

Walderslade Girls' School

Finance Policy



Including Charging and Remissions Policy & Memorandum of Bank Accounts

1. Introduction

The purpose of this policy is to ensure that the Academy maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of Walderslade Girls' School Funding Agreement with the Education Funding Agency

The Academy must comply with the principles of financial control outlined in the academies guidance published by the EFA. This policy expands on that guidance and forms the manual detailing information on the academy's accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

2. Principles

The Governing Body will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

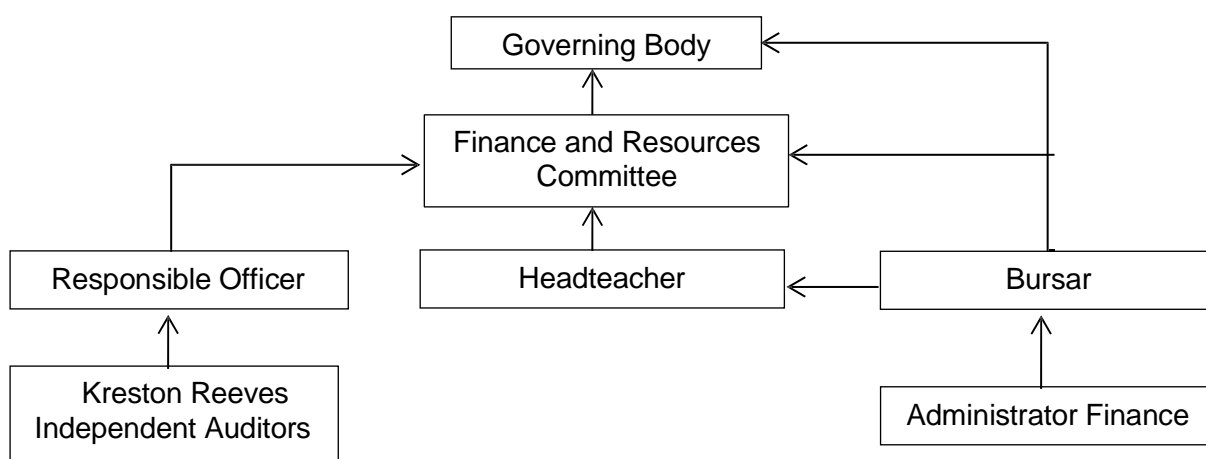
- **Selflessness**
Holders of public office should take decisions solely in terms of the public interest.
- **Integrity**
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance or their official duties
- **Objectivity**
In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
- **Accountability**
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness**
Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demands

- **Honesty**
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.
- **Leadership**
Holders of public office should promote and support these principles by leadership and example.

3. Organisation and Responsibilities

The Academy has defined the responsibilities of each person involved in the administration of the Academy's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff

3.1 Reporting Structure:



3.2 Governing Body

The governing body has overall responsibility for administration of the Academy's finances. The main financial responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and the EFA. The main responsibilities include:

- Ensure the grant from the EFA and other Restricted funding is used for the purposes intended
- Approval of the annual budget and any material changes
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure
- Approval of the Annual Statutory Account

3.3. Finance and Resources Committee

The main financial responsibilities of the Finance and Resources Committee are detailed in their terms of Reference, these include:

- Initial review and recommendation to the GB of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the EFA guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body.
- To review the financial policies of the academy and where necessary make recommendations to the GB

3.4. Headteacher

The Headteacher has overall executive responsibility for the Academy. The Headteacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment.
- Authorising contracts up to the amount stated in the Scheme of Delegation (Appendix 1), reporting these decisions to the Finance and Resources Committee.
- Signing cheques as detailed in the scheme of delegation.
- Credit card Holder
- On-Line Banking

The funding agreement identified the Headteacher as the Accounting Officer who is personally responsible to the governing body for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy

The Accounting Officer has the duty to take action if the Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the governing body details sent to the Permanent Secretary and the academy's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

3.5. Bursar

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

- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of academy's financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- Preparation of monthly management accounts
- Ensuring forms and returns are sent to the EFA in line with their reporting deadlines.
- Liaison with payroll, reconciliation of payroll data from the Academy's payroll service provider.
- Management of the Academy's Service Level Agreements
- Credit Card
- Online Banking

3.6. Responsible Officer

Checks and balances need to be put in place to ensure that the financial management arrangements within the Academy are monitored. The EFA (Department for Education) requires a Responsible Officer (RO) to be appointed to fulfil this role.

