



CANNOCK CHASE HIGH SCHOOL

A C H I E V E M E N T F O R A L L

Financial Regulations

Updated February 2020

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1 Introduction

The purpose of this document is to ensure that the academy 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 Education Funding Agency (EFA).

The academy must comply with the principles of financial control outlined in the academies guidance published by the ESFA. These Financial Regulations expand on that and provide detailed information on the academy's accounting procedures. These Financial Regulations and procedure notes should be read by all staff involved with financial systems.

2 Organisational Structure and Financial Responsibilities

Organisational Structure

The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Governing Body

The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the ESFA and in the academy's scheme of government. The main responsibilities include:

- Ensuring that grant from the ESFA is used only for the purposes intended;
- Approval of the annual budget;
- Appointment of the Headteacher;
- Appointment of the Executive Business Manager, in conjunction with the Headteacher; and
- Set a framework for pay and conditions of service of all other staff.

The Finance Committee

The Finance Committee is a committee of the governing body. It meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of Finance Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- The initial detailed review of the annual budget and recommendation to the Board;

- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- Authorising the award of contracts over £100,000;
- Authorising changes to the academy personnel establishment; and
- Reviewing the reports of the External Auditors on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Headteacher

Within the framework of the academy development plan as approved by the governing body the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Executive Business Manager but the Headteacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- Authorising contracts between £25,000 and £50,000 in conjunction with The Executive Business Manager;
- Advise the Governing Body on the discharge of its responsibilities;
- Be responsible for signing, with the Chair of the Governing Body, the approved budget and annual accounts ensuring they are properly presented and causing records to be maintained relating to the accounts;
- To review from time to time with the Executive Business Manager the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the school;
- To receive regular reports on the School's income and expenditure, showing a comparison of these against annual budget;
- Discuss with the Executive Business Manager the preparations of the respective financial requirements to the Governing Body and the format required; and
- Report variations in the school budget to the Governing Body.

The Executive Business Manager

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

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- The maintenance of effective systems of internal control;

- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- The preparation of monthly management accounts;
- Authorising orders below £25,000 in conjunction with budget holders ;
- Signing cheques in conjunction with other authorised signatories;
- Ensure forms and returns are sent to the DfE in line with the timetable in the DfE guidance;
- Ensure the efficient, economical and effective management of the Governing Body's resources and expenditure, including funds, capital assets and equipment and staff;
- Ensure the maintenance of sound financial controls;
- Seek to ensure that financial considerations are taken fully into account in reaching decisions and in their execution;
- Ensure that all financial reports to the ESFA, Governors, LT and all other budget holders are accurate and on time;
- Provide such assistance to the Governing Body as necessary for the satisfactory completion of their financial duties, including access to all financial documents and accounting systems;
- Seek to ensure with finance staff that all aspects of Local Financial Management and its updates are implemented, especially in the critical area of periodic reporting of the School's financial position to the ESFA;
- Provide reports as required of the Academy's financial position for the Finance Committee and report variations in the budget;
- Ensuring on a monthly basis that the bank reconciles to all school accounts;
- Seek to ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements;
- Seek to arrange for all financial activities at Cannock Chase High School to be fair and honest;
- Agree with the Headteacher, funds to be delegated to budget managers based on an agreed formula;
- Be responsible for all matters not covered by other Budget Managers.

Auditors

The academy appointed auditors are Dains, their function is to audit the financial provision of the academy, to ensure the academy meets the financial guidelines set out in the ESFA Financial handbook and to produce the Annual Accounts. Auditors will be appointed yearly, with no auditor being in office for more than 5 years.

Other Staff

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

3 Register of Interests and Business Integrity

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, share-holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

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

The Register of Interest should be updated annually in September and presented to the following Finance Committee. It should be a standing agenda item at all Governor Meetings that any declaration of business interest be declared.

4 Governing Body - Terms of Reference

Full Governing Body

Membership & Disqualification: As laid down in the articles of the Academy Trust.

