

# **CHULMLEIGH ACADEMY TRUST**

## **FINANCIAL REGULATIONS POLICY**

**The policy was adopted by the Directors on 21<sup>st</sup> July 2021**

# Financial Regulations Policy

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## Chulmleigh Academy Trust

<b>Committee:</b>	Board of Directors
<b>Approved on:</b>	21 <sup>st</sup> July 2021
<b>Next review date:</b>	Summer Term 2022

<b>Associated documentation</b>	
Academy Trust Funding Agreement	01/08/2011
Chulmleigh Community College Funding Agreement	01/08/2011
Chulmleigh Primary School Funding Agreement	01/08/2011
East Worlington Primary School Funding Agreement	01/08/2011
Lapford Primary School Funding Agreement	01/01/2012
Charging & Remissions Policy	July 2018
Pay Policy	February 2020
Value for Money Statement	September 2020
Academies Financial Handbook	September 2020
Academies Accounts Direction	January 2021
Business Case Template	January 2019

This document sets out the regulations for Chulmleigh Academy Trust

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## Introduction

1. The purpose of this manual is to ensure that Chulmleigh Academy Trust maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education Skills Funding Agency (ESFA).
2. Chulmleigh Academy Trust must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures and system, and should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation (see Appendix B) providing information on the day-to-day operations and practicalities forming from this financial regulation manual.
4. The Executive Headteacher is the Accounting Officer, and is accountable to the Directors for the exercise of delegated authority. The Accounting Officer is personally responsible to the Board of Directors for:
  - Ensuring regularity and propriety
  - Prudent and economical administration
  - Avoidance of waste and extravagance
  - Efficient and effective use of available resources
  - The day-to-day organisation, staffing and management of the Academy
5. The Executive Headteacher may delegate or appoint others to assist in these responsibilities. The Academy Business Manager will take the role of Chief Financial Officer and is responsible for:
  - The day-to-day management of financial issues
  - The management of the Trust's financial position
  - The maintenance of effective systems of internal control
  - Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
6. Employees or Directors must not exceed their delegated authority, which must only be exercised within the framework of overarching rules and school policies. They will be held accountable for their decisions and actions. Any matter of significant financial consequence shall be drawn to the attention of the Board of Directors in a timely manner.
7. The staff identified as budget holders within this document (see Appendix A) are responsible for controlling those aspects of the budget and ensuring that the spending is in line with the development plan. The Academy Business Manager will keep the Executive Headteacher fully informed of spending against budget.

## Financial Planning

8. The academy trust prepares rolling 5 year budgets.

### The Budget Cycle

9. The budget cycle is as follows:
  - Autumn term (Sept – Dec)
    - Implementation of current budget plan
    - Monitoring expenditure (continuous-monthly)
    - Reconciliation and closure of previous financial year
    - Revised Budget(s) where appropriate
  - Spring term (Jan – Mar)
    - Monitoring and Reviewing of year's budget
    - Revised Budget(s) where appropriate
    - Pre-planning new financial year
  - Summer term (Apr – Aug)
    - Revised Budget(s) where appropriate
    - Planning for forthcoming year
    - Preparation and submission of financial budget plan
    - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

### Budget

10. The Executive Headteacher is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Directors' Business and Finance Committee and the Board of Directors.
11. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
12. The budgetary planning process will incorporate the following elements:
  - forecasts of the likely number of pupils, to estimate the amount of General Annual Grant
  - latest estimate of other ESFA funding e.g. pupil premium, or other specific funds
  - review of other income sources available to the academy to assess likely level of receipts
  - review of past performance against budgets to promote an understanding of the academy cost
  - identification of potential efficiency savings
  - review of the main expenditure headings in light of the development plan objectives and

the expected variations in cost e.g. pay increases, inflation and other anticipated changes

- all carry forward balances
- any unspent grants from the previous financial year
- any funds held in Trust

13. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. The board of trustees **must** approve a balanced budget for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
14. The approved budget is entered onto the finance system at the start of the new financial year.

### **Other Government Funding**

15. In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Additional Special Educational Needs funding, etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
16. The Executive Headteacher is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

### **Other Grants and specific funding**

17. In addition to the GAG funding from the ESFA and other government funding, Chulmleigh Academy Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Charitable Grants, etc. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
18. The Executive Headteacher is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

### **Funds held in Trust**

19. Where funds are held in trust the Executive Headteacher is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

## **Virements**

20. Substantial virements shall be approved and minuted by the Board of Directors and should be within the agreed criteria and financial limits.
21. The Executive Headteacher is given delegated power to vire from one budget to another – up to 1% - and shall seek approval from the Directors' Business and Finance Committee and retrospectively where the amount exceeds £5,000.
22. A 2% virement requires the approval of both the Executive Headteacher with the Academy Business Manager and a 4% virement requires the approval of the Business and Finance Committee
23. All virements exceeding £5,000 or 2% of the budget shall require prior approval from the Board of Directors.

## **Revised Budget**

24. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Executive Headteacher and Academy Business Manager and reports forwarded to the Board of Directors. Where significant variations to the agreed budget are identified then a Revised Budget will be prepared and reported to the Business & Finance Committee. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

## **Budget Forecast Return**

25. The approved budget must be submitted to ESFA by 31 July each year by the Academy Business Manager. The Academy Business Manager is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

## **Monitoring and Review (including management accounts)**

26. Monthly reports are prepared by Academy Business Manager. The reports include:
  - budget monitors - actual income and expenditure against budget
  - balance sheet
  - cash flow forecast
  - summary financial report
  - budget changes
  - management reports by cost centre
27. Any potential overspend against the budget must in the first instance be discussed with Executive Headteacher.
28. The monthly reports are shared with the accounting officer, senior leadership team, Directors' Business & Finance Committee and the Full Board of Directors, at least six times per annum.

## **Independent Checking Procedures**

### **Internal audit service**

29. Chulmleigh Academy Trust shall secure the services of an independent accountancy practice to undertake two internal audits per academic year. The areas for exploration of the internal audit will be agreed in advance, but will focus on any aspects of our financial processes and procedures that have been identified as requiring regular examination, require improvement or for which the system or processes have been amended.

### **Review of Regularity**

30. The Executive Headteacher (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:

- reviews management accounts
- reviews compliance against the scheme of delegation
- reviews transactions for evidence of connected party transactions
- value for money practice

31. The Accounting Officer has delegated the following responsibilities to the Academy Business Manager

- adherence to tendering policies
- review of transactions confirming in line with delegated authorities as set out by the Academies Financial Regulations Policy
- review of Directors' minutes

32. A checklist is completed for each review undertaken.

### **Annual Accounts**

33. Chulmleigh Academy Trust must prepare annual audited financial statements for the accounting period to 31 August.

34. The accounts are prepared by our finance team for the audit. Our auditors then prepare the final accounts for presentation to our Directors.

35. The accounts are then submitted as follows:

- by 31 December – to ESFA
- by 31 January – published on our own website
- by 31 May – to Companies House

### **Value for money statement**

36. As part of the annual accounts the trust must include 3 focussed examples of value for money.
37. The Academy Business Manager is responsible for collating the examples which are then confirmed by the Directors' Business & Finance Committee.

### **Audit arrangements**

38. External auditors must be appointed in accordance with the Academies Financial Handbook.
39. The Academy Business Manager is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

### **Work undertaken during accounting period**

40. The Academy Business Manager is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
  - reviewing the structure of the trial balance
  - maintaining a fixed asset register
  - maintaining income and expenditure records (including filing of invoices)
  - reviewing aged debtors for any provisions required
  - maintaining a record of directors interests, related and connected party transactions
  - control account reconciliations (bank, wages, debtors, creditors)
  - monitoring and reporting to the Accounting Officer and Board of Directors

### **Work undertaken for the year end**

41. The Academy Business Manager is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
  - stock take and including of year end stock value
  - prepayments for IT licenses
  - prepayments or accruals for grant income
  - control account reconciliations (bank, wages, debtors, creditors)
  - close down of the purchase ledgers
  - close down of the sales ledgers and aged debtors
  - annual depreciation charges
  - pension valuations
  - pension audit

### **Accounts Return**

42. The Academy Trust must prepare an annual accounts return for the accounting period to 31

August, which is submitted to the ESFA by 31 January.

