*Approved by Finance Committee on 24 January 2022*

*Version 9, 22/02/2022 includes agreed amendments and minor formatting changes*

Financial Regulations

**Principles**

This financial framework provides the necessary control on financial matters whilst at the same time encouraging “best value” and promoting appropriate accountability. Sound financial management and controls provide a framework for financial planning and accountability and for safeguarding the use of public funds.

Financial and management responsibilities are aligned in order to ensure decision are made with regard to the whole budget of the Trust and the individual schools.

**Aims of the Regulations**

These regulations aim to:

* Help ensure that high standards of propriety and best value are achieved.
* Provide the Trust with an effective framework of financial control, management, monitoring and reporting.
* Provide a framework within which all Trustees, Governors and School Staff can carry out their responsibilities in an open and consistent manner.

These regulations aim to promote and maintain high standards by:

* Placing clear authority and accountability with Trustees, Governors and School Staff.
* Establishing key principles and processes which should be followed.
* Enabling continuous internal scrutiny to ensure compliance with the approved standards and procedures.

All Trustees, Governors and School Staff have a duty to promote these aims, not just by following these Financial Regulations but in their general approach. Concern with propriety and best value is as much an attitude of mind as a matter of following regulations.

**Breaches of the Regulations**Substantial breaches of Financial Regulations shall be reported as appropriate, to the Governing Body by the Headteacher or the Trust Board by the Chief Executive Officer. Breaches may be treated as disciplinary offences.

**The constituent parts to the Financial Regulations**

This document mentions several separate parts which together provide the basis for the operation of the financial arrangements within all the schools within CDAT and thus collectively provide the financial regulations.

The overriding document is the current **Academy Trust Handbook (also known as the Academies Financial Handbook**) issued by ESFA and applicable from 1 September of each year.

*Note: Around each June the ESFA will issue the revised version of the handbook to take effect from the following September.*

The **Scheme of Financial Delegation** provides the Trust with what financial decisions can be taken at the various levels within the Trust. This is produced by the Trust Board and reviewed on an annual basis. See **Annex A** for the current Scheme of Financial Delegation.

The **Terms of Reference for the Finance Committee** provide the basis for the operation of the committee. It is this committee that is the key part of the Trust in ensuring that all aspects of the financial operation are completed in the correct fashion. This is produced by the Trust Board and reviewed on an annual basis.

The **Procedure for Financial Monitoring** would be carried out through a variety of methods including:

1 A termly Finance Committee meeting.

2 A termly meeting between the Chair of Finance and the Chief Finance Officer. At these meetings school representatives would be called if required.  A record of the meetings would be circulated to Finance Committee members.

3 Monthly meetings between a governor/trustee and the Finance Officer of each school. A record of the meetings would be circulated to the Chair of Finance and if significant to the remaining Trustees.

4 Monthly financial reports to Chair and Vice Chair of CDAT, and Chair of Finance.

5 Bi monthly financial reports to all Trustees.

6 Financial reports would be considered at the half termly CDAT board meetings each year.

The **Financial Procedures** relate to the actual operations within the Trust and within each school. These are produced and updated where required by the Trust in conjunction with each school. These need to be reviewed by the Finance Committee on an annual basis or if there are significant changes during the year. See **Annex D** for the current Financial Procedures for all CDAT schools and **Annex E** and **Annex F** for the individual schools.

**Key Performance Indicators to be monitored by the Finance Committee**

The Finance Committee will monitor the indicators as shown in the following tables for each individual school in the Trust. Where possible these will be compared to similar schools using the VFMI website. Note this website uses lagged data and is normally only updated on receipt of individual schools annual returns.

**On a yearly basis at the time of setting the budget for the next 3 years**

Ideally the figures will be tracked for the 3 previous years, the current year and the projected values for the next 3 years. This information to be sourced from the ACCESS budget software used to produce the budget.

|  |
| --- |
| Total Staff Costs (£) |
| Total Staff Costs to EFSA Revenue Income(%) |
| Total Staff Costs to Total Income (%) |
| Total Staff Costs as Proportion of Total Expense (%) |
| FTE Teaching Staff |
| FTE Support Staff |
| Total FTE |
| Total Pupil Numbers by Lagged Pupil Numbers |
| Pupil Teacher Ratio as per Lagged Pupil Numbers |
| Average Teacher Cost (£) |
| Proportion of budget spent on the Leadership team (%) |
| Spend per pupil for non-pay expenditure lines (£) |

**On a termly basis at the time of the census**

Ideally the figures will be tracked for the 3 previous years, the current year and the projected values for the next 3 years.

|  |
| --- |
| Pupil numbers by year group |

Note pupil numbers will also be recorded monthly (except August)

**On a monthly basis**

Ideally the figures will be tracked for the 3 previous years, the current year and the projected values for the next 3 years.

|  |
| --- |
| Cost of supply teachers compared to start of year budget figure |
| Cost of supply teachers as % of total cost of teachers |

Further research to proceed to determine whether other areas could be recorded in a reliable way but not requiring significant time by school staff to assemble the information.

**Other information**
It should be noted that;
- CDAT schools use the Access Budget software to plan annual budgets.

* CDAT schools use the Access Financial software to record all financial transactions. This is referred to as Financial Management System (FMS) throughout the regulations.
* the **annual report and accounts** are completed with the aid of an external audit company.
* the **Audit and Risk Committee** provide the Trust with internal scrutiny assurance including arranging for internal audit arrangements. This will include monitoring and sampling of all procedures and all transactions on a regular basis.
* Note CDAT has opted into the RPA arrangement with supplementary insurance where necessary such as for motor vehicles and plant.

