

# WEST HATCH HIGH SCHOOL



THE BEST THAT I CAN BE

# Financial Regulations Policy

Policy reviewed: March 2023

Signed:

A handwritten signature in blue ink that reads 'Adrian Hove'.

(Chair of Governors)

# Financial Regulations Manual V.8 – delegated authority levels

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### Related Policies:

Charging and Remissions Policy

Whistleblowing

Staff Expenses Policy

Gift & Hospitality provided by the Academy

Gifts & Hospitality including Pecuniary and Non-Pecuniary Interests

Risk Management Strategy

Pay Policy

*March 2023: Upon the recent appointment of a new Director of Finance and Operations, the Financial Regulations will be reviewed to take account of any changing roles and comments by the new appointee*

# 1. Introduction

- 1.1. The purpose of this manual is to ensure that the academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.2. The academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This manual expands on that and provides detailed information on the academy's accounting procedures and system manual which should be read by all staff involved with financial systems.
- 1.3. The academy adopts the seven principles of public life which apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:
  - the civil service
  - local government
  - the police
  - the courts and probation services
  - non-departmental public bodies
  - health, education, social and care services

The principles are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

# 2. Organisation

- 2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff.

## **The Governing Body**

- 2.2. The Governing Body has overall responsibility for the administration of the academy's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the academy and the DfE, the Academy Trust Handbook, and the academy's Articles of Association. The main responsibilities include:
  - ensuring that grant from the DfE is used only for the purposes intended;
  - ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
  - approval of the annual budget;
  - appointment of the Headteacher and
  - appointment of the Deputy Headteacher and Director of Finance and Operations, in conjunction with the Headteacher
  - appoint an Accounting Officer and a Chief Financial Officer which should both be employees of the trust
  - Ensuring clarity of vision, ethos and strategic direction of academy;
  - Holding senior management to account for the educational performance of pupils and performance management of staff;
  - Overseeing financial performance and making sure funds are used wisely

- gain approval from the Education and Skills Funding Agency (ESFA) if, in exceptional circumstances, it wants to appoint an Accounting Officer or Chief Financial Officer who isn't a trust employee
- appoint a clerk to the board

### **The Finance & Premises Committee and Audit and Risk Committee**

- 2.3. The Finance & Premises Committee and the Audit and Risk Committee are committees of the Governing Body. The Finance & Premises Committee meets half termly, and the Audit and Risk Committee follows this meeting.
- 2.4. The main responsibilities of each Committee are detailed in written terms of reference which have been authorised by the Governing Body.

### **The Headteacher**

- 2.5. Within the framework of the academy development plan as approved by the Governing Body the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Director of Finance and Operations but the Headteacher still retains responsibility for:
  - Accounting Officer, the formal post with overall financial responsibility as defined by the ESFA.
  - approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them;
  - authorising contracts up to £50,000 in conjunction with the Director of Finance and Operations; (note all contracts over £10,000 to be reported to Finance & Premises Committee)
  - signing cheques (panel of 2 from agreed cheque signatories – Headteacher, Deputy Headteacher, and 3 designated Assistant Headteachers).
  - Authorising virements between £10,001 and £30,000 in conjunction with the Director of Finance and Operations and reporting to the Finance & Premises Committee.

### **The Director of Finance and Operations**

- 2.6. The Director of Finance and Operations works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Director of Finance and Operations also has direct access to the governors via the Finance & Premises Committee and the Audit and Risk Committee. The main responsibilities of the Director of Finance and Operations are:
  - to act as Chief Financial Officer as referred to in the Academy Trust Handbook
  - the day to day management of financial issues including the establishment and operation of a suitable accounting system;
  - the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Governing Body;
  - the maintenance of effective systems of internal control;
  - ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
  - the preparation of monthly management accounts;
  - actioning or releasing online payments from the bank account, with the prior approval of 2 cheque signatories.
  - adjusting online payment authorisation limits of other staff, with the prior approval of the Finance & Premises Committee.
  - ensuring forms and returns are sent to the DFE in line with the timetable in the DFE guidance.

### **The Responsible Officer**

- 2.7. The Responsible Officer (RO) is appointed by the Governing Body and provides other governors with an independent oversight of the academy's financial affairs. The main duties

of the RO 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 and
- financial considerations are fully taken into account in reaching decisions.

- 2.8. The appointed auditors will undertake a 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 addressed to the Headteacher, received by the Governor with audit responsibility and presented to the Finance & Premises Committee and Audit and Risk Committee.

#### **Other Staff**

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

The list of budget holders will be agreed during the annual budget setting process.

#### **Register of Interests and Related Party Transactions**

- 2.10. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.
- 2.11. The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 2.12. The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.
- 2.13. Any potential transactions involving a trustee, SLT member or other related party must always be regarded as material and the terms of any such transaction disclosed in order that the academy can ensure and then substantiate that any such transaction has been undertaken at 'arm's length'.

All such transaction are recorded in the accounts in accordance with the Financial Reporting Council standard, FRS102 (Charities SORP2015/FRS102).

### **3. Accounting system**

- 3.1. All the financial transactions of the academy must be recorded on the Resources CORERO accounting system.

#### **System Access**

- 3.2. Entry to the CORERO system is password restricted, with the system automatically requiring regular password changes.
- 3.3. Access to the component parts of the CORERO system will also be restricted and the Director

of Finance and Operations is responsible for setting access levels for all members of staff using the system.