The Responsible Officer is appointed by the Governing Body and is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the governing body within on-going independent assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The Governing Body appointed McCabe Ford Williams in November 2014 for a 1-year period to act as an external body to independently undertake the duties of the Responsible Officer. A programme of checks will be agreed with the governing body and the auditors will carry out financial reviews in order to provide the governing body and indirectly the Department for Education with the required assurance. These reviews will be undertaken termly.

The RO will undertake the checks and balances in line with the recommendations shown in Annex 2b of the Finance Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Personnel committee and SLT minutes)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

McCabe Ford Williams will produce a full report after each RO visit to the Academy. The Bursar will report findings of each visit to the Finance and Resources Committee and these will be reported back to the Governing Body.

3.7 Finance Administrator

The Finance Administrator works in close collaboration with and is directly responsible to the Bursar. The main responsibilities include

- Weekly banking preparation
- Order and invoice processing

3.8 Deputy Headteacher

The Deputy Headteacher will assume the financial responsibilities if the Headteacher is absent.

3.9 Other Staff

All staff are responsible for the security of Academy's property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and conformity with the requirements of the Academy's financial procedures.

3.10 Register of Business Interests

It is vital that governors and staff act, and are seen to act, impartially. All members of the governing body are therefore required to complete a declaration of business interests. The principal and other senior staff are also required to complete declaration.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a governor or member of staff.

The existence of a register of business interests does not of course detract from the duties of the Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governors or a Committee. Where an interest has been declared, Governors and staff should not attend that part of the meeting.

It is the role of the Clerk to Governors to ensure the Register of Business Interests are up to date.

4. Financial Planning

The Bursar will prepare both medium and short-term financial plans. These plans are prepared to inform the academy's strategic development planning processes for the next 3 years.

The Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available.

The Academy's Annual Improvement Plan provides the framework for the annual budget. The Annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources during the year

5. Annual Budget

The budget process follows a planning annual cycle which is contained in Appendix 2.

The Bursar, in liaison with the Headteacher is responsible for the preparing and obtaining approval for the annual budget from the Finance and Resources Committee and the Governing Body must approve the budget each year.

The approved budget must be submitted to the EFA by the published timetable each year. The Bursar is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the EFA is met.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School Improvement Plan.

The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of EFA grant receivable
- Review of other income sources
- Review of past performance against budgets

- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.

The draft budget should be presented to the Headteacher, the Finance and Resources Committee and full Governing Body together with a supporting report for approval. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change, any revision should be reported to the Finance and Resources Committee through the Bursars Report to Governors. Any substantial changes must be approved in accordance with the Scheme of Delegation – Appendix 1.

6. Budget Management

The Bursar will reconcile all Bank Accounts and Budgets monthly.

The Headteacher, Finance and Resources Committee and Governors will receive half termly budget monitoring reports from the Bursar on current spend against budget and forecast outturn expenditure.

Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at Finance and Resources Committee.

The Headteacher may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Academy as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budget must in the first instance be discussed with the Bursar. The accounting system will not permit payments to be made against an overspend budget without the approval of the Bursar.

The Finance and Resources Committee will continually monitor the quality of the financial information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The Original Budget must be set in the FMS Accounting systems and up-to-date changes monitored against a Master budget which will record in-year changes. An audit trail of all virements made after the approval of the original budget must be made.

7. Accounting Systems

7.1 Financial Accounting System

The Academy uses Capita FMS Accounting System and all financial transactions must be recorded using this System. Access rights within FMS are defined for each user with a unique ID and password. Users are detailed in the Scheme of Delegation (Appendix 1).