43. The accounts return is outsourced to our auditors for preparation.

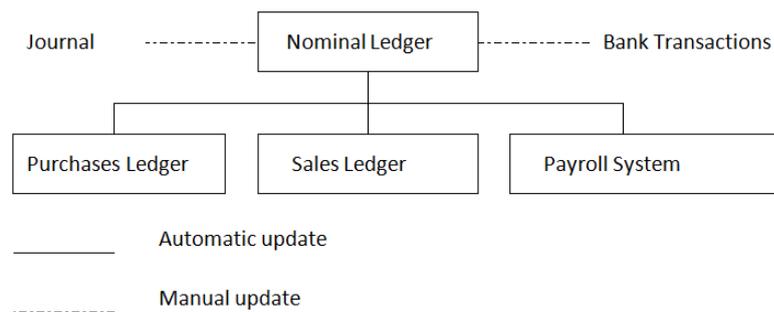
## Document Retention

44. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 6 years after an employee has left
- All student files until the student reaches the age of 25

## Accounting System

45. All the financial transactions of the academy trust must be recorded into PS Financials, the computerised financial information accounting system. This system is operated by the Finance Department and consists of:



## System Access

46. Access to the system is password restricted to Finance Personnel, who have been authorised by the Accounting Officer.

47. When passwords are changed the new password should be placed in a sealed envelope and passed to Academy Business Manager to keep in the safe. PS Financials is responsible for implementing a system which ensures that passwords are changed regularly.

48. The Directors recognise the importance of protecting computerised financial management systems and the data held within them. The Executive Headteacher will ensure that the school is registered in accordance with the Data Protection Act 2018.

49. The Executive Headteacher will ensure that effective backup procedures are in place and that all back-up material is stored securely.

50. Access to school management computer systems will be limited to authorised staff. These

staff will use passwords which should not be disclosed and should be changed regularly. Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

### **Back-up Procedures**

51. The Academy Business Manager is responsible for ensuring that there are effective back up procedures for the system. PS Financials data is accessed via the PS Financials Cloud, and as such, PS Financials undertake backup of our data on, at least, a daily basis.

### **Transaction processing**

52. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
53. Our Finance Manager reviews journal entries posted on our accounting system on a monthly basis.
54. Bank transactions are input by the Finance Department and reviewed by the Academy Business Manager.

### **Transaction reports**

55. The Finance Manager reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
  - the monthly audit trail reports;
  - management accounts;
  - costcentre budget monitors for the payroll, purchase ledger, sales ledger and trips ledger

### **Reconciliations**

56. The Academy Business Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
  - sales ledger control account
  - purchase ledger control account
  - payroll control account
  - VAT control account
  - all suspense accounts
  - bank balance per the nominal ledger to the bank statement
57. The Academy Business Manager signs all bank and VAT reconciliations as evidence of review.
58. Any unusual or long outstanding reconciling items are brought to the attention of Executive Headteacher and dealt with according to the bad debt limits in this manual.

## **Cash Management**

### **Bank Accounts**

59. The following procedures must be followed when opening a bank account and operating it:
- the trust is responsible for selecting the banking institution and negotiating the terms and conditions
  - the Board of Directors must authorise the opening of all bank accounts
  - Chulmleigh Academy Trust will ensure that in the event of changes to key personnel or directors, signatories will be changed immediately and the bank notified. Any online access to banking will also be removed
  - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
  - the trust must inform the bank, in writing, that their accounts must not become overdrawn
  - the trust must ensure there are sufficient funds to cover large payments

### **Deposits**

60. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
  - a reference (for example the number of the receipt or the name of the debtor)
61. The Academy Business Manager is responsible for updating the accounting system (within 2 working days) for deposits placed.

### **Payments and withdrawals**

62. All BACs payments authorising withdrawal from academy bank accounts must be approved by two of the following responsible officers:
- Executive Headteacher
  - Academy Business Manager
  - Finance Manager

All cheques must bear the signatures of the Executive Headteacher and the Academy Business Manager.

63. This provision applies to all accounts, public or private, operated by or on behalf of the board of directors of the academy including funds held in trust.

### **Administration**

64. The Academy Business Manager ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must

ensure that:

- all bank accounts are reconciled to the academy's cash book
- reconciliations are prepared by the Finance Department
- reconciliations are subject to an independent monthly review carried out by Academy Business Manager, or in his/her absence, the Finance Manager.
- adjustments arising are dealt with promptly

### **Petty Cash**

65. Chulmleigh Academy Trust no longer holds cash for petty cash purposes. The cost of any minor items, purchased direct by staff, must be approved by the Head of Department, then may be claimed via the Finance Team. These payments are made to staff via BACs.

### **E-procurement & Payments**

66. The school credit card (Lloyds Bank) is used only when it is not practical to use the purchase order/cheque system. It is used mostly for internet purchases.
67. The card is kept in the safe and is only used by:
- The Academy Business Manager
68. Any department wishing to make a purchase on credit card must complete an order form and email this to the Finance Department to make the purchase. All order forms detailing the purchase must be authorised by the Budget Holder via email.
69. When the credit card bill arrives there will be an order form relating to each entry on the statement, a VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.
70. The credit card bill, along with all the relevant order forms is then emailed to the Academy Business Manager who will check the statement and email authorisation. The Executive Headteacher will then check a sample of the transactions (minimum of 3 or 20% whichever is the maximum), and also email authorisation. These are then filed together in the Finance drive.

### **BACS Payments**

71. On receipt of an invoice, the finance department forwards the invoice to the relevant budget holder, or their representative, who emails the finance department, to signify:
- an official purchase order has been raised for the purchase
  - the delivery note has been checked
  - the delivery is of correct quantity, quality and price
  - it has not been previously paid

- funds are available in the relevant budget
  - VAT chargeability on qualifying expenditure is shown
72. Before a batch of invoices are paid, two members of the Finance Department will work through the invoice and authorisation details via an online Teams meeting.
  73. Once the batch is prepared the Academy Business Manager or the Finance Manager is informed, so they can access and check details.
  74. The Academy Business Manager (or Finance Manager) and the Executive Headteacher then ensure that our bank and sort codes have been correctly entered and approve payment.
  75. Normally, BACS payments are processed within 30 days of receipt, although every effort is made to ensure the school benefits from early payment discounts.
  76. The Finance Team ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Finance Team should request that the individual states his self-employment reference number on any invoice issued to the school.

## **Investments**

77. Investments are made in accordance with written procedures approved by the Board of Directors – see Appendix E.
78. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **Reserves**

79. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
80. The Executive Headteacher as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
81. If Chulmleigh Academy Trust is anticipating a deficit at the end of any financial year, the Board of Directors and Executive Headteacher have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board of Directors must ensure that a recovery plan is submitted and approved by the ESFA.
82. The academy trust undertakes to ensure that it has a contingency reserve of £300,000.

## **Capital Reserves**

83. Any overall surpluses at the end of the year are carried over to the following year.
84. It is the responsibility of Academy Business Manager to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## **Endowments**

85. The Academy Business Manager is responsible for accounting for the transactions within the endowment fund.
86. Any transactions are in line with the memorandum and articles.

