

# Finance Policy

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|------------------------|-------------------------------------|--------------------------------------|--------------------------------|--------------------------|
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# Introduction

The purpose of these financial procedures is to support the Exeter Mathematics School (EMS) in its delivery of its School Development Plan whilst maintaining and developing core systems of financial control, which conform to the requirements of both propriety, regularity and of good financial management. It is essential that these systems operate properly to meet the requirements of the Education Skills and Funding Agency (ESFA) and the Funding Agreement with the Department for Education (DfE) and of that outlined in the Academies Trust Handbook.

The Trust must comply with the principles of financial control outlined in the Academies guidance published by the DfE/ESFA. This policy expands on that and provides detailed information on the academy's accounting procedures and systems.

This policy builds on the financial principles and requirements established and adopted in previous Finance Policies and reflects the changes that have occurred over the last 12 months and includes key amendments outlined in the Academies Trust Handbook.

## 1.0 Organisation

Responsibilities are defined in respect of the administration of the school's finances to provide a framework of accountability for Trustees and staff.

### 1.1 Members (also known as Sponsors)

As charitable companies limited by guarantee every trust has members who have a similar role to the shareholders of a company limited by shares. They:

- are the subscribers to the trust's memorandum of association (where they are founding members)
- may amend the articles of association subject to any restrictions in the articles, the funding agreement or charity law
- may, by certain resolution, appoint new members or remove existing members, other than, where there is one, the foundation/sponsor body and any members it has appointed
- have powers to appoint and remove trustees as set out in the trust's articles of association and powers under the Companies Act 2006 to remove trustees
- may, by special resolution, issue direction to the trustees to take a specific action
- appoint the trust's external auditors and receive (but do not sign) the audited annual report and accounts (subject to the Companies Act, 2006)
- have the power to change the company's name and, ultimately, wind it up.

The DfE's minimum requirement before entering into a funding agreement is that academy trusts must have at least three members, although the DfE's strong preference is for trusts to have at least five members, as this:

- provides for a more diverse range of perspectives
- ensures members can take decisions via special resolution without requiring unanimity.

Employees or Volunteers occupying unpaid staff roles of the Trust must not be members unless permitted by their articles of association. The current model articles do not allow members to be employees.

The DfE view is that there should be a significant degree of separation between the individuals who are members and those who are trustees. If members sit on the board of trustees this may reduce the objectivity with which the members can exercise their powers. The DfE's strong preference is for most members to be independent of the board of trustees.

As responsibility to conduct the trust's business sits with the trustees, members should be 'eyes on and hands off' and avoid compromising the board's discretion. However, if the governance of the trust by the board of trustees becomes dysfunctional the members will have a strong interest in ensuring the board has plans to address the issues or otherwise to remove the board or individual trustees and re-appoint trustees with the skills necessary for effective governance.

## 1.2 Trustees

All Trustees perform three core functions:

- Ensuring clarity of vision, ethos, and strategic direction
- Holding Executive leaders to accounts for the educational performance of the School and its students, and the performance management of staff
- Overseeing and ensuring effective financial performance

Trustees must apply the highest standards of conduct and ensure robust governance. They must follow the Governance Handbook and comply with the Academy Trust's charitable objects, with company and charity law and their funding agreement. Trustees must ensure regularity and propriety in the use of the Academy Trust's fund, achieving value for money through economy, efficiency, and effectiveness. The Trustees must take ownership of the Trust's financial sustainability and its ability to operate as a going concern.

The governing body has overall responsibility for administration of the Academy's finances with the main responsibilities as prescribed in the Funding Agreement:

- Ensure the grant from the DfE is used for the purposes intended
- Ensure that funds from sponsors are received according to the Funding Agreement and are used for the purposes intended.
- Approval of the annual budget and the Budget forecast return (3-year budget plan)
- Ensure a Schedule of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income.
- Review and ratify both financial and risk management policies following initial approval by the Resources Committee
- Agree Key Financial Performance Indicators
- The board and its committees must meet at least three times a year (and business conducted only when quorate). *If the board meets less than six times a year it must describe in its governance statement, accompanying its annual accounts, how it maintained effective oversight of funds with fewer meetings*
- Ensure all duties carried out adhere to their statutory responsibilities within the Companies Act 2006
- Consider additional financial reporting where there is a concern about financial performance.
- Ensure that executive pay is in line with the EFSa Trust Handbook
- Ensure there is a whistleblowing policy given to all staff on induction
- Ensure there is an appropriate, reasonable and timely response to any findings by auditors

The Chair of Trustees is responsible for leading and directing the board to ensure it functions effectively. The Chair is vital for setting professional standards of governance and accountability for the board, supported and advised by the Clerk.

