

Jargon & Acronyms

AMP	Asset Management Plan
BV	Best Value
CFR	Consistent Financial Reporting
CIT	Construction Industry Tax
CLP	Community Learning Partnerships
DFCG	Devolved Formula Capital Grant
DCSF	Department for Children, Schools and Families
EFA	Education Funding Agency
FMS	Financial Management System
LA	Local Authority
RO	Responsible Officer
SF	Standards Funds
SIMS	Schools Information Management Systems
SIP	School Improvement Plan

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INTRODUCTION

This Finance Policy should be used in conjunction with the key document:

a) The Academies Financial Handbook

The Academies Financial Handbook is the DFES's financial guide for the governing bodies and managers of academies. Drawing on the overall financial requirements specified in academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

It sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department makes available and specifies the financial reporting/ budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with company law, accounting standards and Charity Commission expectations.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210344/Academies_Financial_Handbook-2013.pdf

The Academy will review/ amend its policy after any relevant changes to staff etc. and review at least every two years and record in the Governors' minutes dates of review and future reviews.

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SECTION 1 ORGANISATION AND ACCOUNTABILITY

Responsibilities of the Governors/ Governing Body

- Responsible for well being and control of staff (Whole School Pay Policy).
- Responsible for ensuring that the grant from the EFA is used only for the purposes intended.
- Responsible for ensuring that funds from sponsors are received according to the Academy's Funding Agreement and are used only for the purposes intended.
- Responsible for security, custody and control of resources of the Academy (plant, buildings, materials, cash, stocks).
- Must comply with responsibility in relation to Health and Safety.
- May incur expenditure up to the total of the budget share of the Academy after allowing for the carry forward.
- Ensuring that adequate financial procedures and controls exist to minimise the risk of loss, wastage or misappropriation and also to satisfy official requirements relating to VAT, Income Tax, NI, CIT, etc.
- Governors may delegate any of these powers to a Committee or to the Principal.
- Governors have the power to limit the delegated powers of the Principal if it is considered to be necessary.
- Register of Business Interests is reviewed annually to ensure it is up to date. A Director must withdraw from meetings where he or she has a financial interest in any matter under consideration.
- Responsible for setting of de-minimus levels for capital expenditure.
- The Academy must prepare annually a balanced budget which the Governors must have formally approved. They must take into account such things as current spending, priorities in the School Improvement Plan (SIP), future commitments, student numbers etc. Details of the budget plan in the required format must be sent to Education Financial Services with the assumptions underpinning it.

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- Submitting an annual statement with the budget which reflects the principles of Best Value.
 - Ensuring that bank accounts, financial systems and financial records are operated by more than one person.
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- Ensure that all the schools property is under the control of the trustees.
 - Keep full and accurate accounting records.
 - Ensuring that an up-to-date inventory is maintained for items with a replacement cost of £500 or more and an expected life of at least one year. Items that cost less than £500 but are considered to be portable and desirable e.g. a digital camera, should be security marked and included in the inventory.
 - Ensuring that the inventory is checked against the items at least annually. Discrepancies are reported to Governors to investigate. Keeping a record of write-offs.
 - The Governors are responsible for nominating and appointing a 'Responsible Officer' for the purposes of making periodic checks on the Academy's systems, controls and financial transactions. The RO cannot be the chairman, nor the Principal, nor a member of the finance committee or a member of academy staff.
 - Money may only be borrowed with written permission of the Secretary of State. This includes both short term borrowing (including overdraft facilities) and medium/ longer term loans from the public sector (including finance leases), where such borrowing is to be repaid from EFA grant or secured on assets funded from EFA grant.
 - Approving the write-off of debts.
 - The Secretary of State must be notified of any loss arising from suspected theft or fraud exceeding an amount set out in the annual funding letter.
 - The Governors must ensure the Academy has adequate insurance cover to support its activities and to comply with statutory requirements. Unless otherwise agreed with the EFA this should include cover for: buildings and contents; business interruption; employer's and public liability; cover required by statute for vehicles operated by the Academy.
 - The drafting and recommendation to the Governorship of the annual budget.
 - The monitoring of the budget, expenditure and income.
 - Ensuring expenditure does not exceed the available budget.

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- Authorising in advance virements exceeding £2000 or a figure agreed by full Governorship.
- Authorising expenditure not covered by the heading in the original agreed budget, or incurred due to a change in policy and authorising the funding source for such expenditure.
- Approving high level individual purchases and contracts, above £3000, prior to an order being placed.
- Ensuring that a full financial report is delivered to the Governing Body termly and following the end of the financial year.
- Maintaining a Charging for School Activities Policy.
- Maintaining a Tendering Policy.
- Maintaining a Lettings Policy
- Writing off bad debt Policy.
- Making decisions on the buy-back of Support Services from 'SSTEP' - Education Support Services Directory.
- Authorising the reallocation of money following the identification of an excess under a budget heading in the annual budget plan. The reallocation shall be carried out after consultation with the Principal and Senior Leadership Team.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Governors.

Responsibilities of the Principal

The Governors have delegated to the Principal the following responsibilities:

- Leading and managing staff to secure improvement
- The efficient and effective deployment of staff and resources
- Accountability to Governors and others, such as parents, students, staff and the local community.
- Ensuring all reasonable action is taken to minimise risks.
- Must produce an indicative budget for the coming financial year (1 September to 31 August) and this must be submitted to the EFA by the preceding 31st July. The budgetary planning process will incorporate the

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following elements: forecasts of the likely number of students to estimate the amount of EFA grant receivable; review of other income sources, review of past performance against budgets, identification of potential efficiency savings and expected variations in cost. The budget will be produced using an accruals system. The budget should also be accompanied by a statement of assumptions.