#### **Back-up Procedures**

- 3.4. The IT Manager is responsible for ensuring that there are effective and appropriate back up procedures for the system.
- 3.5. The Headteacher is responsible for ensuring that a disaster recovery plan is in place, with input from other staff including the Director of Finance and Operations as appropriate. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

#### **Transaction Processing**

- 3.6. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. All journal entries must be documented and countersigned by the Director of Finance and Operations. Bank transactions should be checked by the Director of Finance and Operations.
- 3.7. Detailed information on the operation of the CORERO system can be found in the user manuals held in the Finance Office.

#### **Transaction Reports**

- 3.8. The Director of Finance and Operations will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
  - Balancing control accounts for the payroll, bank, purchase ledger and sales ledger;
  - management accounts summarising expenditure and income against budget at budget holder and account code levels.

#### **Reconciliations**

- 3.9. The Finance 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;
  - all suspense accounts and
  - bank balance per the nominal ledger to the bank statement.
- 3.10. Any unusual or long outstanding reconciling items must be brought to the attention of the Director of Finance and Operations. The Director of Finance and Operations will review and sign all reconciliations as evidence of his review.

## **4. Financial planning**

- 4.1. The academy prepares both medium term and short-term financial plans.
- 4.2. The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.3. The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

- 4.4. The development planning process and the budgetary process are described in more detail below.
- 4.5. The academy prepares cash flow statements to monitor actual balances against projections together with prior year comparisons.

#### **Development Plan**

- 4.6. The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.7. The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the DfE.
- 4.8. Each year the Headteacher will propose a planning cycle and timetable to the Governing Body which allows for:
  - a review of past activities, aims and objectives - "did we get it right?"
  - definition or redefinition of aims and objectives – "are the aims still relevant?"
  - development of the plan and associated budgets – "how do we go forward?"
  - implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
  - feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.9. The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.
- 4.10. The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 4.11. For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the Finance and Premises Committee and/or Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

#### **Annual Budget**

- 4.12. The Director of Finance and Operations is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher and Finance & Premises Committee, with final approval (as required by the ESFA) being given by the Governing Body.
- 4.13. The approved budget must be submitted to the ESFA in line with the deadlines published from time to time by the ESFA and 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.
- 4.14. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.15. The budgetary planning process will incorporate the following elements:

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

#### **Balancing the Budget**

4.16. 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.

#### **Finalising the Budget**

4.17. Once the different options and scenarios have been considered, a draft budget should be prepared by the Director of Finance and Operations for approval by the Headteacher and the Finance & Premises Committee with final approval (as required by the ESFA) being given by the Governing Body. In order to aid decision making by governors, the draft budget will be presented with the identified scenarios and costings. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

#### **Monitoring and Review**

4.19. Monthly reports will be prepared by the Finance Manager. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance & Premises Committee.

4.20. Any potential overspend against the budget must in the first instance be discussed with the Director of Finance and Operations. The Headteacher may authorise overspends on particular budgets but only by way of the virement process within their virement limit. Other overspending requires approval of the Finance & Premises Committee.

4.21. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency, or to make efficiencies.

4.22. The Governing Body is responsible for authorisation of all virements in excess of £30,000 between budget headings. Details of all virements approved and authorised by the Finance & Premises Committee are to be formally notified to the Governing Body.

4.23. Any significant budget changes are to be reported to the ESFA, as required in the Academy Trust Handbook, having been approved by the Governing Body.



## 5. Payroll

5.1. The main elements of the payroll system are:

- staff appointments;
- overtime
- payroll administration and payments.

### **Staff Appointments**

5.2. The Governing Body has approved a personnel establishment for the academy. Requests for changes to this establishment should be made in the first instance to the Headteacher, and notified to the Salary and Staffing Committee, who must ensure that adequate budgetary provision exists. Final approval for any changes which result in increased expenditure must be given by the Finance & Premises Committee.

5.3. The Headteacher has authority to appoint staff only within the authorised establishment except for Deputy Headteachers and the Director of Finance and Operations whose appointments must follow consultation with the governors. The HR Manager maintains personnel files for all members of staff which include contracts of employment.

### **Payroll Administration**

5.4. The academy payroll is administered through Education Personnel Management Ltd. (EPM). Access to the system is limited to relevant finance and HR staff.

5.5. New appointments are to be uploaded to the online portal by the HR Manager, following written authorisation from the Headteacher and notification to the Finance Manager. Copies of this are to be retained on the employee personnel file.

5.6. Amendments to an employee's terms of employment are to be notified to EPM via the online portal. Terminations of employments are to be notified to EPM via the online portal. Prior authorisation from the Headteacher is notified to the Finance Manager and a copy retained on the employee personnel file.

5.7. Sickness absences during the month will be recorded and input online to EPM by the Cover Manager, then authorised online by the Director of Finance and Operations.

5.8. No overtime should be undertaken without the prior approval of the Headteacher.

5.9. No payment for meal allowances will be made or adjusted via the schools' payment provider (currently ParentPay). All allowances made for the provision of staff meal allowances will be made via the schools' payroll systems.

5.10. Staff overtime claim forms must be approved by line managers and passed to Finance. Details will be input on EPM by the Finance Manager and approved online by the Director of Finance and Operations.

5.11. The academy balance sheet will be adjusted annually to record the academy's liability for outstanding paid annual leave where material. All leave not taken by the end of the financial year will be recorded as an accrual in accordance with the Financial Reporting Council standard, FRS102 (Charities SORP2015/FRS102).