Terms of reference:

- To agree constitutional matters*, including procedures where the Governing Body has discretion;
- To recruit new members as vacancies arise and to appoint new governors* where appropriate;
- To hold at least three Governing Body meetings a year*;
- To appoint or remove the Chair and Vice Chair*;
- To appoint or remove a Clerk to the Governing Body*;
- To establish the committees of the Governing Body and their terms of reference*;
- To appoint or remove a Clerk to each committee*;
- To suspend a governor*;
- To decide which functions of the Governing Body will be delegated to committees, groups and individuals*;

- To receive reports from any individual or committee to whom a decision has been delegated and to consider whether any further action by the Governing Body is necessary*;
- To approve the first formal budget plan of the financial year;
- To set the framework for pay and conditions of service of all staff;
- To keep the Health and Safety Policy and its practice under review and to make revisions where appropriate;
- To review the delegation arrangements annually*;
- To agree, by early in the autumn term, the programme of work and calendar of meetings for the Governing Body and its committees for the school year, based on known cycles of school improvement, financial management, staffing issues and communicating with parents;
- To monitor the progress of work being undertaken by committees and individuals;
- To establish and keep under review Critical Incident policy and procedures;
- To consider recommendations made by committees with regard to the working of the Governing Body;
- To establish and keep under review a protocol for the Governing Body;
- To establish and keep under review arrangements for Governors' visits to school;
- To oversee arrangements for Governor involvement in formulating and monitoring the School Improvement Plan;
- To attend to any other matters appropriately referred to the Governing Body.

* **These matters cannot be delegated to either a Committee or an individual.**

COMMITTEES (whose meetings will be calendared, and for whom a quorum is one half of the membership of the committee).

Finance Committee

Membership: The Chair of Governors (who is automatically Chair of this Committee); The Vice Chair; The Chair of the Pupil Related Matters Committee; one further representative from The Pupil Related Matters Committee; one further representative from the Finance Committee; The Headteacher; The Executive Business Manager (ex officio if the Executive Business Manager is not already a Governor).

Disqualification: Any relevant person employed to work at the school other than as the Headteacher, when the subject for consideration is the pay or performance review of any person employed to work at the school.

Terms of reference

- In consultation with the Headteacher, to draft the first formal budget plan of the financial year;
- To establish and maintain an up to date 3 year financial plan;

- To consider a budget position statement in line with financial reporting requirements for academies;
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body;
- To review charges and remissions policies and expenses policies annually;
- To make decisions in respect of service agreements;
- To make decisions on expenditure following recommendations from other committees;
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised;
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher;
- In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments;
- To draft and keep under review the staffing structure in consultation with the Headteacher;
- To establish a Pay Policy for all categories of staff and to be responsible for its administration, review and recommendation to the Board;
- To oversee the appointment procedure for all staff;
- To establish and review a Performance Management policy for all staff;
- To oversee the process leading to staff reductions;
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence;
- To make recommendations on personnel related expenditure to the Full Governing Body;
- To consider any **appeal** against a decision on pay grading or pay awards;
- To attend to any other matters appropriately referred to this Committee.

Pupil Related Matters Committee

Membership: as agreed annually by nomination or volunteering at the Full Governing Body meeting in the Autumn Term.

Terms of reference:

- To elect a Chair and Vice Chair;
- To monitor and advise the governing body on the standards in the school, particularly in relation to:
 - External examination results
 - Internal tracking and monitoring of progress
 - Expected levels of progress
 - The standard of teaching and learning
- To consider and advise the governing body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy;
- To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant Committees or the Governing Body;
- To make arrangements for the Governing Body to be represented at School Improvement discussions with external agencies and for reports to be received by the Governing Body;

- To oversee arrangements for individual governors to take a leading role in specific areas of provision, e.g. SEN, Literacy, Numeracy. To receive regular reports from them and advise the Governing Body;
- To oversee arrangements for educational visits, including the appointment of a named co-ordinator;
- To monitor and oversee the arrangements for the school's policies and practice on:
 - Learning and Teaching
 - Behaviour and discipline
 - Care and guidance
 - Careers
 - Child protection
- To receive reports and data relating to all the areas of reference.

Strategy Committee

Membership: Chair of Governors, Vice Chair of Governors, The Chairs of Pupil Related Matters and Finance Committees, Headteacher. Any other governor as is deemed appropriate.