**Annexes**

**Annex A: CDAT Financial Scheme of Delegation**

**Annex B: Roles and responsibilities**

**Annex C: Returns and Reports to ESFA**

**Annex D: Financial Procedures for CDAT**

**Annex E: Additional Financial Procedures for Biggin Hill Primary School**

**Annex F: Additional Financial Procedures for Charles Darwin School**

**Annex A - CDAT Financial Scheme of Delegation**
***Note paragraph references relate to current Academy Trust Handbook***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **CDAT Board** | **Finance Committee** | **Headteacher/LGB** |
| **Budget setting** | CDAT approves outline budgets for the year for each academy. | Finance recommend to CDAT, budgets for each academy.  | LGB/Headteacher for each academy produce draft budget for consideration by CDAT. |
| **Budget virements where bottom line is not reduced** | CDAT can approve all virements over £30,001. | Finance can approve virements £5,001 - £30,000 | Headteacher can approve virements up to £20,000 in related cost centres/ ledger codes and income codes or £5,000 in non-related codes. |
| **Budget virements where bottom line is reduced** | CDAT can approve all virements over £20,001. | Finance can approve virements up to - £20,000 | No virements may be approved by headteacher/LGB which leads to a reduction in the bottom line |
| **Purchases including full length contracts below £50,000** | CDAT can approve purchases from £20,001 provided appropriate processes are used and subject to any limits set by ESFA. CDAT approves final decision about which quotation to approve | Finance can approve purchases £5,001 - £20,000 provided appropriate processes are used.Requires 3 quotations and Finance to recommend decision to CDAT. | Headteacher can approve purchases up to £5,000. |
| **Purchases above £50,000** | CDAT approves final decision about which competitive process to approve. | Requires 3 tenders and Finance to recommend decision to CDAT ORIn the event that a formal tender process is not going to be of long term benefit, and with the approval of the CDAT Board, competitive quotations can be sought. Such instances should be brought to the attention of the Finance Committee in the first instance. | Headteacher/LGB identify need to purchase as far in advance as possible and communicate details to Finance Committee in order that the appropriate procedure can be determined. |
|  | **CDAT Board** | **Finance Committee** | **Headteacher/LGB** |
| **Writing off money** | CDAT can approve above £100 up to ESFA limit £250,000. | Finance can approve up to £100 | Headteacher can approve up to £50 |
| **Writing off goods** | CDAT can agree write offs see paras 5.19 – 5.22 | Finance can recommend write offs to CDAT. See paras 5.19 - 5.22 |  |
| **Staff severance**  | CDAT needs to approve all payments up to ESFA limit of £49,999 See para 5.6 – 5.18 |

**Annex B: Roles and responsibilities**

|  |  |
| --- | --- |
| Role | Post holder |
| Accounting Officer | Sunil Chotai |
| Chief Financial Officer | Wendy Everest |
| Chair of Trust Board | Paul Wolfenden |
| Chair of Finance Committee | David Dilling |
| Chair of Audit and Risk committee | Mervin Sharpe |
| Trustee members on Finance Committee | David DillingMervin SharpHelen HartleyJulian Bennington |
| Clerk to Board and Finance Committee | Julie Hodgkinson |
| Auditors | McCabe Ford Williams |

For the purposes of these regulations the following roles are used:

**Chief Finance Officer** – the senior finance role within the Trust

**Finance Officer** – the main finance role within the individual school

**Finance Assistant** – a supporting role within the individual school.

Note that within an individual school these roles maybe subsumed within other roles such as the school business manager.

**Annex C: Returns and Reports to ESFA**

**TO BE ADDED**

The ESFA issue a list of all reports required from the Trust

**Annex D: Financial Procedures for CDAT**

*These procedures apply to all schools in the Trust*

**1. Budgets**

**1.1 Preparation of Budgets**

Each school is required to submit a budget forecast to the Finance Committee. Once approved then the Chief Finance Officer will arrange for these to be communicated to the ESFA in accordance with their requirements. This shows each school’s intention for expenditure in the next financial year and the assumptions underpinning the budget plan.There should be a clear, identifiable link between the school’s annual budget and its plans for improvement.

The school’s budget should be based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available income.

The Local Governing Body and Finance Committee should ensure that the main elements of the school’s budget are periodically reviewed to ensure that historic spending patterns are not perpetuated.

The individual Headteachers via their schools Finance Officer should profile the budget and forecast cash flow to take account of likely spending patterns.

Any budget surpluses in excess of a contingency figure should be earmarked for specific future needs to ensure that pupils benefit.

The Governing Body and Finance Committee should approve the school’s budget and School Improvement Plan after careful consideration and before the beginning of the relevant financial year.

The approved budget will be entered onto the FMS system and will represent the start of year budget.

**1.2 Budget control and monitoring**

The CDAT board carries ultimate responsibility for monitoring the budget but this is delegated to the Finance Committee.

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies with each Budget Holder who must not overspend his/her budget. if his/her budget is exceeded then the Budget Holder must explain the circumstances to the headteacher and Local Governing Body. If significant then also the Accounting Officer.

Additional funds might be found to transfer to the appropriate budget by the headteacher/local governing Body if the bottom line is not exceeded. Otherwise reference will also need to be made to the Finance Committee.

The process is coordinated by the school finance officer and reviewed by the Accounting Officer and Finance Committee on a regular basis.

**1.3 Reporting to school staff, governors and trustees**

Most of these reports are accessed from the reports section of the Access Financial (FMS) or budget systems for either the Trust or individual schools. The structure of the Variation to Budget report is produced by the Trust.

The Finance Officer issues a monthly report to each Budget Holder detailing budgeted and actual expenditure.

The Consolidated Trust report should be used with the individual schools available on different tabs except for the reports to the local governing body where only the individual school report should be used.

Note the Variation to Budget report is updated by the schools finance officer but then reviewed by the CFO before circulation.

