



FINANCE POLICY

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FINANCE POLICY

1 Introduction

- 1.1 The purpose of this manual is to ensure that The 1 Excellence Trust maintains and develops systems of financial control which conform with 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 Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE (primarily the Academies Financial Handbook). This policy expands on that and provides detailed information on The Trust's accounting procedures and systems.

This policy should be read in conjunction with the following Trust policies/ procedures and with individual academy financial procedure notes as appropriate.

- Scheme of Delegation
- Assets & Disposal Policy
- Anti-Fraud, Corruption & Bribery Policy
- Whistle-blowing Policy
- Hire of Facilities Policy
- Cash Flow & Management of Deposits Policy

This policy will be regularly reviewed and amendments can only be made following the approval of the Directors.

This policy applies to the Trust and to all individual academies;

Pentland Primary School St Marks Church of England Primary School

This policy should be read by all staff involved in financial transactions.

With the approval of the Accounting Officer and in consultation with the Chair of Directors, the Trust may waive the requirements of this policy (within the delegations of the Academies Financial Handbook - AFH) in exceptional circumstances. These decisions will be formally recorded and reported to Directors at the next meeting of the Finance and Premises Committee or the full Board.

Instances of non-compliance with this policy will be reviewed by the Accounting Officer and may be reported to the Finance and Premises Committee.

2 Financial Responsibilities

The key financial responsibilities within the Trust are outlined below:

The Board of Directors

- 2.1 The Board of Directors has overall responsibility for the administration of The Trust's finances. The Board is responsible for managing the financial affairs to ensure regularity, propriety and value for money, and for ensuring that the Trust's funds are used in accordance with charity law, company law and the funding agreement. The Directors are held to account by the Secretary of State however the Board delegates certain powers to the Accounting Officer.

The Finance, Operations and Audit Committee

- 2.2 The Finance, Operations and Audit Committee is a committee of the Board of Directors meeting at least once a term or more frequently if required. The Board delegates many of its financial responsibilities to be carried out by the Finance and Premises Committee. The responsibilities of the Committee are detailed in written terms of reference which have been authorised by the Board of Directors.

2.3 The Finance, Operations and Audit Committee also fulfils the responsibilities and duties of an audit committee. The Committee has commissioned a programme of internal assurance testing, across all academies in the Trust, to be carried out by the External Auditors to support them in their role. The Finance, Operations and Audit Committee receives the reports of the external auditor in respect of both internal and external audits.

- 2.4 The Local Advisory Boards receive financial information in respect of the academies. See the terms of reference.

The Accounting Officer

- 2.5 The Trust have appointed The Head Teacher of St Marks Church of England Primary School as the Accounting Officer. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring The Board that there is compliance with the Handbook, the Funding Agreement and all relevant aspects of company and charitable law.

The Principle Finance Officer

- 2.6 The Trust have appointed the Business Manager, St Marks Church of England Primary School as the Principle Finance Officer.

Principle Finance Officer Support (Avec)

- 2.7 The Trust has commissioned an external support service from Avec Partnership. Avec will provide direct support and advice in relation to finance matters and will support the Accounting Officer and Principle Finance Officer in line with agreed work programme to complete key financial tasks.

The main responsibilities of the Principle Finance Officer (supported by Avec) are:

- the establishment and operation of a suitable accounting system;
- the management of The Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors;

- implementation and operation of rigorous and robust audits and control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of The Trust;
- the preparation of monthly and annual management accounts;

The Business Manager at Pentland Primary School supports the Principle Finance Officer in all matters relating to Pentland Primary School.

Other Staff

- 2.8 Other members of staff will have some financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of The Trust's financial procedures.

Register of Interests

- 2.9 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 Members, Directors, 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 Trust may purchase goods or services. The register will also record family relationships within the Trust as required by the AFH. The register is open to public inspection and published on the website.