- Ensuring that a monthly reconciliation between SIMS FMS and the Academy's bank accounts, and SIMS FMS and the LA payroll are carried out by the last working day of the month following the month of account.
- Submitting a written report to Governors of the Resources Committee at least termly on the progress of the budget, explaining variations from expected spend/income and advising on the likely final position.
- Informing the Secretary of State immediately if the school's budget looks as though it will be overspent at the end of the year by 5% or more with a proposed course of action to recover the deficit.
- Authorising and recording virements below a level of £2,000 and reporting virements over £2,000 to the Governors at the next available opportunity.
- Overseeing daily backups of computer-held information and ensuring tapes are securely stored away from the main computer site.
- Notifying HR Admin and Payroll as soon as possible of all matters affecting staff payments.
- Authorising, in advance, any staff changes or additional paid hours to be worked by staff.
- Responsibility for controlling access to all data in the academy in accordance with the Data Protection Guidelines and Codes of Practice.
- Day to day management of non-staffing budgets

Responsibilities of the Vice Principal or Senior Teacher

- In the absence of the Principal, undertakes all the responsibilities of the Principal.

Responsibilities of the Business Manager

- Carrying out work in line with the Academy's Financial Regulations.
- Assisting with the preparation of the school budget, setting expenditure thresholds and profiles.

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- Monitoring the budget, providing information and/or financial reports for the Principal, Governors, EFA and budget holders as required.
- Reporting journals to the Governors for significant amounts.
- Ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance.
- Responsibility for the identification of all income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Signing of official orders.
- Authorising BAC's payments.
- Responsibility for ensuring that VAT is treated correctly on all transactions.
- Notifying the EFA of the school's approved budget plan by the end of July.
- Ensuring orders are processed for all purchases, except for items purchased through petty cash.
- Ensuring outstanding orders are reviewed regularly, cancelling or following up as necessary.
- Ensuring goods and services received are checked against delivery notes, orders and invoices and ensuring the school is charged only for goods received.
- Ensuring invoices are processed within one week of their receipt.
- Monitoring budget progress and providing information for the Principal, Governors and budget holders as required, including preparation of half termly reports for the Resources Committee and twice yearly reports for the Governors.
- Receiving and banking income. Maintaining funds and ensuring income is allocated to and payments are made from the appropriate account.
- Pursuing bad debts and recovering wherever possible.
- Authorising/submitting BAC's payments.
- Ensuring processes are in place for the collection and recording of income and expenditure of official funds; maintaining financial records and reconciling with bank statements and computer tabulation sheets.
- Ensure that petty cash is used for approved purposes and that receipts are collected, staff re-imbursed, manual records are kept and transactions are recorded on SIMS FMS in a timely manner.

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- Reconciling transactions between bank statements and SIMS FMS, and the LA payroll with SIMS FMS by the last working day of the month following the month of account.
- Carrying out end of year procedures for closing old year accounts and identifying creditors and debtors and providing information in accordance with the timetable issued by the EFA transferring balances to the new year and setting up the budget for the new year as directed by the Principal and Governors.
- Providing the LA with staff contract changes and submitting payroll forms to ensure that additional staff payments are made promptly.
- Providing financial information as required by the EFA.
- Maintaining an up to date inventory of school equipment.

Responsibilities of all Budget Holders

- Day to day management of budgets.
- Signing requisitions and certifying orders.
- Maintaining appropriate inventories.
- All staff are responsible for the security of Academy property, for avoiding loss or damage, and for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy’s financial procedures.

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SECTION 2 INTERNAL FINANCIAL CONTROLS

Segregation of Duties

Segregation of Duties is the involvement of more than one member of staff in the undertaking of financial tasks. This ensures that one person is not solely responsible for any given function and helps protect against possible error/fraud.

In the Academy all transactions are traceable through the system from start to finish, e.g. in order to achieve this for ordering and invoicing the following process has been added:-

- (1) Individual staff prepare orders on Academy requisition forms.
- (2) Budget Holder signs this Pro-forma.
- (3) Finance Officer checks sufficient funds remain in budget.
- (4) Business Manager signs orders.
- (5) Principal signs invoice for processing.
- (6) Finance Officer prepares invoices on SIMS FMS for invoice upload.
- (7) Business Manager authorises invoices and prepares BAC's run or cheques.
- (8) Business Manager approves batch header and BAC's file.
- (9) Principal/Vice Principal second approves the Bacs File.

No alterations are made to any invoices. If a change is required, the Finance Officer requests an amended invoice from the supplier.

Reconciliation

Reconciliation is carried out on a monthly basis between 1st and 10th of the month of account by the Finance Manager. The Principal should sign the reconciliation sheets following the reconciliation certifying the total expenditure and fund allocation.

Authorised Signatories

A list of personnel authorised to sign orders, invoices, cheques, etc. is detailed in the minutes of the Governors' meeting at which they were agreed.

Principal: J Barrett
Vice Principal: C Lancey
Business Manager: A Draper

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Retention of Records

Documents need to be retained for Inland Revenue and Customs and Excise purposes. Documents are archived annually by the Finance Officer, as appropriate.