### **1.3 The Resources Committee**

The Resources Committee must direct the Trust's programme of internal scrutiny and report to the Board on the adequacy of the Trust's financial and other controls and management of risks.

Employees of the Trust should not participate as members when audit matters are discussed in the Resources Committee meeting, but the Accounting Officer and Chief Financial Officer should participate by providing information and joining in discussions. The Chair of Trustees should not be Chair of the Resources Committee.

In operating the Resources Committee, they must:

- comply with the Academies Trust Handbook
- attend three times a year
- have written terms of reference describing its remit
- agree and direct a programme of work annually to deliver internal scrutiny throughout the year that provides assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively
- review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
- agree who will perform the work
- consider the quality of reports at each meeting from those carrying out the programme of work
- consider progressing in addressing recommendations
- consider outputs from other assurance activities by third parties including the ESFA financial management and governance reviews, funding audits, and investigations
- Provide advice to the Board on the risk register, reporting on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- To have oversight of information submitted to the ESFA and DfE regarding pupil numbers and funding claims (for both revenue and capital) to ensure it is accurate and in compliance with funding criteria
- Have access to the External Auditor and review their plan, annual report and accounts assessing their effectiveness and resources to providing an annual report to the board of the committees' conclusions on whether the External Auditors should be reappointed, dismissed or retendered. To achieve this consideration must be given to the following:
  - The auditor's sector expertise
  - Their understanding of the School and its activities
  - Whether issues were raised on a timely basis at the appropriate level
  - Quality of the auditor's comments and recommendations on key areas
  - Personal authority, knowledge and integrity of the audit partners and their staff to robustly challenge the School's Managers
  - The Auditors use of technology
- Have a nominated Trustee in the whistleblowing policy to whom staff can report concerns directly
- As the Resources Committee deals with audit matters, staff may be members but do not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions. Currently only the Headteacher is a member of the Resources Committee.

### **1.4 The Headteacher (Accounting Officer)**

The Headteacher has overall executive responsibility for EMS and must be an employee of the school.

The Headteacher is responsible for fulfilling the duties of the Accounting Officer in accordance with the Academies Trust Handbook. They must adhere to 'The 7 principles of public life'. They must be able to assure parliament, and the public, of high standards of probity in the management of public funds, particularly regularity, propriety, and value for money.

The Accounting Officer who is personally responsible to the governing body for:

- ensuring the Academy Trust's property and assets are under the Trustees' control, and measures exist to prevent losses or misuse
- Ensuring bank accounts, financial systems and financial records are operated by more than one person
- Keeping full and accurate accounting records to support their annual accounts
- Signing a statement of regularity, propriety, and compliance to assure the Board that there is compliance with the funding agreement and handbook
- Advising the Board in writing if action it is considering is incompatible with the articles, funding agreement or handbook.
- Immediately writing to the ESFA Accounting Officer where they consider the Board is proceeding in breach of the articles, the funding agreement, or Trust Handbook

The Accounting Officer has the duty to take appropriate action if the governing body or Chair is contemplating a course of action, which he or she considers an infringement of propriety or regularity.

## **1.5 The School Business Manager (Chief Financial Officer)**

The Chief Financial Officer role is embedded within the School Business Manager role at EMS. Therefore, the School Business Manager post is appointed/approved by the board as this role plays both a technical and strategic role. The CFO has delegated responsibility for EMS's financial procedures and therefore must be appropriately qualified/experienced employee of the school.

