



White Woods
PRIMARY ACADEMY TRUST

FINANCIAL REGULATIONS

A GENERAL PROVISIONS

1. Background

- 1.1. The institution is an academy created under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the articles of association.
- 1.2. The institution is an exempt charity by virtue of the Charities Act 2011.
- 1.3. The funding agreement between the funding body and the academy sets out the terms and conditions on which grant is made. The governing body is responsible for ensuring that conditions of grant are met. As part of this process the academy is required to have in place sound financial systems and controls. The financial regulations of the academy form part of this overall system of accountability.

2. Status of Financial Regulations

- 2.1 This document sets out the institution's financial regulations. It translates into practical guidance the institution's broad policies relating to financial control. This document was approved by the Directors of White Woods Primary Academy Trust on 9 May 2014. It applies to the institution and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the institution's articles of association and to any restrictions contained within the institution's funding agreement with the funding body and the funding body's *Academies Financial Handbook*.
- 2.3 The purpose of these financial regulations is to provide control over the totality of the institution's resources and provide management with assurances that the resources are being properly applied for the achievement of the institution's strategic plan and business objectives on a sustainable basis, including:
 - maintaining financial sustainability
 - achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring that the institution complies with all relevant legislation
 - safeguarding the assets of the institution.
- 2.4 Compliance with the financial regulations is compulsory for all staff connected with the institution. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the institution's disciplinary policy. Any such breach will be notified to the governing body through the audit committee. It is the responsibility of heads of departments to ensure that their staff are made aware of the existence and content of the institution's financial regulations.
- 2.5 The governing body is responsible for maintaining a continuous review of the financial regulations, through the individual School Business Managers, and advising the Directors of White Woods Primary Academy Trust of any additions or changes necessary.
- 2.6 In exceptional circumstances, the governing body may authorise a departure from the detailed provisions herein, such departure to be reported to the Directors of White Woods Primary Academy Trust at the earliest opportunity.

- 2.7 The institution's detailed financial procedures set out precisely how these regulations will be implemented and are contained in a separate manual which is available at each school.

B CORPORATE GOVERNANCE

3. The Board of Directors

- 3.1 The Board of Directors is responsible for the strategic direction of the academy including:
- policy development and agreement of policies for the sound management and administration of the academy
 - setting the academy's standards of conduct and values
 - appointing the academy's internal and external auditors
 - consideration of the executive headteacher's pay and conditions. It has the power to instruct the governing body on their remuneration, including pay and other benefits, as well as contractual arrangements

The academy trust is a charitable company responsible for running the academy. It has a strategic role in running the academy but delegates the day to day management of the school to the governing body. The trust ensures compliance with the statutory and contractual obligations placed on academies through legislation and their funding agreements including acting as an employer and leaseholder or freeholder of the land. It must hold an annual general meeting each year. The academy trust, in general meeting, has the power to alter, add or to repeal any by-laws made by the governing body.

4. The Governing Body

- 4.1 The governing body of each school is responsible for the strategic direction and day to day management of the school including:
- strategic planning, including target setting
 - allocating the school's financial, human and other resources
 - setting performance targets
 - agreeing a development plan (often called the improvement plan)
 - producing a scheme of delegation for the management of the school
 - ensuring compliance with legal requirements
 - ensuring sound management of the school's finances and resources
 - holding the executive headteacher to account for the performance of each school within the academy
 - establishing and maintaining a transparent system of prudent and effective internal controls
 - accounting to parents/carers and other stakeholders for the performance of the school
- 4.2 The governing body has ultimate responsibility for the school's finances including:
- Monitoring of the institution's financial position and financial control systems. The governing body will examine annual estimates and accounts (including the accounting policies upon which they are based) and approve them. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are

followed. It will consider any other matters relevant to the financial duties of the governing body.

- Consideration of the institution's medium-term and strategic plans. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval. In addition, it is responsible for considering the institution's capital programme before approval. Similarly, it considers the allocation of resources between academic and non-academic areas.
- Consideration of school staff pay and conditions. It has the power to make decisions regarding their remuneration, including pay and other benefits, as well as contractual arrangements

The academy trust is a charitable company responsible for running the academy. It has a strategic role in running the academy but delegates management of the school to the governing body. The trust ensures compliance with the statutory and contractual obligations placed on academies through legislation and their funding agreements.