Terms of reference:

- To oversee arrangements for Governor involvement in formulating and monitoring the School Improvement Plan;
- To make recommendations to the Governing Body to establish exceptional working arrangements where particular circumstances arise e.g. a joint committee to oversee a building project or a special committee to oversee an Ofsted inspection;
- To be available and respond to matters of particular difficulty, sensitivity or emergency and offer advice to the Headteacher;
- To undertake tasks delegated to them by the Governing Body;
- To oversee a skills and training audit of the Governing Body so that the appropriate skilled governors are in the right roles and any training requirements are met;
- To evaluate Governing Body committee meetings to ensure they are as effective as possible;
- To provide feedback and advice to the Chair of Governors.

Ad Hoc Committees (to be convened when needed):

The Governing Body has the authority to set up any ad hoc committees and working parties as appropriate (such as committees that need to be convened as part of a staffing reduction process), however those committees will usually fall within this list of ad hoc committees. The Chair of an ad hoc committee may be determined by the full governing body or delegated to the committee to elect.

Disciplinary Committee: Staff

Membership: not fewer than 3 members of the Governing Body

(NB. The number appointed to this committee directly affects the number required for an Appeal Committee).

DISQUALIFICATION: the Headteacher.

Terms of reference:

- To make any determination to dismiss any member of staff on disciplinary or capability grounds;
- To make any decisions under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action;
- To make any decisions relating to any member of staff other than the Headteacher, under the Governing Body's personnel procedures (*apart from those disciplinary matters delegated to the Headteacher*).

Disciplinary Committee: Students

Membership not fewer than 3 members of the Governing Body

(NB. The number appointed to this committee directly affects the number required for an Appeal Committee).

Disqualification: the Headteacher, any governors with prior knowledge of the student (except in the case of a final warning or intervention committee, whose members may sit on both the final warning hearing and then a permanent exclusion panel for the same student).

Terms of reference:

- To consider representations from parents in the case of exclusions of 5 days or less (*Committee may not re-instate*);
- To consider representations from parents in the case of exclusions totalling more than 5 but not more than 15 school days in one term (*meeting to be held between 6th and 50th school days after receiving notice of the exclusion*);
- To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (*meeting to be held between 6th and 15th school days after receiving notice of the exclusion*);
- To conduct 'final warning' or intervention hearings with students in danger of permanent exclusions.

Hearings Committee

Membership: no fewer than 3 governors decided by whichever body sets up the Hearings Committee (the relevant committee or full governing body).

Disqualification: to be agreed by the setting-up body (eg it would not be appropriate for a staff governor to hear a staff-related matter).

Terms of reference:

- To consider individual cases that are not covered by the other ad hoc committees;
- To make any determination on matters delegated to the committee by the full Governing Body or one of the standing committees;
- To make any determination as to whether a case needs to be referred to another committee.

This committee does not have powers to discipline staff or students, but it may rule on matters of disagreement, grievance or dispute that are not covered by one of the other standing or ad hoc committees.

Appeals Committee

MEMBERSHIP: the same as the original committee for which the appeal is lodged.

DISQUALIFICATION: the Headteacher, any governor who sat on the original committee.

Terms of reference:

- To consider any appeal against a decision to dismiss a member of staff made by the Disciplinary Committee;
- To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability;
- To consider any appeal against selection for redundancy.

Headteacher's Performance Review Group/ Pay Committee

Terms of reference:

- To arrange to meet with the External Adviser to discuss the Headteacher's performance targets;
- To decide, with the support of the External Adviser, whether the targets have been met and to set new targets annually;
- To monitor through the year the performance of the Headteacher against the targets;
- To make recommendations to the Finance Committee in respect of awards for the successful meeting of targets set;
- To establish, review and make recommendations to the Board in relation to changes to the Pay Policy, in consultation with the Headteacher and other relevant staff.

Membership – at least 3 governors.

Disqualification – the Headteacher and any staff governor.

Delegation of Responsibility to Individuals

Any individual to whom responsibility has been delegated is expected to work within the following terms of reference.

Terms of reference:

- To liaise with the appropriate member(s) of staff;
- To visit the school with the purpose of gathering information concerning their area of responsibility and to increase their knowledge of the School;
- To regularly report to the Governing Body, the Pupil Related Matters Committee or the Finance Committee, whichever the Governing Body deems most appropriate, on developments and progress within their area of responsibility;
- To raise the profile of the area of responsibility when related matters are considered by the Governing Body;
- To attend training as appropriate.

Disqualification – The following functions cannot be delegated to an individual:

Functions relating to:

- The alteration, closure or change of category of maintained schools;
- The approval of the first formal budget plan of the financial year;
- School discipline policies;
- Exclusions of pupils (except in an emergency when the chair has the power to exercise these functions);
- Admissions.

