



CRIGGLESTONE ST JAMES CE PRIMARY ACADEMY

Financial Management Policy



September 2026

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Statement of intent

St James CE Primary Academy recognises that well-managed finances can maximise outcomes for pupils' education. We are dedicated to undertaking fair and reasonable financial planning for the benefit of the academy as a whole.

The academy has a duty to exercise regularity, propriety and value for money in the use of public money, and will ensure that members, trustees and staff always adhere to the stipulations of this policy in financial procedures and processes. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DFE).

The academy must comply with the principles of financial control outlined in the Academies Financial Handbook 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.

Similarly, the finances of the school will be run to the highest standards of accountability and stewardship to meet its educational objectives within its delegated budget. To this end, it will aim to maximise the use of its delegated budget together with any other sources of income or grant to deliver the Academy Development Plan.

1. Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- ESFA (2023) 'Academy trust handbook 2023' (ATH)
- ESFA (2023) 'Declare or seek approval for related party transactions: summary guidance'
- Data Protection Act 2018
- Academies Act 2010
- Companies Act 2006
- The UK General Data Protection Regulation (UK GDPR)

This policy operates in conjunction with the following trust policies:

- Articles of Association
- Data Protection Policy
- Teachers' Pay Policy
- Support Staff Pay Policy
- Staff Handbook

2. Roles and responsibilities

Responsibilities for different groups and individuals within the trust are set out in full throughout this policy. This section highlights key responsibilities.

The Governing Body

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 and in the academy's scheme of government. The main responsibilities include:

- ensuring that grants 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;
- agreeing programme of internal audit;
- approval of internal audit reports;
- appointment of the Headteacher;
- appointment of The School Business Manager, in conjunction with the Headteacher;
- Appointing new members by special resolution or removing existing members other than, where there is one, the foundation governors and any members it has appointed.

The members are responsible for:

- Appointing new members by special resolution or removing existing members other than, where there is one, the foundation/sponsor body and any members it has appointed.
- appointing trustees in line with the trust's Articles of Association;
- where necessary, by special resolution, issuing direction to the trustees to take a specific action;
- appointing the trust's auditors and receiving (but not signing) the trust's audited annual account;
- conducting the business of the trust in accordance with company and charity law and adhering to the trust's funding agreement with the Secretary of State.

The board of trustees is responsible for:

- applying the highest standards of conduct and governance and taking full ownership of their duties;
- Identifying the skills and experience it needs, including sufficient financial knowledge to hold the executive to account;
- ensuring the board meets at least three times a year, and conducts business only when quorate;
- approving a written scheme of delegation of financial powers;
- managing conflicts of interests and related party transactions;
- approving a balanced budget for the financial year and minuting the approval;

- ensuring decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable;
- appointing an audit and risk committee to advise on the adequacy of the trust's controls and risks;
- Appointing an audit and risk committee to advise on the adequacy of the trust's controls and risks;
- submitting audited accounts to the ESFA by 31 December;
- ensuring an appropriate, reasonable and timely response is given to findings by auditors;
- appointing a governance professional.

The board of trustees will appoint a senior executive leader who may be appointed as a trustee – this will be the Headteacher or equivalent. The board will also appoint a named individual as the trust's accounting officer – this will be the Headteacher or the School Business Manager (SBM). The roles of senior executive leader and accounting officer will not rotate. The role of the accounting officer will also not be held by the same individual as the CFO. Any newly appointed senior executive leader can only be a trustee if the members decide to appoint them as such, the senior executive leader agrees, and the Articles of Association permit it.

When the senior executive leader is planning to leave the trust, the board of trustees will approach the trust's Regional Director in advance to discuss the trust's structure and options, including plans for recruitment.

The headteacher

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 within the role of Accounting Officer. Much of the financial responsibility has been delegated to the School Business Manager but the Headteacher retains responsibility for:

- acting as the trust's accounting officer;
- 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;
- signing BACs payments and cheques (panel of 2 from 3 cheque signatories – Headteacher, Deputy Headteacher & Assistant Headteachers);
- authorising orders and contracts up to £3,000 providing this does not exceed the overall expenditure within the budget. Amounts above this limit should only be incurred in conjunction with the Chair of Governors or Chair of Resources Committee to a maximum of £10,000. Where such action has been necessary the amount and an explanation should be provided to next available meeting of the full Governing Body;
- authorising virements up to £3,000 in conjunction with the School Business Manager and reporting to The Resources Committee;
- allocating financial duties to appropriate staff, bearing in mind that there is adequate division of duties between members of staff to provide appropriate levels of internal check and ensure full compliance with the DfE guidance issued to Academies;
- making recommendations to the pay and appraisal committee regarding staff pay and contractual conditions, other than for the Headteacher;
- creating a fair and balanced budget with the School Business Manager;
- ensuring budgetary control within approved budgets;
- ensuring that the trust's income is stored safely;
- reviewing this policy on an annual basis with the CFO / School Business Manager.

Accounting Officer

All accounting officers are personally responsible to Parliament and to the accounting officer of the ESFA for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge:

- providing oversight of financial transactions by:
 - Ensuring that the trust's property and assets are under the control of the trustees and measures exist to prevent losses or misuse.

- Ensuring bank accounts, financial systems and financial records are operated by more than one person.
- Sharing the ‘Dear Accounting Officer’ letter with members, trustees, the SBM and the SLT, and arranging for the board to discuss it and take action where necessary to strengthen financial controls.
- Preparing the accounting annual report, ensuring it is in line with the Charity Commission’s Statement of Recommended Practice (SORP).

Essentially, accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The accounting officer must take personal responsibility for assuring the board that there is compliance with the funding agreement and academies handbook. The accounting officer must advise the board in writing if an action it is considering is incompatible with the funding agreement or handbook. Similarly, the accounting officer must advise the board in writing if the board fails to act where required by the funding agreement or handbook. Where the board is minded to proceed, despite the accounting officer’s advice, the accounting officer must consider the board’s reasons and if the accounting officer still considers the action proposed by the board is in breach of the articles, the funding agreement or handbook, the accounting officer must notify ESFA’s accounting officer immediately in writing.