5.12. Contingency arrangements for the absence of key staff have been set up online, and are that items normally approved online on EPM by the Headteacher may instead be approved online by one Deputy Headteacher, and items normally approved online on EPM by the Director of Finance and Operations may instead be approved online by the other Deputy Headteacher.

### **Payments**

5.13. All payroll payments to staff, HMRC, unions and pension providers are made on behalf of the

school directly by BACS by EPM.

- 5.14. The Finance Manager prepares a reconciliation between HR system and Payroll output and highlights any differences. This is forwarded to the HR Manager (copy to Headteacher and the Director of Finance and Operations) to provide explanations for any variances.
- 5.15. Where payroll reconciliation identifies an error, the school can take remedial action, and the Finance Manager will notify EPM so this can be adjusted in the following month's payslips.
- 5.16. All salary payments are made by BACS (cheque payments are made in exceptional circumstances – evidenced by memo/letter from HR Manager).
- 5.17. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions. These payments are taken by BACS from the academy's bank account.
- 5.18. After the payroll has been processed the nominal ledger is updated by the Finance Manager. Postings will be made both to the payroll control account and to individual cost centres. The Director of Finance and Operations reviews the payroll control account each month to ensure the correct amount has been posted from the payroll system and the individual cost centres have been correctly updated.
- 5.19. Staff expenses: Business mileage may be claimed at 45p per mile in line with current HMRC standard rates. Reimbursement of purchases made by a staff member on behalf of the academy will also be processed if authorised by the budget holder and accompanied by an expense form and receipt. Where the claimant is a budget holder, the claim should be counter-signed by their line manager. No claims which would incur a taxable benefit will be paid, only genuine business expenses. Expense claims will be entered onto CORERO through the purchase ledger, and paid by direct online payment into the individual's bank account within the regular batches of payments.
- 5.20. Staff are to note that academy resources are to be used for academy business only. In particular, where a member of staff is loaned an academy mobile phone, this is not to be used for personal calls, which would result in extra costs to the academy.
- 5.21. Governor/volunteer expenses – expenses incurred on academy business may be reimbursed following the same process as for staff expenses, when claimed on the same form, and authorised by Director of Finance and Operations.
- 5.22. Special payments – these are transactions that fall outside academy trusts' planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. They include staff severance payments, compensation payments and ex gratia payments. Academy trusts should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the level of settlement reached. Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook and in ESFA's guidance and submission template.

## 6. Purchasing

- 6.1. The academy wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of our purchases will be 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**

- 6.2. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder monthly (and on demand). Budget-holders (or their appropriate staff) will be responsible for making the first request for the purchase of items or services from their own budgets.
- 6.3. Any urgent order that is placed verbally should be notified to Finance Department as soon as possible and entered onto the accounting system as soon as possible so that a purchase order can be setup to register the financial commitment.
- 6.4. Academy funds must not be used to purchase alcohol for consumption
- 6.5. Routine purchases can be ordered by budget holders, within budgets held only and up to £5K. Advice about suppliers and help in ordering/obtaining best value is available in the Finance Office. Budget holders should always be mindful of obtaining best value when ordering. Finance Officers will change supplier (in consultation with budget holder) if better value could be obtained by using alternative supplier.
- 6.6. All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the budget holder. In the event of a school closure due to external factors, an email approval is an acceptable alternative to a signature. They must then be forwarded to the Finance Office. Orders for web suppliers will be accepted with appropriate links and input into system.
- 6.7. On receipt of the Order Form, the Finance Officer will determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified, the Finance Officer will raise a Purchase Order in CORERO and email to the supplier/contractor. Internal Order Forms will be kept in a file with computer generated orders in the Finance Office.
- 6.8. Benefits arising from the purchase, such as airmiles, loyalty points etc will all accrue to the school, and must not be taken as benefit by the individual employee.
- 6.9. 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.
- 6.10. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified and will arrange for their collection.
- 6.11. All invoices should be sent to the Finance Office. They will be checked against the original order for accuracy (and delivery notes where appropriate) and entered on CORERO.
- 6.12. The invoice will then be sent to the budget holder who must make a detailed check against the order and the GRN before signing it and returning it to the Finance Office. In the event of a school closure due to external factors, an email approval is an acceptable alternative to a signature. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
- 6.13. On receipt of the signed invoice, the Finance Manager will mark the invoice as "approved" on CORERO, in order that it will be included in the next automatic payment run.

- 6.14. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.15. The Finance Assistant will periodically perform the automatic payment run which generates a payment file to upload to the bank website, or generates the cheques required.
- 6.16. Any cheques must be authorised by two of the nominated cheque signatories. The bank payments are only to be released from the bank website after signature of the payment list by two of the nominated cheque signatories. In the event of a school closure due to external factors, an email approval is an acceptable alternative to a signature.
- 6.17. The RO will include in their termly report a review of cheques raised over £5,000.
- 6.18. Credit cards with spending limits of £5,000 per card are held by the following staff:

Director of Finance and Operations  
Finance Manager  
Finance Officer  
Finance Assistant

Payments are made on the authorisation of individual budget holders, within established budget and authorisation limits. Payments are recorded as cash book payments on CORERO, and reconciled monthly with the credit card statement. Associated paperwork is included in the monthly reports provided to the Headteacher.

**Orders over £5,000 but less than £50,000:**

- 6.19. At least three written quotations (to include web pricing information) should be obtained for all orders between £5,001 and £50,000 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. Copies to be provided to Finance Department to keep with the relevant order. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

**Orders over £50,000**

- 6.20. All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures using the Find a Tender Service.