Roles of Certain Governors and Officers:

The Role of the Chair of the Governing Body

- To ensure the business of the Governing Body is conducted properly, in accordance with legal requirements;
- To ensure meetings are run effectively, focusing on priorities and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making;
- To establish and foster an effective relationship with the Headteacher based on trust and mutual respect for each other's roles. The Chair has an important role in ensuring that the Governing Body acts as a sounding board to the Headteacher and provides strategic direction.

Disqualification – the Headteacher, Staff Governors, Pupils, Staff Members.

The Role of the Clerk to the Governing Body

- To work effectively with the Chair of Governors, the other Governors and the Headteacher to support the Governing Body;
- To advise the Governing Body on Constitutional and Procedural Matters, duties and powers;
- To convene meetings of the Governing Body;
- To attend meetings of the Governing Body and ensure minutes are taken;
- To maintain a register of members of the Governing Body and report vacancies to the Governing Body;
- To give and receive notices in accordance with relevant regulations;
- To perform such other functions as may be determined by the Governing Body from time to time.

Disqualification – Governors, Associate Members, the Headteacher.

The Role of the Chair of a Committee

- To ensure the business of the Committee is conducted properly, in accordance with legal requirements;
- To ensure meetings are run effectively, focusing on priorities and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making.

Disqualification – none.

The Role of the Clerk to Committees

- To advise the Committee on procedural and legal matters;
- To convene meetings of the Committee;
- To attend meetings of the Committee and ensure minutes are taken;
- To perform such other functions with respect to the Committee as may be determined by the Governing Body from time to time.

5 Accounting System

All the financial transactions of the academy must be recorded on the PS Financials accounting system.

The PS Financials system is hosted on the school network and maintained by IT Support Services provided by Entrust.

System Access

Entry to PS Financials is password restricted.

Access to the component parts of the PS Financials system is restricted and the Executive Business Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The PS Financials system is hosted on the school network and IT Support Services contracted through Entrust have responsibility for all back-up procedures. This is agreed within the SLA between Cannock Chase High School Academy and Entrust.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the agreed delegated authority controls.

Bank transactions should be input by Business Services Administrator.

Transaction Reports

The Executive Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- the monthly audit trail reports;
- management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

The Business Services Officer 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;
- all suspense accounts; and
- bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the Executive Business Manager. The Executive Business Manager will review and sign reconciliations on a monthly basis as evidence of his or her review.

School Fund

School Fund transactions must be recorded and banked separately from Public Funds.

A separate bank account must therefore be maintained by the academy for the School Fund.

The same principles will apply to School Funds as to Public Funds:

- Payment/Expenditure
- Cheque Requisition
- Receipts/Income
- Bank Reconciliation

All monies must be banked through the Finance Office. The Business Services Administrator is responsible for maintaining detailed records and payments made via School Funds.

All responsible teaching staff must ensure that each individual fund does not go overdrawn. Payments must therefore be made after the relevant cash has been collected from pupils contributing to the fund.

6 Financial Planning

The academy prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the School Improvement Planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three to five years.

The development 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 for the following year.

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

School Improvement Plan

The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE and Ofsted.

Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:

- A review of past activities, aims and objectives - “did we get it right?”
- Definition or redefinition of aims and objectives – “are the aims still relevant?”
- Development of the plan and associated budgets – “how do we go forward?”
- Implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course” and
- Feedback into the next planning cycle – “what worked successfully and how can we improve?”

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.

The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two/four years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an a member of the Leadership Team. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the Leadership Team on a termly basis. The Leadership Team will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Executive Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance Committee and the Governing Body.

The approved budget must be submitted to the ESFA by the deadline set each year and the Executive Business Manager 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 academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources. The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable;
- Review of other income sources available to the academy to assess likely level of receipts;
- Review of past performance against budgets to promote an understanding of the academy cost base;
- Identification of potential efficiency savings; and
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Executive Business Manager for approval by the Headteacher, Finance Committee and the Governing Body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

Monitoring and Review

Monthly reports will be prepared by the Executive Business Manager for the Headteacher, Chair of the Governing Body and the Finance Committee. The format of the Management Accounts must include:

- Income and expenditure account;
- Forecast to Budget variation report;
- Cashflow Forecast;

- Balance Sheet; and
- KPIs agreed by the Board.