The Resources Committee

The Resources Committee is a committee of the governing body. The Resources Committee meets at least once a term.

The main responsibilities of The Resources Committee, which include the responsibility of the internal Audit Committee, are detailed in written terms of reference, which have been authorised by the governing body. The main responsibilities include:

- the initial review and authorisation of the annual budget in line with the priorities set out in the schools 3-year Development Plan (including Financial Plan). Present the draft budget to the full Governing Body for consideration and approval in time to meet the DfE /ESFA deadline;
- the regular monitoring of actual expenditure and income against budget and making any recommendations to the board of trustees;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE /ESFA guidance issued to academies;
- monitor virements to the school budget and any other variation to the original budget above 10% agree appropriate action and report to the full Governing Body;
- review the school’s policy on lettings (including charges) on an annual basis (and at other times as appropriate) and reports its conclusions to the full Governing Body;
- recommend to the full Governing Body the level of financial delegation afforded to the Resources Committee and Headteacher in respect of expenditure orders and virements between budget heads;
- monitor pupil number trends regularly to assess the effect on the delegated budget allocation;
- undertake an annual review of all expenditure with a view to achieving “Best Value” in respect of the use of the delegated budget allocation. This will include a review of contractors and suppliers to the school to ensure the existing arrangements are appropriate and in line with DfE /ESFA purchasing advice to schools;
- authorising emergency expenditure (i.e. not within the approved budget) up to £10,000. This will require retrospective ratification by the full Governing Body at the next Governing body meeting. If a response is required before a Resources Committee is scheduled to convene, the decision becomes subject to standard Chairs Action procedures;
- monitor the school’s policies relating to resources issues – finance, personnel and premises;
- report to the full Governing Body on the effectiveness of these policies and to recommend changes as appropriate;
- act as a personnel and pay committee by making decisions on behalf of the Governing Body relating to individual members of staff, as set out in the Governing Body’s personnel policies and procedures;
- reviewing the reports of the Responsible Officer (addressed in the first instance to the Headteacher) on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body;

- reviewing the mandates for the operation of the trust's bank account and credit cards;
- ensuring appropriate insurance arrangements are in place for the academy;
- implementing appropriate accounting policies;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and related DfE / ESFA guidance.

The audit and risk committee

The audit and risk committee is combined with the Resources Committee. The Committee are responsible for:

- advising the governing body on the adequacy and effectiveness of the academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
- considering and advising the governing body on relevant reports by the RO, external auditors and Education Funding Agency's (EFA) External Assurance team and, where appropriate, management's response to these;
- monitoring, within an agreed timescale, the implementation of agreed recommendations relating to RO, external audit and EFA External Assurance team reports;
- Ensuring that risks are being addressed appropriately through internal scrutiny;
- Reviewing the external auditor's plan each year;
- Reviewing the annual report and accounts;
- Reviewing the external auditor's findings and actions taken by the trust's managers in response to those findings;
- advising the governing board on the dismissal and remuneration of the external auditors;
- ensuring effective coordination between the RO and the external auditors;
- establishing, in conjunction with School management, relevant annual performance measures and indicators, monitoring the effectiveness of the external auditors through these measures and indicators, and deciding, based on this review, whether a competition for price and quality of the external audit service is appropriate;
- ensuring that all allegations of fraud and irregularity are properly followed up.

The Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides 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.

The Responsible Officer will undertake a termly 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 the Resources Committee and to the full Governing Body meeting.

The School Business Manager

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

The SBM is responsible for:

- 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;
- Drafting original and revised finance plans in cooperation with the headteacher;
- the maintenance of effective systems of internal control;
- accessing the trust's accounting system;

- maintain daily records of all transactions to the school fund;
- maintaining the accounting records;
- monitoring the budget on a monthly basis;
- ensuring the monthly completion of bank, petty cash and other reconciliations is adhered to;
- monitoring cash flow during the month and liaising with the Headteacher regarding this, where necessary;
- preparing management accounts every month, setting out the trust's financial performance and position in relation to the budget;
- ensure the security of all cash, cheques and other financial stationery
- check all contracts and purchase orders are approved prior to dispatch, check that sufficient funds are available under relevant budget heads;
- receive and check accuracy of invoices, prior to authorisation for payment;
- maintain a recording system that ensures all copy orders, delivery notes and IT records are up to date and identifiable;
- issuing payment reminders for overdue accounts;
- contacting individuals who have not paid an overdue account to inform them of the trust's formal procedure;
- approving terms of credit and communicating these terms to all debtors;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE /ESFA guidance;
- maintain the schools Asset Register. Provide the necessary advice on security of these assets and arrange an independent annual check of those assets;
- drafting original and revised finance plans in cooperation with the headteacher and with the support of the Finance Committee.
- acting as an authorised signatory for the purposes of signing cheques, certifying employee claims, etc.
- signing of PO up to the value of £100
- managing and processing online payments and payroll, subject to approval by the appropriate authority.
- ensuring that proper checks and controls are in place to cover day-to-day activities in accordance with the financial regulations manual;
- maintaining CPD and undertaking relevant, ongoing training;
- reviewing this policy on an annual basis with the headteacher.

The ESFA will be informed within 14 calendar days (and supplied with direct contact details for the party in question) if the trust appoints or terminates the contract of:

- Members;
- The accounting officer;
- The CFO;
- A chair of the board of trustees;
- A trustee or governor.

3. Financial oversight

The board of trustees will maintain robust oversight of the trust, taking full responsibility for its financial affairs, assets and resources; the board of trustees always aims to maximise outcomes for pupils through its financial oversight.

The board of trustees meets at least three times a year. The resources committee meets at least three times a year. In the event that the board of trustees and or the resources committee meets less than six times in a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

The board will approve a written scheme of delegation of financial powers, delegating appropriate responsibilities to the relevant committees and individuals, while retaining robust financial oversight. The board does not delegate overall responsibility of the trust's funds, e.g., to committees or individuals, in any circumstance. The financial scheme of delegation will be reviewed annually, and immediately when there has been a change in the trust's management or organisational structure.