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. Conflicts of Interests are a standing item on all agendas. Where an interest has been declared, procedures ensure that the conflict is managed and governors and staff should not attend that part of any committee or other meeting.

3 Accounting System

- 3.1 All the financial transactions of The Trust must be recorded in Agresso the financial management system. This system consists of

- General Ledger, including Journal transactions
- Purchase Ledger
- Sales Ledger

System Access

- 3.2 Access to Agresso is determined by the Accounting Officer, and that control is operated by the Principle Finance Officer (Avec) in conjunction with Xentrall Shared Services. The Accounting Officer and the Principle Finance Officer have sole access to amend the system, set up and controls in Agresso and to determine appropriate levels of access for users of the system.

User access is controlled through secure user accounts and passwords. It is the

responsibility of all Agresso users to keep their password secure. Access to the system is password protected with password changes forced every 30 days and the implementation of appropriate security is the responsibility of Xentrall Services and is documented in the contractual agreement with them. It is the responsibility of The Accounting Officer to determine the appropriate levels of access for each user and to inform Xentrall of those requirements. System access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.

Back-up Procedures

3.3 It is the contractual responsibility of Xentrall Services to maintain adequate back-up and disaster recovery procedures.

Xentrall responsibilities include;

- Develop, maintain and periodically test Disaster Recovery plans to ensure that they are adequate and fit for purpose.
- Ensure that all data managed on behalf of the Academy Trust is adequately protected to enable efficient and effective recovery.
- Ensure data is backed-up onto appropriate media at regular intervals.
- Ensure media is securely stored off-site.
- Ensure test restores of data are carried out at regular intervals.
- In the event of a disaster Xentrall will recover the services to an acceptable state of operation within 5 working days.

Transaction Processing

3.4 All journal entries must be documented on the appropriate journal form, and authorised in accordance with the authorisation limits prior to being input to Agresso

Detailed information on the operation of Agresso can be found in the user manuals held in each academy.

Reconciliations

3.5 The Principle Finance Officer (Avec) 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.
- All un-reconciled items are reported in an exception report as part of the monthly process.

3.6 The Head Teacher will review in a timely manner, all monthly reconciliations and sign them as evidence of that review.

4 Financial Planning

Medium term financial plan

- 4.1 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how The Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to The Trust and the planned use of those resources for the following year.

The development planning process and the budgetary process are described in more detail below.

Annual Budget

- 4.2 The Principle Finance Officer (Avec) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by each Academy Head Teacher, the Finance and Premises Committee and the Board of Directors.

The approved budget must be submitted to the DfE annually and the Principle Finance Officer (Avec) is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to The Trust 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.

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 Trust to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of The Trust 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.

Balancing the Budget

- 4.3 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.

Medium Term Financial Plan

- 4.4 The Principle Finance Officer (Avec) is responsible for preparing and updating a three year financial plan allowing the Trust to monitor longer term financial sustainability and highlight in a timely manner any future issues to be addressed.

Monitoring and Review

- 4.5 A detailed budget monitoring report will be prepared (by Avec) termly and presented to the Finance, Operations and Audit Committee.

Any potential under or over spend against the budget must in the first instance be discussed with the Academy Head Teacher.

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.

5 Payroll

Staff Appointments

- 5.1 Staff appointments are recommended by each Head Teacher and must follow approval of the Board of Directors and be in line with the Diocesan arrangements (where applicable). The Trust maintains personnel files for all members of staff which include contracts of employment.

Payroll Administration

- 5.2 The Trust payroll processing is administered through a contractual arrangement with an external payroll provider Xentrall Shared Services.
- The payroll provider will determine monthly payroll timetables for key processing dates.
 - New staff appointments and terminations must be notified to the payroll provider by completion of the appropriate form and authorised by the Head Teacher in each academy
 - Each academy is responsible for notifying the payroll provider of sickness and other absences during the month. These are authorised by the Head Teacher before they are passed to the provider for processing.
 - Each academy is responsible for updating the local Sims data base with all personnel and pay related data.
 - Xentrall Shared Services provide a detailed spread sheet of monthly salary payments to each individual academy and this is checked by the Principle

Finance Officer and authorised by the Academy Head Teacher prior to the payments being made to staff.