*The reports in bold are a requirement of the* ***Academies Trust Handbook****.*

|  |  |
| --- | --- |
| Audience | Reports |
| Chair of Trust Board, Vice Chair of Trust Board and Chair of Finance Committee(*Monthlynote CFO to email when the previous period has been closed*) | Consolidated trial balance |
| **Consolidated balance sheet** |
| \*\*Consolidated counterparty contact balances |
| Consolidated income and expenditure |
| \*\*Related party balances |
| **Consolidated management report** |
| **Consolidated cash flow** |
| **Variation to Budget Report for all schools** |
| All Trustees(*bi-monthly, CFO to email reports at the end of the respective period*) | **Consolidated balance sheet** |
| **Consolidated management report** |
| **Consolidated cash flow** |
| **Variation to Budget Report for all schools** |
| Local Governing Bodies(*as required*) | Management report *(for their school only)* |
| Cash flow *(for their school only)* |
| **Variation to Budget Report** *(for their school only)* |

*\*\* only required if there are any such transactions*

There will be a need for other reports such as budgets or end of year statements in addition to those indicated above. There is also a need to include a regular report on **Key performance Indicators and pupil numbers.**

**1.4 Variation to budget**

All variations to the budget need to be authorised by either the headteacher, the Finance Committee or the CDAT Board according to the value involved. These values are documented in the **Scheme for Financial Delegation**, See Annex A

Each proposed variation to budget is recorded on a variation to budget report which records the value and the reason for the change. These proposed variations are collated each month and the effect on the budget balance clearly shown. This record sheet is circulated to trustees on a monthly basis with other monthly financial reports.

**2 Financial administration**

**2.1 Accounting systems**

The Trusts accounting system is based on the ACCESS Budget software for preparation of the budget and the ACCESS Finance Accounting software (FMS) for the financial accounts. It is the Trusts policy that all staff involved with financial administration receive basic bookkeeping training and are familiar with the operation of the two systems.

The proper functioning of the accounting system is the responsibility of the Chief Finance Officer.

Access to FMS is restricted to the Accounting Officer, Chief Finance Officer, school finance officers and school finance assistants. Commitment accounting is in operation on the FMS system.

Read access should also be available to the Chair of the Finance Committee, external auditors and any reasonable request from the internal scrutiny process.

**2.2 Accounting records**

Only authorised staff are permitted access to the accounting records which are securely retained when not in use.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, bank statements etc. are retained in hard copy for six years, plus the current year, in a secure area.

*Note that the introduction of the Access software will enable over time more records to be held on the FMS system and thus reduce the need for paper documentation.*

**2.3 Taxation**

The Trust abides by the procedures issued by HMRC in connection with VAT and any other requirements that may apply.

**2.4 Audit**

The Trust has a separate Audit and Risk committee that organizes the internal scrutiny arrangements within the Trust to comply with the requirements of Charity Commission, ESFA etc. Each school provides access as necessary for internal scrutiny purposes to its records

**2.5 Purchase orders**

Computer generated orders are used for all goods and services. **Orders are only made by telephone in exceptional circumstances.** Where goods are required urgently and an order is placed by telephone the order must always be confirmed in writing in the usual way.

Orders must only be used for goods and services provided to the school. Individuals may not use official orders to obtain goods and services for their private use.

The FMS system keeps a record of all orders placed that have not been invoiced. A listing of such orders will be produced by the Finance Officer at the request of any Budget Holder.

Where possible, orders are emailed to the suppliers.

**2.6 Month‑end procedures**

At the end of each month the Finance Officer extracts a list of balances from the purchase ledger and compares the total with the purchase ledger control account in the nominal ledger. Any reconciling items are noted and adjusted if required.

Individual supplier balances are reconciled to supplier statements as and when received.

**2.7 Petty cash (***currently only applies to CDS***)**

Petty cash is recorded on FMS by the Finance Assistant from the petty cash vouchers. The Finance Assistant is responsible for the payment of expense vouchers.

Payments from petty cash are only made on production of a till receipt or other certification that payment has been made and cannot exceed £100 in value. Vouchers must be signed by the claimant and the claimant's Budget Holder or Line Manager.

The petty cash float, which should not exceed £500, is kept in the safe when not in use.

The float is reconciled on a monthly basis and signed as evidence of this review.

No personal cheques can be cashed through petty cash and the petty cash float is only reimbursed by a cheque from the school's bank account.

Most petty cash is reimbursed through BACS payments not into the account where the salary is paid into.

**2.8 BACS Payments**

BACS payments are recorded on FMS by the Finance Officer or the Finance Assistant. They are dealt with in the same way as cheques. The Trust only accepts supplier’s bank details on headed paper and these are filed with invoices. If bank details are not printed on invoices they are held in a separate file.

On request the Trust will pay petty cash to staff via BACS. BACS reports are recorded and filed.

**2.9 Monthly procedures**

The following procedures take place on a monthly basis and are performed by the Finance Officer unless otherwise indicated:

* standing data amendment forms are completed in respect of any starters, leavers, etc., and authorised by the Headteacher, prior to dispatch to the bureau;
* overtime/additional hours claims are summarised by the Finance Officer and sent to the bureau following authorisation by the Headteacher. Overtime should only be worked by the school caretakers after permission has been granted by the Headteacher;
* the payroll details received from the bureau are checked to ensure all amendments such as overtime and supply staff, have been made correctly;
* the gross pay for each employee is checked against an internally produced spreadsheet and the reasons for any variations noted;
* these checks must be reviewed by the Headteacher and evidenced by initialing the payroll;
* The Finance Officer will notify the bureau in writing of any inaccuracies in the payroll using their query log spreadsheet.
* The Finance Officer reconciles gross pay as per the payroll to personnel records annually.
* In the first instance, the Finance Officer will let the bureau know the pension rate that applies to the member of staff subsequently the bureau will amend rate when salary changes happen.

**2.10 Segregation of Duties**

In the interests of public accountability and for the protection of staff, it is important that as far as possible financial duties are segregated.

**3. Purchasing THIS SECTION NEEDS TO BE UPDATED****4.1 Financial Regulations**The Trust abides by these financial regulations and standing orders in purchasing, tendering and contracting matters. This includes a requirement, where necessary, to assess in advance the health and safety competence of contractors, taking into account the required policies and procedures.**4.2 Approved suppliers**The Finance Officer maintains a database of approved regular suppliers. The Finance Officer will select suppliers on the basis of their capacity to provide quality, service, timely delivery and value for money.