The board of trustees delegates financial scrutiny and oversight to the resources committee, which can support the board in maintaining the trust as a going concern.

4. Accounting

Adequate accounting records will be maintained by the accounting officer at all times. The accounting officer will be responsible for ensuring that the accounts annual report is created in line with the SORP and the ESFA's Accounts Direction.

Every year, the accounts will be audited for the period ending on 31 August. The audited accounts will be:

- submitted to the ESFA by 31 December each year;
- published on the trust's website by 31 January;
- filed with Companies House in accordance with company law requirements, usually by 31 May;
- provided to every member;
- provided to anyone who requests a copy.

Accountancy within the trust will be carried out on Iris Financials. All financial transactions will be recorded on this system. To safeguard the data stored within the system, access will be limited to authorised individuals with a legitimate need. The system will be password protected and the password will be changed at regular intervals, in line with the trust's Data Protection Policy. The trust will retain financial records for at least six years. The school's budget software is provided by Access and links with IRIS Financials.

The trust is registered for VAT and is entitled to reclaim VAT on qualifying purchases through a monthly VAT126 return. Under legislation, VAT claims can be made on expenditure which supports the trust's core business purposes. A report is run by the SBM, in order to provide the data necessary for the completion of the VAT reclaim form.

VAT is reclaimed on a monthly basis. The trust is eligible to reclaim, from HMRC, the majority of VAT it pays on invoices. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted. Where invoices relate partly to business activity and partly to non-business activity, only the proportion of the VAT relating to the non-business activity will be reclaimed. On receipt of the reclaimed VAT from HMRC, the SBM will review the remittance and reconcile it against the claim document.

5. Budgeting

Setting the budget

The School Business Manager is responsible for creating a fair and balanced budget, which will be approved by the Headteacher and the Resources Committee for the financial year to 31 August. The budget will be approved in writing – approval will be minuted and distributed to all relevant parties.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year, based on realistic assumptions in light of lessons learned from previous years 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.

The budgetary planning process will incorporate:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- a review of other income sources available to the academy;
- a review of past performance against budgets to understand the academy's cost base;
- an identification of potential efficiency savings;
- a 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.

Submitting the budget

The trust will submit to the ESFA a budget forecast return outturn (BFRO) at the end of each financial year.

This document will be approved by the board of trustees and all other relevant parties prior to the submission date.

The ESFA will be informed within 14 calendar days if a deficit revenue budget for the current financial year is being set.

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

Monitoring the budget

The SBM will prepare management accounts every month; these accounts will set out the trust's financial performance and position and will include the following:

- an income and expenditure account;
- a budget variance report;
- cash flow information;
- a balance sheet.

Monthly reports will be prepared by the School Business Manager. The reports will detail actual income and expenditure against budget at a summary level for the Headteacher, Chair of Governors and The Resources Committee.

The Headteacher and School Business manager will work closely with the Resources Committee in monitoring the academy finances. The Chair of the Resources Committee will prepare an up-to-date written statement of the school finance, which shall be included in the Full Governing Body meetings (at least every term) and minuted.

The board of trustees will ensure appropriate action is taken to maintain financial viability. Where the board has concerns about financial performance, it will act quickly to ensure the trust has adequate financial skills in place.

The trust will ensure that key financial performance indicators are selected, and that its performance is measured against these regularly. Any potential overspend against the budget must, in the first instance, be discussed with the Headteacher. The cash position of the trust will be managed in such a way as to avoid being overdrawn on any of its bank accounts. If the trust has any concerns regarding financial management, the ESFA may be informed.

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 for the SBM to transfer money from another budget line or from the contingency.

The Governing Body is responsible for authorisation of all virements in excess of £5,000 between budget headings. Details of all virements approved and authorised by the Resources Committee are to be formally notified to the Governing Body.

6. Income and expenditure

The academy's main source of income is through grants received from the ESFA. The SBM will monitor the receipt of grants, ensuring that all grants due are appropriately collected.

The academy also obtains income from:

- pupils, mainly for trips, after school clubs;
- pupils, other school events;
- income for 3rd parties (school meals).

The voluntary donations to school fund provides additional materials, books and equipment and to finance opportunities to enhance the learning experiences of children. The fund is used to provide items over and above those provided for through the school's delegated budget.

The SBM will be responsible for the management of income, subject to the provisions of the academy's scheme of delegation. Records of income will be detailed and maintained to include all income transactions that occur within

the financial year. Receipts will be logged for all purchases and receipts will be issued for all services provided by the trust.

Terms of credit will be approved by the SBM and communicated to all debtors, and procedures will be adopted to deal with breaches of terms. Invoices will be raised with respect to credit income.

Trips

A lead teacher must be appointed for each trip to take responsibility for the expenditure and income due. The lead teacher notifies the Finance Office of pupils' or year groups intending to go on the trip. If the trip is open to a wider audience a list of pupils participating should be provided.

All payments are collected via Parentmail; the School Business Manager and Finance Assistant will monitor the income, ensuring enough income is received to allow the trip to go ahead.

Other School Events

A lead teacher must be appointed for each event to take responsibility for the collection of sums due. The lead teacher notifies the Finance Office of pupils/ year groups participating.

All payments are collected via Parentmail. The School Finance Assistant keeps a record of all names and amounts paid as part of daily income process.

Catering Income

Payments are made directly to Dolce by parents. The academy is informed as debts build up, with school required to approve meals for pupils that build up a debt of more than a week's worth of meals. Debt reminders are sent via email in the first instance with paper copies following if the debt remains unpaid. School are liable for large unpaid debts. Therefore, the Finance Assistant is responsible for ensuring this doesn't happen.

Lettings

The Resources Committee will oversee all matters relating to the letting of school premises. In setting the rates, the Resources Committee shall have regard to the Governing Body's requirement to maximise Lettings' income subject to both market conditions and voluntary use.

The process of maintaining the diary of any bookings should always be separated from the raising and collection of accounts. Review of any outstanding debts will be made by the School Business Manager.

Where circumstances dictate that income should be collected at the time the service or letting is made then a receipt must always be given.

Custody

Receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking.