The School Business Manager is responsible for:

- The day-to-day management of financial issues
- The management of academy'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 financial records of the Academy
- Communication with the auditors
- Preparation and analysis of management accounts
- Setting and monitoring the budget
- Medium term financial planning
- Ensuring the maintenance of the school's accounting records
- Reviewing and authorising monthly payroll information
- Making purchases in accordance with the principles of 'best value'
- Ensuring statutory returns are submitted to the DfE within their reporting deadlines
- When reviewing and sourcing suppliers first check the lists of 'deals for schools'
- Ensuring they continue to undertake professional development

## **1.6 Clerk to the Board (Governance Professional)**

The Academy is expected to have a knowledgeable Clerk to the Board who acts as an essential part of their tool kit. The Clerk to the Board cannot be a Trustee or Headteacher of the school. The Clerk to the Board provides:

- Administrative and organisational support
- Guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
- Advice on procedural matters relating to the operation of the Board.

## **1.7 Finance Staff**

Finance staff have delegated financial responsibility as detailed in their Job descriptions aligned with continuing professional development. Where applicable, these comply with the guidance in the Academies Trust Handbook.

## **1.8 Other Staff**

All staff are responsible for the security of Academy property in their care, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and conformity with the requirements of the Academy's financial procedures. Where property is used outside the premises, a register is kept of the equipment in use and the staff responsible.

## **1.9 Register of Interests**

A conflict of interest is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent the trustee from making a decision only in the best interests of the School. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Members, Trustees, and staff with significant financial or spending powers are required to declare any financial interests they have in companies and/or individuals from whom EMS may purchase goods or services. The register is open to public inspection; a copy of the register is available on the School website. The register is held by the Clerk to Trustees. In any of these circumstances' EMS will not pay more than 'cost' price for goods or services provided by anyone listed in the Register of Interests.

Exeter College and Exeter University as sponsors of the school should provide their services 'at cost' and not make profit out of any contract, service, or sale they make to the school.

The register should include all business interests such as directorships, shareholdings and/or other appointments of influence within a business or organisation which may have dealings with the Trust or individual academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, Trustee, or member of the Senior Leadership Team by that person. The Clerk to Trustees updates the register formally once a year, however, all members, Trustees or member of the Senior Leadership Team are expected to update the Clerk to Trustee with any changes during the year to ensure the register is up to date.

The existence of a register of business interests does not, of course, detract from the duties of the School and its staff to declare interests whenever they are relevant to matters being discussed by the School or constituted committee. Where an interest has been declared, Members, Trustees and Senior Leadership Staff should withdraw from that part of any committee or other meeting.

## **1.10 Related Party Transactions**

The Financial Regulation Standards (FRS102) states that Related Parties involve any 'persons' or entities (Businesses/Organisations) with control or joint control, significant influence or is a member of the key management personnel over EMS. The term 'persons' is extended to include close family members. A close family member will be considered and declared based on the substance of the relationship not solely the legal relationship. EMS is not part of a joint venture, or group. Other conditions that apply include 'persons' at an entity who provides key management personnel services to EMS.



The members, Trustees and senior employees must also declare any interests of any related 'persons' or entity, for example, a parent, spouse, child, civil partner or business partner where that person could exert influence over them. In deciding whether the aforementioned can exert influence the member, Trustee or senior employee needs to know whether they or any related persons have control over a company, or have 20% voting power in a company, or is a business partner in their own company, or is a close member of the family or same household who could influence the member, Trustee or senior employee due to the closeness of their relationship.

The School Business Manager must report all transactions with related parties to the Education and Skills Funding Agency (ESFA) in advance of the transaction taking place. The School Business Manager must seek approval from the ESFA where the proposed contract or agreement with a related party exceeds £20,000, or where the proposed contract or agreement of any value means the total value of contracts or agreements with the same related party exceeds £20,000 in a financial year.

### **1.11 Novel Contentious and/or repercussive transactions**

The School Business Manager, Accounting Officer and Chair of Trustee's must consider any novel (no prior experience), contentious (led to criticism from parliament, public or media) and/or repercussive (may result in other trusts adopting a similar approach resulting in wider financial implications) transactions before seeking approval from the ESFA.

## **2.0 Accounting System**

All financial transactions must be recorded on the Access accounting package. Access rights within the Academy's accounting package are defined for each user with a unique ID and password.

