



# Southend East Community Academy Trust

“Strong Partnerships, Strong Community, Strong Schools”

## Financial Regulations & Scheme of Delegation

Status : Statutory

Next revision due : November 2019

Reviewed and recommended by : Trustees

Signed by Chair :



These regulations should be read in conjunction with the Academies Financial Handbook to which all schools must adhere.

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## **1.1 The Board of Trustees**

- 1.1(a) Is responsible for ensuring compliance with these financial regulations, the Companies Act 1985, Charity Commission requirements, the Academies Funding Agreements and other guidance from the Education and Skills Funding Agency (ESFA).
- 1.1(b) Will review and consider the following general conditions annually.
- 1.1(c) Is responsible for the approval of the annual budget plans in the forthcoming financial year.
- 1.1(d) Is responsible for the Multi Academy Trust (MAT) budget.
- 1.1(e) Confirms that overall management of the budget for each academy is delegated to the Local Governing Bodies subject to exceptions contained in these regulations.

## **1.2 Delegation to the Local Governing Bodies (LGB)**

Details of the LGB structure can be found in the terms of reference for each academy. Financial management delegated to the LGB or appropriate committee includes:

- 1.2(a) Recommendation to the Board of Trustees to approve the annual budget plans.
- 1.2(b) Keeping under review each academy's actual financial performance compared with the budgeted performance and ensuring remedial action is taken, as necessary. Such action will be reported to the Board of Trustees. In all cases liaison will be maintained with LGB's or other appropriate committees.
- 1.2(c) Making decisions on expenditure within the LGB's or other appropriate committees delegated powers according to that laid down in the appendices.
- 1.2(d) Making decisions, within the LGB's or appropriate committee delegated powers, as laid down in the appendices, on virements on agreed budgets.
- 1.2(e) Advising the Board of Trustees on the appropriateness, or otherwise, of virements to be made outside of the LGB's or appropriate committee's delegated powers.
- 1.2(f) Reviewing, annually, the delegation limits for the academies Financial Regulations and Scheme of Delegation.

## **1.3 Delegation to the MAT Finance Committee**

- 1.3(a) To recommend to the Trust board a funding model for the trust, so as to secure the Trust's financial health in the short term and the long term.
- 1.3(b) To recommend the Trust Annual Central Budget for approval.

- 1.3(c) To recommend the Academies Annual Budgets (approved by the LGBs) for approval by the Trust Board.
- 1.3(d) To review compliance, expenditure and ensure delivery of annual budgets, reporting to the Trust board.
- 1.3(e) Determine what financial reporting and KPIs are required from the academies and central body.
- 1.3(f) Recommend the Scheme of Delegation of financial authority of the central body to the Trust board.
- 1.3(g) Determine the financial policies and procedures to ensure compliance with the Trust's financial and reporting requirements.
- 1.3(h) Review the financial aspects of the corporate risk register for both the central body and associated academies.

#### **1.4 Delegation to the MAT Audit Committee**

- 1.4(a) Receiving and commenting on the content of the audit report relating to the delegated budgets.
- 1.4(b) Reviewing reports from the internal and external auditors.
- 1.4(c) Receiving Annual Accounts

#### **1.5 Delegation to the Chief Executive Officer (CEO)**

- 1.5(a) The CEO undertakes the role of the Accounting Officer, as referred to in the Education and Skills Funding Agency (ESFA) documentation for the management of academy finances.

#### **1.6 Delegation to Headteachers of SECAT academies**

- 1.6(a) The Board of Trustees confirms that day-to-day financial management of each academy is delegated to the Headteacher subject to exceptions contained in these regulations.
- 1.6(b) Throughout these conditions, delegation to the Headteacher shall imply further delegation to a Deputy Headteacher when the Headteacher is not on the academy site.
- 1.6(c) Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Board of Trustees in writing, incorporated in these conditions and filed with these Financial Regulations.

## **1.7 Register of Business or Pecuniary Interests**

- 1.7(a) All academy staff and Members/Trustees/Governors have a statutory responsibility to avoid any conflict between their business and/or personal interests and the affairs or interests of the Academy Trust.
- 1.7(b) All Members/Trustees/Governors are required to complete a Declaration of Business or Financial Interest form at least annually. Any member/trustee/governor having direct or indirect involvement in a business, which is providing goods or services to the academy, must declare his or her interest. There is an item on the agenda of every SECAT Board, Committee and LGB meeting for such interests to be reviewed.
- 1.7(c) All budget holders are required to complete a Declaration of Business or Financial Interest form at least annually or when taking up such responsibilities. Any budget holder having direct or indirect involvement in a business, which is providing goods or services to the academy, must declare his or her interest. Each budget holder is required to notify the Chief Finance Officer/Bursar/School Business Manager promptly of any relevant change to personal circumstances.
- 1.7(d) A register of business interests must be maintained for all members/trustees/governors and all budget holders. The register must be freely available for inspection by members/trustees/governors, auditors, staff, parents and the DfE. This register must include all business interests such as directorships, share holdings and other appointments of influence within a business or other organisation that may have dealings with the academy. The disclosures should also include business interests of relatives or business partners and other individuals who may exert influence. Signed and dated, nil returns are also required.
- 1.7(e) The existence of a register of business interests does not, of course, detract from the duties of members/trustees/governors and staff to declare interests when every they are relevant to matters being discussed by the Board of Trustees or a LGB or appropriate committee. Where an interest has been declared, members/trustees/governors and staff should not attend that part of any Trust Board/LGB/Committee or any other meeting.

## **1.8 Establishment of Bank and Investments Accounts**

- 1.8(a) The opening of all bank accounts must be authorised by the Board of Trustees that 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. Any changes to these details require referral back to the Board of Trustees.
- 1.8(b) The Bursar/School Business Manager shall have oversight of the state of all bank accounts operated in the names of the academy.

- 1.8(c) Investments must be made only in accordance with written procedures approved by the LGB or appropriate committee and reported to the Board of Trustees. It is a DfE requirement that investments can only be made following the Board of Trustees taking advice from an appointed financial expert.
- 1.8(d) All investments must be recorded in sufficient details 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 description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **1.9 Value for Money**

- 1.9(a) The academies should achieve the best value for money from its purchases. This means that the correct quality, quantity and time is at the best price possible. A large proportion of purchases will be paid for with public funds and to maintain the integrity of these funds, academies must follow the general principles of:
- Probity – it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of each academy;
  - Accountability –each academy is publicly accountable for its expenditure and the conduct of its affairs;
  - Fairness – that all those dealt with by each academy are dealt with on a fair and equitable basis.

## **2. FINANCIAL PLANNING**

### **2.1 SECAT Strategic and Improvement Plans (SSP & SIP)**

- 2.1(a) The SECAT/Academy Strategic Plan (SSP) set the longer term context in which the annual SECAT/Academy Improvement Plan (SIP) and SECAT/Academy Budget Plan (SBP) are formulated.
- 2.1(b) The SECAT/Academy Improvement Plan (SIP) includes detailed objectives for the coming academic year and outlines objectives for a minimum of the following two years. The plan also includes the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 2.1(c) Responsibilities for the completion of each part of the SIP will be assigned by the CEO/Headteacher.
- 2.1(d) Progress of the SIP is a regular feature of line management meetings between stake holders and senior staff. These issues are then discussed at Senior Leadership Team meetings to update the Raising Achievement Plan (RAP).
- 2.1(e) Through members/trustees/governors visits and an agenda item at the Board of Trustees meeting, the Board of Trustees reviews the progress of the SIP through

the RAP. This ensures any adjustment or remodelling of the current year and plans for the near future.