Monies collected must be banked in their entirety in the current account. The School Business Manager is responsible for the reconciliation of sums collected and deposited at the bank and posted to the accounting system.

All income will be counted and will be stored in the office safe. Large sums of monies and income will not be held on the premises for longer than one month.

The School Business Manager / Finance Officer will bank income at half termly (unless sums greater than £200 are received). To ensure that no more than £200 is left on the trust premises at any one time. The total sum to be banked will be written on a paying-in slip. If sums greater than £200 are received, they will be banked within 24 hours.

The SBM / Finance Officer will always ask for a receipt upon banking income and this receipt will be logged on the trust's accounting system.

There are two main areas of expenditure:

- **Salaries** – this forms the largest element of expenditure. Salaries of all staff members will be reviewed on an annual basis by the headteacher, with effect from 1 September and no later than 31 October. Pay review recommendations are then given to the local governing board for discussion and authorisation. The pay and appraisal committee confirms pay awards, incremental progression and performance led pay increases, all of which the CFO will cost, using known figures and estimates, when preparing the draft budget.
- **Premises maintenance** – a combination of maintenance surveys and historical costs will form the basis for planned maintenance. The SBM will incorporate an allowance for unexpected contingencies, as well as for any small new works which may be proposed in-year. Staff members will follow the procedure outlined in the Staff Handbook when requesting maintenance of premises or new work.

The SBM will keep an up-to-date record of the income and expenditure for their academy. The SBM will bank the entirety of any money collected in return for goods or services in the appropriate bank account.

The CFO is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations will be prepared promptly following the banking of money and will be reviewed and certified by the CFO.

The academy's funds will not be used to purchase alcohol for consumption, unless it is to be used in religious services.

When purchasing gifts, the trust will ensure the gift's value does not exceed £40, is within the scheme of delegation of financial powers and has due regard to propriety and regularity in the use of public funds in line with the Gifts, Hospitality and Anti-bribery Policy. All gifts will be entered on the gifts register.

Any expenses claimed by members of staff will be reimbursed providing that:

- the expense is for travel by public transport;
- the expense is for petrol on trips exceeding 30 miles;
- the expense is for unavoidable overnight accommodation;
- the expense is for approved items bought on the academy's behalf.

For a reimbursement to be considered, members of staff will complete a reimbursement form and will produce a receipt of evidence of their expense.

If these conditions are not met, the academy has the right to refuse reimbursement.

7. Cash management

Bank Accounts

The Academy has a main deposit account and a current account and a further higher interest account. Funds are swept from or to the main deposit account at the end of each day in order to facilitate a balance of £10,000 in the current account. The higher interest account will hold approximately £200,000 of the school's reserves.

Cheque signatories are:

Head Teacher
Deputy Headteacher

Deposits

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

- the amount of the deposit;
- a reference.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the authorised signatories. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy.

Signatories must not sign a cheque reimbursing themselves.

Administration

The School Business Manager 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 IRIS;
- reconciliations are prepared by the School Business Manager and countersigned by the Headteacher or Deputy Headteacher
- an independent review must be carried out by the RO on a regular basis;
- adjustments arising are dealt with promptly.

Academy Credit Cards

The Academy holds two corporate cards: Head Teacher
 Deputy Headteacher

Each card has maximum limits of single purchase £500 and a monthly total of £2000. The cards are only for use when a BACs payment is not possible.

All expenditure using the cards must be authorised; a Purchase Order must be written and signed and receipts retained and matched to the monthly statement.

Petty Cash Accounts

The academy maintains a maximum cash balance of £50. The cash is administered by the School Finance Assistant. The School Business Manager is responsible for the monthly reconciliation and entry to the accounting system.

Deposits

Deposits to petty cash are drawn from cash received. Banking's are made net of petty cash, entry to the financial system are gross and a transfer entry from current account to petty cash referenced to the paying in slip counterfoil number and supported by the weekly banking statement.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £10 normally. Higher value payments should be made by BACS from the main bank account. All petty cash vouchers for reimbursement must be authorised by the Headteacher, Deputy Headteacher or Assistant Headteacher with receipts attached.

Administration

The School Business Manager or Finance Assistant 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 School Business Manager to ensure that the cash balance reconciles to supporting documentation.

Physical Security

Petty cash is held in a locking cash box which is kept in the safe.

Cash Flow Forecasts

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

8. Borrowing and debt

The academy will prepare and monitor financial plans to ensure ongoing financial health.

The academy must seek prior approval from the ESFA for both short term borrowing (including overdraft facilities) and medium/longer term loans from the private sector (including finance leases), where such borrowing is to be repaid from grant monies or secured on assets funded from grant monies.

Credit cards should only be used for business expenditure and must be repaid in full each month so that interest does not accrue. If any personal purchases are made on the trust's credit card, the trust will be reimbursed in full within one month of the purchase. Any repeat offending will be dealt with formally.

The academy will disclose aggregate figures for transactions of any amount and separate disclosure for individual transactions above £5,000 in its audited accounts for writing off debts and losses, as well as guarantees, letters of comfort and indemnities.

The SBM will contact individuals concerning any outstanding debts owed after 30 days of the notification of payment, e.g. an invoice being sent.

The CFO will issue payment reminders to those who have not made payments at the following intervals:

- 4 weeks from the invoice being sent – first reminder;
- 6 weeks from the invoice being sent – second reminder;
- 10 weeks from the invoice being sent – final reminder.

If, after the final reminder has been sent, payment isn't received in full, the trust will send a letter informing them that, if they do not receive payment within 14 days, they will refer the matter to a small claims court.

Debts will not be written off without the express approval of the CFO, the Chair of the Resources Committee, the Governing Body, and the ESFA where debts fall outside of the delegated limits.

The delegated limits are:

- 1 percent of total income, or £45,000 (whichever is smaller) per single transaction.
- Cumulatively, 5 percent of total annual income (subject to a maximum of £250,000).

The SBM will keep accurate records of the debt process, including:

- logging invoices and receipts on the trust's accounting system;
- keeping any emails pertaining to debt collection for three months after the payment has been made;
- keeping emails of payment notifications, ensuring each email clearly states the number of the reminder and the date it was sent.