**Forms of Tenders**

- 6.21. 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. There should be clear evidence of the authority required and the decision for this route. 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. There should be clear evidence of the authority required and the decision for this route. 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**

6.22. Full consideration should be given to:

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

6.23. 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.

### **Invitation to Tender**

6.24. 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.

6.25. An invitation to tender should include the following:

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

### **Aspects to Consider**

#### ***Financial***

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

#### ***Technical/Suitability***

- Qualifications of the contractor
- Relevant experience of the contractor

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

***Other Considerations***

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

**Tender Acceptance Procedures**

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

**Tender Opening Procedures**

6.27. All tenders submitted should be opened at the same time and the tender details should be recorded.

- tenders over £50,000 but under £100,000 must be authorised by the Budget Holder, Director of Finance and Operations, Headteacher and Finance & Premises Committee
- The Finance & Premises Committee is responsible for the authorisation of the advertising of tenders above £100,000 and authorising the award of such tenders. Details of the tender opening should be submitted to the Committee for decision.

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

**Tendering Procedures**

6.29. 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.

6.30. 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.

6.31. Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance & Premises Committee highlighting the relevant issues and recommending a decision.

6.32. Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

6.33. The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

## 7. Income

7.1. The main sources of income for the academy are the grants from the ESFA, and from local authorities for SEN & looked after children. The receipt of these sums is monitored directly by the Finance Manager who is responsible for ensuring that all grants due to the academy are collected.

7.2. The academy also obtains income from:

- Students (see charging policy)
- the public, mainly for lettings
- Catering

Income from students will be recorded by the finance team, identifying the payee. This will be either on appropriate spreadsheets or through Parentpay. Receipts will be provided on request. Income collected in individual departments must be recorded appropriately and passed to the Finance Office immediately.

Income for lettings is managed through the school's hiring platform – SchoolHire and the sales ledger process on CORERO, and follows a scale of charges agreed by the Finance & Premises Committee.

Income from charity collections held in school will be recorded, and the same amount passed on to the relevant charity.

7.3. Debts to be written off are to be notified to the Finance & Premises Committee (the DfE's prior approval is also required if debts to be written off are above the value set out in the Academy Trust Handbook).

7.4. No organisation will be allowed to book the premises prior to signing the school's standard hire agreement.

### **Custody**

7.5. All cash and cheques must be kept in the Finance Office safe prior to banking.

7.6. Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected and remitted to the school from SchoolHire, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and are reviewed by the Director of Finance and Operations.

## 8. Cash Management

### **Bank Accounts**

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

EPM has BACS authority on our RBS bank account up to £495,000 (for payroll purposes only).

8.2. Staff are required under these Regulations to obtain signatures from 2 bank mandate signatories prior to making online payments from the school bank account. In the event of a school closure due to external factors, an email approval is an acceptable alternative to a signature. The bank mandate signatories are named teachers from the SLT.

- 8.3. The online banking is set up to require dual authorisation, in line with audit advice. Any two out of the Director of Finance and Operations, the Network Manager, and the Office Manager can together release the payments. The normal routine for online authorisation of online payments is for the Director of Finance and Operations to act with either the Network Manager or the Office Manager.
- 8.4. The online banking system also requires dual authorisation for any amendments to online banking powers. Any two out of the Director of Finance and Operations, the Network Manager, and the Finance Manager can jointly facilitate changes online to the online banking access that individual staff have. Access rights will only be changed with approval from the Finance & Premises Committee.
- 8.5. In the event of a school closure due to external factors, the school reviewed essential functions that rely on individual key staff, and has agreed the following arrangements for business continuity in the event that key staff may be absent, potentially simultaneously.
- 8.5.1. If 1 out of the Director of Finance and Operations/Network Manager/Office Manager is unwell, no change to the online banking setup is required.
- 8.5.2. If 2 out of the Director of Finance and Operations/Network Manager/Office Manager are simultaneously unwell, the actual payments due would be reviewed, and payments simply delayed where possible.
- 8.5.3. Even if not actually making payments, then if 2 out of the 3 are unwell, the online banking roles would be amended, working down the following list in order, until reaching someone who is well, and until dual authorised online banking payments are possible:
- 8.5.3.1. Temporarily amend the Finance Manager's online banking role to allow her to participate in dual authorisation process
- 8.5.3.2. Temporarily amend the Finance Officer's online banking role to allow her to participate in dual authorisation process
- 8.5.3.3. Temporarily amend the Finance Assistant's online banking role to allow her to participate in dual authorisation process
- 8.5.4. If the adjustments above do not resolve the situation, then in extreme levels of absence the dual authorisation requirement in online banking could be switched off, allowing one single person mentioned in the section above to release online payments, after obtaining the required approvals from the bank mandate signatories as normal.
- 8.5.5. On return to health, normal online banking arrangements would be resumed as soon as possible, and the temporary authorisations removed.
- 8.6. The Finance Officer and Finance Assistant both have access to view the bank account online but not to make payments. All members of the Finance Team are authorised to discuss the account by telephone or email with the bank.

### **Deposits**

- 8.7. The pay in process is performed on a weekly basis. Income (cheques, notes and coins) is paid into the school bank account via the cash collection service.

Cashless pre-payment from Parentpay is collected by Loomis one week in arrears following reconciliation with the Parentpay system.