Any potential overspend against the budget must in the first instance be discussed with the Executive Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Executive Business Manager.

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. The Headteacher may authorise budget virements up to £50,000. The Finance Committee may authorise virements above £50,000 and up to £100,000. All budget virements over £100,000 must be authorised by the Board.

7 Payroll

Cannock Chase High School employs the services of the Stoke City Council to administer the payroll of all employees for the academy. The details of the agreement are contained within the Service level Agreement between the authority and the Academy. The Finance Committee will monitor the performance of the payroll provider annually through information provided by the Executive Business Manager and agree on the provider of the service on a year by year basis.

Staff Appointments

The Governing Body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance Committee who must ensure that adequate budgetary provision exists for any establishment changes.

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

Payroll Administration

All staff are paid monthly through the LA payroll provider.

All payroll amendments must be entered on the MyView system or emailed to the LA by the agreed date to ensure payment is made.

All staff absences must be notified to the Business Services Officer on a daily basis and appropriate forms completed by absent employees on their return. Forms are signed by the

employee and returned to the Business Services Officer. Absences will be input into the payroll system weekly by the Business Services Officer to be included in the employee's payroll records.

All amendments to the Organisation Structure need to be submitted to the LA on the correct form to update the master payroll files.

Monthly payroll reports are sent to the Executive Business Manager for authorisation before the payroll can be run. It is the responsibility of the Headteacher and the Executive Business Manager to ensure the payroll is correct and if errors have been made these are notified to the LA immediately. The payroll cannot be run until the LA has received authority from the Headteacher and the Executive Business Manager.

Payments

All salary payments are made by BACS.

The Executive Business Manager should prepare a reconciliation between the current month's and the expected gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. These payments are then made by the LA on behalf of the academy.

After the payroll has been processed the PS Financials system will be updated by the Business Services Officer. Postings will be made both to the payroll control account and to individual cost centres. The Executive Business Manager 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 a suspense account.

On an annual basis the Executive Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Executive Business Manager's Office.

8 Purchasing

The following financial guideline must be strictly adhered to at all times.

Orders over £10,000 but less than £25,000

- At least two estimates or price lists shall be obtained for all orders between £10,000 and £25,000 to identify the best source of the goods/services. Written details of documents obtained shall be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. If quotations are impractical for a particular order, the Executive Business Manager or Headteacher may approve in writing that they be waived in part or in full, provided value for money can be demonstrated.

Orders over £25,000 but under £100,000

- At least three written estimates shall be obtained for all orders between £25,000 and £100,000 to identify the best source of the goods/services. Written details of documents obtained shall be prepared and retained by budget holders for audit purposes. Telephone quotes are not acceptable. In exceptional circumstances, the Finance Committee may approve that the requirement be waived in part or in full, provided value for money can be demonstrated.

Orders over £100,000

- All goods/services ordered with a value over £100,000, or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures. Purchases over £189,330 excluding VAT (threshold from 31/01/2020) may fall under EU procurement rules which require advertising in the Official Journal of the European Union

The academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their 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 academy;

Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs;

Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

The academy currently uses PS Financials Accounting system to manage creditor payments.

Routine Purchasing

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder at the end of each half term and budget holders are encouraged to keep their own records of orders placed but not paid for.

Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Executive Business Manager

Orders shall be placed for all goods and services except for such items as recurring charges for public utilities, petty cash purchases and any other general exception approved by the Executive Business Manager.

All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the budget holder and must be forwarded to the Finance Officer to be processed.

All orders are recorded on the PS Financials system and dispatched to the supplier by the Business Services Administrator.

The Business Services Administrator must make appropriate arrangements for the delivery of goods to the School. On receipt the budget holder must undertake a detailed check of the goods received against the delivery note and make a record of any discrepancies between the goods delivered and the delivery note. Discrepancies should be discussed with the supplier of the goods 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 Finance Office should be notified. The Business Services Administrator will keep a central record of all goods returned to suppliers.

All invoices should be authorised for payment by the budget holder and sent to the Business Services Administrator to be processed against the original order .