Only the SBM or the headteacher can write off debt, following approval from the ESFA and the board of trustees.

9. Payroll

The academy has adopted the Local Authority Pay Policy and adheres to School Teachers Pay and Conditions. Salaries shall be paid to teaching and non-teaching staff in accordance with agreed National Scales, taking into account local agreements and in accordance with the academy pay policy.

Only the Headteacher and Deputy Headteacher (in agreement with the Headteacher) will have the authority to make changes to payroll payments which directly affect the agreed payroll budget including staff changes, increases in pay, signing monthly time-sheets and overtime payments. The exception to this will be where the Chair of Governors authorises any changes in the Headteachers pay.

The main elements of the payroll system are:

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

The trust will publish on its website, in a separate readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August. Benefits, for this purpose, include salary, employers' pension contributions, other taxable benefits and termination payments.

Where the trust enters into an off-payroll arrangement with an individual who is not an employee, the amount paid to that individual for their work will also be included in the website disclosure, where payment exceeds £100,000.

The names of trustees in receipt of remuneration and other benefits will also be disclosed, as well as details of the amounts involved in £5,000 bandings in the trust's financial statements.

Payroll and Pension Administration

The academy payroll and pension is administered through the Wakefield Council Payroll system. Access to the system is limited to the School Business Manager.

Sickness absences during the month will be recorded by the school Finance Officer using the Trent Management System Mpip and a half termly report sent to the Local Authority for monitoring.

Staff submitting time-sheets and expenses claims are required to do so by:

Teaching Staff – 8th of the month for payment at month end

Support staff – 21st of the month for payment on 15th of following month.

Staff overtime must be approved by the Headteacher. Claims for additional duties/variations of hours etc will be entered on the appropriate claim form to be approved by the Headteacher. A hard copy of the claim summary is checked by The School Business Manager and signed by the Headteacher. It is then forwarded to payroll by email by the School Business Manager. The summary and individual claim forms are filed in the finance office.

Where Leave of Absence is agreed, discretionary payment can only be made with the express approval of the Headteacher and reported to the Resources Committee.

Payments

After payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total is obtained from the Wakefield Payroll System. The print is reconciled to the payroll budget to ensure salaries are correct and any changes and additional payments have been authorised and that they are in respect of the school's staff. Any variance is investigated if necessary. Wakefield payroll and the employee are advised of the required amendment.

All salary payments are made by BACS directly from Wakefield Payroll Services. Payslips are issued to paid employees directly from Wakefield Payroll Service via email.

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.

A monthly summary of basic salary and employer's contributions is received from Wakefield Payroll Service for teaching staff and support staff. Payment to Wakefield Authority is made by BACs following reconciliation of the salaries.

After the payroll has been processed, the nominal ledger is updated by the School Business Manager. Postings will be made both to the payroll control account and to individual cost centres. The School Business Manager 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.

To keep staff members' data secure, access to the payroll system will be restricted to the SBM. All paper records will be filed and stored in a locked cabinet in the school office. All online records will be encrypted and password protected – the passwords will be changed every half term. The new password will be unique and will be changed by the SBM.

The SBM is responsible for ensuring Wakefield Payroll Service has correct staff details, including updated bank details, changes in address and changes in agreed salaries, to ensure staff are paid correctly.

The SBM, in collaboration with the finance officer and the office manager, will be responsible for keeping the staff personnel database up-to-date via the designated recording system. This will include the following information about staff members:

- salary;
- bank account details;
- taxation status;
- personal details;
- any deductions or allowances payable.

During the Spring term each year, the SLT and SBM will review staffing requirements for the following academic year and propose any changes. These proposals will be reviewed and approved by the resources committee.

The resources committee is responsible for authorising the following salary changes:

- staffing structure changes
- the pay and appraisal committee is responsible for authorising the following salary changes:
- pay awards for support staff;
- performance related pay progression.

The SBM will randomly select one employee each month and check the calculation of gross to net pay, in order to ensure that the payroll system is operating correctly.

10. Purchasing, procurement and tendering

The academy will ensure that:

- spending has been for the purpose intended and there is probity in the use of public funds;
- spending decisions represent value for money;
- internal delegation levels exist and are applied;
- a competitive tendering policy is in place and applied, and the procurement thresholds in the Public Contracts Regulations 2015 and [Find a Tender](#) service are observed;
- professional advice is obtained where appropriate.

The academy will conduct all procurement in line with the Tendering procedures which can be found in Annex A. The trust uses a two-layer authorisation process for all purchases. Staff discuss any purchases they wish to make with the Headteacher/School Business Manager in the first instance and a Purchase Order is then signed to approve the purchase. Once purchased, invoices are then checked and approved by either the Headteacher, or the Deputy/Assistant Headteacher before being paid and goods received.

The trust will record all purchases made by members of staff on behalf of the academy. All purchases will be approved by the SBM and headteacher. All purchases will be logged on the trust's accounting system, including details of the following:

- the purchase order number;
- invoice reference numbers;
- total amount spent;
- whether the purchase has been paid for in full;
- the amount left in the budget after the purchase.

Any purchase must benefit the trust as a whole and must not be made for personal gain. The SBM will assess each purchase to ensure that it is good value for money.

Purchase Orders will not be required for items such as supply/agency costs, gas, electricity and water and other services/items paid by direct debit.

The trust will obtain prior approval from the ESFA for the following transactions:

- acquiring a freehold of land or buildings;

- disposing of a freehold of land or buildings;
- disposing of heritage assets beyond any limits in the funding agreement for the disposal of assets generally.

11. Related party transactions

The academy will be even-handed in their relationships with related parties by ensuring:

- compliance with their statutory duties to avoid conflicts of interest, not accepting benefits from third parties, and declaring interests in proposed transactions or arrangements;
- a register of interest has been completed by all members, trustees and senior employees, and is kept up-to-date;
- no member, trustee or employee of the trust, nor any related individual or organisation, uses their connection to the trust for personal gain;
- all payments to trustees by the trust are permitted by the article of association or by authority from the Charity Commission;
- the Charity Commission approves payments to a trustee where there is a significant advantage to the trust;
- any payment provided to the persons [outlined](#) in this policy satisfies the 'at cost' requirements.