<http://www.hmrc.gov.uk/ct/managing/record-keeping.htm#2>

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SECTION 3 BUDGETING/FINANCIAL MANAGEMENT AND PLANNING

Funding

The majority of the funds received by the Academy are devolved through the EFA on a monthly basis. This allocation is calculated using a formula based on many factors which affect the Academy's funding. Allocations are also received from the LA via the Individually Assigned Resources (IAR). The Academy also has the opportunity to raise additional funds (Income), for example via Lettings or PTA organised events.

Preparation of the School Budget

The budget produced is based on:

- Planned staffing levels for the coming year
- Historical expenditure adjusted for inflation and any known changes
- Curriculum budgets set on the basis of need.
- New initiatives that are known
- Anticipated income and capital expenditure

If the budget allows, the Principal should include a small general contingency which may be used for supporting any budget area where expenditure exceeds expectations.

Any budget surplus is discussed with the Full Governing Body to decide on the priorities within the SDP for these monies to be spent.

If the budget being prepared is in deficit, the Principal needs to review the budget and present different options to meet the shortfall to the Full Governing Body.

Budget Monitoring and Reporting

Regular monitoring of income and expenditure against the agreed budget is central to effective financial management.

After the monthly reconciliation, the Business Manager produces monthly budget monitoring reports/system which include:

- the approved budget
- revised/current budget
- budget movements
- sums committed but not yet paid
- actual expenditure to date
- balances remaining
- percentage spent

The Business Manager monitors expenditure on the initiatives set out in the SDP, analyses the monthly reports/printouts to identify any variances/unexpected expenditure and takes any necessary action.

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These reports are regularly reviewed by the Business Manager.

Twice a term, the Business Manager presents the budget monitoring report to the Full Governing Body, providing explanatory notes, details of budget movements and any remedial action taken/required or items requiring further discussion.

Carry forwards at the end of year will be discussed with the Governing Body to decide how the money will be spent on the Academy's priorities.

The threshold on SIMS FMS for the curriculum budget is set at a realistic level and updated when necessary.

Virements/Budget Movements

The Governors have agreed on an amount that can be vired without their prior approval to allow some flexibility within the everyday running of the Academy. This stands at **£1000** until further review.

All virements over £1000 are recorded on a virements form by the Finance Officer, then authorised by the Business Manager in advance of being actioned on SIMS FMS. They are reported to the Governors at the next available opportunity.

A record of virements for the current year and two previous years is kept by the Academy.

Any internal journals for significant amounts are printed and authorised by the Business Manager. They are reported to the Governors at the next available opportunity.

Forward Financial Planning

The Principal reviews the Academy's student numbers in the Autumn and Spring terms, looking ahead for the next three years to assess the effects on the Academy's estimated level of Funding.

During the budget setting process in the Spring Term, the Business Manager produces a detailed budget plan for the forthcoming year and skeleton budget plans for the following two years if possible. The budget plans include links to the Academy priorities. If necessary, the skeleton budgets are reviewed and updated termly with any significant changes.

The estimated levels of Funding for the future years are compared to the budget plans to identify any trends/concerns that can be brought to the Resources Committee's attention.

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Depreciation Policy

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The Academy uses the straight line method of depreciation and items are depreciated at the following rates:

Long leasehold buildings:	2%
Property Improvements:	10%
Furniture and equipment:	20%
Computer equipment:	33%
Leasehold Land:	straight line over the lease term

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SECTION 4 PURCHASING

Orders

Official orders are issued for all work, goods or services except for supplies of public utility services and purchases from petty cash of not more than £100 in value.

The following procedure is followed:

Three quotations are required for individual purchases or services exceeding £3000 in value. If the lowest quote is not accepted, the reasons are reported to the Governors and minuted.

Governors' approval is required for orders of an individual item exceeding £3000.

Where the Academy is engaging in works such as building, decorating etc. where Construction Industry Tax (CIT) applies, the Business Manager must ensure that the supplier is registered under the scheme before accepting them to carry out the work.

Three tenders/quotations are sought if the Academy enters into a contract for the supply of goods or services involving total payments of £50,000 or more.

If a restricted tender is used then invitations to tender are issued. This includes:

- A letter of invitation with instructions to tenderers.
- A pre-addressed reference label for tenderers to submit with their response.
- An introduction and background to the project.
- The scope and objectives of the project.
- Technical requirements.
- Implementation of the project.
- Terms and conditions of the tender.
- Form of response.

It is requested that tenders are received as sealed bids and, when they are received, the time and date of receipt is recorded on the envelope. Tenders are stored securely and remain unopened until the specified date and time for opening. Tenders are then opened as soon as possible. Only members of staff authorised to do so are to undertake this. The following information is then recorded:

- The date and time of opening.
- Names and signatures of those present.
- Value of each tender.
- Details of suppliers who declined the invitation, or failed to submit a tender.
- Omissions in the submission, such as documents, signatures or missing data.

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Any changes made with correction fluid are circled and initialled.

Late tenders are normally rejected and retained unopened until the contract has been awarded and then returned to the tenderer together with an explanatory note.

The tenders are evaluated against specified criteria by a team normally made up of the Principal, the Business Manager, a technical expert if appropriate, and the Governors. There should be no conflict of interest for those involved. Contracts are only entered into after ensuring that Best Value has been obtained

After the decision to award the contract has been made the decision is fully recorded and all tenderers are informed of the decision in writing.

The Academy should not enter into a financial agreement with capital implications without the approval of the EFA.

EU PROCUREMENT REGULATIONS

The European Union (EU) procurement directives, and the Regulations that implement them in the UK, set out the law on public procurement. Their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU.

The rules apply to purchases by public bodies and certain utilities that are above set monetary thresholds. They cover all EU member states and, as a result of international agreements, their benefits also extend to a number of other countries worldwide.