- All financial transactions relating to the Academy's budget must be recorded using FMS. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures. The system is backed up automatically on disc space held on site and up to 30 days backup held off site which can be accessed remotely through the academy's normal Back-up routines.

7.2 Transaction Processing

- All journal transfers and transactions in the Nominal Ledger will be processed by the Bursar
- Cash Book entries will be made by the Bursar
- Fixed Asset transactions will be made by the Bursar
- Orders on requisitions authorised in accordance with the scheme of delegation (Appendix 1) will be raised by the Finance Administrator
- Invoices will be processed ready for payment by the Finance Administrator
- Purchase Ledger transactions will be processed by the Finance Administrator
- Sales Ledger transactions will be processed by the Bursar
- Manual Payments should be raised by Bursar and countersigned in accordance with the Bank Mandate as per Scheme of Delegation (Appendix 1)
- The Bursar will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The Bursar will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book

8. Payroll

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

8.1 Staff Appointments:

The governing body approves a personnel establishment for the Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the full Governing Body who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff.

The Headteacher has the authority to appoint staff within the authorised staffing structure. The Heads PA will maintain personnel files for all members of staff, which include contracts of employment.

8.2 Payroll Administration

The Academy's payroll is outsourced to School's Personnel Service (Kent).

All Payroll transactions relating to Academy staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to SPS on the appropriate electronic form completed by the Heads PA. In the case of changes to the Headteacher's salary, e-forms should be signed by the Chair of Governors as per the Scheme of Delegation (Appendix 1). Copies of all forms should be retained on the employees personnel file and the original sent to payroll.

All personnel files shall be stored in a lockable cabinet. Only the Headteacher and Heads PA will have access to staff files but individuals can request to see their own files in line with data protection policies.

The Heads PA is responsible for keeping the staff personnel database up-to-date via SIMS Personnel recording system.

Absence records are maintained by the Heads PA. Both paid and unpaid leave is notified to payroll using the appropriate e-form.

Staff claims for overtime, variance of pay, casual employees and travel claims will be checked by the Bursar against the pay report provided monthly by SPS. All claims will be countersigned by the Headteacher and forwarded to payroll SPS by the 7th of each month.

8.3 Payments and Monitoring

All salary payments are made by BACS.

SPS submit payroll reports prior to salary payments being dispatched detailing costs and individual payment details. A BACS report is also submitted. The Bursar will undertake a sensibility check whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The Bursar will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation. Local Government Pension Scheme, Teachers Pensions, Prudential Teachers AVC's, Child Care Vouchers Unison & GMB by the 7th of the month following the pay run and to HMRC by the 19th of the month following the pay run.

The Bursar will enter the payroll data into FMS via Journal Transfer at the earliest opportunity.

Each year the Bursar will check each member of staff's gross pay against the payroll system to the contract of employment.

9. Value for Money (VFM) Procedures

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

- 9.1 Orders of £1,000 and below
Consideration to be given to alternative suppliers and evidence attached to requisition if quotes have been sought
- 9.2 Orders over £1,000 but less than £5,000
At least two written/verbal quotes should be obtained for all orders to identify the best source of the goods and services. These should be recorded on or attached to the requisition form. Unless urgent works are required or we already use the supplier.
- 9.3 Orders over £5,000 but less than £10,000
Three written quotations should be obtained for all orders to identify the best sources of the goods/services. Written details of quotations should be attached to the requisition form for audit purposes.
- 9.4 Orders over £10,000 - £50,000
A minimum of three formal quotations to be obtained in writing by a specified date and time based on a written specification. Evidence to be attached to the requisition form. Formal tenders may be requested if it is felt appropriate
- 9.5 Orders over £50,000 – E U Threshold (check up to date limits <http://www.ojec.com/Thresholds.aspx>) Goods or services ordered with a value over £50,000 or for a series of contracts in which the total exceeds £75,000 must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be kept in the Bursars office.
- 9.6 Orders over E U Threshold
Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and Award of Contracts. (Appendix 5)

10. Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below:

10.1 Open Tender:

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Bursar how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

10.2 Restricted Tenders:

This is where suppliers are specifically invited to tender and 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 requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

10.3 Negotiated Tender:

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

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Extreme urgency exists,
- Additional deliveries by existing supplier are justified

10.4 Preparing for Tender

Full consideration should be given to:

- Object of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

10.5 Invitation to Tender

An invitation to tender should include the following:

- Introduction/background
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Form of response

10.6 Aspects to consider Financial

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be borne in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price.
- Is there scope for negotiation?