All related party transactions will be reported to the ESFA in advance of transactions taking place on or after 1 September, using the ESFA's [online form](#).

The ESFA's prior approval will be obtained, using the online form, for contracts and other agreements for the supply of goods or services to the academy by a related party agreed on or after 1 September where any of the following limits arise:

- a contract or other agreement exceeding £40,000;
- a contract or other agreement of any value that would take the total value of contracts and other agreements with the related party beyond mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.
- Approval will not be required where contracts and other agreements for the supply of goods or services to the trust are with colleges, universities and schools which are sponsors of the trust, and other state funded schools and colleges, including academies.

For the purposes of reporting to the ESFA, transactions with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

When completing the ESFA's online form, all the information required to complete the form will be collected – it is not possible to partially complete a form and then return to it.

The following information is needed to create a record for the supplier:

- the name of the supplier;
- the supplier's address;
- the supplier's company number which can be found using the [Companies House website](#) (for limited companies);
- the statement which best describes the relationship between the supplier and the trust ;
- confirmation that the supplier is listed on the trust's register of interests ;
- confirmation that the academy has a statement of assurance from the supplier;
- confirmation that the academy has an open-book agreement with the supplier.

The following information is needed for a related party transaction:

- a short description of the goods or services;
- details of the proposed cost;
- the start and end date of any contract or agreement.

When seeking prior approval for a related party transaction, evidence including the following is required:

- how the academy agreed to the related party transaction;
- that the academy followed its Tendering and Procurement procedures;

- that the academy tested the market before making a decision;
- how the academy managed any conflicts of interest;
- a copy of the agreement and proposed contract.

The chair of governors and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The chair of governors and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.

The governors recognise that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the chair of the board and the accounting officer;
- payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors;
- relationships with external auditors beyond their duty to deliver a statutory audit.

The academy will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.

Declared Conflicts of Interest Register

The academy's Declared Conflicts of Interest Register will include all business and pecuniary interests, including:

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.
- For each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began.
- Any other interests deemed relevant by the board of trustees.

The register of interests will identify any relevant material interests from close family relationships between the academy's members, trustees and governors. It will also identify relevant materials arising from close family relationships between those individuals and employees.

Relevant business and pecuniary interests of members, trustees, governors and the accounting officer will be published on the trust's website.

'At cost' requirements

The trust will not pay more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons:

- any member or trustee of the trust;
- any individual or organisation related to a member or trustee of the trust. For the purpose of this policy, the following persons are classed as related to a member or trustee:
 - A relative of the member or trustee, i.e. a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person.
 - An individual or organisation carrying out business in partnership with the member, trustee or a relative of the member or trustee.
 - A company in which a member or the relative of a member, and/or a trustee or the relative of a trustee, holds more than 20 percent of the share capital or is entitled to exercise more than 20 percent of the voting power at any general meeting of that company.
 - An organisation which is controlled by a member or the relative of a member and/or a trustee or the relative of a trustee.
- Any individual or organisation given the right under the trust's Articles of Association to appoint a member or trustee of the trust; or anybody connected to such individual or organisation;
- any individual or organisation recognised by the Secretary of State as a sponsor of the trust; or anybody connected to such individual or organisation.

A body will be considered connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- holding more than 20 percent of the share capital (or equivalent interest);
- having the equivalent right to control management decisions of the body;
- having the right to appoint or remove a majority of the board of governing board.

The 'at cost' requirement does not apply to the academy's employees unless they meet any of the [related party criteria](#) outlined in this policy. Where any staff that meet this criterion are based in, or work from the premises of, the trust, the individual and the headteacher will agree on the appropriate sum to be paid to the trust for such use of the premises, save to the extent that they are carrying out work for the trust.

The 'at cost' requirement applies to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year, agreed on or after 7 November 2013. For these purposes, where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 will be at no more than cost.

Where an organisation has provided legal advice or audit services to the trust, the 'at cost' requirement will apply where the organisation's partner directly managing the service is a member or trustee of the trust.

The trust will ensure that any agreement with an individual or organisation referred to in the related party criteria to supply goods or services to the trust, is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services;
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

The cost will be the 'full cost' of all the resources used in supplying the goods or services and will not include any profit. Full cost includes:

- all direct costs, i.e. the costs of any materials and labour used directly in producing the goods or services;
- indirect costs, i.e. a proportionate and reasonable share of fixed and variable overheads.

12. Investment

Where the academy invests in its charitable aims, investment risk will be properly managed. When considering an investment, the board of trustees will:

- act within its powers to invest as set out in its articles;
- have an investment policy to manage and track its financial exposure and ensure value for money;
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser;
- ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation;
- ensure that investment decisions are in the best interests of the trust;
- review the trust's investments and Reserves and Investment Policy regularly.

The trust will adhere to the Charity Commission's [guidance](#) and seek prior approval from the ESFA for investments of any value that are novel, contentious or repercussive. The trust will carefully consider the impact of this requirement and its relevance to transactions involving the chair of the board and the accounting officer.

13. Special payments

For the purpose of this policy, special payments include:

- staff severance payments;
- compensation payments;
- ex gratia payments.

Where the academy considers making a staff severance payment above statutory or contractual entitlements, the following factors will be considered prior to making the commitment:

- the proposed payment is in the interest of the academy;
- the payment is justified, based on legal assessment of the chances the academy will successfully defend the case at an employment tribunal; if there is a significant chance the academy will lose the case, a settlement may be justified, but if there is a significant chance it will be successful, a settlement will not be offered;
- where a settlement is justified, the level of settlement is less than the legal assessment of what the relevant body will award.

The trust will not make severance payments where the money could be interpreted as a reward for failure, e.g. gross misconduct or poor performance; the only instance in which the trust may offer severance payments in the event of gross misconduct would be where the claimant would be likely to succeed in an employment tribunal because of procedural or legal errors. In the case of poor performance, the cost of a severance payment will be considered against the time and cost of taking the individual through performance management and capability procedures.