4.3 Audit committee

All Academies within White Woods Primary Academy Trust must establish a Finance/Audit/Premises (FAP) committee. Each committee has an Audit Governor. Audit governors from each school form the Audit Committee.

The FAP committee is independent and advises and reports to the governing body. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Audit committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It has a role in reviewing the institution's systems of internal control and risk management. The FAP committee responsibilities are listed at Appendix B. The audit committee's duties are listed at Appendix C.

The audit requirements of the institution are set out in the funding body's *Academies Financial Handbook*.

5. Accountable Officer

5.1 The executive headteacher is designated by the funding agreement as the accounting officer and is responsible for the financial and administrative matters of the institution. As accounting officer, the executive headteacher is responsible to the board of directors and the governing bodies and through these to the Secretary of State for:

- ensuring regularity and propriety
- ensuring prudent and economical administration
- avoiding waste and extravagance
- securing value for money through the efficient, effective and economical use of available resources
- the day-to-day organisation, staffing and management of the academy.

6. Other Senior Managers with Financial Responsibility

6.1 School Business Manager

Day-to-day financial administration is controlled by the School Business Managers who are responsible to the Executive Headteacher for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the institution's annual accounts and other financial statements and accounts which the institution is required to submit to other authorities
- ensuring that the institution maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.
- Monitor and evaluate financial systems and where necessary develop and implement system ensuring compliance with fair funding scheme, LA financial regulations and audit requirements.
- Provide reports and attend Governing Body meetings in respect of budget planning, forecasting and financial information
- Ensure best value is achieved for all tendering and bought-in services (SLA)
- Preparing of all salary costing to spreadsheet and calculating salaries with Teachers Pay and conditions
- Preparing analyse of budget data for LA
- Running of School Delegated budget through Bank Account status
- Inputting of correct budget on FMS and revised Budget
- Process order, input onto system, paying invoices on FMS
- Correct completion of cheques to invoice
- Ensure school finance meets the LA approval
- Weekly and monthly returns to LA regarding Bank Account (budget, VAT, returns, financial reports)
- Monitoring of the Budget and reporting to HT, and Governing Body
- Budget Monitoring to LA
- Advise the Senior Leadership Team on Finance/Budget issues

6.2 All members of staff

All members of staff should be aware and have a general responsibility for the security of the institution's property, for avoiding loss and for due economy in the use of resources.

They should ensure that are aware of the institution's financial authority limits.

They shall make available any relevant records or information to the School Business Manager or her authorised representative in connection with the implementation of the institution's financial policies, these financial regulations and the system of financial control.

They shall provide the School Business Manager with such financial and other information as she may deem necessary, from time to time, to carry out the requirements of the governing body.

They shall immediately notify the School Business Manager whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or

property of the institution. The School Business Manager shall take such steps as she considers necessary by way of investigation and report.

7. Risk Management

7.1. Risk management can be defined as '*coordinated activities to direct and control an organisation with regard to risk*'. The institution acknowledges the risks inherent in its business, and is committed to managing those risks which pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the institution will be set out in a separate risk management strategy.

7.2. The governing body has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the institution through the development, implementation and embedding within the organisation of a formal, structured risk management process.

7.3. In line with this policy, the governing body requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management
- the establishment of institution-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
- a decision on the level of risk to be covered by insurance (see 24.1)
- detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the governing body of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements; and
- the capability for independent verification.

8. Whistleblowing (Confidential Reporting Code Policy & Procedures)

8.1. Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party, see Appendix E) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment or breach of the financial regulations and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

8.2. Normally, any concern about a workplace matter at the institution should be raised with the relevant member of staff's immediate line manager. However, the institution

recognises that because of the seriousness or sensitivity of some issues, together with the knowledge of whom the member of staff thinks may be involved, may make this difficult or impossible.