Where the regulations apply, contracts must be advertised in the Official Journal of the EU and there are other detailed rules that must be followed. The rules are enforced through the courts, including the European Court of Justice (ECJ).

The EU Directives allow four ways of letting a contract:

1. The open method whereby the contract is advertised and anyone can apply for the documentation and put in a tender.
2. The restricted method whereby a contract is advertised and contractors can apply to get onto the select list of tenderers who will be asked to submit their bids.
3. The negotiated method whereby the client organisation can negotiate with one contractor to achieve an acceptable contract. The negotiated method is very much the exception and can only be used in limited specified circumstances.
4. The use of competitive dialogue which specifically permits dialogue between the contracting authority and contractors during the stages of the procurement process. This new procedure is aimed at large, complex contracts such as PFIs and PPPs. It enables contracting authorities to develop specifications with the input of contractors, and to assist contractors in developing tenders that are responsive to the specifications.

Further information on the legal framework for procurement is provided by the Office of Government Commerce (OGC) at:

http://www.ogc.gov.uk/procurement_the_bigger_picture_policy_and_standards_framework.asp

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Procurement Thresholds from 1 January 2010 (Figures are net of VAT)

	Supplies	Services	Works
Entities listed in Schedule 1 - Central Govt bodies subject to WTO GPA	£101,323 (€125,000)	£101,323 (€125,000)	£3,927,260 (€4,845,000)
Other public sector contracting authorities	£156,442 (€193,000)	£156,442 (€193,000)	£3,927,260 (€4,845,000)
Indicative Notices	£607,935 (€750,000)	£607,935 (€750,000)	£3,927,260 (€4,845,000)
Small lots	£64,846 (€80,000)	£64,846 (€80,000)	£810,580 (€1,000,000)

Requisition forms are kept in the Finance Office and are used for curriculum requests and authorised by the budget holder before an official order may be processed. Budget holders should ensure there are sufficient funds within their Budget. If unsure of the current balance the Finance Officer is consulted.

All commitments are entered on SIMS FMS by the Finance Officer in the form of an official order once a decision has been taken to purchase goods or services.

All official orders are printed on controlled stationery and signed by the Finance Officer.

Copies of all orders are retained at the Academy.

A copy of all orders is kept for a minimum of current plus preceding 6 financial years.

Outstanding orders are reviewed on a termly basis and cancelled or followed up as necessary. If cancelled, a reason is written on the copy order for audit purposes.

Orders may not be raised on behalf of, or for the benefit of, private individuals or organisations.

Telephone orders are discouraged and only used in exceptional circumstances. If an order is placed in this way, it is made clear that it is subject to the Academy's terms and conditions and written details are supplied immediately to the Finance Officer to enable a confirmation order to be raised on SIMS FMS and sent to the supplier.

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If inspection copies are requested for books or equipment a copy of the request is given to the Finance Officer so that a commitment can be made against the relevant budget.

Delivery Notes

All delivery notes are checked by the budget holder or Finance Officer to ensure that the goods listed have been "Received". Checks are evidenced in writing. The delivery note is then passed to the Finance Officer.

The inventory is updated by the Finance Office for items of furniture, equipment etc. of £500 or more.

Delivery notes are checked to the order and any discrepancies are followed up by the Finance Officer. The delivery note is then attached to the SIMS copy order.

Payment of Invoices

Where goods are supplied by a supplier registered for VAT, a valid VAT invoice is obtained.

Payments to individuals (other than some CIT contractors) who supply goods or services to the Academy (e.g. tuition, lecture, performances etc.) are made via the payroll system.

The Finance Officer checks the delivery note to the invoice, to ensure that the school is only charged for goods received. Payments are not to be made from statements or 'brought forward balances'.

If payment is to be made on a copy invoice as the original has been lost, checks are carried out to ensure it has not been paid. It must then be endorsed 'copy, not previously paid'.

The copy order and delivery note are attached to the invoice which is then to be passed to the Principal for signing and authorising prior to processing on SIMS FMS.

The invoice is then processed as soon as possible on SIMS FMS by the Finance Officer to ensure prompt payments are made and discounts are taken. Non-order invoices are signed by the Principal then dealt with similarly.

The invoices are held in the SIMS FMS authorisation file, awaiting the BACs payment run. The authorisation file awaiting transmission is printed, checked and then manually certified correct for payment by the Finance Officer.

The file is then transmitted via the SIMS/Central Payment System by the Finance Officer.

The file is then authorised and submitted by the Principal or Business Manager.

The invoices are then attached to the authorisation file and retained for the current year plus the preceding six years.

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SECTION 5 INCOME

Income can be vulnerable and the income collection system should meet the following objectives, namely that:

- all income including VAT due to the Academy is identified;
- all collections are receipted and banked promptly and completely;
- the accounting records and debtors' accounts are properly and promptly updated.

The Business Manager has overall responsibility for the identification and prompt collection of all money due to the Academy and ensures that adequate division of duties exists between the collection, transfer of monies between staff, recording and banking of income. Ideally the person collecting income is different from the person that records and banks the income. This reduces the risk of error and fraud

Raising Invoices

An account is raised by the Finance Officer via the Academy's own billing system, ensuring the invoice complies with the requirements for a tax invoice, e.g. VAT number, sequentially numbered, etc. An invoice is sent to the customer for goods and services provided.

Invoices for regular lettings are raised by the Finance Officer half termly. For one-off lettings invoices will be raised within 14 working days of the event.