Particulars of all deposits must be entered on the paying in slip and counterfoil of the paying-in book as follows:

- the amount of the deposit and
- corresponding reference entry from the income analysis spreadsheet

Corresponding entries are then recorded via CORERO Cash allocation procedure.

The Director of Finance and Operations will countersign the paying in reconciliation sheets.



### **Payments and withdrawals**

- 8.8. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the authorised signatories. Cash withdrawn on a school credit card will be recorded as a transfer to the petty cash, and reconciled.
- 8.9. This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the academy.

### **Administration**

- 8.10. The Director of Finance and Operations must ensure 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 Officer;
  - reconciliations are subject to an independent monthly review carried out by the Director of Finance and Operations and
  - adjustments arising are dealt with promptly.

### **Petty Cash Accounts**

- 8.11. The academy maintains a maximum cash balance of £500. The cash is administered by the Finance Officer and is kept in the Finance Office safe.
- 8.12.
- 8.13. The only deposits to petty cash should be from cheques or credit card withdrawals specifically for the purpose, and recorded promptly on CORERO. All other cash receipts for whatever reason should be paid directly into the bank.

### **Payments and Withdrawals**

- 8.14. In the interests of security, petty cash payments will be limited to £25 normally. Higher value payments should be made by cheque or direct payments directly from the main bank account as a cash book payment.

### **Administration**

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

### **Physical Security**

- 8.16. Petty cash should be held in a locking cash box which is kept in the safe.

### **Cash Flow Forecasts**

- 8.17. The Director of Finance and Operations is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations.
- 8.18.
- 8.19. The Director of Finance and Operations should ensure that a bank cash balance equivalent to 2 month's worth of operating expenses is maintained at all times.

### **Investments**

- 8.20. Investments must be made only in accordance with written procedures approved by the Governing Body.
- 8.21.
- 8.22. All investments must be recorded in sufficient detail to identify the investment and to enable

the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## 9. Fixed assets

### Tangible Fixed Assets

#### 9.1. Land and buildings

Freehold buildings are depreciated over their useful lives of 50 years from the date of the valuation. No depreciation is provided on buildings until they are brought into use. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and the buildings are depreciated as above.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the book value of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value certified and other direct costs incurred to 31 August. They are not depreciated until they are brought into use.

Buildings improvements also capitalised & depreciated & managed through fixed asset fund where over £5,000.

All disposals of a freehold land and building must be agreed in advance with the Secretary of State.

#### 9.2. Equipment

Equipment costing less than £5000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

Second hand equipment is depreciated on a straight line basis over its remaining useful economic life. Depreciation rates are specified in the published accounts.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant going into the fixed asset fund

#### 9.3. All items purchased with a value over £5000 must be entered in the fixed asset register. The asset register should include the following information:

- asset description
- quantity
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- name of member of staff responsible for the asset

9.4. The Asset Registers help:

- 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 and the academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

9.5. Depreciation

Depreciation shall be calculated on an annual basis for inclusion in the accounts.

Depreciation rates (all straight line) to be normally used are stated in the published annual accounts.

**Security of assets**

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

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

**Disposals**

- 9.7. 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 DfE in writing for larger disposals, in line with the current version of the Academy Trust Handbook in force at the time.

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

- 9.9. The Finance & Premises Committee is to be notified of the disposal of individual items with an original purchase price of up to £5,000.

- 9.10. The Finance & Premises Committee is responsible for authorising the disposal of individual items with an original purchase price of between £5,001 and £20,000.

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

- 9.12. All disposals of land must be agreed in advance with the Secretary of State.

- 9.13. On disposal of items which have been capitalised, the Finance Manager is responsible for making the appropriate entries in the accounts and in the asset register.

### **Loan of Assets**

- 9.14. Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
- 9.15. 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.

### **Small Asset Inventories**

- 9.16. All assets with an individual cost of £5,000 inclusive of VAT, or higher, will be recorded in the Fixed Asset Register. All Heads of Department (or their delegates) must also keep an inventory of items with values greater than £5,000 and items that have a value less than this but are deemed "attractive and portable". As stated above, these inventories must be checked on an annual basis to verify the existence of the assets.
- 9.17. Inventories may be in the form of a book, sheets or computer record and must include the following minimum detail:
- The item and the model
  - Date of purchase and the supplier
  - A serial number and any other identifying marks
  - The normal storage location
  - Quantity (small items may be batched)
  - Cost

### **Intangible Fixed Assets**

- 9.18. In line with Financial Reporting Council standard, FRS102 (Charities SORP2015/FRS102), computer software licenses that are separable and material will be capitalised as intangible fixed assets. The Academy Trust has agreed a capitalisation limit of £5,000. These will be depreciated over the life of the asset. For annual licenses the depreciation charge in each accounting year will be reflective of the number of license months falling within the accounting year.
- 9.19. For material setup costs for longer term licenses with no specific end date a 5 year depreciation period will apply unless otherwise agreed by the Finance and Premises Committee.

## **10. Fraud, risks & contingencies**

- 10.1. All instances of fraud will be reported to the Audit & Risk Committee. The Audit & Risk Committee will also review from time to time the processes that the school has in place to manage the risk of fraud.
- 10.2. The school will adhere to the ESFA's requirements in force at the time regarding reporting of fraud.
- 10.3. The Headteacher is responsible for ensuring that the school has a contingency and business continuity plan setting out what it would do to ensure its continued operation.
- 10.4. The Headteacher is responsible for ensuring that the school has a risk register, including a likelihood and impact assessment, in order to recognise, manage and track present and future risks arising from its operations and to inform the programme of internal scrutiny
- 10.5. The academy must notify the ESFA of any fraud, theft or financial irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or

systematic fraud, regardless of value, must also be reported.