Where the trust is considering paying a staff severance payment of £50,000 and above, prior approval will be sought from the ESFA before making any offer. The ESFA will refer the transaction to HM Treasury so the trust will allow sufficient time for these considerations to take place.

The trust will also obtain prior approval from the ESFA before making a staff severance payment where:

- An exit package which includes a special severance payment is at, or above, £100,000; and/or
- The employee earns over £150,000.

The academy will show value for money for all severance payments.

Compensation payments will take account of the facts of the matter ensuring value for money is achieved. For compensation payments worth £50,000 and above, prior approval from the ESFA will be sought. The academy will consider whether cases reveal concerns pertaining to the effectiveness of internal control.

Ex gratia payments will always be referred to the ESFA for prior approval.

14. Risk management

The academy will manage risks to ensure its effective operation. The management of risks will include contingency and business continuity plans and cover the full operations and activities of the academy, not only financial risks.

Overall responsibility for risk management will be retained by the board of trustees, who will draw upon advice provided by any other committee where appropriate and relevant.

The academy will maintain a risk register. The board of trustees will review the risk register annually.

The academy will have adequate insurance cover in compliance with its legal obligations or will become a member of the academies [risk protection arrangement](#). The academy will cooperate with risk management auditors and risk managers and will implement any reasonable recommendations made.

15. Auditing accounts

In accordance with the Companies Act 2019, the academy will appoint an external auditor to give an opinion on whether the annual accounts present a true and fair view of the trust's financial performance and position.

The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE. Where additional services are purchased, the trust will obtain a separate letter of engagement specifying the work and the fee.

The contract with the external auditor will be retendered at least every five years.

The letter of engagement will include the details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances. External auditors will only be removed by majority vote of the members, who will provide a reason for their decision to the board of trustees.

The board of trustees will notify the ESFA immediately of the removal or resignation of auditors. If an auditor is removed, the ESFA will be informed of the reasons. If an auditor resigns, the trust will send the ESFA a copy of the auditor's explanation. A change in auditor at the expiry of the agreed term of office does not require notification.

The academy will carry out an audit to manage risk and to check controls; the results of the audit will inform the School Business Manager's statement on regularity, propriety and compliance.

The SBM will produce a statement on regularity, propriety and compliance which will be included in the academy's annual accounts. The statement on regularity, propriety and compliance will ensure that:

- there is efficient and effective use of resources in their charge;
- public money is spent for the purposes intended by parliament;
- appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control.

The academy will respond promptly, reasonably and appropriately to any findings by the auditors.

Accounts will be audited in line with the ESFA's accounts direction and the SORP.

Audited report and accounts will be submitted to the ESFA by the 31 December every year following the end of the financial year, and will be filed with Companies House under company law, usually by 31 May. The results of the academy's audit will be published on the academy website by 31 January and will be made available to anyone who has requested a copy.

All copies of the accounting audit will be stored and filed securely, in line with the UK GDPR and the Data Protection Act 2018.

The academy will include an annual skills and experience assessment, including a review of the governor's composition in terms of skills, effectiveness, leadership and impact.

16. Internal scrutiny

The trust will utilise a programme of internal scrutiny to provide independent assurance that financial and non-financial controls, and risk management procedures, are operating effectively. The internal auditor will provide a report on the internal scrutiny programme of work that has been completed. This will be shared with the Chair of the Resources Committee and the Chair of Governors, who will report back to the Governing Body.

Internal scrutiny will focus on:

- **evaluating** the suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed;
- **offering advice and insight** to the academy on how to address weaknesses in financial and non-financial controls and acting as a catalyst for improvement, but without diluting management's responsibility for the day-to-day management of the trust;
- **ensuring all categories of risk** are adequately identified, reported and managed.

The academy will identify, with reference to its risk register, the areas of risk it will review each year, modifying checks accordingly.

Internal scrutiny will:

- be independent and objective, e.g. will not be performed by the academy's accounting officer, the SBM or any other member of the finance team;
- be conducted by someone suitably qualified and experienced and able to draw upon technical expertise when required;
- be covered by a scheme of work that is driven and agreed by the audit and risk committee, and informed by risk;
- be timely, with the programme spread appropriately over the year so higher risk areas are reviewed in a timely manner;
- include regular updates to the audit and risk committee which include:

- Recommendations to enhance financial and non-financial controls and risk management.
- A short annual summary report for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions – this will allow the audit and risk committee to consider any necessary actions and assess year-on-year progress.

To ensure suitable internal scrutiny, auditors will be members of a relevant professional body, and trustees and peer reviewers will have qualifications and experience in finance, accounting or audit.

The trust will utilise one or more of the following internal scrutiny methods as deemed appropriate by the audit and risk committee:

- employing an in-house internal auditor;
- a bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance;
- the appointment of a non-employed trustee;
- a peer review by the SBM or CFO from another trust. The trust will ensure that the trust supplying the reviewer has a good standard of financial management and governance, and will minute the basis for its decision.

Those carrying out checks will report directly to the audit and risk committee. Findings will be promptly made available to all trustees.

The academy will keep its approach to internal scrutiny under review. If the academy changes in size, complexity or risk profile, the approach will be promptly reviewed. The academy will confirm in its governance statement which of the internal scrutiny options has been applied and why.

The academy will submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the ESFA by 31 December each year when submitting the audited annual accounts. If the academy uses additional individuals or organisations where specialist non-financial knowledge is required, their findings, recommendations and conclusions will be reflected as part of the summary document submitted to the ESFA. The academy will also provide the ESFA with any other internal scrutiny reports if requested to do so.

17. Leasing

For the purpose of this policy, there are two types of lease:

- finance leases – a form of borrowing;
- operating leases – not a form of borrowing .

The trust will obtain prior approval from the ESFA for the following lease transactions:

- taking up a finance lease on any class of asset for any duration from another party;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years;
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Any lease will maintain the principles of value for money, regularity and propriety.

18. Notices to improve

If the academy becomes subject to a Notice to Improve (NtI), it will be notified by the ESFA of the date of which the NtI has been published. The academy will then publish the NtI on its website within 14 days of it being issued and retain it on the website until the NtI is lifted by the ESFA.