Collection and Banking of Income

This comprises several stages:

(i) Cash Handling

Cash handling guidance as laid out in the Cash Handling Policy is adhered to at all times.

(ii) Recording

Income is collected in the Finance Office and is recorded on record sheets by the Finance Officer. The income is then taken to the Business Manager, who checks and signs it.

A receipt is issued by the Finance Officer for any cash, postal orders and cheques received via the office if requested.

Income is recorded on SIMS FMS promptly ensuring the correct VAT treatment is applied.

Bank paying in slips and electronic coding slips are completed in full. Cash & cheques are deposited weekly by the finance office.

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(iii) Reconciliation

Reconciliation of income is carried out on a monthly basis by the Business Manager, ensuring that all income banked has been received.

Independent checks are made by the Business Manager to ensure that all income expected has been recorded, banked and received. Evidence of these checks is made in writing.

Debts Policy

Bad debts are pursued by the Finance Officer for invoices raised through the Income System and money recovered wherever possible. Where money is not recovered, the matter is referred to the Governing Body, who may write off the debt providing the total amount of debt written off in a financial year does not exceed 1% of the school's delegated budget share for the year.

Subject to the paragraph above, debts due from a single debtor up to a total value of £500 in any one financial year may be written off, but only on the direct authority of the Governors, that is, by resolution at a Governing Body meeting.

The school will maintain a record of all debts written off showing what attempted recovery action has been taken and the justification for non-recovery.

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SECTION 6 BANKING ARRANGEMENTS

The proper administration of bank accounts is a fundamental financial control. In particular, regular bank reconciliations are essential as they prove that the balances shown in the accounting records are correct and provide assurance that the underlying accounts are accurate. The internal controls documented in this section guard against potential error or fraud.

Bank Accounts

The current banking arrangements are reviewed annually by the Business Manager and approved by the Full Governing Body.

The school has the following bank/building society account:

- Current Account

Bank statements are received monthly and are reconciled by the Business Manager to the transactions held within the system. Any discrepancies are investigated. This reconciliation is checked and certified correct by the Principal who reports to the Full Governing Body.

The Governors have agreed three signatories, two to sign each cheque and enough alternative signatories to cover any absence. This has been minuted in the meeting in which it was agreed. Three sample signatories of each authorised person have been sent to the bank. Blank cheques are never signed.

The accounts should not go overdrawn, as there is no overdraft facility allowed.

Controlled Stationery

All controlled stationery is kept under key control.

Spoilt cheques are attached to the back of the chequebook.

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SECTION 7 PETTY CASH

Petty cash is a small sum of money which is held in the school safe. The school runs an imprest system whereby the account is always topped back up to a fixed float of £250.00.

Petty Cash is used to reimburse staff for approved purchases on behalf of the school upon production of a valid receipt for:-

- Cash payments too small for an order to be acceptable
- Emergency purchases where immediate settlement is required
- Purchase of postage stamps
- Obtaining greater discounts for settlement by cash/cheque
- Obtaining goods/services from suppliers who do not accept official orders

Petty Cash is not used for:-

- Making payment to staff, or paying for services such as mobile telephones, fuel or services that may be liable to Construction Industry Tax
- Making payments to individuals (e.g. theatre groups, authors, musicians, self employed) who require cheques to be payable to them personally (except window cleaners and piano tuners who use their own equipment)
- Cashing Personal cheques
- Paying in income (to the Petty Cash account)

Exceptions to the rule

- Staff are reimbursed if they purchase resources/specific items on behalf of the Academy upon production of a valid receipt.

Using the Petty Cash Account

Receipts are obtained wherever possible for all items purchased from the Petty Cash account.

If VAT is charged on an item, a valid VAT receipt is obtained. (If a VAT receipt cannot be obtained, a petty cash voucher is completed and authorised but no VAT can be reclaimed.)

All receipts and petty cash vouchers are authorised by the Business Manager and promptly paid by the Finance Officer or Business Manager.

A reimbursement claim is completed regularly, at a minimum when approximately half the float has been spent. The claim is checked and authorised by the Business Manager before being submitted for reimbursement.

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SECTION 8 TAX

The Principal/ Business Manager is responsible for ensuring that the Academy complies with Value Added Tax (VAT) and other tax regulations, and ensuring that all relevant finance and administrative staff are aware of them. Consultation with the detailed guidance provided by the EFA minimises the risk of misinterpretation.

Payments are *only* made on receipt of proper VAT invoices.

VAT

Academies.

The Governors are seen to be acting as the agent of the Academy in respect of purchases funded via EFA budgets or grants paid through the EFA. This covers purchases funded from Academy's delegated budgets and made available to the Academy by the EFA. It also covers income received. The Academy is entitled to reclaim VAT paid for educational purposes, under the Finance Bill 2011.

VAT relating to non-business expenditure, e.g. non-curricular trips or trading activities cannot be reclaimed.

VAT relating to expenditure that is partly educational and partly related to trading activities must be apportioned. An apportionment rate is agreed between the Academy and HMRC.

Construction Industry Tax (CIT)

If payment is to be made under this scheme the subcontractor must have a tax exemption certificate or registration card.

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SECTION 9 ASSETS

The Academy has many valuable items in use throughout the site. Some of these items are fixed, but many are portable and therefore may be vulnerable to theft. A properly maintained inventory is essential in supporting budget demands for replacements and for insurance purposes in the event of damage or loss.

Building

The Academy buildings are alarmed. Access is controlled through Keypads, with the code being changed on a regular basis. CCTV systems are in place throughout the school.