## **Payroll**

### **Staff Appointments**

87. The Board of Directors has approved a personnel establishment for the academy trust. Changes can only be made to this establishment with the express approval in the first instance of the Business & Finance Committee who must ensure that adequate budgetary provision exists for any establishment changes.
88. The Executive Headteacher has authority to appoint staff within the authorised establishment except for Executive Headteacher and Deputy Executive Headteacher whose appointments must follow consultation with the Trustees. The Personnel Officers maintain personnel files for all members of staff, which include contracts of employment. All personnel changes must be notified, in writing, to Academy Business Manager immediately.
89. The Office Manager is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

### **Payroll Administration**

90. Payroll is administered in-house and through the academy trust's payroll provider.
91. All staff are paid monthly through the payroll provider. A payroll form is created for each employee which records:
  - salary
  - bank account details
  - personal details
  - any deductions or allowances payable
  - any other relevant details
92. New payroll forms can only be created by the Personnel Department with the express approval of the Academy Business Manager. Any payroll form amendments made by the

Personnel Department must be emailed each month prior to the payroll run and must be authorised, via email, by the Academy Business Manager. Any payroll form amendments regarding the Academy Business Manager must be authorised by the Executive Headteacher via email.

93. The Executive Headteacher authorises each new employment contract for all staff.
94. The office administrators complete a monthly staff return, which provides details for all staff sickness and other absences during the month, and uploads the information for payroll processing.
95. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee by 5<sup>th</sup> of the month following and passed to the department budget holder for authorisation. These forms are then authorised by a member of the school leadership team before being passed to the Personnel Department to be signed off and prepared for payroll.

### **Payments**

96. Before payments are dispatched the Payroll Provider reports are checked against source documentation by the Finance Department, and then reviewed by the Finance Manager.
97. All salary payments are made by BACS.
98. The Finance Department prepare reconciliation between the current month's actual salary costs and the planned salary costs, showing any adjustments made for new appointments, resignations, pay increases, etc. This reconciliation is reviewed by the Finance Manager.
99. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the Employee Deductions spreadsheet, and BACs for these amounts are prepared by the Payroll Provider.
100. The Finance Manager checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded in the monthly salary monitor.
101. After the payroll has been processed, the nominal ledger will be updated by the Finance Department. Postings will be made both to the payroll control account and to individual cost centres. The Finance Manager reviews the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
102. Annually, the Finance Manager checks each member of staff that the gross pay per the payroll system agrees to the revised budget, which is updated from the payroll forms.

### **Salary advances**

103. The trust does not award salary advances.

### **Overtime**

104. Overtime is recorded by the individual and submitted before 5<sup>th</sup> of each month to their Department Budget Holder for authorisation. The Department Budget Holder then forwards the claim to the Senior Leadership Team for authorisation before it is passed to the Personnel Department, who enters the details into iTrent for the Payroll Provider.

105. Claims must not be submitted prior to work having been undertaken.

106. No payments for work undertaken will be made other than via the payroll system.

### **Staff Travel and Expenses**

107. Staff will be reimbursed for all reasonable out of pocket expenses incurred wholly, necessarily and exclusively in the course of the Trust's business.

108. To claim for expenses, staff must use the Trust expenses claim forms, available from Personnel. Staff should set out the reasons why the expense was incurred on the claim.

109. Expenses will not (except in exceptional circumstances) be paid unless supporting evidence is provided. This should include original receipts or invoices with the date and time of the transaction (unless staff are claiming for mileage). When claiming for travel expenses on public transport, staff should enclose the tickets showing the departure point and destination of your journey, where possible.

110. Once completed, staff should submit the expenses claim form to their line manager. When the line manager has approved the claim, this should be forwarded to Personnel.

111. Expenses claims must be submitted within 30 days of the expense being incurred. If this is not practical, staff must obtain written approval for any extension from their line manager. Payment will be made via payroll.

### **Severance payments**

112. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000.

113. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, ESFA prior approval must be obtained before making any binding offer to staff.

114. The Accounting Officer must sign off and review each business case.

## **Ex-gratia payments**

115. Any ex-gratia payments must be submitted to ESFA for prior approval.

## **Income**

See also Appendix C: Income Procedures

## **ESFA grants**

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

## **Other grants**

117. The receipt of these sums is monitored directly by the Academy Business Manager who is responsible for ensuring that all grants due to the academy are collected.

## **Trips**

118. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a letter for each student intending to go on the trip showing the amount due. A copy of the letter must be given to the Finance Department.

119. Chulmleigh Academy Trust encourages parents to make trip payments via the MyEd app cashless collection scheme. For those parents who are unable or unwilling to make e-payments the Academy Trust bacs details are provided so that payment can be made by bacs or via cheque at the Post Office.

120. The Finance Department should maintain an up to date record for each student showing the amount paid and the amount outstanding. Reminders are sent via the daily briefing sheet and/or PS Connect. The trip record is then emailed to the lead teacher, as they are responsible for chasing the outstanding amounts.

121. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £5 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Executive Headteacher in advance of the booking being made.

## **Electronic cash collection**

122. Weekly bank credits are reconciled to the PS Financials reports.

## **Lettings**

123. The Office Manager is responsible for maintaining records of bookings of sports facilities and

for identifying the sums due from each organisation. Payments may be made in advance for the use of facilities.

124. A Shared User Agreement is in place between our Academy and the Chulmleigh Recreational Association (CRA) who transfer funds, at the agreed rates, for use of our sports facilities.
125. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

### **Out of School Clubs**

126. Chulmleigh Academy Trust encourages parents to make bookings and payments for our Out of School Clubs via the MyEd app.
127. Parents are also able to use a tax-free voucher system towards payment of our Out of School Clubs.
128. The Finance Department maintain an up to date record, for each child that attends our Out of School Clubs, showing the amount received by voucher, the parental payment, and any amount outstanding. Reminders are sent to chase any outstanding amounts.

### **Sundry income**

129. Income from other sources (for example educational consultancy) is priced in consultation with the Academy Business Manager.
130. We have Specialist Leaders in Education (SLEs) attached to the North Devon Teaching School Alliance. Their role is to be deployed by the Teaching School to support other schools, and we claim £350, per teacher, per day for this service. Our Deputy Executive Headteacher coordinates this, and liaises with the finance department with regard to invoicing the schools.

### **Gift aid**

131. To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to, the Academy Business Manager:
  - reconciles income against records to confirm expected amounts have been received by the donor
  - ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

### **Bad debts**

132. The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

133. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the Academy Business Manager submits a report to Executive Headteacher for approval of write off.
134. The Business and Finance Committee will be advised of any debt that exceeds £5,000 so that appropriate debt recovery action can be taken. Before the decision to write off the debt can be made, each case will be considered on its merits and will include consideration of factors such as the value of the debt in relation to the cost of recovery and the likely success of proceedings.
135. The following write off limits apply:
  - Up to £5000 – Accounting Officer
  - Over £5000 – Business & Finance Committee

## **Purchasing**

136. The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
  - Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
  - Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
  - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

## **Routine Purchasing**

137. Budget holders will be informed of the budget available to them before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget Holder Statements, detailing actual expenditure and committed expenditure (orders placed but not paid for) against budgets, are produced monthly by the Finance Department and submitted to budget holders.
138. Departmental budgets will be monitored by the Deputy Executive Headteacher in the bi-weekly department head meetings to ensure that budget holders do not exceed their allocations.
139. Budget Holders should choose a supplier from the list of approved suppliers maintained by the Finance Department. A quote or price must always be obtained for orders over £500 before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this decision must be discussed and agreed with the Finance Department. Copies of all quotes

must be attached to the order form.

See also Appendix D: Procurement Cycle

### **Changing Bank Details for Suppliers**

140. Upon receiving an email or a letter, from a supplier, informing us of the change of bank details, the finance department will change the payment details in PSF from BACs to cheque. This will ensure that no invoices can be added to BACs batches for payment.
141. A member of the finance team will then work through the 'change of supplier's bank details' form, contacting the supplier on the telephone number that is already held in PSF (this is usually when the invoice has arrived, as this provides us with an additional check).
142. Once the bank details have been confirmed, an annotation is made on the comment tab of the supplier in PSF, with the date and initials of the person that contacted the supplier and updated the supplier's bank details. The change of bank details for supplier form is then emailed to the Academy Business Manager for approval before the payment details are changed back from cheque to BACs.