## **2.2 Academy Budget Plan (ABP)**

- 2.2(a) The Academy Budget Plan will be prepared by the CEO/Headteacher and Chief Finance Officer/Bursar/School Business Manager in consultation with the LGB/appropriate committee. The budget will be prepared having regard to all known needs of the academy and the SECAT/Academy Strategic Plan, using the current SECAT/Academy Improvement Plan.
- 2.2(b) Records will be kept of all information used in preparing the budget, for six years plus the current year.
- 2.2(c) Draft budget plan(s) must be submitted to the LGB or appropriate committee in early June, to allow time for discussion, review and approval to meet the published Education and Skills Funding Agency (ESFA) timetable.
- 2.2(d) In the Summer Term, the LGB or appropriate committee approves and presents the draft Budget Plans, updated as necessary, to the Board of Trustees for their approval. Only the Chair of Trustees/LGB or appropriate committee are authorised to sign the Approved Budget Plan. This is then countersigned by the CEO/Headteacher.
- 2.2(e) The Approved Budget Plans must be submitted to the ESFA by the date requested by the ESFA each year and the CEO/Headteacher is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 2.2(f) A copy of the signed ABP's are placed in the minute file for the Board of Trustees meetings and a further copy retained by the CEO/Headteacher.
- 2.2(g) Budget holders will be informed of their allocation available as soon as possible after the budget has been approved. It is the responsibility of the budget holder to manage their cost centre budget and to ensure that the funds available are not overspent. A printout detailing actual expenditure against budget will be supplied to each budget holder on a monthly basis. Budget holders are encouraged to keep their own record of all orders placed.
- 2.2(h) Any request for expenditure, particularly projects of a size requiring CEO/Headteacher or Trust Board approval must be presented formally, showing full costs and any ongoing commitments (with associated timescale).

## **3. FINANCIAL PROCEDURES**

### **3.1 Income and Banking**

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

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

3.1(b) The main source of income for the academies, the General Annual Grant (GAG), paid by the ESFA, is monitored directly by the CEO/Headteachers who are responsible for ensuring that all grants due to each academy are collected.

## **3.2 Operation of Bank Accounts**

3.2(a) The cheque signatories for all SECAT academy bank accounts are ANY two of the following:-

- CEO/Headteacher
- Deputy Headteachers
- Chief Finance Officer/Bursar/School Business Manager
- School Governor/Chair of Governors

3.2(b) The Finance Staff are designated to control cheques and must ensure that:-

- All cheques are securely stored
- All cheques are entered correctly on the finance management system
- Spoiled cheques are marked as cancelled and retained

3.2(c) The Chief Finance Officer/Bursar/School Business Manager must ensure that all bank accounts in the name of the academy are regularly monitored and operate within the guidance of the Financial Regulations.

3.2(d) The Chief Finance Officer/Bursar/School Business Manager must ensure that all prime records are retained for six financial years plus the current year and labelled and secured in the office storeroom.

3.2(e) The Chief Finance Officer/Bursar/School Business Manager must ensure that all income due to the delegated budget is banked promptly and intact to the approved account and that any errors or delays are promptly reported to the CEO/Headteacher and are thoroughly investigated.

3.2(f) The Chief Finance Officer/Bursar/School Business Manager is responsible for ensuring that appropriate levels of interest are recovered for available balances on the due date(s). The bank pays interest monthly.

3.2(g) The Chief Finance Officer/Bursar/School Business Manager is responsible for ensuring bank charges are consistent with the banking terms and agreed between the academy and the bank.

3.2(h) The academy will not under normal circumstances operate an overdraft. This requires the approval of the Board of Trustees and Secretary of State.

3.2(i) The Chief Finance Officer/Bursar/School Business Manager is responsible for regularly examining samples of payments to monitor that:-

- Transactions have been properly authorised
- No payments have been made which could be classified as fee payments to individuals
- Construction Industry Tax Deduction Scheme (CITDS) has been complied with, where appropriate.

3.2(j) The Bursar/School Business Manager is responsible for submitting the monthly VAT reports to SECAT Head Office who will consolidate them into one report to be sent to the HMRC.

### **3.3 Ordering**

3.3(a) The budget holders are responsible for raising orders for processing by the Finance Team. No telephone orders should be placed except by the Finance Team.

3.3(b) The official order is placed on the system, given a unique reference number, sent to the supplier and must be copied to the budget holder.

3.3(c) The academy is not obliged to accept the cheapest quotation for supply of goods, materials or services but must, instead, look for best value in all levels of ordering, as follows.

3.3(d) For any order or purchase with an estimated value up to £500 the budget holder will take reasonable steps to ensure best value.

3.3(e) For any amounts from £501 to £6,000 the budget holder will demonstrate best value, through supporting evidence of having sought more than one quotation.

3.3(f) For any amount between £6,001 and up to the European Union Threshold the budget holder must obtain three competitive quotations, in writing and attach them to the purchase order.

3.3(g) For amounts over the EU Threshold the European and UK Procurement Regulations must be followed. Purchases of this value may require advertising in the Official Journal of the European Union.

3.3(h) Where, after the budget holder has made every reasonable effort, it is not possible to provide the comparative quotations or demonstrate best value, as indicated above, the budget holder must provide written evidence to this effect, giving an explanation. This must then be attached to the requisition and passed to the Finance Team for processing. Approval by the LGB or appropriate committee is required in all of these cases before the order can be placed.

3.3(i) The financial management system (currently SIMS FMS) is a commitment financial accounting system and therefore official orders will be raised and authorised to cover all expenditure (excluding petty cash) for which a financial commitment has been made. Thus all budget monitoring reports will include actual as well as committed expenditure.

3.3(j) All transactions input to the accounting system must be authorised in accordance with the procedures on expenditure limits set out in the appendices.

3.3(k) A sequence of orders all within the limit to cover a larger order is not permitted.

### **3.4 Electronic Procurement facilities**

3.4(a) Where this process is used, paper copies of pre-authorized orders will be retained by the academy's Budget holder and Finance Team.

3.4(b) Procurement operates through a supplier's website creating an appropriate order file which is imported in the FMS system by the Finance team. After importing, the process requires authorisation by a member of the Finance Team before the order is finally processed.

### **3.5 Authorisation of Payments**

3.5(a) The Finance Team will input details of payments to be made to the FMS purchase ledger and generate either cheque or BACS payment. All payments must be authorised by two of the nominated signatories.

3.5(b) Under normal circumstances, authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

3.5(c) The CEO/Headteachers are ultimately responsible for any payment against the academies budgets.