The main key holders are:

Nigel Hayward
Alison Draper
Judith Barrett

First responders to Alarm call-outs are :

Nigel Hayward
Tammy Court
Judith Barrett

Building - Repairs and Maintenance

The Board of Governors is responsible for the maintenance of the Academy buildings and the planning of any future developments.

Inventory

All items purchased above £500 or "desirable items" are recorded in the Academy inventory upon receipt, giving full details of:

- Value
- Date Purchased
- Description
- Serial Numbers (where applicable)
- Academy Security Number
- Location within Academy.

The Inventory is reviewed annually by the Business Manager in the spring term, with any discrepancies being investigated. A sample check is undertaken to ensure that all relevant goods have been recorded.

Relevant staff should be informed if any goods need to be taken off site. Details may be recorded where necessary:

- Name of Borrower
- Item borrowed
- Date Borrowed

Signed by Chair of Governors.....Date.....

- Condition of Goods when removed
- Date Returned
- Condition of Goods when returned

A record is maintained of all major disposals, including the proceeds of the sale, the date of transaction, and the name and address of purchaser. The Governors have delegated the responsibility for the disposal of assets up to a value of £1000 to the Principal /Business Manager.

Cash/Bank and Cheque Books

These are kept under lock and key other than when in use.

The value of petty cash held within the Academy is £250.

Any income collected from students is recorded and banked as soon as possible – at least weekly, in order to ensure only minimum levels are held on the premises.

Stock

All consumable stock is stored in appropriate rooms. These should be locked at all times to avoid the misuse of stock which leads to unnecessary ordering.

A physical check is carried out bi-annually to ensure that stock is kept at a reasonable level.

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Signed by Chair of Governors.....Date.....

SECTIONS 10 INSURANCE

School Contents Insurance (Balance of Risks)

The school uses the services of a broker to arrange all Insurance requirements.

This insurance covers school contents for damage resulting from theft, malicious damage, escape of water, impact and accidental damage. ICT equipment is also included in this policy. Details of all ICT equipment is recorded in the school inventory. An excess of £250 applies to each and every claim.

Building Maintenance Insurance

The school does not buy into the Building Maintenance Indemnity Scheme (BMIS) through Somerset County Council.

Supply/Absence Insurance

The school uses the services of a broker to arrange Absence Insurance Cover.

Lettings Insurance

The school has Public Liability Insurance and ensures that any parties hiring the school facilities has their own Public Liability Insurance.

Extended School

The School ensures the correct use of school premises when used by a third party.

School Activities Travel Insurance

The school buys into Ace Europe Travel and Personal Insurance for Schools Policy. The Policy provides travel insurance cover for all insured persons (students, teaching and support staff, adult volunteers, helpers and assistants, and other authorised children) of participating schools whilst on organised trips outside the designated school boundaries.

Signed by Chair of Governors.....Date.....

SECTION 11 COMPUTER SYSTEMS/DATA SECURITY

The Data Protection Act 1998

The Academy and Governors register annually under The Data Protection Act. It is the System Manager's responsibility, to control access to all data in the Academy in accordance with the Data Protection Act and to ensure that all staff are aware of their responsibilities/obligations at all times.

All information relating to personnel is:

- obtained and processed fairly and lawfully
- held only for specified lawful purposes
- adequate, relevant but not excessive for those purposes
- accurate and up to date
- available to those people referred to
- kept securely.

Information should not be kept longer than necessary and neither used nor disclosed other than in accordance with the above purposes.

Offences against the Act are criminal, and individuals will be held personally responsible.

Access/Security

The purpose for controlling access is to ensure that only authorised personnel are able to access information that is relevant to the tasks for which they are responsible. It prevents unauthorised access to information which could result in accidental or deliberate corruption of the data and which might contravene the confidentiality part of the Data Protection Act.

One person, the System Manager, is responsible for the overall control of all systems, with the Deputy covering for absence. Access rights are determined and monitored by the System Manager, who should deal with problems as and when they arise.

Computers should not be left unattended with information displayed on the screen, or be easily accessible by any unauthorised users. Where possible computer screens are locked (by password/locking the workstation), or if this is not possible, the computer is closed down whilst it is left unattended.

Access to software is restricted according to the level of access required for an individual to carry out their job to an expected level. These access rights are reviewed regularly by the System Manager.

Only Licensed Software, should be installed onto the Academy's network, which is protected through a virus guard so that any files received from outside sources can be virus checked before being opened.

Signed by Chair of Governors.....Date.....

Passwords

Individuals are responsible for the accuracy of information which is kept secure from unauthorised persons. Passwords must:

- not be told to anyone else
- never typed in when someone is watching
- be changed regularly e.g. every three months, or as soon as someone else finds out about it
- be difficult for someone else to guess i.e. avoid using names etc.
- a mixture of alphabetic and numeric characters

Full access to SIMS FMS is restricted to the System Manager only.

Servers

With the development of ICT software and hardware the server is not used as an everyday machine. Therefore, it is stored in a discreet place within the ICT Suite and should never be turned off to ensure back up procedures are not compromised.

Back Up

Back up copies of all data are made automatically overnight. A daily set of data tapes is used to provide back-up copies, which are kept in a lockable, fireproof safe in the main office.

The System Manager is responsible for checking the back up each morning and for initiating a safe system for storage and retrieval.

The back-up tapes are replaced as and when necessary.

Virus Protection

Current versions of anti-virus guards are installed on the networks server to safeguard software against viruses and to avoid any corruption of data. Using only authorised software will contribute to this protection.