8.3. A member of staff may, therefore, make the disclosure to chair of the governing body.

8.4. The full procedure for whistleblowing is set out in the institution's separate whistleblowing policy, which is available through the human resources department. Further details of the Public Interest Disclosure Act are set out at Appendix E.

9. Code of Conduct

9.1. The institution is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee) which governing body members and members of staff at all levels are expected to observe. These principles are set out at Appendix F. In addition, the institution expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

- probity and propriety
- selflessness, objectivity and honesty
- relationships.

Governing body members are also charity trustees and as such are subject to obligations imposed by charity law. Their dual role may introduce potential conflicts of interest which they will need to manage appropriately.

9.2. Additionally, members of the governing body, senior management or those involved in procurement are required to disclose interests in the institution's register of interests maintained by the School Business Manager. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

9.3. In particular, no person shall be a signatory to an institution contract where he or she also has an interest in the activities of the other party.

9.4. Receiving gifts or hospitality

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines. The institution's anti-bribery policy statement can be found in Appendix G.

The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position

whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the institution would be likely to provide in return.

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Executive Headteacher, Head of School or the School Business Manager. Guidance on acceptable hospitality is contained in the detailed financial procedures.

C FINANCIAL MANAGEMENT AND CONTROL

10. Financial Planning

- 10.1.** The School Business Manager is responsible for preparing annually a rolling three-year financial plan for approval by the governing body and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plans approved by the governing body.
- 10.2.** Budget objectives
The governing body will, from time to time, set budget objectives for the institution. These will help the School Business Manager in preparing his or her more detailed financial plans for the institution.
- 10.3.** Resource allocation
Resources are allocated annually by the governing body and on the basis of the above objectives. All staff are responsible for the economic, effective and efficient use of resources allocated to them.
- 10.4.** Budget preparation
The School Business Manager is responsible for preparing each year an annual revenue budget and capital programme for consideration by the governing body. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The School Business Manager must ensure that detailed budgets are prepared in order to support the resource allocation process following their approval by the governing body.
During the year, the School Business Manager is responsible for submitting revised budgets to the governing body for consideration and approval.
- 10.5.** Consolidated Budgets
Each school within the academy must submit their approved budget forecast to the Schools' Finance Team for consolidation. The consolidated budget is to be approved by the Directors of the Trust prior to submission to the EFA.
- 10.6.** Capital programmes
The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the institution's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the governing body.

The School Business Manager will establish protocols for the inclusion of capital projects in the capital programme for approval by the governing body. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are summarised at Appendix H and are shown in more detail in the financial procedures.

The School Business Manager will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.

The School Business Manager is responsible for providing regular statements concerning all capital expenditure to the governing body for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the governing body including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

10.7 Other major developments including overseas activity

Any new aspect of business, or proposed establishment of a company or joint venture or overseas activity, which will require an investment in buildings, resources or staff time of more than £5,000 should be presented to the governing body. The institution must have due regard to the relevant guidelines issued by the funding body.

The School Business Manager will establish protocols for these major developments to enable them to be considered for approval by the governing body. These will set out the information that is required for each proposed development including a business plan, using a risk based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet. They are summarised at Appendix I and are shown in more detail in the financial procedures.

11 Financial Control

11.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the Executive Headteacher, who must ensure that day-to-day monitoring is undertaken effectively.

11.2 Academy Central Fund

3% of each school's annual baseline budget (excluding school specific grants) is top sliced and paid into the Academy's Central Fund. The Academy Central Fund is held in a separate bank account and is managed by the School Business Manager at Whiston Worrygoose J & I School.

The Directors decide how the funding is distributed. The funding can be used to pay for some centralised services such as insurance, accountancy and audit fees etc. Schools can request a loan from the Academy Central Fund which is decided by the Directors and a repayment plan is agreed. Repayments are made by standing order from the school to the Academy Central Fund. Money can be loaned for various reasons including school improvement and emergency staffing issues.

Any surplus balance at the end of the academic/financial year is rolled forward but can, at the discretion of the Directors be redistributed to schools. The Academy Central Fund is audited along with all the Academy accounts.

12 Accounting Arrangements

12.1 Financial year

The institution's financial year will run from 1 September until 31 August the following year.