### **3.6 Reconciliation**

3.6(a) The Chief Finance Officer/Bursar/School Business Manager must ensure bank statements are received regularly and that reconciliations of the academy's financial records against the statements are performed on a monthly basis.

3.6(b) The Chief Finance Officer/Bursar/School Business Manager is also responsible for undertaking the monthly reconciliation of the payroll against the payments made and the academy's records.

3.6(c) Each month the outcome of the reconciliation, including any unusual or long outstanding unreconciled items must be reported to the CEO/Headteachers.

3.6(d) Discrepancies in any aspect of reconciliation must be reported promptly to the CEO/Headteachers, Chair of LGB/appropriate committee/lead governor and immediately investigated thoroughly.

### **3.7 Debt Management**

3.7(a) The following timetable shall apply where payment is not received:-

- 3 weeks after original invoice issued – 1<sup>st</sup> reminder letter issued.
- 2 weeks after 1<sup>st</sup> reminder letter – 2<sup>nd</sup> reminder letter issued
- 2 weeks after 2<sup>nd</sup> reminder letter – send letter indicating that legal advice is being pursued to recover the debt.

### **3.8 Bad Debts Write-offs**

3.8(a) Debts can only be written off by following the procedures in the Academies Financial Handbook. All write offs should be notified to the Board of Trustees.

### **3.9 Mileage Allowances**

3.9(a) The rate payable for reimbursement of car mileage is the same as Southend Borough Council's current occasional user rate.

### **3.10 Admissions Appeals Panel**

3.10(a) The clerk to the Admissions Appeal Panel will invoice each academy for the cost of their time, materials and necessarily incurred expenses according to the agreed tariff, which will be reviewed annually by the LGB or appropriate committee.

3.10(b) The members of the Admissions Appeal Panel may claim travelling expenses, which will be paid at the current rate for staff as set out in Section 3.10.

3.10(c) Members of the Admissions Appeal Panel are not permitted to claim any other form of expenses or subsistence.

### **3.12 Academy Private Funds**

3.12(a) The Academy Private Fund is designed to enhance the academy's basic services that are funded through the GAG. The private fund is to be used as a holding account for charity fundraising, school educational visits, clubs and activities and similar uses. Any other use is strictly forbidden.

3.12(b) The Academy Private Fund will be managed by the Bursar/School Business Manager and maintained in accordance with Financial Regulations and good practice.

3.12(c) All monies relating to the Academy Private Fund will be managed separately from those of the delegated budget.

3.12(d) For ease of auditing, this requires a separate bank account and accounting system.

3.12(e) Day to day transactions through the funds are the responsibility of a designated member of staff. Payments are to be authorised and receipts kept for all transactions.

3.12(f) The Educational Visits Co-ordinator will regularly be informed of the state of each of the visits. In particular, any contributions to an account that are falling behind the published deadlines so that prompt intervention can be facilitated.

3.12(g) Trading accounts should be produced where stock is involved. These should reflect the movement in stock in order to ascertain a true net profit/loss position.

3.12(h) The cheque signatories are two of the following:-

- CEO/Headteacher
- Deputy Headteachers
- Bursar/School Business Manager
- The Chief Finance Officer

3.12(i) The academy's Private Fund will form part of the annual audited accounts that is presented to the MAT Audit Committee.

3.12(j) Any suspected irregularities are to be reported to the Bursar/School Business Manager or CEO/Headteacher

### **3.13 Leasing Policy and Arrangements**

3.13(a) The academy is able to enter into operating leases. Finance leases require the written approval from the Secretary of State via the ESFA.

3.13(b) Leasing agreements will only be made where the financial arrangements are such that they benefit the academy and the LGB or appropriate committee have given their approval.

3.13(c) The Bursar/School Business Manager will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals.

### **3.14 Fraud Awareness**

3.14(a) Finance staff are aware of the possibility of fraud and no changes will be made to any record bases on an unsolicited incoming call or letter without checking the accuracy of the communication.

The will be done by seeking out the telephone number of the communicator independently and calling (on another telephone if it was an unsolicited call, as the same telephone can be compromised by the fraudster) to verify the accuracy of the information, especially when there is a change in a supplier's bank account details.

## **4. FINANCIAL MONITORING AND REVIEW**

### **4.1 Annual Report and Financial Statement**

4.1(a) The Trustees must publish an Annual Report and Financial Statement as required by the Companies Act 2006.

4.1(b) This report must be in the format specified by the Academies Accounts Direction.

4.1(c) The Chief Finance Officer/Bursar/School Business Manager is responsible for the preparation of the Annual Accounts.

- 4.1(d) By the end of the calendar year, a hard copy of the audited accounts, comprising of the Annual Report and Financial Statements, signed by the Board of Trustees and Auditors, along with the Auditor's Management Letter should be sent to the ESFA. The Annual Report and Accounts will be published on the school website.
- 4.1(e) A copy of the Annual Report and audited Financial Statements must also be lodge with Company's House within 9 months of the end of the relevant financial year.

## **4.2 Internal Reports**

- 4.2(a) The Bursar/School Business Manager will be responsible for preparing monthly reports, monitoring actual income and expenditure against expected and budget allocations and presenting appropriate annotated reports to the LGB or appropriate committee.
- 4.2(b) The Bursar will submit to the LGB or appropriate committee in the second half of the Autumn Term, details of the Out-turn Statement showing spending against budgets for the previous financial year. Adjustments to the current year's budget figures will then be made as appropriate.
- 4.2(c) The Bursar/School Business Manager will submit reports to the LGB or appropriate committee on a monthly basis. This should include an explanation of significant variances and a projection of expected out-turn at the year end.
- 4.2(d) The Bursar/School Business Manager and/or the CEO/Headteacher shall periodically check the following:-
- Bank account reconciliations
  - Sample employee salary records
  - System reconciliations
  - VAT reports
  - Petty cash reconciliations
  - Maximising cash flow
  - The use and authorisation arrangements of direct debits
  - Best value for money
- 4.2(e) Any set of financial records kept by the academy must be in a form approved by the Bursar/School Business Manager.
- 4.2(f) All budget holders are required to check their monthly cost centre reports monitoring actual against expected expenditure.

## **4.3 Cash Flow Forecasts**

- 4.3(a) The Bursar/School Business Managers are responsible for preparing regular cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances, or a cash shortfall can be foreseen, steps should be taken to transfer appropriate funds between the academy current and deposit accounts.

#### **4.4 Potential Overspends**

- 4.4(a) The Bursar/School Business Manager will report promptly to the CEO/Headteacher any cost centres that are close to overspending.
- 4.4(b) Any potential overspend against the budget must in the first instance be discussed with the CEO/Headteacher. The accounting system will not allow orders to be made against an overspent budget without the approval of the Bursar/School Business Manager.
- 4.4(c) Should any academy go into deficit, the CEO/Headteacher will be responsible for producing a recovery plan, to be agreed by the Board of Trustees that eliminates any deficit over no more than 3 years. The ESFA must be informed and involved in the discussions on preparing the recovery plan.