10.6. The Headteacher (Accounting Officer) is responsible for ensuring that any letter to Trust's Accounting Officers/CEOs (Dear Accounting Officer) from the ESFA is subsequently shared with members, trustees, the Director of Finance and Operations and other members of the Senior Leadership Team. Contents of the letter must be discussed by the Finance and Premises Committee and actions taken fully minuted.

## **11. Gifts, hospitality, funding of staff events**

11.1. Governors note that academy resources are to be used for academy business only, and acknowledge the need to avoid extravagance.

11.2. There is a separate policy and register covering the acceptance of gifts, hospitality, awards, prizes made to the academy or individual staff within it, or any other benefit which might be seen to compromise their personal judgment or integrity.

11.3. There is a separate policy covering gifts and hospitality provided by the academy, noting that the trust must ensure that the value of the gift is reasonable, is within the trust's scheme of delegation, the decision is fully documented, and has due regard to propriety and regularity in the use of public funds.

11.4. Maintenance and oversight of both registers is the responsibility of the Headteacher, who must report regularly to governors. Novel and/or contentious transactions (those which might give rise to criticism of the trust by Parliament, and/or the public, and/or the media) must always be referred to ESFA by the Headteacher for explicit prior authorisation.

## **12. Borrowing**

12.1 In line with funding agreements, the academy must seek ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.

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

Relevant documents:

- Academy Trust 2022
- Dear Accounting Officer letters issued by the ESFA

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Financial Management</b>				
Ensure the school's continuing compliance with the requirements of our funding agreement with the Department for Education (DfE), the Academy Trust Handbook and the academy's Articles of Association	✓		✓	Business Manager
To review the school's Financial Regulations Manual and all corresponding financial policies for approval by the Governing Body biennially.		✓		Business Manager
Approval of the school's Financial Procedures Manual.	✓			
Approval of the school's financial policies (Schedule of Delegation, Scheme for Financing Schools, Financial Regulations, charging, refunds, debt recovery, asset disposal, etc)	✓			
To review the governor induction pack to ensure that the information is still relevant and up to date.	✓			Clerk
Ensure that there is an induction pack for new governors, tailored to reflect the individual structure of the school.	✓			Clerk
Ensure that all relevant financial updates are brought to the attention of the Finance Committee / Governing Body.			✓	
To consider all relevant financial updates and advise the Governing Body of any issues affecting the school's financial administration.		✓		
To complete the School Resource Management Self-Assessment tool and submit the completed checklist to the ESFA by the specified annual deadline	✓	✓		
<b>School improvement Plan – financial implications</b>				
Prepare a fully costed improvement plan setting out the aims of the school.			✓	
Secure the implementation of the improvement plan with the collective support of the school staff.			✓	
Consider the draft school improvement plan, review and monitor it.		✓		
Approve an ongoing improvement plan and take stock of the progress of the plan on an annual basis.	✓			

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Financial Planning</b>				
Prepare a three-year medium term budget on the basis of the cost of current policies, the proposals for change (drawn from the school's improvement plan) and estimates of the level of future resources.			✓	Business Manager Finance Manager
Consider the school's medium term financial plan (MTFP) in the light of the development plan and the level of future resources.		✓		
Approve the school's MTFP and review this document in the light of any significant factors that come to the attention of the Governing Body.	✓			
<b>Annual Budget Plan and Best Value Statement</b>				
Undertake benchmarking exercises on an annual basis for review by the Finance Committee.			✓	Business Manager
Consider the benchmarking work undertaken by the school and propose changes, as required, to ensure that the school budget achieves value for money.		✓		
Prepare the school's draft annual budget and best value statement, based on the agreed objectives of the school as set out in the improvement plan, MTFP and key issues paper for consideration by governors			✓	Business Manager Finance Manager
Consider the draft school budget and key issues (links to the school improvement plan and MTFP) and the proposal of the balanced budget for the year for the approval of the Governing Body.		✓		
Approve the school's annual budget.	✓			
Review the guidance for the signing of the annual best value statement and ensure that appropriate steps have been taken by the school to obtain best value.		✓	✓	
Approve the Best Value statement based on the work undertaken by the school and Finance Committee to ensure value for money has been established and ensure its inclusion in the annual accounts for submission to the ESFA by 31 <sup>st</sup> December each year.	✓			

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Annual Timetable for Budget Management</b>				
Prepare a timetable with key dates for annual budget management.			✓	
Ensure that meetings are timetabled taking into consideration financial deadlines.		✓		
<b>Budget Monitoring and Control</b>				
Approve virements between budget headings. Movements above this value to be referred to the Headteacher.				Business Manager < £10k
Approve virements of money between budget headings. Virements in excess of this amount to be approved by the Finance Committee.		£10,001 - £30,000		
Approve virements between budget headings in excess of the delegation to the Finance Committee.	> £30,001			
Advise the Finance Committee and Governing Body of all budget movements (e.g. virements, allocation of additional funding, etc) undertaken where not otherwise approved in advance by the Finance Committee or Governing Body.			✓	
Review all budget movements undertaken (including virements), ensuring that the reasoning for the movements is sound.	✓	✓		
Monitor and control income and expenditure against the budget during the financial year, including preparation and approval of reports for the Finance Committee and Governing Body and the production of a register of staff responsible for managing budgets.			✓	
Monitor and control income and expenditure against the budget during the financial year.		✓		
Review the budget monitoring reports and the projected out-turn position.	Quarterly	✓		
The control and monitoring of delegated budgets.				Departmental Budget Holders
Ensure that earmarked funds and large or trading activities are separately monitored and reported to governors.			✓	Business Manager Finance Manager