### **Orders**

143. All orders must be submitted to the Finance Department by email. All orders must be approved by the budget holder, and must be forwarded to the Finance Department by email, when the Financial Administrator will check to ensure adequate budgetary provision exists before placing the order.
144. Approved orders will be recorded in the purchase order module of the financial information system, which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Finance Department along with our 'Terms and Conditions and Data Protection – November 2019'.
145. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the Budget Holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
146. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified. The Finance Department will keep a central record of all goods returned to suppliers.
147. All invoices should be emailed to our Finance Department, who will:
  - check confirmation that goods/services have been received
  - goods received note completed to show the goods/services are as ordered

- check the prices are correct
- check the invoice is arithmetically correct
- check email authorisation for invoice payment
- complete VAT on a monthly basis
- post the invoice to the purchase ledger
- payment made by BACs

The payment is authorised by the Academy Business Manager (or Finance Manager) and Executive Headteacher.

148. The budget holder must make a detailed check against the order and the GRN and these documents must be emailed, along with the invoice, to the Finance Department. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
149. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
150. At the end of each month the Finance Department will produce and review a list of outstanding orders from the purchase ledger.
151. BACS payments are set up by the Finance Department and authorised on-line by the Academy Business Manager (or Finance Manager) and Executive Headteacher.

### **Non Order Purchases**

152. Some goods that are purchased by our Academy are not subject to our written order form process, as they are dependent upon a variety of factors, many of which are not in our control. Therefore the following items will not have orders:

Catering Supplies

Child Care Vouchers

Electricity, Gas and Oil

Employment Advice

Photocopying and Printing

Pupil Premium Music

SEN Funding Recovery

Staff Travel

Teaching Supply

Telephones

Water

Non Order Invoices for these goods will be monitored on a monthly basis.

### **Orders over £1,000 but less than £10,000**

153. At least two written quotations should be obtained for all orders between £1,000 - £2,499 and three written quotations should be obtained for all orders between £2,500 - £9,999 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the Finance Department for audit purposes. Telephone quotes are acceptable if these are evidenced and email confirmation of quotes has been received before a purchase decision is made, and made in accordance with value for money principles.

### **Orders over £10,000**

154. All goods/services ordered with a value over £10,000, but less than £50,000, or for a series of contracts which in total exceed £10,000 must be subject to 3 formal quotations. These are to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria. All goods/services ordered with a value of between £50,001 and £499,999 need to adhere to the Tender Process specified in the Tender Process.
155. All goods/services ordered with a value between £500,000 to EU Threshold must be subject to 4 tenders.

### **Trading with related parties and connected parties**

156. All staff and trustees at Chulmleigh Academy Trust complete a 'Declaration of Business Interests' form each academic year, stating any connections to businesses, which will be monitored by the Academy Business Manager.
157. If there is a conflict of interest during our procurement process, any member of staff or trustee with an individual business involvement will be removed from the tendering and reviewing process. Each tender will be robustly evaluated and decisions regarding the purchase documented.
158. The Trust will report all contracts and other agreements with related parties to the ESFA in advance of the contract or agreement commencing, using the ESFA's related party online form.
159. Any connected or related parties transactions will be detailed in our annual audit.

### **Goods and services for private use**

160. No goods are ordered or services provided to include any elements of private use by directors and staff.

### **Sundry Debtor Accounts and Debt Recovery**

161. All debtor accounts will be raised in a timely manner, and clear guidance given to the debtor regarding settlement dates and payment required. If deemed necessary, payment in advance will be requested.

162. All debts will be monitored at regular monthly intervals, via an “Aged debtor report”. The following recommended timescale and actions will be applied in respect of debt monitoring:

<b>Outstanding</b>	<b>Required action</b>
Day 1- debt is raised	Unless otherwise agreed, the debtor has 28 days to clear debt.
Day 30	If debt is still outstanding, reminder sent to customer. Customer asked to respond within 7 days
Day 38	Phone call to debtor to discuss reason for non payment
Day 45	If debt is still outstanding a final reminder/pre proceedings letter is sent.
Day 51	If debt is still outstanding, Bad Debt process to consider proceedings to formally recover the debt will be implemented.

### **Forms of Tenders**

163. 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 Academy Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs,
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
  - the above methods have resulted in either no or unacceptable tenders,
  - only one or very few suppliers are available,
  - extreme urgency exists,

- additional deliveries by the existing supplier are justified.

### **Preparation for Tender**

164. Full consideration should be given to:

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

165. 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.

166. A tender brief must always be prepared and is reviewed by Academy Business Manager.

### **Invitation to Tender**

167. 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.

168. 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
- form of response
- dates for decision and work to be delivered

### **Tender Acceptance Procedures**

169. The invitation to tender should state the date and time by which the completed tender document is received by the academy trust.

Tenders may be submitted by email to [tenders@chulmleigh.devon.sch.uk](mailto:tenders@chulmleigh.devon.sch.uk)

170. Tenders that are submitted in plain envelopes should be 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 are not accepted.

## **Tender Opening Procedures**

171. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £25,000 - two of the Budget Holders, the Academy Business Manager and/or Executive Headteacher.
  - For contracts over £25,000 - the Academy Business Manager or the Executive Headteacher, plus a member of the Business and Finance Committee.
172. A document will detail the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

## **Tendering Procedures**

173. 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.
174. 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.
175. Full records should be kept of all criteria used for evaluation, and for contracts over £25,000 a report should be prepared for the Business & Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Business & Finance Committee.
176. The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

## **Insurance**

177. The Executive Headteacher reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
178. The Board of Directors will periodically consider whether to insure risks which are not covered by an existing policy
179. The Executive Headteacher will be responsible for ensuring that Directors are made aware of all new risks and all incidents which may give rise to an insurance claim (eg. accident, theft, etc) are reported immediately to the insurers.
180. The Executive Headteacher is responsible for notifying the Secretary of State of any loss arising from suspected theft or fraud exceeding the amount set out in the annual funding letter

181. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.

182. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

### **Directors Expenses**

183. All Directors of this academy trust are entitled to claim the actual costs, which they incur as follows:

- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
- cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
- the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
- the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
- telephone charges, photocopying, stationery, postage etc.
- any other justifiable allowances

184. The Board of Trustees acknowledges that:

- Directors are not be paid attendance allowance
- Directors are not reimbursed for loss of earnings

185. Directors wishing to make claims under these arrangements must complete a claims form from the Finance Department together with the relevant receipts. To reduce administration, unless substantial sums are involved, directors are asked to claim termly in arrears, prior to the end of the financial year in question.

186. Claims should be made to the clerk and authorised by the Chair of Directors before presentation to the Academy Business Manager.

187. Claims will be subject to independent audit and may be investigated by the Chair of Directors (or Chair of Business & Finance Committee in respect of the Chair of Governors) if they appear excessive or inconsistent.

### **Gifts**

See also Appendix H: Gifts & Hospitality Policy Statement

188. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries,

calendars). However, any gifts or hospitality in excess of £15 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, who has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.

189. Gifts that have been reported are entered onto the gifts and hospitality register.

### **Energy Management**

190. The Estate Team are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual readings should be raised with the Estates Manager immediately.

191. The Estates Manager ensures that the school's heating system is operated and run as efficiently as possible.

192. The Estates Manager ensures that the school is purchasing energy at the most competitive prices available.

193. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

### **Fraud**

See also Appendix G: Anti Fraud Policy Statement

194. The trust does not tolerate fraud. Where instances of fraud are found the Executive Headteacher will notify the ESFA.