#### **4.5 Audit**

- 4.5(a) The annual accounts of the academy must be audited by an independent, registered auditor, appointed by the Board of Trustees, qualified as specified under the Companies Act 2006.
- 4.5(b) Books, accounts and all relevant records must be made available to the Auditors, officials of the Department for Education and the National Audit Office and their representatives and/or agents as requested.
- 4.5(c) Each year the Trustees must consider the findings of the auditor and the Auditor's Management Letter. Review or action should be taken arising from their recommendations. The MAT Audit Committee is responsible for publishing this timed action plan.

### **5. STAFFING ARRANGEMENTS**

#### **5.1 Appointing Staff**

- 5.1(a) The CEO/Headteachers are authorised to appoint staff, in line with curriculum and welfare needs and subject to the agreed Budget Plan, except for Deputies, Headteachers/CEO whose appointments must follow consultation with the Trustees. These appointments are then reported to the LGB or appropriate committee.
- 5.1(b) All temporary and casual staff will be appointed by the CEO/Headteachers.
- 5.1(c) Changes can only be made to the staffing establishment with the express approval in the first instance of the LGB or appropriate committee who must ensure that adequate budgetary provision exists for any establishment changes.
- 5.1(d) The CEO/Headteachers will maintain the personnel files for all members of staff which include contracts of employment.

- 5.1(e) The CEO/Headteachers will ensure that written details of appointment, including salary details are passed to the Human Resources Manager or appropriate person.
- 5.1(f) It is the responsibility of the Human Resources Manager or appropriate person to ensure that the SIMS Personnel Module on the academy's information management system is updated to take account of new appointments, amendments and terminations of employment.
- 5.1(g) All requests for overtime must have prior authorisation by the line manager.

## **5.2 Payroll Administration**

- 5.2(a) Payroll administration currently is provided by Southend-on-Sea Borough Council and their designated paperwork is used to inform them of all updates and adjustments.
- 5.2(b) All salary payments are made by BACS.
- 5.2(c) All staff salaries are paid on a monthly basis. The finance management system contains salary payment records and commitments for the current financial year. Reconciliation of salaries and on-costs takes place monthly against the details of the Southend Borough Council imported salaries file.
- 5.2(d) All new appointments are to be notified to the payroll contractor by the agreed documentation (currently a PAY 1 form). This form is to be completed by the Human Resources Manager or appropriate person and authorised by the CEO/Headteacher.
- 5.2(e) Amendments to an employee's terms of employment are to be notified to the payroll contractor by means of a PAY 2 form. This form is to be completed by the Human Resources Manager or appropriate person and authorised by the CEO/Headteacher.
- 5.2(f) Terminations of employment are to be notified to the payroll contractor by means of a PAY 3 form. This form is to be completed by the Human Resources Manager or appropriate person and authorised by the CEO/Headteacher.
- 5.2(g) Any temporary variation of hours of employment or overtime hours, including number of hours, payment rate and appropriate detail code must be entered on a PAY 6 form. The completion of this form is the responsibility of the Senior Personnel Officer or appropriate person and is then authorised by the CEO/Headteacher.
- 5.2(h) As part of the personnel service provision, monthly staff absence is recorded on a PAY 420 form. The completion of this form is the responsibility of the Senior Personnel Officer or appropriate person and is then authorised by the CEO/Headteacher.
- 5.2(i) Any payroll transactions relating to the CEO/Headteacher should be authorised by the Chair of Trustees in relation to the CEO and the Chair of the LGB in relation to a

Headteacher. The payments manager of the payroll contractor shall be notified that such delegation is in place. It is the responsibility of the CEO/Headteacher to notify the payments manager.

- 5.2(j) The Bursar/School Business Manager must review variations of each employee's salary payment between the current month's and the previous month's gross salary payments; showing adjustments made for new appointments, resignations, pay increases etc.
- 5.2(k) The SBC's 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.

## **6. FIXED ASSETS**

<b>6.1 Asset Register</b>
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6.1(a) The Board of Trustees recognise the need for all budget holders to maintain the relevant part(s) of the academy asset register of equipment in order to:-

- 6.1(a)1 provide a basis for insurance cover and claims if equipment is damaged or destroyed, for example, by fire;
- 6.1(a)2 ensure that appropriate responsibility and physical control is taken of equipment and assets;
- 6.1(a)3 provide an up-to-date record of the equipment available for teaching purposes;
- 6.1(a)4 facilitate independent checking on the custody of assets, as a deterrent against theft and misuse;
- 6.1(a)5 provide an indication of when equipment might require replacement; and
- 6.1(a)6 enable external auditors to draw conclusions on the annual accounts and the academy's financial systems.

6.1(b) The asset register should include the following information wherever possible:-

- 6.1(b)1 asset number
- 6.1(b)2 asset description
- 6.1(b)3 serial number
- 6.1(b)4 date of acquisition

- 6.1(b)5 asset cost (with details of use of special grants)
- 6.1(b)6 show whether leased or purchased
- 6.1(b)7 expected useful economic life
- 6.1(b)8 depreciation
- 6.1(b)9 current book value
- 6.1(b)10 location
- 6.1(b)11 budget holder with responsibility for the asset
- 6.1(c) Budget holders will ensure that all items of equipment will be security marked.
- 6.1(d) As and when items are purchased, details will be entered on the asset register for:-
  - 6.1(d)1 items valued at £2,000 or more at the time of purchase (individually or as a set).
  - 6.1(d)2 attractive and portable items.
  - 6.1(d)3 items especially considered by the CEO/Headteacher as being worth including.
- 6.1(e) The Finance Team or appropriate person have the responsibility of ensuring the asset register is maintained and kept up-to-date.
- 6.1(f) The Bursar/School Business Manager will check that the asset register is update each year and will make random checks on a diverse sample of items to confirm accuracy.
- 6.1(g) Any discrepancies, whoever notes them, are to be investigated by the Bursar/School Business Manager and notified to the CEO/Headteacher immediately. Where these are significant, the CEO/Headteacher will report them to the Board of Trustees.
- 6.1(h) Where items are used by the academy but do not belong to it this should be noted.
- 6.1(i) All equipment and academy property should be stored in a controlled and safe manner such as to maximise security and personal health and safety while minimising theft, vandalism or damage. Access should be controlled by authorised staff only.

## **6.2 Disposal of Surplus Equipment and Materials**

- 6.2(a) Best practice should be applied for disposal of surplus equipment and materials. The CEO/Headteacher is able to authorise the disposal of individual surplus equipment and materials where the current estimated value is £500 or less. Where

the current value is above £500 authorisation by the LGB or appropriate committee and a minimum of three bids in writing are needed.

- 6.2(b) The academy must seek and obtain written approval of the Secretary of State via the EFA for disposal of land, buildings and heritage assets.
- 6.2(c) When equipment is disposed of to a member of staff or a student, it is essential that the Bursar/School Business Manager files written evidence that confirms the best value for money principle has not been compromised. The academy would need to ensure that any data on the hard drive of I.T. equipment is deleted.
- 6.2(d) 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 proportion of the sale proceeds.