Technical

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM (Construction Design & Management)
- Certificates
- Quality control procedures
- Details of previous sales and references

Other considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier

10.7 Tender Acceptance Procedures

The tender invitation will state the time and date by which the completed tender document should be received by the academy. Tender submissions should be received in plain envelopes clearly stating they contain tender documents they must be

- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

10.8 Tender Opening Procedures

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders this would normally be the Bursar and the Headteacher, in some circumstances this could be delegated to an agent who has been employed by the Academy to undertake the tendering process i.e. a firm of architects:

10.9 Tender Evaluation Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the Finance and Resources Committee.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

11. Purchasing

The Academy will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. The Headteacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the Academy are dealt with on a fair and equitable basis.

The Bursar will ensure that there is a clear separation of duties within the finance team, which would, if combined, enable one individual to record a complete transaction.

11.1 Orders for Goods and services

Budget Holders should raise an order for goods or services using a requisition form (Appendix 3) available from the Finance Office and on the Computer system. Where the value of an order is over £1,000, the requisition must be accompanied with evidence of appropriate number of quotes /or proof that VFM exercise has taken place – as per section 9. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the Bursar.

- Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).
- Official orders will be raised through FMS and faxed or posted to the supplier by the Finance Administrator
- Telephone/direct verbal ordering will be permitted.
- Requisition forms must have the FMS generated purchase order attached to it and filed in number order in the Finance Office.

11.2 Delivery of Goods and Services

- On receipt of goods the person who ordered the goods will check the goods received match the delivery note and sign the note to confirm this.
- The Finance Office will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file
- The person who ordered the goods will raise any discrepancies with the Finance Administrator for investigation
- The budget holder must ensure that the goods received are of acceptable quality any goods that rejected must be notified to the Finance Administrator within 2 days of delivery.

12. Payment of Accounts

12.1 Processing of Invoices

Payment for supplies and services will be paid upon receipt of an Invoice when

- It is confirmed that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Finance Administrator will do the above checks and enter the invoices on to FMS as soon as possible. The Bursar will authorise the payment of the invoice within FMS to make it available for payment within the Accounting System. All invoices are to be processed through FMS, payments generated via Cheques and authorised in accordance with the Bank Mandate. Only in exceptional circumstances should payment be made by credit card.

13. Other Purchases

The academy recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased. It is the function of the Petty Cash Account support these transactions.

13.1 Internet Purchases

It is expected that Internet Purchases will be an exception to the norm. When making a request for an Internet order

- Requisitions are required as per 'ordering goods and services' procedures above.
- The Bursar holds the credit card for orders placed over the Internet and orders may only be placed by them or the Administrator for Finance.
- The transaction is recorded in FMS as soon as possible and the transaction reference number recorded on the documentation
- The credit card should be held securely by the Bursar in the safe at all times and the PIN code not disclosed to any other party,

13.2 Reimbursements to individuals For reimbursement of cash transactions:

- Requests for re-imbusement to individuals are to be made on the Personal Invoice Form and MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the Bursar considers maverick purchasing methods have been used, or the budget holder has already spent their full allocation and did not seek prior approval to exceed the funds available.
- The person being reimbursed signs for receipt of the reimbursement
- The reimbursement is recorded in FMS as soon as possible and the transaction number recorded on the documentation

14. Income

The main source of income for the Academy are the Grants from the EFA and the Local Authority. The receipt of these funds are monitored by the Bursar who is responsible for ensuring all grants due to the Academy are collected.