- The authorisation of the payroll is notified to Xentrall by each academy

Mileage

Claims for mileage are authorised by the Academy Head Teacher and processed by each academy's finance team at the rate approved in the Staff Expenses Policy. It is the responsibility of each Head Teacher to ensure that claimants have completed a Motor Vehicle Declaration form prior to undertaking business miles.

Payment of salaries

- 5.3 All net salary payments are made by BACS and are the responsibility of the payroll provider as per the contract arrangements.
- 5.4 The payroll provider calculates the schedule each month of statutory and voluntary deductions due from payroll, e.g. Income Tax, National Insurance contributions and pensions. Details of the amounts payable and due dates are received by The Trust from the payroll provider and payments are prepared by the Trust finance staff in accordance with the schedule. The schedule is manually approved by the Accounting Officer and then processed and authorised for payment normally through Agresso. On occasions, usually because of month end timings, these payments can be made through the on-line banking system by two appropriate signatories by the due date.
- 5.5 After the payroll has been processed the nominal ledger will be updated by the Trust finance team. Postings will be made both to the payroll control account and to appropriate cost centres. The Trust finance staff should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

Staff severance payments

- 5.6 Non-contractual payments at the end of employment would only be paid if the Trust had concluded that the payment represented best value for money compared to other options. The business case for such payments would be fully documented in line with AFH and the guidance issued by the EFA,

The Accounting Officer in conjunction with the Principle Finance Officer (Avec) and the Chair of Directors may approve non contractual payments up to £50,000.

All payments will be supported by a full business case and appropriate HR/legal input.

Non-contractual payments over £50,000 require approval in advance from HM Treasury.

6 Purchasing

- 6.1 The Trust wants to achieve the best value for money from all our purchases. A large proportion of purchases will be paid for with public funds and they 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 Trust;
- Accountability; The Trust is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness; that all those dealt with by The Trust are dealt with on a fair and equitable basis.
- Where a specialist service e.g. architect / project manager, is appointed to act as an agent on behalf of the Trust, the Trust may delegate the procurement process (including invitation to tender, receipt of documents and evaluation of tenders) where assurance of open and transparent procurement principles has been gained in advance regarding the processes involved by the outside agency. For contracts over £10,000 the final decision will be made by the Finance and Premises Committee; the agent will prepare a report containing recommendation for appointment, including the scoring process and details of all other submissions.

Authorisation Limits

6.2 The Head Teacher must approve all orders/purchases. Orders over a value of £10,000 must be approved by the Accounting Officer and orders over £40,000 must have prior approval from the Finance and Premises Committee.

Routine purchasing procedures

- Official orders must be created for all purchases other than utility payments, purchasing card transactions and those purchases controlled by a contract or agreement such as insurance, telephone, photocopying.
- All orders must be made, or confirmed, in writing using an official Agresso order form
- Approved orders, will be recorded in the purchase order module of Agresso which will allocate an order number. Orders will be despatched by email.
- Incoming deliveries will be despatched to departments accordingly and the goods will be checked against the goods received note. Any discrepancies should be recorded and discussed with the supplier without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy finance staff should be notified.
- All signed goods received notes and invoices should be sent to the Finance staff. Invoice will only be processed for payment if the order, and Invoice all match in terms of value and quantity of goods/services. Any mismatches will be investigated by finance team.
- The Finance staff will clearly mark each invoice as 'processed for payment' and record the Agresso system reference number.

Supplier Database

6.4 One supplier database is used for the whole of the Multi Academy Trust. It is vital to minimise the possibility of fraud and human error that amendments and additions to the database are only made in accordance with Supplier Amendment Procedure. Please refer

to this procedure.