Internet

Access to the World Wide Web is limited to staff whose need is relevant to the tasks, for which they are responsible. Personal use of the Internet for **viewing only** outside normal working hours is at the discretion of Principal. Staff should sign an internet agreement to this effect (within e- safety policy).

When making personal use of the Internet the following are prohibited and will result in the disciplinary procedure being invoked:-

Signed by Chair of Governors.....Date.....

- hacking of any kind;
- purchase of goods and services;
- use for any kind of personal gain, e.g. advertising goods for sale, dealing in shares or other commodities;
- accessing pornographic or gambling sites;
- accessing chat lines;
- printing or downloading information.

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Signed by Chair of Governors.....Date.....

SECTION 12 PERSONNEL/PAYROLL

Regulations

The Academy is aware of a number of areas where Inland Revenue regulations affect or determine the way payments are made. This is of particular importance relating to individuals who are self-employed offering services to the Academy (this excludes individuals/companies subject to CIT scheme). Payroll transactions are processed only through the payroll system and not through petty cash, using a PRF50. **Controls are in place to ensure appointments are cleared through the Criminal Records Bureau.**

The Governors have established procedures for the administration of personnel activities, including appointments, terminations and promotions. Information necessary to maintain records of service for Superannuation, National Insurance and Income Tax is kept secure for seven years, with only authorised staff allowed access to personal records, in order to comply with the Data Protection Act.

Payroll Forms

The payment of all salaries, wages, pensions and other expenses are processed through various PRF/SIMS forms. These are completed by the Business Manager and authorised by the Principal before being submitted to payroll by the appropriate deadline. Specimen signatures have been sent to the payroll administrator. No employee can certify expenditure from which he or she might personally benefit. The Chair of Governors signs any amendments to the Principal's contract.

Links with SIMS

Information held within SIMS Personnel feeds through against contracts shown in SIMS FMS giving details of both salary commitments and actual payments, displaying variations which are investigated as part of the reconciliation process by the Business Manager. Therefore, it is vital that the SIMS Personnel module is kept up to date by the Business Manager with the correct information for contracts through PRFs and salary upgrades e.g. salary scales, Superannuation and NI tables.

The Business Manager regularly checks staff payments details against the monthly tabs, evidencing each page with initials.

Both the Business Manager and the Principal check the staffing records held within Payroll.

Pay Policy

The Academy has a separate Pay Policy, which is reviewed annually by the Principal and Governing Body.

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Signed by Chair of Governors.....Date.....

Section 13 Hiring of Facilities

LETTINGS POLICY

This sets out the arrangements for the use of St Michaels Academy premises by groups, individuals or organisations.

It should be read in conjunction with the LA’s advice and guidance on Lettings and Lettings Insurance. Refer to websites for information on extended schools via SLP or Teachernet.

All hirers of the school premises will be made aware of the hire costs, terms and conditions, including insurance requirements, before the hire and the agreement signed.

Hire charges will be reviewed annually by the Principal and Governors. The charges will cover any costs incurred, i.e. heat and lighting, caretaker and insurance. Current charges are attached.

Charges to children and youth groups may be subsidised if funds are available for this purpose. This is to be agreed on individual circumstances by the Principal and Governors.

There is currently no charge for the use of the premises by the PTA.

Where possible, fees are payable in advance. If this is not possible an invoice will be raised promptly.

Signed by Chair of Governors.....Date.....

Appendix A	Conditions of Hire
Appendix B	Insurance
Appendix C	Application Form
Appendix D	Facility Hire Contacts
Appendix E	School Letting Charges

Signed by Chair of Governors.....Date.....

APPENDIX A

LETTING OF EDUCATIONAL ESTABLISHMENTS

CONDITIONS OF HIRE

1. In these conditions,
 - (a) "The establishment" means the school premises;
 - (b) "The Hirer" has the meaning defined at paragraphs 3 and 4 below;
 - (c) "The facilities" means the premises and/or equipment forming part of or belonging to the establishment which the Hirer has identified on his/her application form;
 - (d) "The responsible body" means the establishment's governing body, its management committee or any other body charged with responsibility for the use of its premises by the community;
 - (e) "The Authority" means the Somerset County Council.
2. All applications for the hire of the facilities must be in writing on the printed form.
3. The person signing the application form shall be deemed to be the Hirer and must be over 18 years of age.
4. Where the Hirer indicates that he or she signs the application form on behalf of any club or organisation, that club or organisation shall also be deemed to be the Hirer and shall be jointly and severally liable with the applicant for any breach or non-observance of these conditions.

Should there be any default of payment by that club, the person signing the form shall be deemed personally liable.
5. The facilities will be used solely for the event described on the application form. If this booking relates to a regular and continuing booking this one undertaking shall be binding for all occasions when the facilities are used.
6. The Principal, or his/her representative, may refuse admission to any person without giving any reason for doing so and may similarly require any person to leave the premises.
7. The Hirer will be responsible for the provision of all such information, instruction and supervision as is necessary to ensure the safety of any activity for which the facilities are used.
8. The behaviour of all persons attending at the establishment for this booking is the responsibility of the Hirer.
9. Neither the Authority nor the responsible body shall be liable for any loss or damage to any property arising out of the hire, nor any loss, damage or injury which may be incurred by or be done or happen to any person or persons using the centre during the hiring, arising from any cause other than the negligence of the Authority, its servant or agent.

Signed by Chair of Governors.....Date.....