12.2 Basis of accounting

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

12.3 Format of the financial statements

The financial statements are prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice*, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act legislation.

12.4 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

Works of art and other valuable artefacts (heritage assets) valued over £1,000 are capitalised and recognised at the cost or value of the acquisition where the cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more.

Grouped items (eg a suite of computers) with an individual value of less than £250, but a group value of £1,000 or more, will not be capitalised. Capitalised assets other than land and buildings will be depreciated over a period of 5 years for furniture and equipment and 3 years for ITC equipment commencing in the year of acquisition.

12.5 Accounting records

The School Business Manager is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

Prime documents include:

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- payroll records including part-time lecturers' contracts.

The School Business Manager will make appropriate arrangements for the retention of electronic records.

The institution is required by law to retain prime documents for six years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

12.6 Public access

Under the terms of the financial memorandum/funding agreement, the governing body is required to supply any person with a copy of the institution's most recent financial statements within two months of a request. The Act enables the governing body to levy a reasonable fee and this will be charged at the discretion of the chief financial officer. The institution will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries and make a summary available on the institution's website.

12.7 Taxation

The School Business Managers are responsible for advising heads of department on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the institution. Therefore the chief financial officer will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

The chief financial officer is responsible for maintaining the institution's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13 Audit Requirements

13.1 General

External auditors and internal auditors shall have authority to:

- access institution premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial and other transactions of the institution
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of the institution to account for cash, stores or any other institution property under his or her control
- access records belonging to third parties, such as contractors, when required.

The School Business Managers are responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the finance committee, the financial statements should be reviewed by the audit committee. On the recommendation of the finance and audit committees, they will be submitted to the governing body for approval and to the court of governors (where appropriate).

13.2 External audit

The external auditors should be reappointed annually by the Board of Directors. The Board of Directors and the governing bodies will be advised by the audit committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five years.

The primary role of external audit is to report on the institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the funding body's *Academies Financial Handbook* and the Auditing Practices Board's statements of auditing standards.

13.3 Internal audit'

The internal auditor is appointed by the governing body on the recommendation of the audit committee.

The internal audit service remains independent in its planning and operation but has direct access to the governing body, the principal and the chair of the audit committee.

13.4 Fraud and corruption

It is the duty of all members of staff, management and the governing body to notify the chief financial officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The institution's fraud policy statement is included at Appendix K.

The School Business Manager shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix K for fuller details):

- He or she will notify the principal and the audit committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report.
- The Executive Headteacher shall inform the police if a criminal offence is suspected of having been committed.
- Any significant cases of fraud or irregularity shall be reported to the funding body in accordance with its requirements as set out in the *Academies Financial Handbook*.
- The audit committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate.
- The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the audit committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the School Business Manager and/or the Executive Headteacher, the member of staff shall notify the chair of the finance/audit/premises committee direct of his or her concerns regarding irregularities. The trust must notify the EFA of any fraudulent activity above £5,000.

13.5 Value for money

The governing body of the academy is responsible for securing value for money from public funds. The governing body or finance committee should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding and regulatory agency and the National Audit Office.

13.6 Other auditors

The institution may, from time to time, be subject to audit or investigation by external

bodies such as the funding body, the National Audit Office, the European Court of Auditors, HM Revenue & Customs. They have the same rights of access as external and internal auditors.

14 Treasury Management

14.1 Treasury management policy

The finance committee is responsible for approving a treasury management policy statement (based on CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* and sector-specific guidance) setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with any funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The finance committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Executive Headteacher and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding body requirements. The chief financial officer and his or her staff are required to act in accordance with CIPFA's code of practice. The chief financial officer will report to finance committee termly in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him.

14.2 Appointment of bankers and other professional advisers

The Board of Directors is responsible for the appointment of the institution's bankers and other professional financial advisers. The appointment shall be for a specified period after which consideration shall be given to competitively tendering the service.

14.3 Banking arrangements

The School Business Manager is responsible, on behalf of finance committee, for liaising with the institution's bankers in relation to the institution's bank accounts.