The listing of approved suppliers will be reviewed and approved on an ongoing basis by the Chief Finance Officer and on an annual basis by the Finance Committee.**4.3 Contracts**Agreements for services are reviewed on a regular basis for value for money by the Finance Officer. More formal arrangements which are subject to a contract, lease or hire agreement of more than one year must be approved:(i) if the total long term commitment does not exceed £5000, by the Headteacher/ Accounting Officer;(ii) if the total long term commitment is between £5001 and £20000, by the Headteacher/ Accounting Officer and the Chair of the Finance & Audit Committee and/or the Chair of Governors;(iii) if the total long term commitment exceeds £20000 approval must be sought from the full Governing Body.**4.4 Tendering**All purchases with a value greater than £50,000 must be put out to formal tender. The following procedures must be followed in such circumstances:

A specification will be prepared as appropriate by the budget holder, Chief Finance Officer or a person authorised by the relevant Governor's Committee. Such specification will be authorised by the relevant Committee and Accounting Officer and sent to at least three suppliers. It is anticipated that for any major building works of a value greater than £50,000 the services of a firm of architects would be engaged to deal with the handling of specifications and suitability to tender;

1. Where appropriate, the suppliers invited to tender should be drawn from the approved list maintained by the Chief Finance Officer. Otherwise, invitations to submit tenders will be advertised in local newspapers and trade journals if appropriate. The invitations to tender will include:
2. an introduction /background to the project;
3. the scope and objectives of the project;
4. any technical requirements;
5. implementation details for the project;
6. the terms and conditions of the tender; and
7. the form and date of response to the school.

All replies should be addressed to the Clerk to the Governors in a plain sealed envelope marked `Tender' to reach her by a specified date. All replies must be kept sealed until that date and passed to the Chair of the relevant committee;

All tenders will be opened at the same time in the presence of at least 2 Governors

and details of the contractor, quotation and any other details recorded at the time of opening on a sheet to be signed by these Governors.

No contractor will be allowed to amend the tender after the time fixed for receipt;

For all purchases exceeding £50,000, provided the expenditure has been budgeted for, a decision will be recommended by the Finance Committee. The final decision must be taken by the full Governing Body.

Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept must be taken by the full board of Governors; and the reasons for accepting a particular tender must be documented by the Clerk to the Governors, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the full board.

The following points will be considered when deciding which tender to accept: the overall price and the individual items or services which make up that price;

* whether there are any `hidden' costs that is additional costs which the school will have to incur to obtain a satisfactory product;
* whether there is scope for negotiation;
* the qualifications and experience of the supplier
* how well the technical requirements laid down by the school will be met;
* whether it is possible to obtain certificates of quantity;
* the supplier's own quality control procedure; pre sales demonstrations and after sales service;
* the financial status of the supplier; and
* references from other schools

Once a tender is accepted an order should be issued immediately to the supplier in the normal way. The school’s auditors recommend that should the specification for goods or services change after tenders have been received, then the whole process should begin again.

Following revision of EU thresholds schools are advised to seek the advice of appropriate professionals with regard to contracts worth more than £181,302.

**TENDER**

• whether there are any `hidden' costs that is additional costs which the school will have to incur to obtain a satisfactory product;

• whether there is scope for negotiation;

• the qualifications and experience of the supplier

• how well the technical requirements laid down by the school will be met;

• whether it is possible to obtain certificates of quantity;

• the supplier's own quality control procedure; pre sales demonstrations and after sales service;

• the financial status of the supplier; and

• references from other schools

## *4.5 Quotations*

For purchases exceeding certain values and below the tendering limit of £50,000, a specified number of quotations will be required as follows (see diagram attached at Appendix B).

Up to £2,500: Budget Holders are expected to purchase objectively using catalogue prices and/or written quotations; Governors have agreed a higher limit of £5,000 for building work subject to the prior approval by the Chair or Vice Chair of Governors.

£5,000 ‑ £50,000: Three written comparable quotations; the lowest quote should be accepted or reasons recorded for non-acceptance.

Quotations should be attached to the Finance Office copy of the purchase order. A standard form available from the Finance Office must be used and signed by the appropriate Head of Faculty, Headteacher and Governor where appropriate.

* **Service Level Agreements.** All Service Level Agreements are reviewed by the School Business Manager at the beginning of the Summer Term and put before the Budget & Finance Committee at their first meeting in that term to allow appropriate and cost effective agreements to be signed for the oncoming financial year.

## **4. Assets**

**4.1 Asset register**

The Governing Body is responsible for maintaining the school's assets securely.

Maintenance of the asset register for IT equipment is overseen by the Network Manager and all else by the schools Finance Officer. It is the policy of the Trust to enter individual acquisitions with a cost greater than £1000 onto the asset register, although items of a lower value may sometimes be included, e.g. items particularly portable/desirable (cameras, TVs, camcorders, laptops, PC’s etc.). The relevant departmental/section heads are responsible for ensuring that all assets are marked as belonging to the school.

All department/ sections must maintain a Stock Book of portable/desirable items under the value of £1,000. The Stock Book should be reviewed as part of the annual review process.

At the beginning of the spring term the finance assistant sends an asset listing to each department/ section head. Each head is required to check the existence, condition and adequacy of security marking for the assets under their control and report any differences. This procedure must be completed by half‑term. Discrepancies are followed up with the departmental/sectional head by the Finance Officer. Any significant losses must be reported to the Headteacher and Governing Body.

The Network Manager compiles the Asset Register for all IT related equipment.

All assets removed from the school site or transferred between departments/ sections are recorded in a register.

**4.2 Insurance**

The schools in the Trust are part of the Risk Protection Arrangement (RPA) scheme where funds are deducted from the GAG each month and held by central government. Motor Insurance and Engineering & Inspection are not covered by the RPA so individual schools have a separate insurance policy for this. (CDS currently with Zurich, BHPS currently has no extra requirements).

No school in the Trust will give any indemnity to a third party without the written consent of their insurers;

The relevant school immediately informs the RPA of all accidents, losses and other incidents which may give rise to an insurance claim. Claims to the RPA are authorised by the Accounting Officer prior to submission to the insurance company.

Insurance arrangements cover the use of school property when off the premises.