10. The Hirer shall be responsible for all damage or loss to any fixtures, fittings, sports or other equipment or property occurring during the period of the hiring however and by whomsoever caused, together with any additional expenses and/or consequential losses arising from the damage or loss.
- 11.. Hirers should consider and effect such cover by way of insurance they may deem necessary for risks not mentioned (e.g., cancellation costs)
12. The Hirer must familiarise himself/herself with the emergency procedures for fire, first aid and accident reporting and carry them out to the best of his/her ability.
13. The facilities must be clean and tidy and all equipment must be put back after use. If the facilities are not cleaned to the reasonable satisfaction of the caretaker the Hirer will be responsible for any payment necessary to have them cleaned and this sum will be added to the bill.
14. A qualified supervisor is present during all activities of a hazardous nature, i.e., karate, trampoline, gymnastics, swimming, judo or where the hiring organisation is a youth group.
15. The Hirer is solely responsible for the adequacy, suitability and safety of all equipment brought on to the facilities.
16. It is the sole responsibility of the Hirer to obtain any necessary licence for the sale of drinks for the performance of plays and similar productions and for the playing of pre-recorded music.
17. The Hirer must ensure that there are sufficient stewards to prevent unauthorised persons from entering the facilities and to ensure that guests are restricted to the facilities and to the necessary means of access thereto.
18. It may be necessary for the establishment to cancel or postpone this hiring. In that event neither the Authority nor the responsible body shall be liable for any consequential loss that he/she may sustain.
19. The responsible body reserves the right to vary these conditions at any time without notice or to make special arrangements in any particular case.
20. Authority to accept or decline or postpone a booking shall rest with the Principal of the establishment or his/her representative whose decision shall be final.
21. The caretaker will be present to unlock the premises at the beginning of the hire and will lock up at the end. He/she will not be available during the period of the hire.
22. Payment will be made if possible in advance of the hire. If the hire is for a regular let the establishment will invoice the hirer on a termly basis.
23. Fly posting

Signed by Chair of Governors.....Date.....

The Hirer shall not carry out or permit fly posting or any other form of unauthorised advertisements for any event taking place at the premises, and shall indemnify and keep indemnified each member of the village hall's management committee accordingly against all actions, claims and proceedings arising from any breach of this condition. Failure to observe this condition may lead to prosecution by the local authority.

Signed by Chair of Governors.....Date.....

APPENDIX B

INSURANCE

Subject to the Exclusion mentioned below, the school is able to offer the following cover by way of insurance for hirers on a casual basis:-

1. DAMAGE TO PREMISES HIRED (but excluding fire damage - see below). Cover which includes vandalism, for which the Hirer may be responsible, is limited to £1,000,000 for each hiring and is subject to the hirer meeting the first £500 of each claim.
2. DAMAGE TO PREMISES HIRE by FIRE OR EXPLOSION for which the hirer is responsible or which is directly attributable to hiring.

EXCLUSION

The above insurance arrangements DO NOT apply to Commercial Organisations such as a trading company promoting an exhibition or promoters of professional entertainment on the premises. Such hirers are expected to have made their own insurance arrangements.

1. This statement is only a summary of the position.
2. The premium should be added to the hiring charge (currently 12% of the hiring charge).
3. This insurance cover is also available to hirers where no charge is made by the school, although it is expected that outside organisations eligible for free use of premises will have made their own insurance arrangements. If cover is required a premium will be charged equivalent to that payable on a chargeable letting for a similar period.
4. All activities of staff, governors and parents/teachers associations, which are directly related to the running of the school (including fund raising activities) are covered by the school's insurances.
5. It is required of the insurance cover that all reasonable precautions be taken to prevent accident, loss, damage or injury.
6. The school is unable to insure hirers against their responsibility to their own employees. Hirers must make their own arrangements as required by the Employer's Liability (Compulsory Insurance) Act 1969.
7. The school does not provide insurance for other risks of hirers, e.g., loss of money, tickets, etc or arising from the cancellation of a hiring. Hirers must take whatever steps they deem necessary to protect themselves against such risks.

Signed by Chair of Governors.....Date.....

APPENDIX C

APPLICATION FOR HIRE

I hereby apply for the use of the facilities detailed below:

Club/Organisation: _____

Accommodation required: _____

Equipment/Furniture required: _____

Equipment, etc to be brought onto premises by Hirer (if any): _____

Heating required: Yes/No _____

Insurance required: Yes/No _____

Qualifications of Hirer (if relevant) see No 14 of Conditions of Hire:

Applicant's Name: _____

Address: _____

Telephone No: _____

Treasurer: _____

Address: _____

Telephone No: _____

Date required: _____

Alternative Date: _____

Times From: _____ To: _____

Approximate number of people: _____

I have read and agree to be bound by the Conditions of Hire.

Signed in a personal capacity and on behalf of
whose authority I have to bind them by signing this application.

Signed: _____

Date: _____

Fly posting. The Hirer shall not carry out or permit fly posting or any other form of unauthorised advertisements for any event taking place at the premises, and shall indemnify and keep indemnified each member of the responsible body accordingly against all actions, claims and proceedings arising from any breach of this condition. Failure to observe this condition may lead to prosecution by the local authority.

Signed by Chair of Governors.....Date.....

Signed by Chair of Governors.....Date.....

Signed by Chair of Governors.....Date.....

APPENDIX D

ST MICHAEL'S ACADEMY SCALE OF CHARGES FOR THE HIRE OF ROOMS
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From 1 September 2014

	*Within Caretaker Normal Working Hours	*Outside Caretaker Normal Working Hours
Hall	£10 per hour	£20 per hour
Gym	£10 per hour	£20 per hour

Signed by Chair of Governors.....Date.....