Only the chief financial officer may open or close a bank account for dealing with the institution's funds. All bank accounts shall be in the name of the institution or one of its subsidiary companies.

All automated transfers on behalf of the institution, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the finance committee. Details of authorised persons and limits shall be provided for in the institution's detailed financial procedures (see 20.2).

The School Business Managers are responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

15 Income

15.1 General

The School Business Managers are responsible for ensuring that appropriate procedures are in operation to enable the institution to receive all income to which it is entitled. All

receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the chief financial officer.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the finance committee, and are approved by the governing body.

The School Business Managers are responsible for the prompt collection, security and banking of all income received.

The School Business Managers are responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the institution's accounts.

The School Business Managers are responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

15.2 Receipt of cash, cheques and other negotiable instruments

All monies received, from whatever source must be recorded on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float.

Personal or other cheques must not be cashed out of money received on behalf of the institution.

15.3 Collection of debts

The School Business Managers should ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to the institution
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken to collect overdue debts, in accordance with the protocols noted in the financial procedures
- outstanding debts are monitored and reports prepared for management.

15.4 Refunds

The institution seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they should be made to the original payer and follow the method by which the money was received. For further information see the institution's policy on bribery and money laundering.

16 Other Income-generating Activity

16.1 Private consultancies and other paid work

Unless otherwise stated in a member of staff's contract:

- outside consultancies or other paid work may not be accepted without the consent of the Directors of the Trust
- applications for permission to undertake work as a purely private activity must be submitted to the Board of Directors and include the following information:

- the name of the member(s) of staff concerned
- title of the project and a brief description of the work involved
- the proposed start date and duration of the work
- full details of any institution resources required (for the calculation of the full economic cost)
- an undertaking that the work will not interfere with the teaching and normal institutional duties of the member(s) of staff concerned.

16.2 Short courses and services rendered

In this context a short course² is any course that does not form part of the award-bearing teaching load of the department.

Any staff wishing to run a short course must have the permission of the Executive Headteacher. The course organiser will be responsible to the head of school for day-to-day management of the course.

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

16.3 European Union and other 'match funding'

Any such project requires the approval of the appropriate officer prior to any commitment being entered into. Such approval shall be dependent upon the Executive Headteacher being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the institution's costing and pricing policy.

Individual applications for funds in excess of £5,000 shall be the subject of a report by the principal to the governing body which will set out, among other things, the potential risks generated by the project.

If the institution sub-contracts such work to external providers, the relevant Executive Headteacher shall ensure that:

- this is on the basis of a written contract which allows for full audit access to detailed records
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- payments are only made against detailed invoices.

16.4 Additional payments to staff

Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the School Business Manager.

17 Intellectual Property Rights and Patents

17.1 General

Certain activities undertaken within the institution including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

17.2 Patents

The finance/audit/premises committee is responsible for establishing procedures to deal

with any patents accruing to the institution from inventions and discoveries made by staff in the course of their research.

17.3 Intellectual property rights

In the event of the institution deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the institution and contained in the Academy's detailed financial procedures.

18 Expenditure

18.1 General

The School Business Managers are responsible for making payments to suppliers of goods and services to the institution.

The Trust must obtain approval from the EFA prior to entering into leasing/loan agreements beyond their delegated limits.

18.2 Scheme of delegation/financial authorities

The School Business Manager shall maintain a register of authorised signatories.

Signatories for School Budget and School Funds

White Woods PAT A/c

Signatories: Mr J Henderson
Mrs M Latimer
Mrs M Senior

Whiston Worrygoose J & I School A/c

Signatories: Mr J Henderson
Mrs M Latimer
Mrs M Senior

Canklow Woods Primary School A/c

Signatories: Mr J Henderson
Mrs S Rogers
Mrs S Birch

Whiston J & I School A/c

Signatories: Mr J Henderson
Mrs T Angell
Mrs S Goodwin (on maternity leave)
Mrs R Thomson-Plant

Staff are not authorised to commit the school to expenditure without first reserving sufficient funds to meet the purchase cost.

Expenditure on a single item shall require the approval of the School Business Manager. Expenditure on items in excess of £5000 shall require the approval of the finance/audit/premises committee.