### **Whistleblowing**

195. See separate policy

### **Leasing**

196. Chulmleigh Academy Trust does not hold any finance leases.

197. Operational leases are agreed for items such as photocopiers, up to a maximum term of 5 years.

### **VAT**

#### **VAT 126 form**

198. The Finance Officer is responsible for submitting the VAT 126 form each month

199. The Finance Officer will ensure that the effective recording of all VAT output and input VAT transactions is carried out in order to facilitate the claims
200. The Academy Business Manager will monitor the business transactions of the Academy Trust so that the HMRC can be notified if the VAT registration threshold is exceeded

## **Fixed Assets**

### **Fixed Asset Register**

201. All items purchased with a value over the academy's capitalisation limit of £250 must be entered on the fixed asset register, listed on a manual system, with the following details:
- asset description
  - date of acquisition
  - asset cost
  - source of funding (% of original cost funded from grant and % funded from other sources)
  - depreciation
  - current book value
  - location
202. The fixed asset register helps:
- ensure that staff take responsibility for the safe custody of assets
  - enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
  - to manage the effective utilisation of assets and to plan for their replacement
  - help the external auditors to draw conclusions on the annual accounts
  - support insurance claims in the event of fire, theft, vandalism or other disasters
203. The fixed asset register is split into 4 sections:
- Furniture & Fixtures
  - Computer Equipment
  - Motor Vehicles
  - Building (including Capital Consultancy)

See also Appendix F: Depreciation & Capitalisation Statement

### **Inventory**

204. All portable items purchased across the academy must be entered on to the Inventory, listed on a manual system, with the following details:
- location
  - department/room
  - asset description
  - make
  - model

- serial number
- supplier
- date of acquisition
- asset cost
- name of member of staff responsible for the asset

205. The Inventory helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- support insurance claims in the event of fire, theft, vandalism or other disasters

206. Examples of items to include on the Inventory include:

- Reprographic equipment – comb binders, laminators
- Office equipment – shredders, telephones
- Furniture – desks, chairs, bookcases
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment

### **IT Database**

207. All IT items purchased must be entered on the Chulmleigh Academy Trust IT Database with the following details:

- location
- asset tag
- device
- make
- model
- product number
- serial number
- name of staff responsible for the asset (if appropriate)

208. The CAT IT Database helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- support insurance claims in the event of fire, theft, vandalism or other disasters

209. Examples of items to include on the CAT IT Database include:

- Computers & Laptops
- Cameras
- Monitors
- Telephones

### **Security of assets**

210. Items in the register are permanently and visibly marked as the academy trust's property.
211. Equipment is, where possible, stored securely when not in use.
212. A check of the Inventory is undertaken by department heads, usually on an annual basis, who are different from the preparer of the Inventory. Where discrepancies between the physical count and the amount recorded in the Inventory are found these are investigated promptly and, where significant, reported to the Academy Business Manager.
213. Safes and similar storage facilities will be kept locked and keys removed to be held by the key holder who will be nominated by the Executive Headteacher. Normally keyholders will carry keys on their person and keys must not be left on the premises overnight except in another safe. A list of keyholders will be maintained by the Trust and loss of any keys must be reported to the Executive Headteacher and if necessary to the Board of Directors.

### **Disposal of Assets**

214. Disposals, where applicable, are in line with the Academies Financial Regulations Policy.
215. All staff are responsible for reporting any disposals to the Finance Department, who will arrange for the Fixed Asset Register and/or Inventory to be updated.
216. Disposals of computers and IT equipment are dealt with by the IT Technicians, who will then update the CAT IT Database.
217. Budget Holders are permitted to write off and dispose of individual items with an actual value of up to £50, but must notify the Finance Department.
218. Items for disposal and write offs with an actual value of between £50 and £5,000 should be approved by the Executive Headteacher and reported to the Business & Finance Committee.
219. Items for disposal and write offs with an actual value of between £5,001 and £20,000 should be approved by the Full Board of Directors.
220. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Executive Headteacher and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

## **Loan of Assets**

221. The Academy provides laptops to some members of staff, on loan, during their employment, which may be taken off our premises for use at home, meetings and training.
222. Items of academy property, other than laptops, must not be removed from academy premises without the authority of a member of the Senior Leadership Team. A record of the loan must be recorded in the loan book. Upon return of the item, the loan book should be updated.
223. 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.

## Appendix A - Budget Holders

CCC Department Budget Holders	
Name	Department
Kay Burks, Conrad Stevens & Daniel White	Head of House
Julie Button	Maths
Sophie Chapman	Art & Textiles
Rosemary Cheetham	English
James Cookson	Music
Amy Eaton	Citizenship, Geography, History, PSHE & RE
Sara Feasey	Drama & Expressive Arts
Laetitia Johnson	Modern Foreign Languages
Laura Mackie	Pupil Premium & SEN
Gemma Markham	PE & PE Transport
Jo Nunn	Literacy
Neil Payne	CPD, Capitation Contingency & Technology
Zoe Sterland	Animal Care, Food Technology & Science
Lorna Talbot	ICT Curriculum

### Technicians accessing PS Financials, on behalf of department heads

Name	Department
Karen Mather	English
Mick Kemp	Animal Care
Mick Kemp	Food Technology
Mick Kemp	Science
Mick Kemp	Technology

### Other Academy Budget Holders

<b>Name</b>	<b>Department</b>
Terry Pullen	Premises
Jenny Percival	Catering
Sandra McMillan	Library
Lully Newman	Chulmleigh Primary School & Chulmleigh Out Of School Club
Suzie Pinn	East Worlington Primary School & East Worlington Out of School Club
Clare Wilmott	Lapford Primary School

## Appendix B - Table of Delegated Authority

<b>Financial Management</b>	Board of Directors	Business & Finance Committee	Standards Committee	Nominated Directors	Executive Headteacher	Academy Business Manager	Executive Headteacher & Chair	Budget Holders	Exec Dep HT & Heads of School	Administrators	Caretakers	Kitchen Manager	ICT Responsibility	Finance Dept	Cover Manager	Personnel Administrators	Line Manager/Senior Staff
Comply with Financial Regulations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Comply with Minimum Standards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ensure separation of duties					✓	A											
Ensure internal controls operate correctly					✓	A		A	A								
Ensure Trust Policies are complied with	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>3 Year Improvement Plan: updated annually</b>																	
<i>Prepare budget plans including costings (new + next 2 years)</i>					✓	A			A								
<i>Sets spending priorities</i>	✓																
<i>Approves costed items for new year budget</i>	✓																
<i>Review plan outcomes</i>	✓	✓	✓	✓	A	A											
<b>Annual Revenue Budget</b>																	
<i>Prepare</i>					✓	A											
<i>Approve</i>	✓	R															
<b>Budget Monitor</b>																	
<i>Maintenance of records</i>						W				W				W			

<b>Financial Management</b>	Board of Directors	Business & Finance Committee	Standards Committee	Nominated Directors	Executive Headteacher	Academy Business Manager	Executive Headteacher & Chair	Budget Holders	Exec Dep HT & Heads of School	Administrators	Caretakers	Kitchen Manager	ICT Responsibility	Finance Dept	Cover Manager	Personnel Administrators	Line Manager/Senior Staff
<i>Download of data from bank</i>					W	W								W			
<i>Reconciliation of data</i>					W	W				W				W			
<i>Maintain forecast of year-end position</i>					O	O		O									
<i>Monitoring of budget</i>		✓			M	M											
<i>Presents updated resource forecast model</i>					H	H											
<i>Initiates management action</i>		✓															
Register of Interests						✓											
School Census					✓	A											
Insurance review	✓	R			✓	A											
Directors' Expenses	✓	R			✓	A											
Personnel Annual review of Salaries	✓	R			R												
Appointment of Auditors	✓	R			✓												