If the academy is under a NtI, the following transactions must be approved by the ESFA:

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

- taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement;
- carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- pooling of GAG.

The trust will also ensure approval is sought for entering into transactions with related parties, if applicable under the Ntl.

If the ESFA intervenes because of concerns over financial management and/or governance, the academy may be required to submit additional information such as monthly income and expenditure accounts, cash flow statements and balance sheets.

The academy will remove a member or trustee when directed to do so by the Secretary of State.

19. Self-assessment

The academy will complete the [‘School resource management and self-assessment tool’](#) and submit its completed checklist to the ESFA by the specified annual deadline.

The academy will ensure that external reviews of governance are also conducted routinely as part of its programme of self-assessment. Reviews will consider the interaction between members and trustees, including the extent to which members are able to assure themselves that the trustees undertake their duties effectively.

20. Record keeping

All financial transactions of the academy are recorded including, but not limited to, the following:

- purchases and tenders;
- returns;
- payroll;
- cash flow;
- income and expenditures;
- VAT returns.

The SBM is responsible for keeping up-to-date records of the academy’s financial state.

Records will include the following information:

- income and expenditure; identifying which transactions were cheques and which were cash payments;
- the income and expenditure for each activity, with the activity recorded as a budget heading;
- a balance sheet which identifies total income, expenditure and the balance for each budget heading;
- the total income and expenditure for the year;
- the balance and carry forward from the previous year;
- identified profit and loss – any causing concern is investigated.

A record will be kept of all the monies kept on the premises prior to banking, as well as the amount which is kept as petty cash. All financial records will be kept securely in the academy’s admin office.

ESFA investigations

The academy will be prepared for the possibility that the ESFA or its agents may carry out audits and investigations of the academy, during which the academy must provide access to all its books, records, information, explanations, assets, premises and staff. The ESFA may conduct interviews during its audits and investigations.

Where the ESFA has concerns about the academy’s financial management, the academy will provide the ESFA with written authority giving permission for third parties to provide information to the ESFA, where the ESFA considers this relevant for the purposes of its investigation.

21. Fraud and whistleblowing

The academy is aware of the risk of fraud theft and irregularity and will put into practice proportionate controls, e.g. regular inspections, to address the risk.

Where instances of fraud, theft or irregularity are suspected or identified, the academy will investigate them promptly and, should any evidence of fraud be found, take appropriate action.

In any instance of fraud, theft or irregularity exceeds £5,000 in a financial year, the board of trustees will report it to the ESFA as soon as they become aware of it.

When reporting to the ESFA on instances of fraud, theft or irregularity, the academy will include the following information:

- full details of the event(s) with all key dates;
- the financial value of the loss;
- the measures taken by the academy to prevent recurrence;
- whether the matter was referred to the police and, if not, the reasoning;
- whether the insurance or the risk protection agreement has offset any loss.

If a member of staff suspects their colleagues are involving them in matters of fraud, they have a duty as an employee of the academy to raise suspicions to a member of the SLT.

The academy will treat any reports of fraud in a fair and unbiased manner, adopting an innocent until proven guilty approach.

If the report of fraud is against a member of the SLT, the member of staff can go directly to the chair of governors.

The SLT will be responsible for the initial enquiries of fraud, theft or irregularity. They will then pass on their findings to the governing body for further investigation.

Upon receiving the SLT's initial findings, the governing body will:

- determine whether further investigation is warranted;
- determine the initial response to the alleged perpetrator when this is a member of school staff;
- determine who will carry out the investigation;
- determine which outside agencies should be involved;
- assess the risk of the fraud and the perpetrator to the academy;
- determine to whom day-to-day management of the response will be given;
- allocate responsibility for damage limitation action;
- determine the course of action to recover losses;
- determine the course of action to be taken against the perpetrator;
- evaluate the events which enabled the fraud to occur;
- ensure preventative action is taken to prevent recurrence;
- reporting any excessive fraud (over £5,000) to the ESFA.

The academy has a Whistleblowing Policy in place which outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistleblower being treated unfairly.

The Whistleblowing Policy is published on the academy's website.

The academy will ensure all members of staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect from the academy once they have brought a concern to the attention of the academy.

22. Cyber-crime

The academy will ensure that it is aware of the risk of cyber-crime, and has put in place proportionate controls to mitigate the risk of cyber-security incidents and appropriate actions that can be taken in the event that a cyber-security incident occurs.

The trust will obtain permission from the ESFA to pay any cyber-ransom demands and understands that the ESFA supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

The school's IT specialists will ensure that all possible security and checks are completed regularly and efficiently to try to eliminate the potential for attacks.

23. Joining a MAT

If the academy decides to join an MAT, the academy will complete a financial management and governance self-assessment and submit it to the ESFA in accordance with financial management and governance self-assessment (FMGS) guidance.

24. Monitoring and review

This policy will be reviewed annually by the SBM and the headteacher, and approved by the governing body. Any changes to the policy will be made, and communicated to all members of staff, by the SBM and/or the headteacher. The scheduled review date for this policy is November 2022.

Date of Last Review	September 2026
Implementation Date	November 2021
Next Review Date	September 2026
Review Frequency	Annually
Reviewed by	Beverley Minor – Headteacher Lizzie Hulme – School Business Manager Resources Committee
Approved by Governors	
Signed Chair of Governors	
Signed Headteacher	

Annex A – Tendering Procedures

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. However, if the EU threshold is likely to be breached, the tender must be carried out via OJEU.

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

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

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,

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

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

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists (Note, EU regulations override necessity if value breaches thresholds),
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

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

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

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- 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 and
- 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

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

The Resources Committee is responsible for the authorisation of the advertising of tenders above £50,000 and authorising the award of such tenders. Details of the tender opening should be submitted to the Committee for decision.

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.

Tender Opening Procedures

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Tendering Procedures

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

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

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

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

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

Reviewed by:	Headteacher, School Business Manager, Chair of Resources	
Review date:	September 2026	
Next Review date:	September 2027	
Signature of Headteacher:		Signature of Chair of Governors:
		