### **6.3 Loan of Equipment**

- 6.3(a) A separate “Register of Items Removed from the Academy Site” shall be kept by the Bursar/School Business Manager for all items loaned to members of staff and students.
- 6.3(b) Prior to any loan, written confirmation that insurance cover has been arranged must be provided by the person wishing to borrow the item, including a copy of the insurance policy/certificate.
- 6.3(c) 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.

## **7. LETTINGS POLICY**

### **7.1 General**

- 7.1(a) Trustees acknowledge the position of the academies in the local community and encourage the use of the academies by community organisations. In recognition of this the following internal regulations are applicable.

### **7.2 Application Form**

- 7.2(a) All hirers will complete the appropriate letting application form as a first step.
- 7.2(b) Day to day approval of requests for hire will be the responsibility of the Site Manager or appropriate person after reference to the scale of charges agreed by the LGB or appropriate committee.
- 7.2(c) The scale of charges for lettings will be reviewed on at least an annual basis by the LGB or appropriate committee.

7.2(d) Abatement of charges can be made only by the CEO/Headteacher.

7.2(e) All regular hirers will complete an application form at least annually.

### **7.3 Bookings**

7.3(a) After checking prior bookings, all requests for hire will be logged in the lettings diary by the Site Manager/Office Staff.

7.3(b) The Site Manager or appropriate person passed the booking form to the Finance Team for the correct charge to be calculated and the appropriate invoice issued.

7.3(c) The caretaking staff will inform the Site Manager or appropriate person of non-attendance of a hirer. They will pass this information on to the Finance Team.

### **7.4 Payments**

7.4(a) Payment will be required in advance, by the finance Team, for all one-off lettings and where the hirer is not known to the academy. In other instances, a deposit must be paid. All such deposits will be banked immediately and where a deposit is subsequently required to be returned to the hirer, then refund should be made by raising a cheque.

7.4(b) Where payment in advance is not appropriate, an invoice will be issued and a record kept. The Site Manager is responsible for passing the appropriate details to the Finance Team, who will issue the invoice.

7.4(c) The Bursar/School Business Manager shall periodically ensure that all invoices are properly accounted for and that all monies due to the academy have been collected.

7.4(d) When prompt payment is not received, the Finance Team must employ the debt management arrangements as outlined in Section 3.11. Refer to Section 3.12 for the procedure to use for debt write-offs.

## **8. Governors' Allowances**

8.1 Governors have agreed that allowances will not be paid to Governors.

## **9 Insurance**

9.1 All insurance must be arranged by the Bursar/School Business Manager; the main cover is provided by the Academies Risk Protection Arrangement (RPA).

9.2 At least annually, the Bursar/School Business Manager must review the additional cover not provided by the RPA e.g. vehicle insurance and engineering inspection to

determine that both breadth and level of cover are appropriate. Findings from this review must be reported to the CEO/Headteacher to agree any necessary actions.

9.3 Time is often of the essence in insurance matters. All staff must promptly comply with instructions given by the Bursar/School Business Manager with regard to insurance including:-

9.3(a) notification of new risks, additions, deletions or amendments affecting existing risks or insurance

9.3(b) notification of any loss, damage, incident or injury likely to lead to a claim against the academy

9.3(c) advising of any actual notifications of a claim against the academy

9.4 All staff must provide, as soon as practical, any information requested to assist in insurance matters.

9.5 All staff share a corporate responsibility, through their line managers, to take cost effective action to reduce levels of risk around the academy.

## **10 Academy Management Information System**

10.1 Academies must be registered under the Data Protection Act.

### Access Security

10.2(a) Access to the finance management system and its component parts is determined by the CEO/Headteacher and protected by the use of passwords.

10.2(b) It is essential that each person having access to the system uses only his or her individual password which should be changed every term.

10.2(c) The ICT System Manager or appropriate person will reset passwords when necessary.

### Back-up and Recovery

10.3(a) In the event of an emergency it will be necessary to restore data to the computer system as soon as possible. It is essential therefore that an effective back-up system is maintained. It is the responsibility of the ICT System Manager or appropriate person to ensure that this is done.

10.3(b) The CEO/Headteacher should prepare a disaster recovery plan and business continuity plan to cover the loss of accounting facilities or financial data. This should link in with the annual assessment made by members/trustees/governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

## Anti-virus protection

- 10.4(a) It is essential that antivirus software is fully up-to-date and functional.
- 10.4(b) Any new software must be checked for viruses using a virus scanner.
- 10.4(c) All memory sticks or other remote storage devices must be checked using the same virus scanners.
- 10.4(d) It is the responsibility of the ICT System Manager or appropriate person to ensure that antivirus software and operating procedures are in place as outlined above.

## **11 Whistleblowing Policy (Confidential Reporting Policy)**

- 11.1 The Board of Trustees and SECAT employees are made aware of the existence of SECAT's Whistleblowing Policy. This policy outlines the mechanism for such persons who wish to raise any concerns about financial management or financial propriety at the academy. These Financial Regulations note the protection afforded to persons by this policy and commend its use.

## **12 Gifts**

- 12.1 Each academy trust should have a policy and register on the acceptance of gifts of the value of £50 or over, hospitality, awards, prizes or any other benefit, which might be seen to compromise personal judgement or integrity; and should ensure that all academy staff are made aware of this.

## **13 Reserves Policy**

- 13.1 The Trustees regularly monitor the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long-term accumulation of excessive sums. A prudent level of reserves is maintained in line with the Trustees' policy to spend funding received on pupils in the academies at that time, except where a specific project requires funding to be built up over several years.

## **APPENDICES**

### **Appendix A – Areas of Financial Responsibility**

SECAT have 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 trustees, governors and staff.

#### **1. RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

To have overall responsibility for the administration of SECAT's finances. The main responsibilities of the Board of Trustees are prescribed in the Funding Agreement between the academy and the DfE and in the academy's Financial Regulations and Scheme of Delegation. The main responsibilities include:

- 1) To ensure that the agreed percentage of GAG from each academy is used only for the purposes intended
- 2) To appoint the CEO
- 3) To discharge its responsibilities under DfE requirements and to comply with the guidance given by the Education and Skills Funding Agency
- 4) To ensure compliance with these requirements to ensure the efficient, economical and effective management of SECAT's resources and expenditure, including funds, capital assets, equipment and staff
- 5) To ensure the introduction and maintenance of sound financial controls.
- 6) To be responsible for ensuring compliance with the Academy Financial Regulations and Scheme of Delegation
- 7) To ensure that all financial considerations are taken fully into account in reaching decisions and in their execution
- 8) To be responsible for the approval of the annual budget plans of each Academy and the MAT in the forthcoming financial year
- 9) To be responsible for approving and publishing Annual Reports and Financial Statements in accordance with the requirements of the Companies Act 1985 and the DfE guidance
- 10) To ensure that the Annual Reports and Financial Statements, together with a copy of the independent Auditor's Management Letter and Abbreviated Accounts Return are signed and presented to the ESFA
- 11) To consider and review, annually, SECAT's Financial Regulations and Scheme of Delegation

