holders is accurate and timely.

#### **LOCAL CHEQUE ACCOUNT**

To give assurances to management and Governors that:-

- The local cheque account is being operated satisfactorily;
- An adequate division of duties exists in the processing of financial transactions;
- Cheque signatories are appropriate and approved by the governors;
- Regular bank reconciliations are being carried out;
- The use of petty cash is appropriately recorded and controlled;
- UK legislation is being complied with (e.g. payments to individuals).

#### **PAYMENT CARDS / CHARGE CARDS**

To give assurances to management and Governors that:-

- The Academy's charge card is used appropriately;
- Transactions are promptly applied to the FIS;
- The card is retained securely at all times.

#### **MAKING SUPPLIER PAYMENTS ELECTRONICALLY (e.g. BACS)**

To give assurances to management and Governors that:-

- Payments made by BACS are properly authorised beforehand;
- BACS runs are effectively controlled and processed on a timely basis.

#### **ORDERING PROCEDURES**

To give assurances to management and Governors that:-

- Adequate controls exist for the completion and authorisation of orders;
- Internet ordering is in controlled situations (e.g. on-line discounts);

- Payments are made only in respect of goods and services received, and have been properly certified as such;
- There is an adequate division of duties in the ordering and payment procedures.

#### **CAPITAL SPENDING**

To give assurances to management and Governors that:-

- The Academy is able to identify capital transactions on its FIS;
- Capital transactions fall within the definition of capital expenditure (as opposed to revenue spending).

#### **PROCUREMENT OF LARGE VALUED GOODS AND SERVICES**

To give assurances to management and Governors that:-

- The Academy has a formal procurement policy which sets out tendering and quotation limits / requirements / procedures;
- There is evidence of this policy being complied with in the tendering and awarding of high value contracts;
- Quotations are routinely obtained in order to achieve value for money;
- The Academy is able to demonstrate that value-for-money is routinely sought;
- There is adequate governor involvement in authorising large-valued expenditure or exceptions to the policy.

#### **INCOME - GENERAL**

To give assurances to management and Governors that:-

- Income is received in all appropriate circumstances;
- Income received is suitably recorded and controlled;
- A clear audit trail exists between the recording of income, its posting to the FIS and its banking;
- Income collected is promptly banked;
- VAT requirements are adhered to (where relevant).

#### **INVOICING PROCEDURES**

To give assurances to management and Governors that:-

- Invoicing procedures are sound;
- Invoices are promptly raised for relevant debts;
- Outstanding debts are routinely identified and followed-up;
- Bad debts are written off in accordance with governor defined policy;
- VAT requirements are adhered to (where relevant).

#### **SCHOOL TRIPS**

To give assurances to management and Governors that:-

- Trip contributions are collected in full from all participating students;
- Subsidies are appropriately authorised;
- Trip contributions received adequately cover associated trip expenditure;
- Each trip is accurately accounted for on the FIS;
- Significant surpluses are refunded;
- Health & safety issues are adequately considered beforehand.

#### **LETTINGS**

To give assurances to management and Governors that:-

- Income is collected in full for all lettings of the premises;
- A scale of charges exists which is reviewed annually;

- Charges are made consistently in accordance with the approved scale;
- Hirers complete indemnity to hire forms;
- VAT requirements are adhered to (where relevant).

#### **ENTREPRENEURIAL ACTIVITIES**

To give assurances to management and Governors that:-

- Income is collected in its entirety for such activities (e.g. third party use of premises);
- Contractual arrangements are sound and legally based;
- Non-financial risks and their implications are actively considered (e.g. health & safety, insurance, safeguarding of students).

#### **EFFICIENCY**

To give assurances to management and Governors that:-

- The Academy's working practices are efficient;
- The Academy works in a "risk aware" environment (as opposed to a "risk averse" one) where the cost of introducing internal controls is considered against the associated risk exposure. A key theme of efficiency is to "manage" risk effectively, and in some cases to "tolerate" the risk, as opposed to the costly alternative of unnecessarily aiming to "eliminate" all risk.

#### **IN-HOUSE CATERING OPERATION (where relevant)**

To give assurances to management and Governors that:-

- Income is adequately accounted for at source (e.g. cash tills);
- Adequate cashing-up procedures exist and there is a clear audit trail from source records to the ledgers and to bankings;
- VAT requirements are adhered to (where relevant);
- Free meals are given only in authorised circumstances;
- Budgetary control surrounding the catering operation is sound.