<b>Financial Administration</b>	Board of Directors	Business & Finance Committee	Standards Committee	Nominated Directors	Executive Headteacher	Academy Business Manager	Executive Head, Chair of Board & Business Manager	Budget Holders	Exec Dep HT & Heads of School	Administrators	Caretakers	Kitchen Manager	ICT Responsibility	Finance Dept	Cover Manager	Personnel Administrators	Line Manager/Senior Staff
Authorise appointment of staff	✓	R			✓												
Authorise spending on approved costed items provided in current year's budget*	✓			✓	✓	✓		✓									
Authorise spending on other items (non routine/not identified in plan)*	✓	£50,000			£10,000		£30,000										
Open tenders				✓	✓	✓	✓		✓								
Evaluate tenders				✓	A		✓		✓								
Accept tenders				✓	✓	A	✓		A								
Receive goods					✓	✓		✓		✓	✓	✓					
Verify invoices						✓				A				A			
Certify spending at "2"					✓	✓											
CAT charge Card payment over £200, Exec Head Teacher to countersign					✓	£200	✓										
Ensure correct attribution of costs					S	✓											
Approve write offs	✓	Over £5,000					£5,000										

<b>Financial Administration</b>	Board of Directors	Business & Finance Committee	Standards Committee	Nominated Directors	Executive Headteacher	Academy Business Manager	Executive Head & Business Manager	Budget Holders	Exec Dep HT & Heads of School	Administrators	Caretakers	Kitchen Manager	ICT Responsibility	Finance Dept	Cover Manager	Personnel Administrators	Line Manager/Senior Staff
Authorise virement	✓	4%			1%		2%										
Security of property					S	✓			✓	✓	✓	A	✓	✓			
Security of cash					S	✓				✓		✓		✓			
Data protection registration					✓												
Compliance with data protection rules	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maintain back-up of data					O								✓				
Maintain security of data					O	✓			✓				✓				
Maintenance of inventories					✓	✓		✓		A			A	A			
Checking and certification					✓												

<b>Human Resources &amp; Payroll</b>	Admin Reception /Primaryies	Finance	Cover Manager	Personnel Administrators	Line Manager/Senior Staff	Academy Business Manager	Heads of Primary Schools	Board of Directors	Executive Headteacher
<b>Recruitment: New Appointment</b>									
New appointment form identifying need					✓	✓	✓		✓
Detail of hours/wks/pay scale					✓	✓	✓		✓
Temporary/permanent (Temp reason)						✓			✓
Approval of new appointment									✓
Preparation of job advertisement				✓					
Approval of job advertisement						✓			✓
<b>Contracts (new &amp; Changes):</b>									
Issued				✓					
Signed									✓
<b>Letters of Appointment:</b>									
Issued				✓					
Signed									✓
<b>Personnel Files:</b>									
Issued/maintained and archived				✓					
Accessed by		✓		✓		✓			
<b>Payroll:</b>									
New appointment forms processed				✓					
Signed						✓			
Change in hrs/wks: processed				✓					
Signed						✓			
Reconciled		✓							
Casual Claims: (supply/extra hours)									
- Form completed by employee									
- Form initialled by Line Manager					✓	✓	✓		
- Form initialled by SLT					✓	✓	✓		
- Form coded and signed				✓					
- Reconciled		✓							
Travel/Expenses Claims:									
- Form completed by employee									
- Form initialled by Line Manager					✓	✓	✓		
- Form initialled by SLT					✓	✓	✓		
- Form coded and signed				✓					
- Reconciled		✓							
<b>Absences:</b>									
Reported to	✓		✓	✓	✓		✓		
Approval of absence request									✓
Processed by	✓								
SIMS	✓		✓	✓					

<b>Human Resources &amp; Payroll</b>	Admin Reception /Primarys	Finance	Cover Manager	Personnel Administrators	Line Manager/Senior Staff	Academy Business Manager	Deputy Executive Primary	Business & Finance Committee	Executive Headteacher
<b>Annual Review of Teaching Salaries:</b>									
Performance Management					✓	✓	✓		✓
Recommendations					✓	✓	✓		✓
Processing Payroll Forms				✓					
Recommendations approved								✓	✓
Updating SIMS				✓					
Informing Employee				✓		✓			✓

Key:

Frequency		Functions	
O	Ongoing	O	Oversees
W	Weekly	S	Supervises
M	Monthly	R	Recommends
H	Each Half Term	C	Co-ordinates
T	Termly	✓	Does
Y	As soon as possible after Year-end	A	Assists as required
* Acts within delegated powers if required			

## Appendix C – Income Procedures

Sales via MyEd/ParentMail/+Pay for Catering, Out of School Clubs, Transport, Stationery, Trips, etc

Cash/cheque payments are no longer accepted

- All pupil payments are made via MyEd app
- ParentMail credits balances over £50 on a weekly basis
- ParentMail e-mails notification and report to [finance@chulmleigh.devon.sch.uk](mailto:finance@chulmleigh.devon.sch.uk)
- Finance Officer runs reports from MyEd for all 4 schools on a week by week basis and reconciles to the ParentMail report
- Finance Officer enters income on PSF
- For those parents who are unable to use MyEd or unwilling to make e-payments the Academy Trust bacs details are provided;
  - payment by bacs
  - payment via cheque at the post office

Occasionally the Academy Trust receives cheques in the post (Feed in Tariff from energy company). As the till is no longer in use, an e-mail is sent to the Business Manager and Estate Manager and the cheque posted to Lloyds bank and processed on PSF in the usual way.

### Library Cash Sales:

Our dual use Library is open to the public and generates income from printing, web design and book reservations. A till is still in use for those occasions. The following procedures apply, but banking will be on an ad hoc basis. G4S will need to be booked for these occasions.

- **Library Staff:**  
Money rung into the cash register in the Library
- **Library Staff:**  
X and Z cash register readings
- **Library Staff:**  
Reconcile money to cash register Z readings
- **Library Staff** delivers cash to Finance Office. **Finance Officer (1)** signs receipt
- **Finance Officer (1):**  
Count money and complete paying in slip
- **Finance Officer (2):**  
Double count money and seal G4S bag
- **Finance Officer (1):**  
Store G4S bag(s) in safe until collection by G4S

- **Finance Officer (3):**  
Enter onto PSF, recording the receipt and paying in number and file
- **Finance Officer (2):**  
Reconcile cash register to actual money. Investigate any discrepancies and report to the Academy Business Manager
- **Finance Officer (3):**  
Reconcile PSF to the bank
- **Finance Officer (2):**  
Hands sealed bags to G4S

#### Sales Invoices

- **Finance Officer (1):**  
Request by Academy Business Manager processed on PSF
- **Finance Officer (1):**  
Payment by BACs entered onto PSF, print and file receipt
- **Finance Officer (2):**  
Reconcile PSF to the bank