18.3 Procurement

The institution requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability and equality legislation, and in accordance with sound business practice, taking into account framework agreements as appropriate.

Factors to be considered in determining lowest cost are noted in the financial procedures.

The purchasing function is the responsibility of the school business manager, who will:

- ensure that the institution's purchasing policy is known and observed by all involved in purchasing for the institution
- provide advice on matters of institution purchasing policy and practice
- develop appropriate standing supply arrangements on behalf of the institution to assist budget holders in meeting their value for money obligations
- vet all orders before they leave the institution
- draft and negotiate all large-scale purchase contracts undertaken by the institution, in collaboration with the responsible department
- ensure that the institution complies with European Union regulations on public purchasing policy.

18.4 Purchase orders

The ordering of goods and services shall be in accordance with the institution's detailed financial procedures/purchasing policies. Official institution orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

It is the responsibility of the School Business Managers to ensure that all purchase orders refer to the institution's conditions of contract (see 18.8 and Appendix L).

18.5 Purchasing cards, credit and debit cards

The operation and control of the institution's purchasing cards, credit and debit cards are the responsibility of the Executive Headteacher. There will be appropriate oversight of the distribution of such cards and the associated card limits.

Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The school business manager shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

Details of the operation of the scheme are set out in financial procedures.

18.6 Tenders and quotations

All staff must comply with the institution's tendering procedures contained in the institution's code of tendering practice, which are applicable as follows:

- under £5000 – the Executive Headteacher shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained
- from £5000 to £20,000 – the school business manager shall arrange for at least three written quotations to be obtained
- over £20,000 – all items will require three competitive tenders
- the award of contracts over £5000 shall be reported to the finance/audit/premises committee.

Only partnership arrangements for the supply of goods or services specifically approved by the finance/audit/premises committee or the governing body will fall outside these arrangements for tenders and quotations.

The main points covered by the institution's code of tendering practice are described at Appendix M and may be subject to special rules imposed by funding bodies.

18.7 Post-tender negotiations

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the institution's tendering process. In each case a statement of justification should be approved by the Executive Headteacher prior to the event showing:
 - background to the procurement
 - reasons for proposing post-tender negotiations
 - demonstration of the improved value for money.

All post-tender negotiations should be reported to the finance/audit/premises committee.

18.8 Contracts

Building contracts are the responsibility of the finance/audit/premises committee and are administered by the school business manager.

Proposals will normally be initiated by the school business manager in respect of planned replacements, general improvement schemes, or space planning, or in response to requests from staff.

Consultants may be appointed if the project, as determined by the finance/audit/premises committee, is too large or too specialised for the school's resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the school business manager as appropriate for finance/audit committee consideration. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the finance/audit committee, and approval by the governing body, submissions should be forwarded to the funding body where appropriate. If required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

The achievement of value for money will be an objective in the letting of all contracts.

Conditions of contract for the purchase of goods will be followed as described in the institution's detailed financial procedures. The main points are described at Appendix M.

18.9 EU regulations

The School Business Manager is responsible for ensuring the institution complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The school business manager will advise staff on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of the Executive Headteacher to ensure that staff comply with EU regulations by notifying the school business manager of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as OJEU.

The school business manager is also required annually to submit to the funding body details on expenditure which exceeds the threshold.

18.10 Receipt of goods

All goods shall be received at Reception. They shall be checked for quantity and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

If the goods are deemed to be unsatisfactory the supplier must be notified immediately so that they can be collected for return as soon as possible. Where goods are short on delivery the supplier must be immediately notified.

All persons receiving goods on behalf of the school must, where possible, be independent of those who negotiated prices and terms and placed the official order.

18.11 Payment of invoices

The procedures for making all payments shall be in a form specified by the School Business Manager.

The School Business Manager is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by computer cheques or BACS transfer each week. In exceptional circumstances the School Business Manager will prepare cheques manually for urgent payments.

Care must be taken to ensure that discounts receivable are obtained.

Payments will only be made by the school business manager against invoices that can be matched to a receipted order or have been certified for payment.