**4. 3 Disposal of assets**

All disposals of assets must comply with the Trust’s Fixed Asset and Disposal Policy.

**4.4 Losses**

All losses are to be reported to the Chief Finance Officer who informs the police if the loss is a result of burglary or theft and the Finance Office will inform the ESFA or insurance company as appropriate. Action is taken immediately to prevent further loss.

The Chief Finance Officer maintains a record of losses and insurance monies received across the Trust.

**4.5 Leasing**

The schools Finance Officer is responsible for monitoring all leasing and hiring arrangements. These are reported to the relevant Governing Body and the Finance Committee.

## **5. Income**

The Local Governing Body has overall responsibility for ensuring that all income due to the school is properly accounted for.

**5.1 Grant Income**

The Accounting Officer is responsible for determining the level of grant that the school should receive each year and ensuring that all necessary forms are completed on time.

The school Finance Officer reports immediately any discrepancies in the amount of timing of expected receipts to the Headteacher who in turn reports these to the Governing Body and the Finance Committee.

**5.2 Letting of school facilities**

All lettings of school equipment and facilities must be in accordance with the Trusts terms of letting and the rates currently in force as prepared and approved by the Finance Committee.

The schools Finance Officer considers all enquiries and the level of costs involved before granting a booking. Letting rates are subject to review by the Finance Committee.

All hiring of school equipment and facilities will be recorded on the venue calendar for the school by the Finance Officer;

The venue calendar is subject to review by the Headteacher to ensure that all lettings have been invoiced;

When a letting is provisionally booked the hirer must complete a hire form;

Sales invoices are issued by the Finance Officer and all monies must be received before the let takes place. The Finance Officer records receipts on FMS.

The school is allowed to retain all income from Lettings and to cross-subsidise those lettings for community and voluntary use, provided there is no net cost to the school budget share.

**5.3 Fund Raising Events**

It is the responsibility of the event organiser to control income prior to the monies being handed to the Finance Office. Monies are collected by event organisers and then passed to the Finance Office. A paying‑in slip is completed by the event organiser.

A receipt is issued to the event organiser. Cash is banked by the Finance Assistant. Receipts are recorded on FMS by the Finance Assistant.

**5.4 School trips**

When planning any school trip or similar, the consent of the Headteacher and Governing Body must be obtained before any commitment is made to pupils, parents or third parties.

Payments would normally be paid through the schools Parent Pay account.

However, all other monies received for excursions are to be paid to the organiser. The organiser is responsible for keeping adequate records of income and expenditure in a trip register. Money is passed to the Finance Office. All receipts are banked intact by the Finance Assistant.

All expenditure in connection with excursions is subject to the same procedures as other expenditure.

**Capital (This needs to be completed)**

**Annex E: Additional Financial Procedures for
Biggin Hill Primary School**

***Note that the introduction of the new Access system will enable some procedures to become less dependent on paper exchanges and so over time some changes will need to be made to these procedures.***

**The Headteacher** delegates the financial management of the school to the School Business Manager, while retaining ultimate responsibility.

**The School Business Manager** (SBM) has day to day financial responsibility for the school. The SBM is a member of the School Leadership Team.

**ORDER PROCESSING**

1. Budget Holders wishing to place an order must first complete an order requisition which when completed is given to the SBM so that an order may be raised subject to approval by the headteacher.

2. All order forms will be generated by the central accounting system and will be automatically numbered.

3. The order will be emailed from Access to the supplier and then a copy will be printed and sent to the budget holder for signing. This is then returned to the Finance Office.

4. If there is a significant difference between the price entered on the order and the price on the invoice when received, the Finance Office will inform the Budget Holder.

5. **Telephone Orders** are not permitted EXCEPT in cases of extreme urgency BUT an order number must be obtained from the Finance Office and quoted to the supplier BEFORE placing the order.

6. Most orders are then emailed to the supplier.

7. Pro-forma invoices will be paid via BACS.

**RECEIPT OF GOODS**

1. All goods will be delivered and left in Reception.

2. The Finance Team marks the goods with the person’s initials who ordered them.

3. The Site Team will deliver the goods.

4. The Budget Holder should check the goods and inform the Finance Office immediately of any shortages.

5. If the goods received are incorrect, then the Budget Holder should pursue the matter with the supplier directly (in some cases it may be possible for the Finance Office to assist in this process) and the Finance Office informed immediately if payment is to be withheld.

6. If items are defective and need to be returned to the supplier, the Finance Office will arrange this.

7. Once the Budget Holder has signed the invoice, they are confirming that everything has been delivered. The Finance Office will then process the invoice by the date it is due. All invoices are paid by BACS.

**PURCHASE INVOICES**

1. All invoices must be sent to the Finance Office immediately on receipt.

2. The Finance Office will check that all the goods have been received and that the details of the invoice are correct and evidence these checks by completion of the grid stamp. Budget holders should ONLY sign invoices when they are in receipt of goods.

3. There will be no further reference to Budget Holders.

4. PLEASE NOTE: The placing of an order is authorisation for the expenditure. .

5. The invoice details are then entered into the accounting system and the relevant cost centre is entered on the grid stamp.

6. The invoice is then passed to the Finance Office for settlement.

7. The Finance Office reviews the purchase ledger on a regular basis and selects invoices for payment. It is the policy of the school to pay all invoices by the due date and also to take advantage of any discounts available for early settlement where this is to the school's advantage. Invoices should not be paid early as a matter of course.

8. School Business Manager authorises payment, having ensured that all of the school's procedures have been followed. The Finance Assistant then approves the BACS run.

**ISSUE OF PAYMENTS**

1. All cheque/BACS payments from public and non‑public funds are signed by two of the authorised signatories but not the SBM.

2. Payments are made by BACS. These are authorised by the SBM and approved by the Finance Assistant via online banking and PinSentry machines. The SBM and Finance Assistant each have individual cards and a confidential PIN numbers.

3. The cheque signatory must not sign a Bacs payment request slip relating to goods or services for which he has also authorised the expenditure.