- 12) To receive, from the Finance Committee and the Audit Committee, their reports and any subsequent appropriate action plan
- 13) To confirm that overall management of the MAT budget is delegated to the Finance Committee, as set out in its terms of reference and to receive and consider the reports presented by that committee, as details in these regulations
- 14) To discharge their statutory responsibility to avoid any conflict between their business or personal interests and affairs and interests of the academy by holding a register of business or financial interests
- 15) To maintain and regularly inspect a register of any such business interests
- 16) To approve formally the decision to operate any bank, building society or any other type of account
- 17) To approve any investment of MAT funds
- 18) To approve any operation of an overdraft
- 19) To ensure that SECAT and the Trustees are registered under the Data Protection Act for access to personal data
- 20) To recommend to the Members Board annually at the AGM, the appointment of an independent auditor for SECAT
- 21) To consider and act on any audit reports presented to the Board of Trustees

## **2. RESPONSIBILITIES OF THE CHAIR OF TRUSTEES**

- 1) To sign the official copy of the Financial Regulations and Scheme of Delegation following annual review
- 2) To be a signatory for the Approved Budget Plan
- 3) To receive reports of any discrepancies in any aspect of reconciliation
- 4) To authorise any payroll transactions relating to the CEO

## **3. RESPONSIBILITIES OF THE LOCAL GOVERNING BODY IN EACH ACADEMY**

To have overall responsibility for the administration of their academy's finances. The main responsibilities of the Local Governing Body are prescribed in the Funding Agreement between the academy and the DfE. The main responsibilities include:

- 1) To ensure that the grant from the DfE is used only for the purposes intended

- 2) To discharge its responsibilities under DfE requirements and to comply with the guidance given by the Education and Skills Funding Agency
- 3) To ensure compliance with these requirements to ensure the efficient, economical and effective management of the academy's resources and expenditure, including funds, capital assets, equipment and staff
- 4) To ensure the introduction and maintenance of sound financial controls
- 5) To be responsible for ensuring compliance with SECAT's Financial Regulations and Scheme of Delegation
- 6) To ensure that all financial considerations are taken fully into account in reaching decisions and in their execution
- 7) To be responsible for the approval of the draft annual budget plan in the forthcoming financial year
- 8) To receive, from the appropriate committee, within each academy, their reports and any subsequent appropriate action plan
- 9) To receive, from the relevant Headteacher, written notification of any permanent delegation of financial matters and activities from the Headteacher to other staff
- 10) To discharge their statutory responsibility to avoid any conflict between their business or personal interests and the affairs and interests of the academy by holding a register of business or financial interests.
- 11) To maintain and regularly inspect a register of any such business interests
- 12) To authorise expenditure over delegated amounts as detailed in the appendix relevant to each Academy
- 13) To approve any investment of academy funds and operation of any overdraft
- 14) To recognise the need for budget holders to maintain an inventory of equipment in the academy
- 15) To ensure that the academy and governors are registered under the Data Protection Act for access to pupil personal data
- 16) To acknowledge the position of the academy in the local community and encourage the use of the academy by community organisations
- 17) To consider and act on any audit reports
- 18) To review the progress of the School Development Plan through governor visits to the academy and discussion at Local Governing Body meetings

#### **4 RESPONSIBILITIES OF THE CHAIR OF THE LOCAL GOVERNING BODY**

- 1) To be a signatory for the Approved Budgeted Plan
- 2) To receive reports of any discrepancies in any aspect of reconciliation
- 3) To authorise any payroll transactions relating to the Headteacher

#### **5 RESPONSIBILITIES OF THE SECAT FINANCE COMMITTEE**

The SECAT Finance Committee as a formally constituted committee of the Trust is:

- 1) To recommend to the Trust Board a funding model for the Trust so as to secure the Trust's financial health in the short term and the long term
- 2) To recommend the Trust Annual Central Budget for approval
- 3) To recommend the constituent Academies Annual Budgets and recommend the proportion of the overall budget to be delegated to each Academy
- 4) To review compliance, expenditure and ensure delivery of annual budgets, reporting to the Trust Board
- 5) Determine what financial reporting and KPI's are required at both Trust and Academy level.
- 6) Recommend the Scheme of Delegation of financial authority of the central body to the Trust Board
- 7) Determine the financial policies and procedures to ensure compliance with the Trust's financial and reporting requirements.
- 8) Review the financial aspects of the corporate risk register for both the Trust and constituent academies

#### **6. RESPONSIBILITIES DELEGATED TO THE LGB OR RELEVANT FINANCE COMMITTEE WITHIN EACH ACADEMY**

- 1) To be responsible for the management of financial operations within the academy
- 2) to recommend the annual budget plan for the coming academic year for approval by the Trust Board.
- 3) to keep under review the academy's actual financial performance compared to the budget, through the consideration of agreed monthly annotated reports from the Bursar ensuring remedial action is taken, as necessary. Such action will be reported to the Trust Board

- 4) to make decisions on expenditure according to limitations laid down within the Financial Regulations and Scheme of Delegation
- 5) to make decisions on virements on agreed budgets according to limitations laid down within the Financial Regulations and Scheme of Delegation
- 6) to advise the Trust Board on the appropriateness or otherwise of virements to be made outside of the LGB/Committee's delegated powers
- 7) to monitor all spending in the academy
- 8) to authorise any expenditure in line with delegated amounts as indicated in the relevant appendix for each Academy
- 9) to review at least annually, the charges for the letting of the Academy premises and resources and the fees for the Clerk to the Admissions Appeal Panel
- 10) to monitor all spending through the Academy Private Fund
- 11) to approve any leasing agreement made by the Academy
- 12) to agree a recovery plan produced by the Headteacher in the event of the Academy accounts going into deficit
- 13) to approve orders where, after every reasonable effort, it has not been possible for the budget holder to demonstrate best value

## **7. RESPONSIBILITIES OF THE SECAT AUDIT COMMITTEE**

- 1) to provide the Trust Board with assurance that;
  - a. the financial responsibilities of SECAT academies are being properly discharged;
  - b. resources are being managed in an efficient, economical and effective manner;
  - c. sound systems of internal financial control are being maintained; and
  - d. financial considerations are fully taken into account in reaching decisions.
- 2) to receive and review the annual report and accounts from the external auditors and confirm the production of a subsequent action plan and report to the Trust Board.
- 3) to receive and review reports on the effectiveness of the financial procedures and controls and confirm the production of a subsequent action plan and report to the Trust Board.

## **8. RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER**

Within the framework of SECAT's development plan as approved by the Trust Board,

the CEO has overall executive responsibility for the activities of the MAT including the management of the financial position at a strategic and operational level.