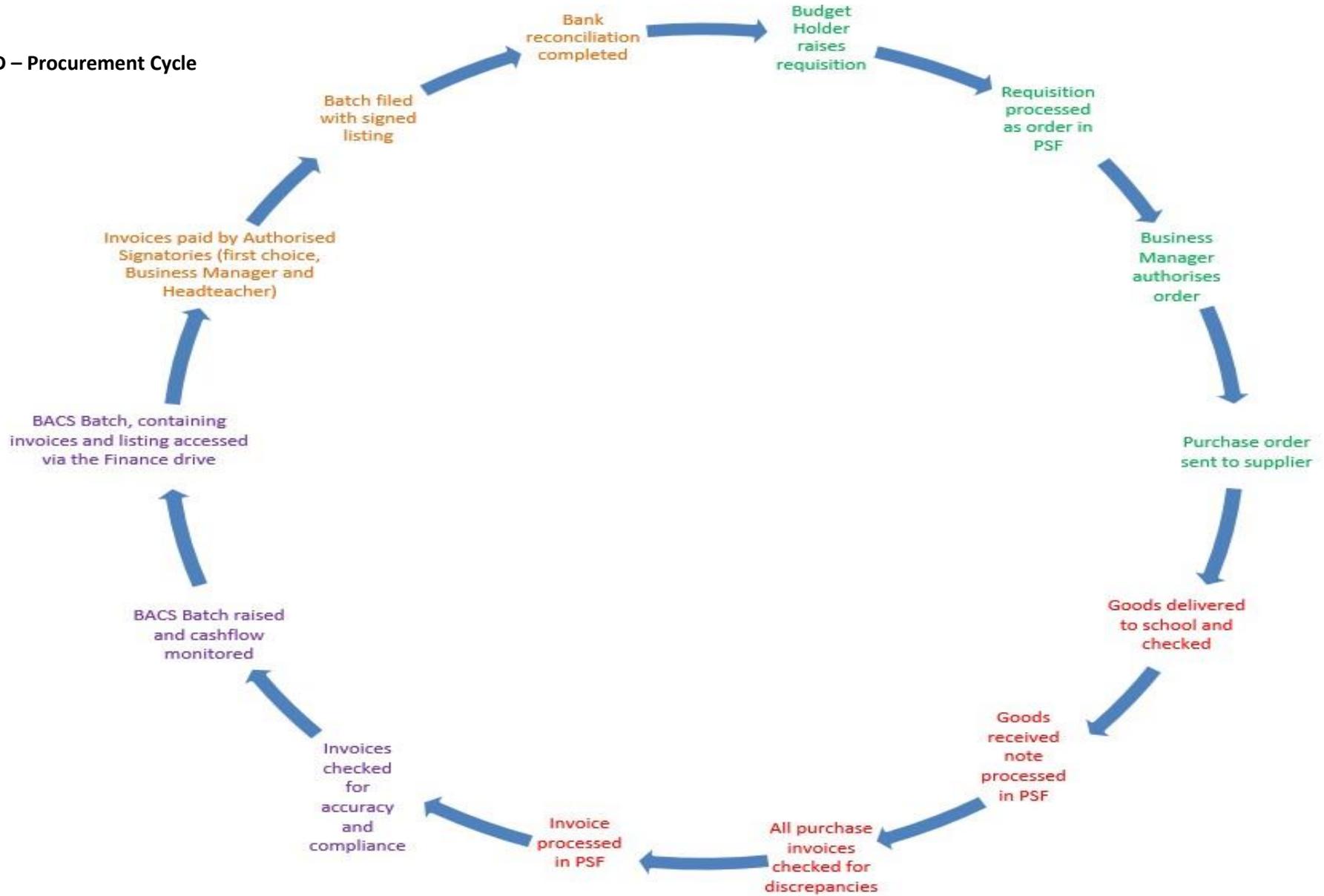
#### Sales Credit Notes

- **Finance Officer (1):**  
Request by Academy Business Manager processed on PSF
- **Finance Officer (1):**  
Sales credit note sent to customer
- **Finance Officer (2):**  
Sales credit note allocated on PSF

#### Direct Income

- **Business Manager:**  
Update ESFA spreadsheet following remittance from ESFA, or  
Save Local Authority remittance on system, then update LA spreadsheet
- **Finance Officer (1):**  
Enter onto PSF, print and file receipt
- **Finance Officer (1):**  
Reconcile PSF to the bank

Appendix D – Procurement Cycle



## Procurement Process Overview

- **Budget holder:**  
Raises requisition with VFM evidence
- **Finance Officer (1):**  
Requisition processed as an order on PSF (finance package)
- **Business Manager:**  
Authorises order
- **Finance Officer (1):**  
Purchase order sent to supplier with Academy's T & Cs
- **Budget holder:**  
Goods received in school and checked
- **Finance Officer (1):**  
Goods received note processed in PSF
- **Finance Officer (2):**  
All purchase invoices checked for discrepancies
- **Finance Officer (2):**  
Invoice processed on PSF
- **Finance Officer (3):**  
Invoices check for accuracy and compliance
- **Finance Officer (3):**  
BACs batch raised and cashflow monitored
- **Business Manager and Accounting Officer:**  
Invoices paid by authorised signatories and BACs listing signed
- **Finance Officer (2):**  
Batch filed
- **Finance Officer (2) and Business Manager:**  
Bank reconciliation completed

Subject to compliance with Directors' Best Value requirements

The Directors require that all purchasing decisions are made after adequate market testing or research.

Quotations and tenders, as appropriate, are required as shown below:

Estimated value of goods or services	Number of quotes required
£500 - £999	2 Verbal Quotes
£1,000 - £2,499	2 Written Quotes
£2,500 - £9,999	3 Written Quotes
£10,000 - £49,999	3 Formal Quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria
£50,000 to EU Threshold	4 Tenders
Over EU Threshold	5 Tenders

A note of verbal quotes for lower value items should be made and retained.

If it is not reasonably practicable to obtain the required number of quotations for expenditure under £10,000, the Accounting Officer may agree to waive this requirement, and will report each such waiver to the Business and Finance Committee with an explanation of why it was not practicable to obtain the required number of quotations.

Requisition Forms should be submitted for all orders to ensure good financial management, including a check for best value.

The Procurement Cycle is followed for all orders with Chulmleigh Academy Trust, apart from the following items, which are dependent upon a variety of factors, many of which are not in our control, and therefore not suitable for our order process:

Catering Supplies	Pupil Premium Music
Child Care Vouchers	SEN Funding Recovery
Electricity	Staff Travel
Employment Advice	Teaching Supply
Gas	Telephones
Oil	Water
Photocopying & Printing	

*These non-orders will be monitored on a monthly basis.*

## **Appendix E - Investment Policy Statement**

### **I. Statement of Purpose**

This policy statement is established to provide a clear understanding between the Directors of Chulmleigh Academy Trust, the Executive Headteacher and the Academy Business Manager regarding the objectives, goals and guidelines of the assets that will be invested by the Executive Headteacher, an Academy Director and the Academy Business Manager.

### **II. Background**

Chulmleigh Academy Trust's funds are available to support the needs of Chulmleigh Academy Trust. Available funds will judiciously be invested in the first year of building the portfolio.

### **III. Investment Objectives**

The primary investment objective of the assets placed under management is to provide for the preservation of capital to support the needs of Chulmleigh Academy Trust. Until the cash flow needs of the organization are determined in more detail, the funds will be invested to preserve capital.

### **IV. Investment Goals**

Based on the investment objectives stated above, the specific objectives for these assets shall be to achieve a competitive interest rate on the cash deposits.

### **V. Investment Guidelines**

#### **Asset Mix**

In general, the cash shall be invested in short term investment accounts, with an average duration of less than one year.

It is desirable that the selection of the portfolio take into consideration the UK Financial Services Compensation Scheme (FSCS) insurance coverage and that no more than £85,000.00 shall be placed with any one individual financial institution without the authorisation of the Business and Finance Committee.

#### **Permissible Investments**

Chulmleigh Academy Trust shall follow Generally Accepted Accounting Practices (GAAP) in regards to purchasing investments and are made at the initiation of the Business and Finance Committee who will solicit the Executive Headteacher's and Academy Business Manager's proposals typically in short-term certificate of deposits, after working capital needs are determined.

The assets under the Executive Headteacher and Academy Business Manager's supervision shall be invested in a manner that is consistent with generally accepted standards of fiduciary responsibility. The safeguards which would guide a prudent person shall be observed. All transactions undertaken on behalf of the Trust shall be for the sole benefit of the Trust.