4. The initials of the two signatories are noted on the invoice or cheque request form grid stamp.

**PETTY CASH**

Not relevant to Biggin Hill Primary School

**OUT OF POCKET EXPENSES CLAIMS**

1. These procedures apply to out of pocket expenditure over the Petty Cash limit of £100 and they are reimbursed by way of BACS.

2. The Out of Pocket Expense Claim Form should be completed by the claimant and the relevant receipt(s) attached.

3. The form should then be countersigned by the appropriate Budget Holder.

N.B. If the claimant is a Budget Holder, the claim form should be countersigned by the relevant Line manager.

4. The form should then be sent to the Finance Office and this will be paid by BACS as soon as practical.

**COLLECTION OF MONEY BY STAFF ‑ GENERAL**

1. When money is collected from the pupils it must be lodged with the Finance Office on the day of collection. On no account must money be left lying around in classrooms or taken home.

2. A record of who pays what should be kept and if appropriate a copy sent to the Finance Office.

3. Under normal circumstances the receipt will be issued when the money is checked for banking. If the amount differs from what is on the paying-in slip, the Finance Assistant will inform the member of staff concerned either by email or on the receipt.

4. It is the responsibility of the member of staff concerned to ensure that all monies are accounted for correctly.

5. We are trying to be a cashless school as much as possible. We understand that this is not always possible and will take cash if there is no other alternative.

6. The Finance Officer processes the main account ParentPay manually from reports produced on ParentPay.

**COLLECTION OF MONEY ‑ TRIPS**

1. ParentPay is the preferred method of payment for school trips/visits/revision guides etc… Handling fee added to the trip/visit is 1.5%, for example, a trip costing £12 would now be charged at £12.50 to cover the administrative charges from ParentPay.

2. When money is collected from the pupils it must be lodged with the Finance Office on the day of collection. On no account must money be left lying around in classrooms or taken home.

3. A record of who pays what should be kept and receipts issued to pupils (or their payment record card signed). When paying these monies into the Finance Office a Journey Payment Record form should be completed as well as the usual paying­ in document.

4. Under normal circumstances the receipt will be issued when the money is checked for banking. If the amount differs from what is on the paying-in slip, the Finance Assistant will inform the member of staff concerned either by email or on the receipt.

5. It is the responsibility of the member of staff concerned to ensure that all monies are collected and accounted for correctly. Assistance can, of course, be sought from the Finance Office in reconciling records.

**REPORTING PROCEDURES**

1. At the end of each month, the Finance Assistant produces a report for each Budget Holder showing the month‑end position of all their accounts i.e. actual expenditure and any outstanding commitments.

2. It is the Budget Holder’s responsibility to check the monthly account for accuracy. Any queries should be raised with the Finance Officer as soon as possible to enable any necessary adjustments to be made promptly.

**PAYROLL**

All appointments, terminations and salary levels are formally approved by the Governing Body. The Academy retains Bromley Human Resources to advise on matters such as contracts of employment.

The school has a contract with Liberata (London Borough of Bromley) for the provision of payroll services.

The payroll bureau has been informed to accept instructions only from the School Business Manager or Headteacher*.* The bureau has been instructed not to accept changes authorised by a person changing his own salary.

Net payments to staff are made by direct debit using the Banks Automated Clearing System (BACS). The Inland Revenue, Teachers' Pensions Agency and other pension payments are made by Liberata.

Overtime/additional hours claims should be completed at the end of each month and will be paid with the following month's salary. Expense claims are reimbursed through BACS. Overtime claims and expense claims are authorised by the Headteacher. Overtime claims and expense claims are not returned to the claimant after authorisation but passed directly to the Finance Officer.

All personnel files are kept in the School Business Manager’s office. Access is restricted to the Headteacher, School Business Manager and Governors. Payroll printouts are kept in a cabinet in the office of the School Business Manager. The school is registered under the Data Protection Act.

**INTERNET ORDERS**

The Academy holds an approved purchase card which may be used for internet orders. The card is kept in the Finance Office safe and access is strictly controlled by the Finance Office. The card must not be removed from the Finance Office.

A computer generated order still needs to be used. The account will be under the individual’s name but all details of the Internet Company must be provided. Individuals may pay by personal credit card and then be reimbursed by the school after appropriate authorization or they may use the approved purchase card in the presence of the Finance Officer or Finance Assistant.

**FUEL CARDS**

Not applicable to Biggin Hill Primary School

**PAYROLL BUREAU CONTRACT**

The payroll bureau contract contains the following:

• job specifications:

• details of ownership of programs and data files;

• information regarding:

(i) notification of changes to data;

(ii) who may authorise the bureau to make changes to data;

(iii) control and accuracy of data;

(iv) the preparation and submission of year‑end returns to the Inland Revenue and teachers’ pension end of year contributions

(v) backup provision:

(vi) notification of changes to the pay date;

(vii) provision for access to both personal information and payroll analysis by the school's staff and auditors;

(viii) dates if the bureau originates payments; and

(ix) indemnification in the event of lost or corrupted data.

**BANKING AND CASH HOLDINGS**

**Bank facilities**

The school's bank facilities are held at
Lloyds Bank Plc, 177-179 High Street, Orpington, BR6 OLJ.

Account Details :-

Sort Code 30-96-31 - Account No : 46875668

The bank has been informed that the school is not allowed to borrow funds and that no account should be allowed to become overdrawn.

**Signatories**

The six named signatories on the account are

Hannah Freeman - Headteacher

Julie Burton - School Business Manager

Katie Lawrence - Deputy Headteacher

Andrew Devlin - Assistant Headteacher

Linda Buchanan - Numeracy Lead - LLT

Sinead O’Mahony - Wider Curriculum Lead- LLT

**Bank reconciliations**

Procedures for bank reconciliations are as follows:

**Account Frequency Performed by Reviewed by**

Public Fund Monthly School Business Manager Headteacher

All bank reconciliations are performed within five working days of the month end

The review of each bank reconciliation is evidenced by initialling of the reconciliation.