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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Budget Monitoring and Control</b>				
Monitor earmarked funds, trading activities and large school operations, (e.g. catering, sports facilities, extended school activities, hirings, etc) to ensure that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.		✓		
<b>Financial Reporting to the ESFA</b>				
The preparation of the year-end accounts and other returns required by the ESFA for consideration by the Headteacher.				Business Manager External Auditor
In conjunction with the Chair of Governors, approve all year-end accounts and any financial returns required by the ESFA.	Chair		✓	
<b>Audit and Inspection Reports</b>				
Appoint external auditors		✓ Audit and Risk Committee & Members		
Produce a formal response to the audit report and an action plan showing how the recommendations will be implemented.			✓	Business Manager
Consider the recommendations set out in the audit reports and the action plan proposed by the Headteacher for implementing these.		✓ Audit and Risk Committee		Responsible Officer
Ensure that the recommendations agreed by the school have been implemented.	✓	✓	✓	
Deliver a programme of internal scrutiny (3 x year plus annual report), informed by the Academy Risk Register, to provide independent assurance to the Board that financial and non-financial controls are operating effectively		✓ Audit and Risk Committee		Business Manager Procured Internal Audit service (Scrutineer)
Deliver annual internal scrutiny report to ESFA by 31 <sup>st</sup> December		Audit and Risk Committee	✓	External Audit Business Manager Finance Manager
<b>Retention and Disposal of Accounting Records</b>				
Ensure maintenance of complete financial accounts and full supporting records for all accounts (both official and unofficial). (Refer also to the Financial Systems section below.)			✓	Business Manager
The retention, secure storage and disposal of accounting records in accordance with both				Business

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legal and Local Authority requirements.				Manager
The maintenance of full financial records for all accounts.				Business Manager

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Computer Systems and the Data Protection Act 1998</b>				
Ensure that the school complies with the requirements of the Data Protection Act 1998			✓	IT Manager
Ensure that the school's Data Protection registration is renewed annually	✓			Business Manager
The setting up and maintenance of access profiles for system users and the production and security of back-up disks and files.			✓	IT Manager
<b>Financial Systems</b>				
Undertake an annual review of the controls within the school's financial systems to support the signing of the Statement of Internal Control (SIC).			✓	External Auditors
To consider the annual SIC for approval by the Governing Body, taking into consideration the school's self-assessment of the controls within its financial systems and other members of its financial management.		✓ Audit and Risk Committee		Responsible Officer
Approval of the annual SIC for submission to ESFA based on the recommendations made by the Audit and Risk Committee.	✓			
<b>Banking Arrangements</b>				
Open bank accounts and approve or vary signatures thereto, taking into consideration the restrictions set out in Academy Trust Handbook.	✓			
Authorise payments and act as cheques signatory			✓	Deputy Headteacher 3 x designated Assistant Headteachers
Approval of the BACS payment run				Business Manager
The control and reconciliation of the school's bank accounts for consideration by the school's Headteacher or Deputy Headteacher.				Finance Officer
Approve the bank reconciliation on a monthly basis.			✓	

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Petty Cash</b>				
Agree, with the Governing Body, an appropriate amount of petty cash to be held, currently £500, and the periodic check of completeness of financial records.			✓	
The maintenance of accounting records, the security and regular reconciliation of petty cash.				Finance Officer
To agree the limit for payments via petty cash, currently £25. Payment above this level should be made via BACS.			✓	Finance Officer
<b>Personnel and Payroll</b>				
Review the staff structure of the school quarterly.			✓	(Staffing and Salaries Committee)
To review the financial implications of changes to staffing numbers and grades.		✓	✓	(Staffing and Salaries Committee)
To review and approve the academy Pay Policy			✓	(Staffing and Salaries Committee)
The maintenance of an authorised signatory list for employment contracts and pay documents.				HR Manager
Approval to appoint staff up to the level of Deputy Headteacher and Director of Finance and Operations			✓	
Approval to appoint Deputy Headteacher and Director of Finance and Operations	✓		✓	
Approval to appoint Headteacher	✓			
Notification for any changes to the structure of the Governing Body to Companies House and to Schools Information pages on the DoFE website	✓ Clerk to notify BM			Business Manager (via all committees)