- All financial transactions relating to the Academy's budget must be recorded using the accounting package. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

### **2.1 Transaction Processing**

Authorisation procedures have been implemented considering that EMS is a small school with a School Business Manager and a Finance Officer. The schedule of delegation and transaction processing procedure has been agreed by the external auditors and is reviewed annually or when there is a change in the Trust management or organisational structure.

All transactions processed in the accounting system must be authorised in accordance with the Schedule of Delegation.

EMS operates a purchase order system to ensure the school is aware of all the commitments it has made. An electronic order detailing the items and cost of items must be completed, authorised by the Headteacher before any goods and services are purchased in accordance with the Schedule of Delegation.

The purchase of small incidental items and any exception to this must be agreed by the Headteacher.

The school's funds must not be used for the purchase of alcohol for consumption.

Bank Transactions are prepared by the Finance Officer, checked, and signed by the School Business Manager monthly.

The financial statements and reports are prepared under the Accruals Basis of accounting which requires that income and expenses over £1000 must be recognised in the accounting periods to which they relate rather than on a cash basis.

### **Transaction reports and Reconciliations**

The School Business Manager will be responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Bank reconciliation
- Credit card reconciliation
- Petty cash reconciliation
- Payroll control account
- VAT control account
- Any other balance sheet reconciliations required

The School Business Manager carries out quarterly reconciliations in respect of the sales, purchase, payroll, suspense and nominal ledgers, posting and recording journals as required.

## **2.2 Fraud, Theft and Irregularity including cybercrime**

As directed in the Academies Trust Handbook; EMS must be aware of the risk of fraud, theft and irregularity and put in place proportionate controls. The school must take appropriate action where fraud, theft or irregularity is suspected. The ESFA publish information on how to reduce fraud which needs to be considered as part of the risk management approach.

Headteacher must report to the Resource Committee any instance of fraud, regardless of value.

The Headteacher must also inform the ESFA and the Board of Trustees immediately of any instances of fraud or theft exceeding £5000 individually, or £5000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported as directed within the ESFA Trust Handbook stating the following:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss

Staff who have concerns should refer to the whistle blowing policy in the first instance.

EMS must also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. EMS will obtain permission from ESFA to pay any cyber ransom demands.

### **3.0 Financial Planning**

EMS will prepare both medium term and short-term financial plans. The medium-term financial plan is prepared as part of the School Development Plan planning process. The School Development Plan indicates how educational and other objectives are to be achieved using the expected level of resources over a three-year period. Due regard will be given to the matters included within the guidance to academies and any annual guidance issued by the DfE. The School Development Plan provides the framework for the annual budget.

#### **3.1 Annual Budget**

The annual budget will reflect the best use of resources available to EMS for the forthcoming year and will detail how those resources will be utilised.

The annual budget planning process will incorporate the following elements: -

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable and review these termly thereafter
- Review of other income sources
- Identification of efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes
- Lessons learnt from previous years

The School Business Manager in conjunction with the Accounting Officer is responsible for preparing and obtaining approval for the annual budget. The budget must be reviewed and approved by the Resources Committee and the Full Governing Body must minute its approval of a balanced budget, which can draw on unspent funds brought forward from previous years.

The draft budget should be presented to the Head teacher, the Resources Committee and full governing body together with a supporting report highlighting assumptions and hierarchy of priorities for approval. Once the draft budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The approved budget must be submitted to the DfE each year by the deadline set by DfE and the School Business Manager is responsible for establishing a timetable, which allows enough time for the approval process and ensures the submission date is met.

#### **3.2 Medium Term Financial Planning**

The medium-term financial plan is prepared, in conjunction with the annual budget, in order to show how the school's objectives are going to be achieved within the expected funding agreement within the next 5 years. This plan should be linked to the School Development Plan and reviewed at a minimum annually, in line with guidance published by the ESFA.