Creditor payments are run fortnightly and must be checked by the Business Services Officer and authorised by the Executive Business Manager. All payments must be input to the PS Financials system by 12pm on the day preceding the supplier payment run. The BACS payment run is then prepared by the Business Services Administrator and this must be checked against copies of the invoices by the Business Services Officer. Any errors must be rectified before authorisation by

the Executive Business Manager. A second authorisation is given by an Assistant Headteacher in line with the Academy bank mandate for the payments to be made to creditors by BACS.

The Executive Business Manager is responsible for uploading the supplier BACS file to the online banking system and providing one level of authorisation for the payment. The Headteachers PA will counter authorise the payment run on the online banking system, on behalf of the Headteacher.

Forms of Tenders

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

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

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

- There is a need to maintain a balance between the contract value and administrative costs;
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements;
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

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

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

Preparation for Tender

Full consideration should be given to the:

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

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

A full tender specification should be used at all times.

Invitation to Tender

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

An invitation to tender should include the following:

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

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

Tender Acceptance Procedures

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

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows: the budget holder, the Executive Business Manager or the Headteacher;

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

Tendering Procedures

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 and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to Finance 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 academy. All parties should then be informed of the decision.

9 Income

The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Executive Business Manager who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- Students, mainly for trips and music tuition;
- The public, mainly for sports lettings.

Trips

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Business Services Administrator. The Business Services Administrator will set up trips for payment via the Academy's ParentPay website.

Payments should be made via ParentPay where practicable. In exceptional circumstances the Executive Business Manager may agree that specific students can make payments to the Finance Office. Where this is agreed, a receipt/payment card must be issued for all monies collected and the value of the payment.

The Business Services Administrator should maintain an up to date record for each student showing the amount paid and the amount outstanding, where this information is not recorded on ParentPay. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.

Sports Lettings

The Business Services Officer is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.

The Business Services Administrator will establish a sales ledger account and produce a sales invoice from the PS Financials accounting system. The Business Services Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts should be written off without the express approval of the Governing Body (the DfE prior approval is also required if debts to be written off are above the value set out in the Annual Funding Letter).

Organisations using the sports facilities should be instructed to send all payments to the Finance Office or made direct to the academy current account.

Custody

School receipts/payment cards should be completed for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or at such intervals as determined

by the Executive Business Manager. Sums collected and held in the Finance Office safe may not exceed the £5,000 insurance limit.

Monies collected must be banked in their entirety in the appropriate bank account. The Business Services Officer will check that the cash being paid in to the bank matches the records of cash collected and will make a record of this check. The Business Services Administrator is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each bank statement. The Business Services Officer will confirm that the amounts authorised to be paid in to the bank reconcile with the corresponding amounts recorded on the bank statement as part of the monthly bank reconciliation process.

10 Cash Management

Bank Accounts

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

Deposits

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

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

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:

- Headteacher;
- Deputy Headteacher;
- Assistant Headteachers;
- Executive Business Manager.

This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

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

- Reconciliations are prepared by the Business Services Administrator and the Business Services Officer;
- Reconciliations are subject to an independent monthly review carried out by the Executive Business Manager;
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

The academy maintains a maximum cash balance of £2000. The cash is administered by the Business Services Administrator and is kept in the Finance office safe.

All purchases must be agreed in advance by the relevant budget holder.

A VAT receipt should be requested when purchasing items through petty cash.

All receipts should be countersigned by an approved signatory or budget holder.

Receipts should be passed to the Business Services Administrator as soon as possible for reimbursement.

Deposits

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £100. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.

Administration

The Business Services Administrator is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Business Services Officer to ensure that the cash balance reconciles to supporting documentation.

Physical Security

Petty cash should be held in a locking cash box which is secured in the safe overnight.

Credit Cards

The Academy shall have in place arrangements for the purchase of goods and services utilising a credit card. Credit Cards will be secured in the Academy safe in the Finance Office when not in use.

Payments and withdrawals

Credit Card holders, authorised by designated budget holders, shall use the Credit Card as a method of payment for the purchase of goods and services. Departmental requisitions will be raised and authorised in line with purchasing regulations and submitted to the Finance Office for processing. Official orders shall not be raised where the Credit Card is used to pay for goods and services.

Administration

The control, issue of cards, limits and general administration of Academy Credit Cards shall be the responsibility of the Executive Business Manager and the Business Services Officer. All new cards will be authorised in advance by the Headteacher and the Executive Business Manager. Card limits and subsequent changes will be authorised in advance by one of the above, in line with the Scheme of Delegation.