**Cashbook Journals**

Cashbook Journals are kept for all accounts in a computerised format on FMS for public and non‑public funds.

**Cash banking**

All monies received in the Finance Office are recorded in FMS. Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash is banked intact and recorded on paying‑in slips. Bank paying‑in slips show the split of cash and cheques. Cash is collected as and when required by Loomis.

All cash and cheques are banked by the School Business Manager. In no circumstances should cash holdings on the school premises exceed £10,000 (the insured value).

**ParentPay**

All monies for trips/visits/revision books etc. should be paid via ParentPay. Each parent can have a ParentPay account for their children.

All new students receive an activation letter from ParentPay. Ad-hoc ones can be produced during the year.

**Subject Co-ordinators budgets**

These are allocatedat the beginning of each financial year, and they are to keep within the limit of that budget. The School Business Manager sets the spending levels at 75% on FMS to assist monitoring control. All spending is to be approved by the Headteacher

**Annex E: Additional Financial Procedures for Charles Darwin School**

***Note that the introduction of the new Access system will enable some procedures to become less dependent on paper exchanges and so over time some changes will need to be made to these procedures.***

**ORDER PROCESSING**

1. Budget Holders wishing to place an order must first complete an order requisition which when completed is given to the Finance Office so that an order may be raised.

2. All orders forms will be generated by the central accounting system and will be automatically numbered.

3. The order will be emailed from Access to the supplier and then a copy will be printed and sent to the budget holder for signing. This is then returned to the Finance Office.

4. If there is a significant difference between the price entered on the order and the price on the invoice when received, the Finance Office will inform the Budget Holder.

5. **Telephone Orders** are not not permitted EXCEPT in cases of extreme urgency BUT an order number must be obtained from the Finance Office and quoted to the supplier BEFORE placing the order.

6. Most orders are then emailed to supplier.

7. Pro-forma invoices will be paid via BACS.

**RECEIPT OF GOODS**

1. All goods will be delivered and left in Reception.
2. The Finance Assistant marks the goods with the person’s initials who ordered them.
3. The Site Team will deliver the goods.
4. The Budget Holder should check the goods and inform the Finance Office immediately of any shortages.
5. If the goods received are incorrect, then the Budget Holder should pursue the matter with the supplier direct (in some cases it may be possible for the Finance Office to assist in this process) and the Finance Office informed immediately if payment is to be withheld.
6. If items are defective and need to be returned to the supplier, the Finance Office will arrange this.
7. Once the Budget Holder has signed the invoice, they are confirming that everything has been delivered. The Finance Assistant will then process the invoice by the date it is due. All invoices are paid by BACS.

**PURCHASE INVOICES**

1. All invoices must be sent to the Finance Office immediately on receipt.
2. On receipt, the invoice is grid stamped and sent to the appropriate budget holder for signing.
3. The Finance Assistant will check that all the goods have been received and that the details of the invoice are correct and evidences these checks by completion of the grid stamp. Budget holders should ONLY sign invoices when they are in receipt of goods.
4. There will be no further reference to Budget Holders.
5. PLEASE NOTE: The placing of an order is authorisation for the expenditure. .
6. The invoice details are then entered into the accounting system and the relevant cost centre is entered on the grid stamp.
7. The invoice is then passed to the Finance Office for settlement.
8. The Finance Office reviews the purchase ledger on a regular basis and selects invoices for payment. It is the policy of the school to pay all invoices by the due date and also to take advantage of any discounts available for early settlement where this is to the school's advantage. Invoices should not be paid early as a matter of course.
9. The Accounting Officer authorises payment, having ensured that all of the school's procedures have been followed.

**ISSUE OF PAYMENTS**

1. All cheque/BACS payments from public and non‑public funds are signed by two of the authorised signatories.
2. Payments are made by BACS.
3. The cheque signatory must not sign a Bacs payment request slip relating to goods or services for which he has also authorised the expenditure.
4. The initials of the two signatories are noted on the invoice or cheque request form grid stamp.

**PETTY CASH**

1. Most petty cash will be paid by BACS unless the claimant requests cash. This can be up to £100.
2. The claimant should complete and sign a Petty Cash voucher available from the Finance Office and attach the receipts for the item(s) to the voucher. The Petty Cash voucher should then be counter‑signed by the Budget Holder before presenting to the Finance Office.

N.B. If the claimant is a Budget Holder, the Petty Cash voucher should be countersigned by the relevant Line manager.

1. The Petty Cash voucher should then be presented to the Finance Office who will reimburse the claimant for the expenditure. This is via a BACS payment to the account where their salary is paid into.

**OUT OF POCKET EXPENSES CLAIMS**

1. These procedures apply to out of pocket expenditure over the Petty Cash limit of £100 and they are reimbursed by way of BACS.
2. The Out of Pocket Expense Claim Form should be completed by the claimant and the relevant receipt(s) attached.
3. The form should then be countersigned by the appropriate Budget Holder.

N.B. If the claimant is a Budget Holder, the claim form should be countersigned by the relevant Line manager.

1. The form should then be sent to the Finance Office and this will be paid by BACS as soon as practical.

**COLLECTION OF MONEY BY STAFF ‑ GENERAL**

1. When money is collected from the pupils it must be lodged with the Finance Office on the day of collection. On no account must money be left lying around in classrooms or taken home.
2. A record of who pays what should be kept and if appropriate a copy sent to the Finance Office.
3. When lodging money with the Finance Office a paying‑in document must be completed by the member of staff concerned. This should give details of the person lodging the money, the purpose of the money collected, the amount and the date.
4. Under normal circumstances the receipt will be issued when the money is checked for banking. If the amount differs from what is on the paying-in slip, the Finance Assistant will inform the member of staff concerned either by email or on the receipt.
5. It is the responsibility of the member of staff concerned to ensure that all monies are accounted for correctly.
6. We are trying to be a cashless school as far as possible. We understand that this is not always possible and will take cash if there is no other alternative.
7. Finance Assistant processes voluntary fund ParentPay as directly feeds into the voluntary fund software School Fund Manager.
8. The FINANCE OFFICER processes main account ParentPay manually crediting faculty holders accounts from reports produced on ParentPay.