14.1 Income collected by the Academy

The Academy collects income from parents or the public for:

- Trips and residential visits
- Lettings
- Reimbursements from various parties for activities in which the academy plays an active role.

14.2 Trips / Activities

A lead teacher must be appointed for each trip. For every trip or activity an on / Off Site Activities form must be completed. The Lead Teacher is responsible for budgeting for the trip, with the Bursar checking it is correct. The Teacher collecting the sums due and liaising with the Lead Teacher over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity.

Cash/Cheques sent in via pupils must be handed to the Pupil Services Officer. Parents may pay at reception. The value of the receipt and the number of the receipt is recorded against the pupil making the payment.

The Pupil Services Officer will then hand all monies to the Bursar who will pay all monies into the relevant bank account.

The Pupils Services Officer should maintain an up to date record for each trip leader/student showing the amount paid and the amount outstanding. The lead teacher is responsible for chasing the outstanding amounts and no account should remain in a deficit position

14.3 Lettings

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the Finance and Resources Committee

The Bursar is responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for these facilities whenever possible.

The Finance Administrator will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the governing body. (The EFA prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

14.4 Custody

All receipts are generated and numbered automatically. All cash and cheques must be held in the Finance Office safe prior to banking. Banking will take place weekly or more frequently if the cash sum held exceeds £10,000.

The Finance Assistant is responsible for preparing summary banking reports for the Bursar. The Bursar inputs the banking amounts into FMS and completes reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

14.5 Debtors

Debts under £50 may be written off by the Headteacher.

Debts over £50 may be written off only with the approval of the Finance and Resources Committee

Debts above the level as detailed in the funding agreement must be submitted to EFA for approval to be written off. The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £100, a threat will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.
- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on Finance and Resource Committee meetings where governors will decide on action to be taken.
- The current aged debtors report together with details of any debts written off (under £50) and solicitor's letters sent will be provided for each Resource Committee meeting.

15. Cash Management

15.1 Bankers

The Academy have appointed HSBC as their bankers for all funds. The opening of all bank accounts must be authorised by the governing body who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements.

15.2 Deposits

Particulars of any bank deposit must be entered in a paying in slip and should include:

- The amount of the deposit and detailing all transactions

- The Counterfoil should include:
- The amount of the deposit
- Signature of person preparing the banking
- Signature of person checking the banking
- HSBC receipt attached

15.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from any of the Academy's bank accounts must bear signatures in line with the scheme of delegation.

15.4 Bank Reconciliations

The Bursar must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure:

- All Bank Accounts are reconciled to FMS system
- Adjustments are dealt with promptly.

15.5 Petty Cash Accounts

Deposits into petty cash can only be made by cashing a cheque on the Academy's main bank account. Deposits from other sources cannot be allowed.

The Academy will maintain a maximum of £300 as petty cash.

The Bursar will

- Ensure Petty cash is held securely
- Make reimbursements only on the 'Reimbursement to individuals' form
- In exceptional circumstances make cash available to staff in advance of a receipt being available – these should be limited to small items under £20
- Reconcile Petty Cash monthly
- Make the petty cash available for checking at any time
- Will check the Finance Administrator has recorded all transactions in FMS as soon as possible.
- Bursar will check the balance of the Tin. Headteacher will also check the Tin

15.6 Credit Card

Credit Card Holder will

- Ensure card is held securely
- Ensure PIN number is not disclosed to any other person
- In recognising the increased risks associated with Credit Card use, the academy will have available at all times, without prior notice, its Credit Card Account records for scrutiny by any member of the Finance and Resources Committee

- Report any instances of unauthorised card use to the Finance and Resources Committee
- Report the loss of card or PIN details to the Bank immediately

15.7 Cash Flow Forecasts

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

15.8 Investments

Investments must be made only in accordance with written procedures approved by the governing body under a separate Investment Policy.

15.9 Reserves

The Budget is managed in line with the Academy's Balances and Reserve Policy which is reviewed annually.

16. VAT

16.1 VAT 126 Claims

Under legislation VAT claims can be made on expenditure supporting the Academy's core business purposes according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued in June 2011. Claims will be made to the HMRC on form 126 by the Bursar monthly following full reconciliation of all accounts.