- 1) to undertake the role of Accounting Officer as referred to by the Education and Skills Funding Agency
- 2) to ensure effective day-to-day financial management subject to exceptions contained in these regulations
- 3) to co-sign and retain a copy of the approved Budget Plans
- 4) to ensure that all financial returns are accurate and submitted to the Education Funding Agency according to the published timetable
- 5) to monitor the main source of income for the Trust, currently agreed at 1.7% of the General Annual Grant (GAG)
- 6) to be informed by the Chief Financial Officer (CFO) of urgent budget problems
- 7) to ensure that necessary returns are completed and submitted to the EFA
- 8) to be informed of any fund discrepancies or suspected irregularities within SECAT and its constituent academies
- 9) to receive from the CFO and investigate reconciliation discrepancies
- 10) to be registered under the Data Protection Act for access to personal details stored on SECAT's management information systems
- 11) to determine which personnel have access to all aspects of SECAT's information management system and financial management system
- 12) to act on any reports from the external auditor concerning the delegated budget and private fund of SECAT members
- 13) to prepare a disaster recovery and business continuity plan to cover the loss of accounting facilities or financial data of the MAT
- 14) to ensure that the appropriate tendering process has been employed for all orders over the European Union (EU) threshold

## **9. RESPONSIBILITIES OF THE HEADTEACHER WITHIN EACH ACADEMY**

Within the framework of the academy development plan as approved by the Local Governing Body the Headteacher has overall executive responsibility for the academy's activities including the management of the academy financial position at a strategic and operational level.

- 1) to ensure effective day-to-day financial management of the academy subject to exceptions contained in these regulations
- 2) to ensure the maintenance of effective internal financial controls and best practice
- 3) to ensure that where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegations shall be notified in writing to the individual(s) concerned, reported to the LGB and incorporated in these regulations
- 4) to prepare the annual School Improvement Plan
- 5) to be responsible for preparing the annual Budget Plan
- 6) to co-sign and retain a copy of the approved Budget Plan
- 7) to ensure that all financial returns are accurate and submitted to the CFO of the MAT to meet ESFA guidelines
- 8) to monitor the main source of income for the academy, the General Annual Grant (GAG)
- 9) to be informed by the Bursar/Business Manager of urgent budget problems
- 10) to periodically check the reconciliation of bank accounts and petty cash, salary records, VAT reports, credits, direct debit authorisations and processes to ensure maximum cash flow and best value
- 11) to authorise expenditure for salaries and utilities and other items and services
- 12) to authorise virements between individual budget accounts up to the agreed delegated limit
- 13) to authorise the disposal of individual surplus equipment and materials where the current estimated value is £500 or less
- 14) to authorise all expense claims (Headteacher's authorised by Bursar/Business Manager)
- 15) to be a signatory for petty cash and academy bank accounts
- 16) to be a holder of an academy bank charge card
- 17) to manage any academy private funds
- 18) to be informed of any petty cash discrepancies
- 19) to be informed of any academy fund discrepancies or suspected irregularities and accordingly inform the CEO

- 20) to be responsible for examination, verification, certification and approval of payments against the academy budget
- 21) to review reconciliations each month
- 22) to receive from the Bursar/Business Manager and investigate reconciliation discrepancies
- 23) to be informed of and sign to confirm review, any long standing unreconciled items
- 24) to determine additional items deemed to be attractive or portable that should be included on the asset register and to be informed of all asset register discrepancies
- 25) to ensure that the asset register is checked annually
- 26) to be notified of and consider any discrepancies on the asset register and to report those that are significant to the LGB
- 27) to appoint staff (full-time, temporary or casual) in line with curriculum and welfare needs, subject to the agreed Budget Plan
- 28) to authorise notification to the payroll manager of all staff appointments, terminations, absence and amendments to terms of employment
- 29) to maintain personnel files for all members of staff and annually to ensure that gross pay agrees with the contract of employment held on this record
- 30) to notify the payroll manager of any Headteacher payroll transactions authorised by the Chair of the LGB
- 31) to be registered under the Data Protection Act for access to personal details stored on the academy's management information system
- 32) to determine which personnel have access to all aspects of the academy's information management system (IMS) and financial management system
- 33) to ensure that all staff make use of password protection on the IMS which is regularly changed
- 34) to act on any reports from the external auditor or the Local and Central Audit Committee concerning the academy's delegated budget and private fund presented to the academy
- 35) to receive an annual report from the Bursar/Business Manager to demonstrate that the academy insurance policy has sufficient breadth and level of cover and to act accordingly
- 36) to be solely responsible for any abatement of lettings charges

- 37) to prepare disaster recovery and business continuity plans to cover the loss of accounting facilities or financial data
- 38) to be regularly and promptly informed of any cost centres that are close to overspending
- 39) to ensure that the appropriate tendering process has been employed for all orders over the EU threshold

## **10. RESPONSIBILITIES OF THE DEPUTY AND ASSISTANT HEADTEACHERS**

- 1) for Deputies to take responsibility for duties delegated to the Headteacher when the Headteacher is not on the academy site and those permanently delegated to a Deputy Headteacher as notified in writing to the LGB
- 2) for Deputies to be signatories for petty cash and academy bank accounts
- 3) for Assistant Headteacher (Personnel) or appropriate person to ensure that written details of staff appointments including salary details, are passed to the Human Resources Manager or appropriate person and to authorise overtime claims if appropriate

## **11. RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER**

The trust must have a chief financial officer (CFO), appointed by the trust's board, who is the trust's finance director to lead on financial matters. The CFO will take overall responsibility for SECAT's financial systems and direct, support and monitor the work of all academies' Bursars/Business Managers in line with the Academies Financial Regulations and Scheme of Delegation and any other guidance issued by the Education and Skills Funding Agency

- 1) to prepare (with the CEO/Trustees) the MAT Budget Plan for presentation to the appropriate committee for approval
- 2) to ensure the budget plan is approved by the MAT Finance Committee and signed and submitted to the Board of Trustees
- 3) to make periodic checks of various financial processes
- 4) to inform the CEO of any discrepancies across the academies in the budget, financial management or reconciliation processes
- 5) to ensure reconciliation of the MAT bank statements are carried out each month, normally within one week of receipt of the bank statements
- 6) to monitor actual against expected expenditure and budget allocations and present appropriate annotated reports to the Board of Trustees

- 7) to be a signatory for the MAT bank account
- 8) to ensure that all prime records are retained for six financial years plus the current year and stored in a secure and logical manner
- 9) to ensure that bank charges and interest payments are consistent with the banking terms and agreed between the MAT and their bank
- 11) to report any reconciliation discrepancies to the CEO and Board of Trustees and investigate immediately
- 12) to produce agreed reports for the MAT finance Committee as required
- 13) to ensure that items raised in any audit reports of the MAT's delegated budget are addressed through an action plan
- 14) to guide, support and advise MAT Academies in all matters relating to financial aspects
- 15) to be responsible for approving the format of any set of financial records being kept within the MAT
- 16) to be responsible for operation of the Multiview system

## **12. RESPONSIBILITIES OF THE BURSAR/SCHOOL BUSINESS MANAGER**

- 1) to take overall responsibility for all the academy's financial systems and specifically to direct, support and monitor the work of all members of the Finance Team in line with the Financial Regulations and Scheme of Delegation and any other guidance issued by the Education Funding Agency
- 2) to prepare (with the Headteacher) the annual academy Budget Plan for presentation to the LGB or appropriate committee for approval
- 3) to ensure the budget plan is approved by the LGB and signed and submitted to the CFO
- 4) to make periodic checks of various financial processes
- 5) to inform the Headteacher of any discrepancies in the budget, financial management or reconciliation processes
- 6) to ensure reconciliations of the academy's own financial records against bank statements are carried out each month, normally within one week of receipt of the bank statements
- 7) to monitor actual against expected expenditure and budget allocations and presenting appropriate annotated reports to the LGB
- 8) to submit the agreed monthly reports to the LGB