#### **3.3 Internal Budget Monitoring**

The School Business Manager will generate the following monthly reports:

- income and expenditure

- Balance sheet
- Cashflow forecast
- Other reports as required

Once the monthly reports have been compiled the School Business Manager and Headteacher meet to review the financial performance and position of the academy in accordance with the Accounting Officer Finance meeting schedule noting any actions and then sign the reports. The Headteacher will meet with the Chair of Trustees monthly to share these reports and once agreed the Chair of Trustees signs them and they are shared with the other Trustees via the Trustee portal. The latest management reports are prepared and discussed at the Resources Committee.

The monthly reporting process is effective in highlighting variances in the budget so that appropriate action can be taken in a timely fashion to correct any significant over or under spending and plans formulated in this regard for consideration at Resources Committee.

The Resources Committee will direct the School Business Manager as to the quantity and detail of financial information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

### **3.4 External Budget Reporting**

#### **3.41 Budget Forecast Returns**

The Annual Budget is based on an accounting period running from 1<sup>st</sup> September to 31<sup>st</sup> August.

The School Business Manager is required to prepare the Budget Forecast Return Outturn (BFRO) for the current accounting period every May. The School Business Manager will prepare and submit an approved 3-year Budget Forecast Return (BFR) in July. The BFR must be approved by the Trustees before submission to the ESFA.

#### **3.42 Annual Accounts**

As a Charitable company EMS must comply with company law as set out in the Companies Act 2006. This includes a requirement to prepare a Trustees' report and financial statement (annual accounts) and for these to be independently audited by a registered auditor. Financial Statements should be prepared on the accruals basis to 31st August each year. They include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of the Academy at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts

For 2021-22, Bishop Fleming have been retained as External Auditors for EMS to perform the Financial Audit, produce the Financial Statement and Trustees Report, and the Annual Accounts Return. This service is retendered every five years in accordance with the Academies Trust Handbook.

The Financial Statement and Trustees Report will be produced by our External Auditors and must be submitted by the School Business Manager to the ESFA by 31st December each year.

The Annual Accounts Return must be submitted by the External Auditors to the ESFA annually in January.

### **3.43 Reserves Policy**

The policy of the Trustees is to maintain a level of reserves that will be adequate to ensure the stability of the Academy's organisational operations, to protect it so that it can adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

The level of reserves will be determined by governors annually and can fluctuate depending on operational needs. The trustees aim to ensure that the Academy's income is spent on maximising provision for students and outreach and will only hold in reserve that which is necessary to adequately cover known risks, unforeseen emergencies and be a suitable amount to ensure the Academy is protected from insolvency or serious endangerment to their core purpose in advancing education within the United Kingdom.

The Trustees have determined that the Academy should aim to hold a minimum of £250,000 but not more than £600,000 in reserve. This level of reserves is set to ensure that the Academy is able to fulfil its core vision and is protected from current risks:

- The Academy is in receipt of annual philanthropic donations which have enabled it to employ additional staff to support outreach work and enhance the school curriculum, should these donations stop, the reserves will provide time to either manage a reduction in staff levels or seek an additional income stream
- The Academy completes a significant amount of outreach which is linked to grant funding. Should these grants end, the reserves will provide time to either manage a reduction in staff levels or seek additional income streams
- The Academy is planning to increase boarding student numbers. The bursary fund provided to support these students is based on lagged funding which will need to be subsidised during the period of growth
- The Academy is seeking to expand in size. Lagged funding during this period of growth in student numbers will mean that reserves are needed to meet the increased costs.
- The Academy will be completing building works to enable it to expand. Additional unforeseen costs associated with this work are likely and therefore reserves are needed to ensure the project can be completed whilst remaining solvent

### **3.44 School Resource Management Self-Assessment Tool**

The school must complete the School Resource Management Self-Assessment Tool (SRMSAT). This is prepared and submitted by the School Business Manager and reviewed by the Headteacher and scrutinised by the Resources Committee.

## **4.0 Payroll**

The governing body have approved a personnel establishment for EMS. Changes can only be made to this establishment with the express approval in the first instance to the Resources Committee who must ensure that adequate budgetary provision exists for any establishment changes.

The Head Teacher has the authority to appoint staff within the authorised establishment. The Exeter College HR Department are retained on a service level agreement and will maintain personnel files for all members of staff, which include contracts of employment. All personnel changes must be notified, in writing, to the School Business Manager to enable robust budget monitoring of the salary's budgets.