16.2 VAT Registration

Separate to the activities mentioned above the Academy may choose to register for VAT in relation to its non- business activities.

The Academy is not registered for VAT at present this is kept under ongoing review with the Academy's External Auditors.

Guidance on VAT can be found at <http://www.hmrc.gov.uk/vat/start/introduction.htm>

17. Fixed Assets

The treatment of Fixed Assets is detailed in the Academy's Capitalisation and Control of Assets Policy.

The asset register should include the following information;

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

The Asset Register helps;

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

Security of assets

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

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

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher or Bursar and, where significant, should be sold following competitive tender. The academy must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

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

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

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

Loan of Assets

Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Academy's auditors.

18. Key Inventory

The Key inventory is the responsibility of the Premises Manager to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security ensures to be put in place and for the inventory to be updated.

19. Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

20. Charging Policy

The EFA document "A Guide to the Law for School Governors" contains details of the statutory position relating to charges that schools and academies can make for various activities. Governing Bodies are required to draw up and publish a charging policy for the school. The following paragraphs contain a summary of the legal position and guidance from the EFA.

By law schools must not make any charges for education provided during the school hours. The one exception is that charges may be made for teaching an individual pupil or groups of up to four to play a musical instrument, if the teaching is not an essential part of either the national curriculum or a public examination syllabus being followed by the pupil.

Although schools cannot charge for school-time activities, parents can be invited to make a voluntary contribution to school funds. Any request to parents for voluntary contributions must make it clear that the contributions are voluntary and that children of parents who do not contribute will not be treated any differently. Where there are not enough voluntary contributions to make the activity possible, and there is no way of making up the shortfall, then it must be cancelled and donations returned.

Parents can be charged for activities that take place outside school hours where these activities are not a necessary part of the national curriculum or religious education. If a charge is made for each pupil, this should not exceed the actual cost. If further funds are needed to be raised, for example, to help in hardship cases, this must be from voluntary contributions or general fund raising.

Should a student be unable to attend a trip or be removed from the trip due to poor behaviour and the full amount has already been paid, unless the school is able to find another student to take their place the parent will not be entitled to a refund. The school cannot accept liability for places being withdrawn. Deposits are not normally refundable.

Schools cannot charge for the educational travel cost involved in residential activities which take place largely during school time. However, charges can be made for board and lodging in these circumstances, except for pupils who receive free school meals or whose parents are receiving Income Support, Family Credit, Disability Working Allowance or an income based Job Seeker's Allowance.

No charges may be made for entering pupils for public examinations unless:

- the examination is on the set list but the pupil was not prepared for it at the school
- the examination is not on the set list but the school arranges for the pupil to take it
- a pupil fails, without good reason, to complete the requirements of any public examination where the school has paid the entry fee.

Schools can charge pupils, staff or parents to travel in the school minibus provided the school holds the appropriate permit. The charge can recover some or all of the costs of running the vehicle but should not be designed to make a profit.

The school's premises must be made available for a local or parliamentary election if required by the Returning Officer. Schools can charge for the cost they incur but should not make a profit.

Schools can determine what charges they wish to make for letting school premises both during and outside school hours. Overall, lettings income must at least cover the school's costs — schools cannot use their delegated budget to subsidise non-school activities. However, schools can charge some organisations a higher amount so that the extra funds generated can be used to subsidise other users.

Voluntary contributions may be sought for activities during the school day which entail additional costs, [for example, swimming, cooking and PE]. Parents will be informed of these costs as long as they fall within these guidelines.

From time to time we may invite a non-school based organisation to arrange an activity during the school day. Such organisations may wish to charge parents, who may, if they wish, ask the Headteacher to agree to their child being absent for that period.

Other charges will be made to cover costs when the number of school sessions missed by the pupils total half or more of the number of half-days taken up by the activity. In such cases parents will be told how the charges were calculated.