The Credit Card holder shall be responsible for reconciling the monthly statement with the record of purchases made or refunds expected. The Business Services Administrator shall reconcile the statements to the Academy Bank Account and process the payment in accordance with normal procedures.

Investments

Investments must be made only in accordance with written procedures approved by the Governing Body.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

11 Fixed Assets

Asset register

All items purchased with a value over the academy's capitalisation limit must be entered in an asset register. The asset register should include the following information:

Asset description:

- Asset number
- Serial number
- Date of acquisition
- Asset cost
- 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 someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the

Governing Body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Executive Business Manager and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA 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 ESFA 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 Director of Learning Community. A record of the loan must be recorded in a loan book and booked back into the academy when it is returned.

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.

Depreciation

Tangible Fixed Assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful economic lives.

The principle annual depreciation rates used

Computer equipment and software	33% Straight Line
Furniture and equipment	20% Straight Line
Freehold Property	2% Straight Line
Building Refurbishments	10% Straight Line
Motor Vehicles	25% Straight Line

12 Budgetary Planning & Control

Cannock Chase High School requires a formal and secure system for financial budgeting and control. The purpose of this procedure is to control expenditure, prioritise available resources and detail financial accountability. Financial responsibilities of the Governing Body and the academy staff will be addressed and a control structure determined. Duties will be outlined and staff capability and training matched to responsibilities. Additionally authority and supervision levels will be outlined. The procedures will also detail effective and secure financial systems and arrange for their proper documentation.

Organisational Structure of Financial Responsibilities

Governing Body	Authorise Budget
Finance Committee	Propose Budget to FGB
Headteacher & Executive Business Manager	Provisional Budget

The Budget

The Budget planning process consists of four phases:

- Planning
- Budgeting
- Monitoring
- Review

Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of the School's economic health. Success in meeting the budget aims can only be achieved if care has been taken in determination of policies and expenditure is strictly controlled throughout the budget life span. A continuous review of the aims and priorities of the strategy should follow from monitoring and analysis of performance. Responsibility for control of budgetary affairs ranges from the Chair of Governors through the Headteacher, the Executive Business Manager and Budget Managers to colleagues directly concerned in the classroom or in supporting roles.

Budget Planning

The size of the school and the wish to retain wide representation suggests the separation of the budget into distinct and manageable categories. The expenditure at Cannock Chase High School Academy falls into six main categories and this system has been adopted. The budget categories are:

- Employee (Direct and Indirect) Costs
- Building Maintenance (including utilities) Costs
- Learning Resources (including ICT) Costs
- Department Costs
- Bought in Service Costs
- Capital Expenditure

The budget is continually monitored throughout the year, forming a basis for the new budget. The final outturn budget is then used as a control in informing the new budget with addition of known percentage increase/decreases factored in such as the cost of utilities. Department budgets are allocated using a capitation formula which takes into account student numbers, key stage and type of course. The Executive Business Manager will present this indicative

budget to the Headteacher for discussion, the budget is then taken to the Finance Committee for review and recommendation to the Governing Body for ratification.

The Budget Managers will control expenditure in their category of the Final Budget.

These operating budgets must be prepared within the context of the School Improvement Plan.

A clear statement of the accounting basis and assumptions must be maintained by the Executive Business Manager to support budget preparations and financial reporting.

Budget Control and Monitoring

Budget Managers retain responsibility to the Headteacher for routine control and monitoring of their budget expenditure, although in practice this will be completed by the Executive Business Manager, the Business Services Officer and the Business Services Administrator. Close liaison between these staff and the Budget Managers will be necessary. Involuntary variations to predicted expenditure are investigated and if significant, the Headteacher is informed.

Review of Budget

This process of budget review is continuous and a close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Executive Business Manager and Headteacher. Any further action taken must be clearly documented.

Financial Responsibility

The Governing Body has delegated responsibility for routine control to the Finance Committee. The Finance Committee will meet on a termly basis to review expenditure.

Conclusion

A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore budget managers responsible for expenditure with definable manageable areas help the Executive Business Manager produce a consolidated budget. The budget needs consideration by the Finance Committee and the Headteacher before going to the Governing Body for approval. The Finance Committee has delegated authority from the Governing Body to exercise control and advice over financial affairs.