All Payroll transactions relating to EMS staff permanent or casual (non-agency) will be processed through the payroll system. Bishop Fleming are currently the providers of the payroll service. Payments for employment are made via BACS once authorised by the School Business Manager and HR representative and will not be made to staff through any other mechanism.

Every payroll run is checked by the HR Department at Exeter College and each month the School Business Manager randomly cross checks a sample of staff pay to check their previous months' pay has not changed to the current month. The School Business Manager will reconcile the payroll files and schedules to the bank account. The School Business Manager will post reconciled monthly payment transaction details to the computerised accounting system and reconcile to the budget.

All personnel information is scanned and saved electronically, and any remaining paper copies shall be stored in a lockable cabinet. Only the Head Teacher, HR Department and School Business Manager will have access to staff files, but individuals can request to see their own files in line with data protection policies.

The HR Department is responsible for keeping the staff personnel database and Single Central Record up to date.

#### **4.1 Monitoring of the salaries /budgets**

The School Business Manager undertakes a monthly reconciliation of individual staff payroll costs between current month and budget advising the Head teacher of any variance.

The School Business Manager reconciles staff salary costs against the contract of employment annually and when a staff contract change has been implemented.

The Director of Outreach and Exams Officer and line managers record and monitor and sign off timesheets for Workers and chase to ensure payments are made within the accounting period.

#### **4.2 Publication of pay**

Where an employee paid more than £100,000 the extract in the disclosed financial statements will be published on the school website.

Were the school staff to exceed 250 the gender pay gap will be published on the school and government website in line with the Equality Act (2010) and Specific Duties and Public Authorities Regulations (2017).

### **5.0 Purchasing**

The school's aim is to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient, and effective way, within available resources. Validation of performance should be achieved wherever practicable. The Schedule of Delegation is applied to each purchase to establish the method by which goods and services are obtained e.g., order form, Tender etc.

All goods and services purchased are for the sole use of the school and not the private use of Trustees and staff.

The purchase order system plus the authorisation procedure ensures that there is a clear segregation of duties within the small finance team.

Exeter College IT department is retained by EMS on a service level agreement. Any purchases made on behalf of EMS must follow the school order system and purchasing procedures as identified in the Schedule of Delegation.

The Headteacher, School Business Manager, Assistant Headteacher, Lead Pastoral Accommodation Tutor,

Accommodation Staff and Director of Outreach hold Credit cards. Purchase orders are required for all purchases except for the weekly food purchased for accommodation.

Each member of staff holding a credit card is responsible for submitting a VAT receipt for each purchase made to the Finance Officer within one week of purchase.

A fuel card is held for purchasing fuel for the use of the school car. A VAT receipt should be obtained with each fuel purchase and submitted to the Finance team within one week of purchase.

## **5.1 Staff expenses**

Activities that will incur staff travel etc. expenses should be preauthorised by the Headteacher who approves all purchase orders. Staff should ensure they submit their staff expenses within one calendar month and attach all relevant receipts and authorisation.

## **5.2 Orders for Goods and services**

Orders will be raised with a Purchase Order Form except for utilities, rates, accommodation food and petty cash to be signed by a relevant budget holder, checked by the Finance Officer and approved by the Headteacher.

As set down in the Competitive Tendering Policy and in the Schedule of Delegation when the value of an order is over £1,500 but below £3,000 the order must be accompanied by 2 competitive quotes. For orders valuing £3000 to £10,000 the order must be accompanied by 3 competitive quotes. A tendering process (commonly a mini competition) should be used for orders valuing £10,000+. Orders will be authorised and raised only if the competitive quotes are present and correct and demonstrate value for money.

EMS purchases services from Exeter College to support EMS students accessing additional A levels and extra-curricular activities. At the outset, it was a core part of the school's vision for students to have access to the resources and teaching at Exeter College. Joint SEND, safeguarding, extra-curricular and teaching activities are fundamental to the establishment of EMS as a healthy and vibrant place for students to learn. Furthermore, as the only state-funded post-16 provider within the city of Exeter and the only provider within 10 minutes' walk of EMS, it would not be possible to have this link with another provider. The student services provided by Exeter College, at or below cost, under our service level agreement are therefore not subject to a competitive tendering process.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable or there is an emergency and with prior approval from the School Business Manager/ Headteacher. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.