Certification of an invoice or receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on the school's inventory

18.12 Staff reimbursement

The institution's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to

incur any personal expense. However, on occasions, staff may incur expenses and are entitled to reimbursement (see 21.5).

Where such purchases by staff are planned, the School Business Manager may approve cash advances to staff who are going to incur expenditure on the school's behalf. Upon completion of the project to which the advance relates, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

18.13 Petty cash

Where a single item is for less than £25 it should be paid from petty cash if possible. It must be supported by a VAT receipt.

The School Business Manager shall make available such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Receipts must be sent to the school business manager before the total amount held has been expended in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the school's insurers when not in use and will be subject to periodic checks by the audit governor.

18.14 Late payment rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the school can be sued for non-payment.

In view of the penalties in this Act, the governing body requires that invoices must be passed for payment as soon as they are received.

18.15 Giving hospitality

Staff entertaining guests from outside bodies at lunch time should normally use the institution's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.

It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The institution's anti-bribery policy statement can be found on the school's shared area.

18.16 Telecoms

The school will reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties.

The school does not reimburse the cost of private line rental or broadband connections. (See Appendix G)

18.17 Provision of clothing

Where clothing is provided to employees whose duties require them to wear a uniform, that clothing must bear the school's logo. The logo must be permanent and clearly identify the wearer as a member of staff.

18.18 Payments to volunteers

It is the responsibility of the School Business Manager to ensure that payments made to volunteers are correctly administered. The school allows two types of payment from an approved budget:

- reimbursement of actual travel costs when fully supported by receipts
- a small gift or thank you payment as long as it is clearly a token of appreciation, not compensation, and there is no sense that those goods, vouchers or cash are expected in advance.

19 Pay Expenditure

19.1 Remuneration policy

All institution staff will be appointed to the salary scales approved by the governing body and in accordance with appropriate conditions of service. All letters of appointment must be issued by the school administrative office.

The governing body will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for senior management will be determined by the governing body.

19.2 Appointment of staff

All contracts of service shall be concluded in accordance with the school's approved practices and procedures and all offers of employment with the school shall be made in writing by the Executive Headteacher. The Executive Headteacher/Head of School shall ensure that the School Business Manager is provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of employees.

19.3 Salaries and wages

The School Business Manager is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents will be in a form prescribed or approved by the school business manager.

The Executive Headteacher/Head of School will be responsible for keeping the school business manager informed of all matters relating to human resources for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration other than normal increments and pay awards
- information necessary to maintain records of service for superannuation, income tax, and national insurance
- All casual and part-time employees will be included on the payroll.

The School Business Managers shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the school's payroll financial procedures and comply with HM Revenue & Customs regulations. Staff should be aware that the school could incur penalties for non-compliance with such regulations.³

19.4 Superannuation schemes

The governing body is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The school business manager is responsible for day-to-day superannuation matters including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the school's pension fund.

The school business manager is responsible for administering eligibility to pension arrangements and for arranging when deductions should begin or cease for staff.

19.5 Expenses and allowances

The institution has dispensation from HM Revenue & Customs to make payments to employees for certain specified items without deduction of income tax.

Reimbursement by the institution of expenditure not included in the dispensation is subject to the deduction of income tax before payment.

Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the School Business Manager.

Claims by members of staff must be authorised by the Executive Headteacher/Head of School. The certification by the Executive Headteacher/Head of School shall be taken to mean that:

- the journeys were authorised
- the expenses were properly and necessarily incurred
- the allowances are properly payable by the institution
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Executive Headteacher or members of the governing body shall be approved by the chair of the governing body. Arrangements for travel by the chair shall be approved by the finance/audit/premises committee.

19.6 School trips

In academies, members of staff must ensure that charges/funds available for taking students on school trips cover the costs of those trips.

19.7 Allowances for members of the governing body

Claims for members of the governing body will be authorised by the school business manager. Claims for meeting attendance will be based on out-of-pocket expenses, but only reasonable expenses can be reimbursed.