The following security classifications are permissible and suitable investments for the purpose of managing the assets:

#### **Cash Reserve**

The agreed reserve should be invested in interest bearing securities, free from risk of loss, price fluctuation and instantly saleable. The reserves shall be invested in interest bearing bank accounts

with a withdrawal notice period of less than one year or invested in individual fixed income securities such as bank investment accounts, Certificates of Deposit, UK Treasury Bonds, and other similar instruments with less than one year to maturity

### **Other Securities**

Will only be permissible with prior approval of the Business and Finance Committee.

### **Non-Permitted Investments and Transactions**

The Academy Business Manager may not concentrate more than 10% of the portfolio in any security or issue other than Agencies of the UK Government, or bank account investments or money market instruments described above. Derivatives will not be permissible investments in this portfolio.

## **V. Investment Review**

### **Portfolio measurement standards**

The portfolio will be reviewed termly against the performance of the assets relative to the stated objectives and guidelines applicable to each investment. The progress of the assets managed by the Executive Headteacher and Academy Business Manager is to be compared to these measures (benchmarks) net of fees and expenses, withdrawals and contributions.

### **Investment Decision**

External advice will be sought from nationally recognised bodies i.e. banks, to inform the decision making process where practicably possible to assist with portfolio and related functions.

Where such investment takes place, the Directors shall receive on a termly the following management reports:

1. Portfolio performance results over the last term and year
2. Performance results of comparative benchmarks for the same periods
3. End of term status regarding asset allocation

The Executive Headteacher, Academy Business Manager and the Directors will make appropriate asset allocation decisions based on the particular needs, objectives, and risk profile of the portfolio.

The Executive Headteacher and Academy Business Manager shall:

1. Advise the Directors about the selection and allocation of risk
2. Identifying specific investments within each asset risk
3. Monitoring the performance of all selected assets
4. Recommending changes to any of the above
5. Periodically reviewing the suitability of the investments in the portfolio
6. Preparation and presentation of appropriate reports

## **VI. Review and Modification of Investment Policy Statement**

This Investment Policy Statement shall be reviewed annually to determine if modifications are necessary or desirable. If modifications are made, they shall be promptly communicated to the Executive Headteacher and Academy Business Manager.

## **Appendix F - Depreciation and Capitalisation Statement**

### **Depreciation**

Depreciation is provided as detailed below, on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

- Furniture and Equipment: 20% Straight Line
- Computers: 33% Straight Line
- Motor vehicles: 25% Reducing Balance
- Freehold/Leasehold buildings: 50 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

### **Capitalisation**

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to the fixed asset fund in the Statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

## **Appendix G – Anti-fraud Policy Statement to be read in conjunction with the Trust’s Whistleblowing Policy**

For the purpose of this policy statement fraud includes all irregularities which could normally be described as theft, deception, fraud, corruption, or impropriety. Fraud is always wrong. In any organisation, it countermands the management at every level and positive action is needed to prevent and discourage it. The prevention of fraud and the protection of each of the schools is the responsibility of every member of staff.

Each discovered loss shall be reported to the Secretary of State at the earliest opportunity where the Trust is required to do so.

### **Reporting of suspected fraud**

Any suspicion of fraud should be reported to a member of the Senior Leadership Team. If it is considered more appropriate (for example, if a member of the Senior Leadership Team is involved) the suspicions may be reported directly to the Chair of the Business & Finance Committee and the Chair of the Board of Directors, or if appropriate, another Director who can pass on the information.

### **After a suspicion is reported**

The Senior Leadership Team member or Director will make any initial enquiries considered necessary to clarify the situation. In every case and as soon as possible after these initial investigations, he or she will pass the matter to the Executive Headteacher (unless the Executive Headteacher is suspected, in which case it will be reported directly to the Chair of the Board of Directors).

Even if there is no evidence to support the allegation, the Executive Headteacher must report the matter to the Chair of the Business & Finance Committee.

### **The Audit sub-committee**

The management of any investigation will be undertaken by an Audit sub-committee set up and controlled by the Business & Finance Committee, which will seek advice from the Academy Trust’s internal auditors.

They will:

1. clarify the situation
2. determine whether the matter should be reported to the Chair of the Board of Directors, or to a special meeting of the Directors
3. determine who should carry out the investigation
4. determine which outside agencies (police, auditors) should be involved
5. determine whether the matter must be reported to the Secretary of State
6. assess the risk to the Trust
7. determine to whom day to day management of the response should be given
8. allocate responsibility for damage limitation action
9. determine the course of action to recover losses
10. determine the course of action to be taken against wrongdoers
11. evaluate the events which enabled the fraud to occur
12. ensure preventative action is taken

In every case, reported suspicions will be passed to the Chair of the Business & Finance Committee

who will inform the Executive Headteacher (unless the fraud involves the Senior Leadership Team), and the Chair of the Board of Directors. The Chair of the Business & Finance Committee will decide on the subsequent course of action after consulting with those who are informed.

When fraud is identified, the following action will be taken to:

- Clarify the situation
- Limit the damage
- Inform the police, if it is suspected that a criminal offence has been committed
- Follow the Academy's Conduct Procedure
- Seek reparation for losses incurred
- Revise procedures to prevent any recurrence

### **Response to suspected fraud**

The Academy Trust has rules which aim to allocate resources on a fair and evenhanded basis. Fraudulent activity circumvents these rules and gives an unfairly generous allocation to one or more individuals to the detriment of all others.

Chulmleigh Academy Trust will notify the ESFA of any instances of fraud, theft and/or irregularity exceeding £5000 individually or cumulatively in a financial year.

## Appendix H – Gifts & Hospitality Policy Statement

As a general guideline, business gifts and hospitality should not be accepted by any member of staff, except as provided for below.

The intention of the policy is to ensure that the Academy can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or anyone else dealing with the Academy. The Academy should be able to show that all decisions are reached on the basis of value for money and for no other reason. Any consideration of whether or not the principles of this Policy have been breached will be determined by reference to this provision.

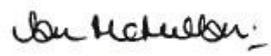
Any breach of this Policy could lead to disciplinary action and may constitute gross misconduct.

Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Academy by:

1. Maintaining an unimpeachable standard of honesty and integrity in all their business relationships.
2. Complying with the letter and spirit of the law, and contractual obligations, rejecting any business practice that might be deemed improper.
3. At all times in their business relationships acting to maintain the interests and good reputation of the Academy.
4. Any employee who becomes aware of a breach of policy must report this immediately to his or her manager who will instigate investigations as necessary.
5. Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to the Academy in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions for entry into the Register of Business Interests.
6. Employees are permitted to accept gifts, rewards or benefits from members of the public or organisations the Academy has official contacts with only where they are isolated gifts of a trivial character (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to effect a business decision.
7. Where purchased items include a "free gift", such gifts should be either used for Academy business or handed to the Academy to be used at charity raffles etc.
8. In relation to conventional hospitality (lunches, outings, tickets for events etc.) provided that it is normal and reasonable in the circumstances they may be accepted. Such invitations should not be accepted where there is no reasonable business justification for doing so, where an invitation is disproportionately generous, or where the invitation could be seen as an inducement to affect a business decision.
9. Any hospitality other than of a nominal value (up to £15) or facilities provided during the normal course of business should be reported for an entry in the Register of Gifts.



### Appendix I - Signatories List

Name	Role	SIMS User ID	User Code	Signature	Initials
Michael Johnson	Executive Headteacher	mjohnson	MJ		MJ
Tina Harrison	Academy Business Manager	tharrison	TH		TH
Daphne Ward	Personnel Administrator	dward	DW		DW.
Pam Down	Personnel Administrator	pdown	PD		PD
Inge Kroon	Finance Officer	ikroon	IK		IK.
Carrie-Anne Roberts	Finance & Admin Officer	croberts	CR		CR
Sandra McMillan	Finance Manager	smcmillan	SMc		SMc.
Julia Bushell	Administrative Officer	jbushell	JB		JB