## **5.3 Exceptional circumstances**

In exceptional circumstances, there may be the need to purchase urgent goods or services e.g., fixing a major water leak within the building. In those exceptional and emergency circumstances, the process above can be temporarily stalled, if to ensure such urgent issues are rectified immediately.

The approval of such emergency urgent goods or services request must be approved by either the Head teacher, School Business Manager, or Chair of the Resources Committee.

## **5.4 Payment of Accounts**

Invoices will be paid when the budget holder has shown that goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Finance Officer for appropriate action to be taken.

The Finance Officer will ensure that: BACS payments receive the required authorisation: cheques are sent out with the required numbers of signature(s) and that all controlled stationery is stored in a locked cupboard. Petty cash is only used for small purchases and a VAT receipt is received for each purchase.

All cheques and cash are to be stored in the secure storage and the keys held within a locked cabinet.

Suppliers should be paid within their set payment terms with consideration given to school closures in holiday periods.

## **6.0 Income**

Official, pre-numbered receipts will be issued for all cash and cheques received. All cash and cheques must be held in secure storage in the Finance Office prior to banking. Banking will take place every week if required or more frequently if the sum exceeds the limit covered by the school insurance policy. Two members of staff should be present when cash is counted, and large amounts of cash received. The staff should countersign the documents to confirm that the process has taken place under dual control.

The Finance Officer is responsible for preparing reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations must be prepared promptly in order that these can be reviewed by the School Business Manager.

## **6.1 Trips**

A lead teacher must be appointed for each trip to take responsibility for budgeting for the trip. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy must be given to the Finance Team.

Students are directed to pay any monies due to the Finance Officer who will keep the relevant financial records. A receipt must be issued for all cash and cheques collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

The Finance Officer will maintain records of up-to-date payments made by students showing the amount paid and the amount outstanding.

## **6.2 Lettings**

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the Resources Committee.

The Finance Team are responsible for raising invoices and for identifying the sums due for each organisation.

The Finance Team will be responsible for chasing outstanding debts, debts will be written off in accordance with



the scheme of delegation.

### **6.3 Gifts and Hospitality**

Care must be taken by Trustees and staff when accepting any hospitality of gifts especially from suppliers/organisations entering a tender process with EMS.

The general principles of receiving gifts and hospitality are:

- Hospitality should only be accepted if there is a genuine need to represent the school
- Gifts made to EMS (including directly to EMS staff e.g., a gift from a student or parent to a teacher), can be accepted if they are:
  - Limited in value (under £25)
  - are not cash or a cash equivalent e.g. gift voucher
  - are such a nature that public disclosure of the gift would not embarrass EMS
- Gifts made above this amount; should be approved by the Headteacher or School Business Manager, and only be accepted in exceptional circumstances. They should have regard to reasonableness of value, purpose, openness, and identity of the person/organisation providing the gift.

A Register of gifts and hospitality is kept by the School Business Manager and all personnel should inform the School Business Manager of gifts and hospitality received over £25.

Gifts to staff or other persons must be financially reasonable relative to the reason the gift is given. Authorisation must be received from the Head teacher before any gift is purchased through the normal school procurement system.

### **7.0 Debt Management**

As funded primarily from the ESFA the school has a low debt risk, the main risk arises from the charging for student accommodation and travel passes. Parents are given and agree to a written schedule of payments. The Finance Officer (overseen by the School Business Manager) is responsible for monitoring student accounts, sending reminders and chasing any debts that occur. When deemed appropriate a hold can be placed on any chargeable activities when debts remain unpaid. The Aged Debtors are monitored by the Finance Officer (overseen by the School Business Manager) monthly.