- 9) to authorise the Headteacher's expenses claim forms
- 10) to be a signatory for petty cash and academy bank accounts
- 11) to ensure that all prime records are retained for six financial years plus the current year and stored in a secure and logical manner
- 12) to ensure that all income due to the delegated budget is banked promptly and intact to the approved account
- 13) to be responsible for regularly examining samples of payments to monitor authorisation, Construction industry Tax Deduction Scheme has been complied with and that no payments have been made which could be classified as fee payments to individuals
- 14) to be responsible for the monthly reconciliation of the payroll
- 15) to ensure that bank charges and interest payments are consistent with the banking terms and agreed between the academy and their bank
- 16) to periodically check bank, petty cash and system reconciliations, VAT reports and the appropriateness of payment arrangements in the context of maximising cash flow
- 17) to prepare regular cash flow forecasts and take appropriate action for efficient day to day operation
- 18) to be responsible for submitting the monthly VAT report to the CFO for reporting to be completed in line with HMRC guidelines
- 19) to report all reconciliation discrepancies to the Headteacher and investigate immediately
- 20) to perform an annual check on the asset register, report any discrepancies to the Headteacher and certify that examination has been undertaken
- 21) to periodically check that all the monies due to the academy have been collected and banked
- 22) to input salary details for all new appointments, termination to appointments or changes of details onto the information management system
- 23) to maintain the "Register of items removed from the academy site" for all equipment loaned to staff or students
- 24) to review variations of each employee's salary payment
- 25) to ensure that the accounts for the academy private fund are prepared and submitted to the CFO by the due date
- 26) to advise the Headteacher of any cost centre that is close to overspending

- 27) to approve payments on any overspent cost centre, after prior referral to the Headteacher
- 28) to be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are prepared for renewals after consultation with the CEO/Headteacher
- 29) to arrange all insurance cover for the academy
- 30) to review annually the breadth and level of cover of all insurance policies with the headteacher
- 31) to ensure that items raised in any audit reports of the academy's delegated budget and private fund are addressed through an action plan
- 32) to guide, support and advise academy staff in all matters relating to insurance claims, losses, liabilities and related issues
- 33) to be responsible for approving the format of any set of financial records being kept within the academy

### **13 RESPONSIBILITIES OF THE FINANCE TEAM/SCHOOL BUSINESS MANAGER**

- 1) to process orders and other transactions raised by budget holders
- 2) to received, record and bank all cash income
- 3) to authorise the importing of all data associated with electronic procurement into the academy financial management system
- 4) to ensure that all invoices are checked, authorised and paid within the appropriate payment period
- 5) to ensure that a member of the team takes responsibility for management of the academy private fund as Private Fund Manager
- 6) to be responsible for the control of cheques
- 7) to be responsible for preparing the monthly VAT reports and passing to the Bursar/School Business Manager
- 8) to be responsible for maintenance of the petty cash procedures, including reconciliation to the MIS academy computer record whenever the Petty Cash form for reimbursement is completed
- 9) to be responsible for maintaining the academy inventory
- 10) to be responsible for issuing invoices for lettings and other charges

### **14. RESPONSIBILITIES OF BUDGET HOLDERS/HEADTEACHER**

- 1) to be responsible for raising orders through internal requisition forms for the relevant budget area
- 2) to give initial approval for payment of invoices relating to their budget(s)
- 3) to monitor the appropriate cost centre actual expenditure against expected expenditure profile and budget allocation and to report any potential problems to the Bursar/School Business Manager as a matter of urgency
- 4) to maintain the part of the academy asset register of appropriate equipment in their area in co-operation with the Finance Team
- 5) to ensure that all items of equipment are security marked
- 6) to be responsible for the security of academy property, avoiding loss or damage, ensuring economic and efficient use of resources and to ensure safe and secure storage and maintenance in your area in line with the requirements of these financial regulations.

**15. RESPONSIBILITIES OF HUMAN RESOURCES MANAGER/SCHOOL BUSINESS MANAGER/FINANCE TEAM**

- 1) to complete PAY 1 form for all new appointments and pass to the Payroll Manager after authorisation by the Headteacher
- 2) to complete PAY 2 form for all amendments to an employee's terms of employment and pass to the Payroll Manager after authorisation by the Headteacher
- 3) to complete PAY 3 form for all terminations of employment and pass to the Payroll Manager after authorisation by the Headteacher
- 4) to complete PAY 6 form for all variation of worked hours by employees and pass to the Payroll Manager after authorisation by the Headteacher
- 5) to receive written details of all appointments, including salary details, from the appropriate authorised person
- 6) to be responsible for ensuring that the SIMS Personnel Module on the academy's computer system is updated to take account of new appointments, amendments and terminations of employment and to pass on the data to the Bursar/School Business Manager for entering of financial details
- 7) to be notified by the appropriate line manager of the authorised hours worked in each payment period by temporary and casual staff or overtime worked by other associate staff
- 8) to complete PAY 420 form for monthly staff absence and pass to the Payroll Manager after authorisation by the Headteacher

## Appendix B – Tendering Procedures

### Forms of Tenders

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

#### Open Tender:

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Headteacher 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 is 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 where:

- 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:

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

It may be useful after all requirements have been established to rank requirements (e.g.

mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **Invitation to Tender**

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

An invitation to tender should include the following:

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

### **Aspects to Consider**

#### **Financial**

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

#### **Technical/Suitability**

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- 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.

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 the EU threshold a report should be prepared for the LGB highlighting the relevant issues and recommending a decision. For contracts under the EU threshold the decision and criteria should be reported to the LGB.

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.

**EU Threshold – The Competitive Process** – The monetary thresholds at which the different rules apply are summarised as below:

<b>Nominal Value Transactions</b>	<b>Agreed limits as per Delegation agreed in each academy</b>	Any officer purchasing supplies, works or services up to the agreed limit should ensure that best practice is applied and take reasonable steps to ensure best value is obtained (This does not apply to call off contracts).
<b>Low Value Transactions</b>	<b>Up to £6000</b>	<p>The Budget Holder is required to retain information which demonstrates that best value has been achieved (usually by detailing other verbal/written quotes or market rates).</p> <p>A written quotation must be obtained from the supplier before a formal purchase order is issued specifying the supplies, services or works and setting out prices and terms of payment. A faxed/email quotation is acceptable in these cases.</p> <p>Call-off contracts for supplies and services must be used where they exist, regardless of value.</p>
<b>Intermediate Value Transactions</b>	<b>£6001 – EU Threshold</b>	<p>At least three written quotations must be obtained before a formal purchase order is issued, specifying the supplies, services or works and setting out prices, terms and conditions of contract and terms of payment.</p> <p>Quotations received by fax or email and where the supplier and price is clearly identifiable are acceptable in these cases.</p>
<b>Full Tender Procedures Above EC Thresholds</b>		The process will follow the EU Directives