Payments

- 6.5 Payments are generated by Xentrall who act as a BACS Bureau on the Trusts behalf. Prior to payments being generated Xentrall will pass a BACS listing to the academy, detailing individual invoices to be paid. The School Business Manager will review the listing and will raise any queries directly with Xentrall. The Business Manager will sign the listing as evidence of this review and the Head Teacher will review this listing and sign to evidence their approval.

In the rare instance where cheques payments are required these will be generated by the Academy Trust. The cheques must be authorised by two of the nominated bank account signatories.

Competitive Purchasing Requirements and Limits

(The value of purchases is calculated as the value, excluding VAT, for the full duration of the contract including any extensions or options)

For the avoidance of doubt, the following expenditure is excluded from formal tendering procedures: goods/services where the Trust is not the end user and contributions to the expenditure are made by or on behalf of the end user, for example, school trips (where pupils are the end user).

Purchases/orders up to £2,000.

- 6.6 In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability and availability. Value for money should always be considered but no formal quotes are required for spend under £2,000. Established framework arrangements will be used wherever appropriate, and firm prices must be obtained before commitment to purchase is made.

Purchases/orders from £2,000 to £10,000

- 6.7 At least three written quotations should be obtained for all orders between £2,000 and £10,000 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. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

Purchase/orders from £10,000 to £40,000

- 6.8 At least three written quotations should be obtained.
All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Quotations should be evaluation against clear criteria.
Full records should be kept of all criteria used for evaluation and decision making. If competitive quotes are not able to be sought, a report will be taken

to the Finance and Premises Committee documenting the reasons why and how value for money has been otherwise assured.

Purchase/orders over £40,000

6.9 All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000 must be subject to formal tendering procedures, detailed below and will be managed by the Principle Finance Officer (Avec).

EU Procurement Thresholds 1st Jan 2016-31st Dec 2017

| | |
|------------------------|------------|
| Supplies and Services | £164,176 |
| Lighter Touch Services | £589,148 |
| Works | £4,104,394 |

Procurement above EU Thresholds must be carried out in accordance with the appropriate **EU Procurement Directives**, which the UK enforces through the **Public Contract Regulations 2015**

Existing EU compliant framework agreements will be explored and used where appropriate

For purchases above the threshold a procurement plan identifying the key tasks, responsibilities and authorisation routes must be approved by the Board of Directors before the procurement commences and progress will be monitored and reported to Directors throughout the process. This process is likely to draw on external procurement, technical and legal advice

References

<https://www.gov.uk/guidance/transposing-eu-procurement-directives>

<http://www.legislation.gov.uk/ukxi/2015/102/contents/made>

Tendering Procedures (Tenders over £40,000 up to EU thresholds)

6.10 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Trust must seek tenders on the most appropriate basis.

Staff will refer to and follow the additional DfE guidance

<https://www.gov.uk/guidance/buying-for-schools>

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Principle Finance Officer (Avec) 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:** The Trust will normally invite at least four bidders. 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 Trust'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,
 - extending the scope of an existing contract,
 - Where market exploration has shown that only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.
 - where the Diocesan Trustees (owners of the property) impose restrictions on whom they will permit to undertake capital projects for example, architects and construction advisors.

Framework Agreements

A framework agreement is: “an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.” In other words, a framework agreement is a general phrase for agreements with providers that set out terms and conditions under which agreements for specific purchases (known as call-off contracts) can be made throughout the term of the agreement. In most cases a framework agreement will not itself commit either party to purchase or supply, but the procurement to establish a framework agreement is subject to the EU procurement rules.

DfE Advice on Buying for Schools, March 2016 identifies the following organisations who can provide framework agreements:

- Local Authority
- [Central Buying Consortium \(CBC\)](#)
- [The Crescent Purchasing Consortium \(CPC\)](#)
- [Crown Commercial Service \(CCS\)](#)
- [YPO](#)

Preparation for Tender

6.11 Full consideration should be given to:

- objective of project
- overall requirements

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

The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision. A tender specification will be prepared and approved by the Finance and Premises Committee or in the case of urgency the Chair of the Board of Directors or the Chair of the Finance and Premises Committee in advance of the invitation to tender.