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Personnel and Payroll</b>				
The filing and storage of personnel and pay records (including person specifications and interview notes for a least 12 months).				HR Manager
Periodically reconcile gross pay with contracts and other authorised documents.			✓	Finance Manager
Determine employee status for all individuals working on behalf of the school, using the local authority questionnaire where further clarification is required.			✓	HR Manager
Authorise all employee-related expenses to be paid through payroll (e.g. employees' overtime, special allowances, travel expenses, etc).			✓	Line Managers
Approve all payments made to the Headteacher personally, i.e. reimbursement of payments for goods / services purchases on behalf of the school and / or personal expenses incurred, e.g. travel expenses.		✓		Chair of Governors
Implement the school pay policy and appointment procedures for all staff employed through the school.			✓	
<b>Purchasing – provision of goods and services</b>				
Set house rules for a purchasing policy, monitor and review the rules in accordance with local authority guidelines.	✓			
Monitor purchasing regulations to ensure compliance by the school.			✓	
Act as 'Chief Officer' for the letting of contracts.	✓		(✓)	
Appoint Contracting Officer and Contracts Manager for the contracts taken out.	✓			
Maintain a Contracts Register in accordance with ESFA guidance.	✓		(✓)	Business Manager
Act as Contract Manager and monitor contracts on an on-going basis.				Business Manager
Review contracts on an on-going basis (and as part of ensuring the school continues to achieve 'best value')	✓		(✓)	Business Manager
Ensure that a minimum of three written quotes are obtained for purchases and contracts valued at over £5,000 and up to a value of £50,000. Orders over £10,000 should be reported to the Finance and Premises Committee.			✓ Between £5,000 and £50,000	Budget Holders
Ensure that a minimum of 3 tenders are obtained for purchases and contracts valued between £50,000 and £100,000,		✓ £50,000 to £100,000	✓ £50,000 to £100,000	Budget Holder Business Manager
Ensure that a minimum of 4 tenders are obtained for purchases and contracts valued between £100,000 and EU limits.		✓ £100,000 to EU threshold		
Ensure that EU regulations are applied for all contracts over the EU threshold.	✓			

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Purchasing – provision of goods and services</b>				
Maintain a list of contacts for guidance and advice.			✓	Business Manager
Supervise contractors and service providers to ensure the receipt of best value for money and compliance with legislation.	✓			
<b>Leasing and borrowing</b>				
Seek approval for any proposed leases, other than operating leases, from the ESFA, so that capital controls imposed by Government can be taken into consideration.			✓	
The maintenance of a register of all leases held by the school (if not included in the school's Contract Register).				Business Manager
<b>Orders for Goods and Services and Payment of Accounts</b>				
The maintenance of an authorised signatory list for orders (subject to the limitations agreed).				Finance Manager
The authority for the signing of official orders for the purchase of goods and services up to the value of £5,000, other than by the Headteacher.				Budget Holder
Control the placing of orders for the purchase of all goods and services, up to a value of £50,000. A member of the Governing Body must countersign orders above that amount. Orders should be supported by 3 written quotes. Orders over £10,000 should be reported to the Finance and Premises Committee.			✓ Between £5,000 and £50,000	Budget Holder
Approve orders for all goods and services	Between £100,000 and EU limits	Between £50,000 and £100,000		
Approve capital projects above £10,000		✓		
The confirmation of the receipt of goods and services.				Budget Holder
The preparation of cheques for payment of services.				Finance Assistant

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>VAT</b>				
To monitor the regulations on VAT, ensuring compliance by the school.				Finance Manager
To complete and submit the reimbursement claim for VAT on a [TIME] basis.				Finance Officer
The signing of the VAT reimbursement claims.			✓	
<b>Income</b>				
Set a charging policy for consideration by the Governing Body.		✓		
Approve the charging policy.	✓			
Draw up proposed charges for the various areas of school income, including lettings, music tuition and school meals, on an annual basis.			✓	Business Manager
Consider the proposed charges for the various areas of school income for approval by the Governing Body annually.		✓		
Approve the annual review of charges for the various areas of school income (the approval to be formally recorded in the Governing Body minutes).	✓			
Set suitable controls for the recording and collection of monies due, and for the movement of banking of monies for all accounts under the control of the school.			✓	
The control and collection of all income.				Finance Manager
The preparation of receipts for banking.				Finance Officer
The physical banking of monies.				Finance Officer
<b>Income</b>				
Approve procedures for chasing outstanding income due to the school (debt recovery policy).	✓			
Write off bad debts. Amounts in excess of this limit to be approved by the Finance Committee.			✓ < £500	
Approve and write off bad debts accruing to the school subject to an individual limit of £45k; items above £250,000 must be referred to ESFA for approval.	£10,001 - £250,000	✓ Between £501 and £10,000		
Ensure the security of monies held on site.			✓	Business Manager

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Area of Responsibility	Level of Responsibility			
	Governing Body	Finance Committee	Headteacher	Other Staff Member
<b>Security of Assets, Stocks and Other Property</b>				
Produce and implement a policy for security arrangements at the school (including procedures for call-out and key replacements)			✓	
Approve and periodically review the policy for security arrangements at the school.	✓			
To determine a value above which assets should be recorded on the school's inventory.		✓		
Ensure the physical security of the school's assets, and maintain and periodically inspect an up-to-date inventory.			✓	
The security of physical assets.				Site Manager
The notification of any changes in physical assets to the inventory coordinator.				IT Manager Site Manager
To determine a value above which discrepancies in the inventory should be reported to the Governing Body.	✓			
The physical inspection of the inventory on an annual basis or through an on-going programme of (random) sample checks.				IT Manager Budget Holder
Prepare a policy for the disposal of surplus stock and equipment and property, other than land and buildings, and authorise items for disposal up to a maximum value of £5,000.			✓	Business Manager
Approve the policy for disposal of surplus stock and equipment and the sale of property, other than land buildings.	✓			
Authorise items for disposal above a residual value of £5,000].		✓		
Maintain a register of key holders.			✓	Site Manager
<b>Insurance</b>				
Initiate adequate insurance cover for the school, and maintain a register of policies taken out.			✓	Business Manager
Undertake an assessment of risk management for insurance purposes at the school.		✓		Business Manager