When charges are made for any activity, whether during or outside of the school day, they will be based on the actual costs incurred, divided by the total number of pupils participating. There will be no levy on those who can pay to support those who can't. Support for cases of hardship will come through voluntary contributions and fundraising.

The principles of best value will be applied when planning activities that incur costs to the school and/or charges to parents.

The Finance & Resources Committee will monitor the impact of this policy by receiving on a termly basis, a financial report on those activities that resulted in charges being levied, the subsidies awarded (without giving names) and the source of those subsidies.

21. Memorandum of Bank Accounts

This document has been included to reflect the bank accounts currently used by the School. All bank accounts will be used as per prescribed guidelines above:

- Main Walderslade Girls' School Account – This holds all funds received for use within the school.
- Investment Bank Account – This holds any balance over £10,000 overnight to earn interest

22. Reporting to the EFA

The Academy is required to submit reports to the EFA in the following areas:

- Financial Management and Governance Evaluation (FMGE)
- Annual Budget
- Budget Monitoring
- Statutory Accounts

22.1 The Annual Budget

The Academy is required to send a copy of its annual budget to the EFA. This will be in the format of an income and expenditure statement on an accrual basis.

The Bursar must ensure that a final budget is submitted setting out the Academy's plans for the forthcoming academic year in more detail in the required format and by the required deadline as notified by the EFA year on year.

22.2 Budget Monitoring

The Academy will submit budget-monitoring returns to the EFA, on an accrual basis in the required format by the required deadlines as notified by the EFA year on year.

22.3 Annual Accounts

As a Charitable company the Academy must comply with company law as set out in the Companies Act 2006. This includes a requirement to prepare a governors' report and financial statement ('annual accounts') and for these to be independently audited by a registered auditor. Financial Statements should be prepared to 31st August each year. They should include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of the Academy at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts

The Annual accounts must be submitted by 31st December. As soon as the EFA deadline, but by no later than 30th June (10 months after the end of the accounting year), a copy of the governors annual report and audited final accounts must be sent to Companies Register and to the Charity Commission.

23. External Auditors

The Academy appointed Kreston Reeves as their external auditors in February 2016. This will be reviewed on a yearly basis. The appointment of Auditors must be approved by the Full Governing Body.

Appendix 1

Walderslade Girls' School Scheme of Delegation / Managing Money

Authorising orders for goods and services, authorising payments, entering into contracts:

Position	Name	Limit/Restriction
Governing Body	Chair	Over £30,000 – decision recorded in minutes
Finance and Resources Committee	Chair	£30,000 - decision recorded in minutes
Headteacher	Louise McGowan	£10,000
Deputy Headteacher – when acting in absence of Headteacher	Fraser Campbell	£10,000

Authorisation to make virements between cost centres

Position	Name	Limit/Restriction
Full Governors	Chair	Over £30,000 – decision recorded in minutes
Resources C'ttee	Chair	£30,000 - decision recorded in minutes
Headteacher	Louise McGowan	£10,000
Deputy Headteacher – when acting in absence of Headteacher	Fraser Campbell	£10,000

Managing the Academy Bank Accounts

Position	Name	Authority
Headteacher	Louise McGowan	Cheque Signatory one of two to sign
Deputy Headteacher – when acting in absence of Headteacher	Fraser Campbell	Cheque Signatory one of two to sign

Users of computerised finance package - FMS

Position	Name	Limit/Restriction
Bursar	Sarah Duke	System Administrator
Finance Administrator	Rebecca Stow	System user – access all ledgers
Headteacher	Louise McGowan	System user – access all ledgers

Certification payroll documents

Position	Name	Limit/Restriction
Chair of Governors	Nigel Scott	Sign payroll forms relating to Headteacher
Headteacher	Louise McGowan	Sign all Appointment & Leaver Forms and change of contract forms Sign off Monthly Claim documents
Heads PA	Tracy Pocock	Completion of all payroll forms Sign Supply Starter Declarations Preparation of Monthly Claim documents

Certificate of Travel / Subsistence Claims

Position	Name	Limit/Restriction
Headteacher	Louise McGowan	Over £50 per claim & all SBM claims
Chair of Governors	Nigel Scott	Travel Claims of Headteacher above £100

Appendix 2 Annual Budget Cycle

- January: Data Manager completes the census return which is used by Government as the basis for the funding for the next financial year.
- February: The Senior Leadership Team start work on next year's priorities and possible staffing needs.
These priorities will be discussed with the various committees of the Governing Body
- March: Academy receives its Draft Recurrent Grant for the following year from the Education Funding Agency (EFA).
The Bursar starts to construct next year's budget. A mid –year review of current budget takes place.
- April / May: Bursar completes Whole of Government Accounts.