Invitation to Tender

6.12 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;
- selection criteria
- implementation of the project;
- terms and conditions of tender and
- form of response.

In contracts where the financial standing of the supplier is critical the financial status of all candidate contractors will be assessed through a company credit check for all tenders in excess of £40,000.

Tender Acceptance Procedures

6.13 The invitation to tender should state the date and time by which the completed tender document should be received by The Trust. 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, unless the Accounting Officer and Chair of Board are satisfied that the tender was posted or dispatched on time but that delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

Tender Opening Procedures

6.14 All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of a Director and the Accounting Officer (or other designated officer) unless the tendering procedure has been delegated to a specialist agent.

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

Tendering Evaluation Procedures

- 6.15 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 £40,000 and a report should be prepared for the Finance and Premises Committee highlighting the relevant issues and recommending a decision for approval. In the cases of urgency approval may be given by the Chair of the Board of Directors or the Chair of the Finance and Premises Committee

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

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

In circumstances where the most economically advantageous tender is higher than the available funding, Directors may enter into discussions with the tenderer to reduce the scope of the tender to match the available funding.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

Contract terms and conditions

- 6.16 All contracts over £40,000 should be subject to a formal written contract, unless it is determined that the terms of an official order will sufficiently protect the Trust. Legal advice will be sought as necessary. The contract will be signed by the the Accounting Officer.

Contract Monitoring

- 6.17 All contracts which have a high value or which are key services will be subject to regular review and monitoring with the contractor.

7 Income

Grant Funding

- 7.1 The main sources of income for The Trust are the revenue and capital grants from the EFA. The receipt of these sums is monitored directly by Principle Finance Officer (Avec) who is responsible for ensuring that all grants due to The Trust are collected. Revenue funding is largely driven by pupil numbers. Census returns will be completed and authorised in each academy as follows:

Completed by: Business Manager

Autorised by: Head Teacher

Applications for any significant additional grant funding will be subject to approval from Head Teacher.

Other Income

The Trust and individual academies also obtain income from:

- students, mainly for trips and meals and activities
- the public, mainly for sports lettings.

Residential Trips

7.2 Each academy must establish procedures to deal with income from trips. These procedures must ensure that;

- A lead teacher is responsible for each trip
- A record of students on each trip and payments made is maintained
- An official receipt is given for all payments received

Lettings & Hire of Facilities

7.3 Each academy must establish procedures to deal with income from lettings. These procedures must ensure that;

- Adequate records are maintained of all bookings made
- Payment should be made in advance wherever possible
- Sales Ledger accounts are raised through Agresso
- Debts will be monitored and promptly chased up
- Approval to write off debts must be obtained from the Finance and Premises Committee

School Meals

7.4 School meal payments are collected via ParentPay. Each academy must establish procedures to ensure that;

- Payments are adequately monitored and debts chased up.
- Debts up to £50 can be written off at the discretion of the Headteacher
- Income is reconciled against the no of meals provided
- Parent Pay transactions must be recorded promptly in the Agresso system.
- Each reconciliation must be documented and signed.

Ad-hoc cash collection

Cash income may be collected occasionally for events/fundraising etc. In such cases cash will be held securely at all times, counted in the presence of two members of staff, promptly recorded and reconciled to banking.