19.8 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and funding body guidance and under a scheme approved by the governing body through the finance/audit/premises committee. Professional advice should be obtained where

necessary. No amounts shall be expended which exceed the budget allocated for the purpose. All such payments shall be authorised by the Executive Headteacher and calculations checked by school business manager. Any individual amounts which do not fall within the parameters above or are in excess of £1000 require approval by the finance/audit/premises committee. In exceptional circumstances this approval may be given by the chair of governors in consultation with the Executive Headteacher, to be reported to the next meeting of the committee. Amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the School Business Manager and the finance/audit/premises committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

20 Assets

20.1 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land or building or fixed plant can only be undertaken with authority from the governing body and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

20.2 Fixed asset register

The Executive Headteacher is responsible for maintaining the school's register of land, buildings, fixed plant and machinery.

20.3 Inventories

Class teachers are responsible for maintaining their class inventories, in a form prescribed by the School Business Manager.

Inventories must be checked at least annually as described in the school's detailed financial procedures.

When transferring equipment, etc, between classes, a transfer record must be kept and the inventories amended accordingly.

20.4 Stocks and stores

The Head of School is responsible for establishing adequate arrangements for the custody and control of stocks and stores within their school.

The Head of School is responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

20.5 Safeguarding assets

Class Teachers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the School Business Manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the school shall, so far as is practical, be effectively marked to identify them as institution property.

20.6 Personal use

Assets owned or leased by the institution shall not be subject to personal use without proper authorisation.

20.7 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the governing body and contained in the school's detailed financial procedures.

Disposal of land and buildings must only take place with the authorisation of the governing body. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

20.8 All other assets

All staff are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the institution, whether tangible (such as stock – see above) or intangible (such as intellectual property – see paragraph 20), including electronic data.

21 Funds Held on Trust

21.1 General

The School Business Manager is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

21.2 Gifts, benefactions and donations

The School Business Manager is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the school and initiating claims for recovery of tax where appropriate.

21.3 Trust funds

The School Business Manager is responsible for maintaining a record of the requirements for each trust fund and for advising finance/audit/premises committee on the control and investment of fund balances.

Finance/audit/premises committee is responsible for ensuring that all the school's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

21.4 Voluntary funds

The School Business Manager shall be informed of any fund, not being an official fund of the institution, which is controlled wholly or in part by a member of staff in relation to their function in the institution.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The school business manager shall be entitled to verify that this has been done.

21.5 Donation of equity shares

When shares are offered by a donor, the development office is responsible for the same due diligence they would normally undertake for a donation of cash. In addition they should ensure:

- the donor is the rightful owner of the donated shares
- the company holding the shares complies with the institution's ethical policies.

At the time of the donation, the development office should obtain in writing the purpose of the donation.

All share certificates should be held in the safe.

22 Other

22.1 Insurance

The School Business Manager is responsible for the institution's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see paragraphs 7.1 to 7.3), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Board of Directors annually.

The School Business Manager is responsible for effecting insurance cover as determined by the Board of Directors. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The School Business Manager will keep a register of all insurances effected by the institution and the property and risks covered. He or she will also deal with the institution's insurers and advisers about specific insurance problems.

The School Business Manager is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the institution are covered under the Academy's insurance policy.

22.2 Security

Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the school business manager immediately.

The Head of School shall be responsible for maintaining proper security and privacy of information held on the institution's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs, together with restricted physical access to network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The school business manager is responsible for the safekeeping of official and legal documents relating to the school. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the school business manager. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

22.3 Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the School Business Manager before any such indemnity is given.

23 Appendices

- Appendix A Committee Structure
- Appendix B Responsibilities of the Finance Committee
- Appendix C Audit Committee Duties
- Appendix D Finance Department Organisational Structure
- Appendix E Confidential Reporting Code Policy and Procedures
- Appendix F The Seven Principles of Public Life

Appendix G	Model Anti-bribery Policy and Procedures
Appendix H	Summary of Protocols for Proposed Capital Expenditure
Appendix I	Summary of Protocols for Proposed Major Developments
Appendix J	Internal Audit Responsibilities
Appendix K	Fraud Policy Statement, Procedures, Response Plan and Investigation
Appendix L	Contents of Conditions of Contract for the Purchase of Goods
Appendix M	Main Points included in the Institution's Code of Tendering Practice