The Headteacher and Bursar discuss detail of next years' budget and present to Finance and Resources Committee
- June: Full Governing Body approve final budget for the following year.

The Bursar then prepares return to EFA which is signed by Headteacher and Chair of Governors and returned to the EFA.
- July: Appointed Auditors start their preparative work on the Annual Accounts
Aug/Sept: Financial Year end (31st August)
Start of new Financial Year (1st Sept)
Bursar & Headteacher support Governors in preparation of Governors Report
- Oct: Appointed Auditors continue audit field work and produce draft Annual Accounts for governors to review.
- Nov/Dec Appointed Auditors present accounts to Full Governors. Governors approve Financial Statements. Dec: By 31st Dec Financial Statements are published.

THE ORDER WILL NOT BE PROCESSED

£0.00

Appendix 4 Specimen Signature List

Name	Position	Signature	Initials	Date	Date removed
Louise McGowan	Headteacher			01.09.2012	
Fraser Campbell	Deputy Headteacher			01.09.2011	
Emma Ranson	Assistant Headteacher			01.09.2014	
Rob Elphick	Assistant Headteacher			01.09.2014	

Appendix 5 EC Procurement Thresholds

The European public contracts directive (2004/18/EC) applies to public authorities including, amongst others, government departments, local authorities and NHS Authorities and Trusts. The European utilities contracts directive (2004/17/EC) applies to certain utility companies operating in the Energy, Water, and Transport sectors.

The directives set out detailed procedures for the award of contracts whose value equals or exceeds specific thresholds. Details of the thresholds, applying from 1st January 2012 are given below. Thresholds are net of VAT.

PUBLIC CONTRACTS REGULATIONS 2006 - FROM 1 JANUARY 2012

	SUPPLIES	SERVICES	WORKS
Entities listed in Schedule 1 ¹	£113,057 (€130,000)	£113,057 ² (€130,000)	£4,348,350 ³ (€5,000,000)
Other public sector contracting authorities	£173,934 (€200,000)	£173,934 (€200,000)	£4,348,350 ³ (€5,000,000)
Indicative Notices	£652,253 (€750,000)	£652,253 (€750,000)	£4,348,350 (€5,000,000)
Small lots	£69,574 (€80,000)	£69,574 (€80,000)	£869,670 (€1,000,000)

¹ Schedule 1 of the Public Contracts Regulations 2006 lists central government bodies subject to the World Trade Organisation's (WTO) Government Procurement Agreement (GPA). These thresholds will also apply to any successor bodies.

² With the exception of the following services, which have a threshold of £173,934 (€200,000)

23.1 Part B (residual) services

23.2 Research & Development Services (Category 8)

23.3 The following Telecommunications services in Category 5

- CPC 7524 - Television and Radio Broadcast services
- CPC 7525 - Interconnection services
- CPC 7526 - Integrated telecommunications services

23.4 Subsidised services contracts under regulation 34

³ Including subsidised works contracts under regulation 34.

UTILITIES CONTRACTS REGULATIONS 2006 - FROM 1 JANUARY 2012

	SUPPLIES	SERVICES	WORKS
All sectors	£347,868 (€400,000)	£347,868 (€400,000)	£4,348,350 (€5,000,000)
Indicative Notices	£652,253 (€750,000)	£652,253 (€750,000)	£4,348,350 (€5,000,000)
Small lots	£69,574 (€80,000)	£69,574 (€80,000)	£869,670 (€1,000,000)