Custody and Banking- General

7.5 Each academy must establish procedures to deal with income banking. These procedures must ensure that;

- All cash and cheques must be kept in the safe prior to banking.
- Safe keyholders are identified and keys are kept safe
- Banking should take place weekly or more frequently if the sums collected exceed the insurance limit on the safe.
- Monies are collected through an externally provided secure collection service.
- Monies collected must be banked in their entirety in the appropriate bank account.
- Two members of staff must verify each banking
- Bankings must be reconciled to source records of income received
- Each banking must be promptly reconciled to the bank account

8 Cash Management

Bank Accounts

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

Deposits

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

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

Payments and withdrawals

8.3 Cheques from Trust bank accounts must bear the signatures of two of the following authorised signatories:

St Marks Church of England Primary School

Head teacher

Deputy Head Teacher

Keith Smith (Director)

Pentland Primary School

Head Teacher

Deputy Headteacher
Keith Smith (Director)

Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure

LloydsLink System

8.4 Finance staff in each academy have access to the Lloydslink system in order to view on-line statements. Trust staff also have access to generate and authorise on-line payments.

Access to the system is controlled via user accounts, passwords and smartcards. It is the responsibility of each individual to maintain security of their passwords and cards.

8.5 All payments made via Lloydslink must be authorised as per the expenditure limits prior to being input. The following staff are approved as inputters and authorisers:-

Inputters

School Business Managers

Approvers

School Business Managers and Headteachers

Bank Reconciliation

8.6 The Principle Finance Officer (Avec) 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 Agresso
- adjustments arising are dealt with promptly

Each reconciliation must be authorised by the Head Teacher.

Petty Cash Accounts

8.7 Petty Cash accounts are not in use.

Purchasing Cards

8.8 The Trust uses credit cards as an efficient method of procuring travel, accommodation and sundry items. Credit cards are held by each Head Teacher and credit limits are set to minimise risk. Each academy must establish procedures to deal with purchasing cards. These procedures must ensure that;

- Cards are stored safely
- Cards are only used for academy business
- Supporting documentation is held for all transactions
- Each statement is reconciled and then authorised independently of the cardholder.
- Records of the reconciliation and approval are maintained

Cash Flow Forecasts

- 8.9 The Principle Finance Officer (Avec) is responsible for preparing regular cash flow forecasts to ensure that The Trust 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. Similarly plans should be made to transfer funds from another bank account or to re-profile Income and Expenditure to cover potential cash shortages.

Investments and Cash Deposits

- 8.10 Investments and deposits must be made only in accordance with written procedures approved by the Board of Directors. (Cash Flow & Management of Deposits Policy)

9 Fixed assets

- 9.1 This section should be read in conjunction with the Assets & Disposal Policy, as adopted by the Board of Directors, which includes more detailed definitions and procedures.

Asset register

- 9.2 The Assets Register details all capitalised purchases and helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- the external auditors to draw conclusions on the annual accounts and The Trust's financial system and
- to support insurance claims in the event of fire, theft, vandalism or other disasters.

Inventory of Assets

- 9.3 In addition each School Business Manager will be responsible for maintaining a record of all non-capitalised, attractive, portable assets with a value of over £100 will be maintained and security controls operated in order to safeguard the Trust's property.

Security of assets

- 9.4 All fixed assets recorded in the register are permanently marked as "Property of 1 Excellence Trust" or predecessor school, as far as this is practical. Alpha Dots are in use on ICT equipment.

The asset register is to be kept up to date and reviewed regularly. Items used by The Trust but not owned by The Trust should be recorded as such. Physical counts against the register are undertaken annually at or about the end of the financial year. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the Finance and Premises Committee in line with the scheme of delegation. Stores and equipment are secured by means of physical and other security devices.

Disposals

- 9.5 All requests for disposal must be submitted to the Head Teacher for approval and then approved by the Finance and Premises Committee. The best possible value must be

obtained in the disposal of assets.

Acceptable methods of disposal are detailed in the Assets and Disposal Policy

Disposal Limits

- 9.6 Disposal of land and buildings must be agreed in advance with the Secretary of State.

Loan of Assets

- 9.7 Items of Trust property must not be removed from the school premises without the authority of the Head Teacher .

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 Trust's auditors.