**COLLECTION OF MONEY ‑ TRIPS**

1. ParentPay is the preferred method of payment for school trips/visits/revision guides etc… Handling fee added to the trip/visit is 1.5%, for example, a trip costing £12 would now be charged at £12.50 to cover the administrative charges from ParentPay.
2. When money is collected from the pupils it must be lodged with the Finance Office on the day of collection. On no account must money be left lying around in classrooms or taken home.
3. A record of who pays what should be kept and receipts issued to pupils (or their payment record card signed). When paying these monies in to the Finance Office a Journey Payment Record form should be completed as well as the usual paying­ in document.
4. Under normal circumstances the receipt will be issued when the money is checked for banking. If the amount differs from what is on the paying-in slip, the Finance Assistant will inform the member of staff concerned either by email or on the receipt.
5. It is the responsibility of the member of staff concerned to ensure that all monies are collected and accounted for correctly. Assistance can, of course, be sought from the Finance Office in reconciling records.

**REPORTING PROCEDURES**

1. At the end of each month, the Finance Assistant produces a report for each Budget Holder showing the month‑end position of all their accounts i.e. actual expenditure and any outstanding commitments.
2. It is the Budget Holder’s responsibility to check the monthly account for accuracy. Any queries should be raised with the FINANCE OFFICER as soon as possible to enable any necessary adjustments to be made promptly.

**PAYROLL**

All appointments, terminations and salary levels are formally approved by the Governing Body. The Academy retains Bromley Human Resources to advise on matters such as contracts of employment.

The school has a contract with Mazars for the provision of payroll services.

The payroll bureau has been informed to accept instructions only from the Finance Officer or Headteacher*.* The bureau has been instructed not to accept changes authorised by a person changing his own salary.

Net payments to staff are made by direct debit using the Banks Automated Clearing System (BACS). The Inland Revenue, Teachers' Pensions Agency and other pension payments are made by the school.

Overtime/additional hours claims should be completed at the end of each month and will be paid with the following month's salary. Expense claims are reimbursed through petty cash or BACS. Overtime claims and expense claims are authorised by the Head of Faculty or Line Manager. Overtime claims and expense claims are not returned to the claimant after authorisation but passed direct to the Finance Officer.

Midday supervision forms must be countersigned by the teacher in charge of coordinating the sessions.

All personnel files are kept in the Personnel & Administration Manager's office. Access is restricted to the Headteacher, Personnel & Administration Manager and Governors. Payroll printouts are kept in a cabinet in the office of the Finance Officer. The school is registered under the Data Protection Act.

**INTERNET ORDERS**

The Academy holds an approved purchase card which may be used for internet orders. The card is kept in the Finance Office safe and access is strictly controlled by the Finance Office. The card must not be removed from the Finance Office.

A computer generated order still needs to be used. The account will be under the individual’s name but all details of the Internet Company must be provided. Individuals may pay by personal credit card and then be reimbursed by the school after appropriate authorization or they may use the approved purchase card in the presence of the Finance Officer or Finance Assistant.

**FUEL CARDS**

The Academy holds three approved procurement cards used for filling up the Academy’s minibuses with diesel. Two cards are held in the PE Department and the other one with the Minibus Driver.

**PAYROLL BUREAU CONTRACT**

The payroll bureau contract contains the following:

• job specifications:

• details of ownership of programs and data files;

• information regarding:

(i) notification of changes to data;

(ii) who may authorise the bureau to make changes to data;

(iii) control and accuracy of data;

(iv) the preparation and submission of year‑end returns to the Inland Revenue and teachers’ pension end of year contributions

(v) backup provision:

(vi) notification of changes to the pay date;

(vii) provision for access to both personal information and payroll analysis by the school's staff and auditors;

(viii) dates if the bureau originates payments; and

(ix) indemnification in the event of lost or corrupted data.

**BANKING AND CASH HOLDINGS**

**Bank facilities**

The school's bank facilities are held at the National Westminster Bank. 12 Station Road, East Limpsfield, Oxted, RH8 0PR and are set out below.

Account No. Title

70569347 Charles Darwin Academy Trust (No. 1 Current Account)

70569355 Charles Darwin Academy Trust (Special Interest Bearing Account)

69648468 Charles Darwin School (Voluntary Fund Current Account)

70621381 Voluntary Fund (Special Interest Bearing Account)

The school holds separate bank accounts for public and non‑public funds. Public and non‑public funds are separated in the nominal ledger.

The bank has been informed that the school is not allowed to borrow funds and that no account should be allowed to become overdrawn.

**Signatories**

The named signatories on the account are

Aston Smith

Louise Rees

Mick Boyden

**Bank reconciliations**

Procedures for bank reconciliations are as follows:

**Account Frequency Performed by Reviewed by**

Public Fund Monthly Finance Officer Headteacher

School Fund Monthly Finance Officer Headteacher

All bank reconciliations are performed within five working days of the month end

The review of each bank reconciliation is evidenced by initialing of the reconciliation.

**Cashbook Journals**

Cashbook Journals are kept for all accounts in a computerised format on FMS for public and non‑public funds.

**Cash banking**

All monies received in the Finance Office are recorded in FMS or School Fund Manager (Tali) for voluntary fund income. Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash is banked intact and recorded on paying‑in slips. Bank paying‑in slips show the split of cash and cheques. Cash is collected bi-monthly from the school by G4S.

All cash and cheques are banked by the Finance Assistant. In no circumstances should cash holdings on the school premises exceed £10,000 (the insured value).

**ParentPay**

All monies for trips/visits/revision books etc. should be paid via ParentPay. Each parent can have a ParentPay account for their children.

In Year 7 all new students receive an activation letter from ParentPay. Ad-hoc ones can be produced during the year.

**FACULTY BUDGETS**

In order to provide some level of contingency for the school and also enable faculties to respond to in year changes, 80% of budgets are given to Faculties at the start of the year. The remaining funds are put in a contingency fund and Budget Holders may bid for these additional funds at a later date.