- Debts consisting of a single debt or cumulative, associated debts amounting to under £500 may be written off by the School Business Manager and raised to the Resources Committee
- Debts consisting of a single debt or cumulative, associated debts amounting from £501 to £4999 may be written off only with the approval of the Resources Committee
- Debts consisting of a single debt or cumulative, associated debts amounting above £5000 may be written off only with the approval of the Board of Trustees
- Debts equal to 1% of total EMS annual income or £45,000 (whichever is smaller) per single transaction, OR cumulatively, 5% of total EMS annual income in any one financial year per category of transaction must be submitted to ESFA for approval to be written off.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days with a notice of further (unspecified) action to recover the debt.
- If payment is not forthcoming, a further reminder will be sent. If the debt is over £1500, a notice will be

issued advising that the matter will be put into the hands of the nominated Solicitor if payment is not received within the next 7 days.

- If payment is still not forthcoming, for debts over £1500 the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.
- Debts of £1500 and less will be pursued without reference to the nominated Solicitor and will be reported on at Finance Committee meetings where Trustees will decide on action to be taken.

Details of any debts written off (under £500) and any potential bad debts will be provided for each Resources Committee meeting.

## **8.0 Cash Management**

### **8.1 Bank Accounts**

The opening of all bank accounts must be authorised by the governing body who must set out in a formal memorandum the arrangements covering the operation of accounts. EMS banking arrangements are currently with Lloyds Bank. The Headteacher and School Business Manager will be included as an official signatory on all EMS bank account mandates.

### **8.2 Deposits**

Any deposits must be entered on a paying in slip and should include:

- The amount of the deposit and
- A reference, name of debtor or number of receipts

### **8.3 Payments and withdrawals**

All cheques and other instruments authorising withdrawal from the School bank account must bear signatures in line with the scheme of delegation. BACS payments must be made wherever practicably possible.

### **8.4 Small items of Expenditure**

A Petty Cash float of £200 is kept for small items of expenditure up to an approximate value of £10. Payments of petty cash will not be made without receipts and authorisation. The Petty Cash system is not for benefit of staff to cash personal cheques. The Headteacher and School Business Manager may authorise an increase in this limit in exceptional circumstances.

VAT receipts will be obtained for purchases where appropriate.

The Petty Cash float is maintained by the Finance Officer. The School Business Manager will reconcile the Petty Cash float every month.

### **8.5 Student trips**

When it is necessary for staff to have access to money during a trip every effort will be made to minimise the amount of cash being carried by prepaying any trip costs. Authorisation for cash to be taken may be given by the Headteacher or the School Business Manager. The amount authorised will be consistent with the budget previously approved for the visit.

## **8.6 Bank Reconciliations**

The School Business Manager must ensure bank statements are received regularly with reconciliations being prepared by the Finance Officer, for the School Business Manager to reconcile monthly.

The credit card expenditure and balance reconciliations must be prepared by the Finance Officer, for the School Business Manager to reconcile monthly.

## **8.7 Cash Flow Forecasts**

The School Business Manager is responsible for preparing cash flow forecasts to ensure that the School has enough funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

The School must manage its cash position robustly. It must avoid becoming overdrawn. It may be required to report on its cash position to ESFA where there are concerns about financial management. The School must avoid becoming overdrawn to prevent breaching borrowing restrictions.

## **8.8 Investments**

Investments must be made only in accordance with written procedures approved by the governing body and in alignment with the Investments Policy.

## **9.0 Fixed Assets**

### **9.1 Asset Register**

The asset register helps to ensure that staff take responsibility for the safe custody of assets, manage effective utilisation of assets, plan for their replacement and finally to support insurance claims in the event of fire, theft, vandalism or other disasters. The register also acts as a deterrent for theft or misuse. An inventory will also be kept of equipment, furniture fixtures and fittings.

All items purchased with a value of over £1000 (capitalisation limit) must be entered in the fixed asset register. The fixed asset register should include the following information:

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding – Reference of invoice payment.
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the asset (if applicable)

The figures on the Register should be reconciled by the School Business Manager to the figures in the Access Accounting system at regular intervals, to ensure that the values on the system are accurately recorded.

## **9.2 Security of Assets**

All items in the register should be permanently and visibly marked as EMS property and there should be a regular annual count other than by the person maintaining the register. Discrepancies should be investigated immediately and if significant reported to the governing body.

## **9.3 Disposals**

Items which are to be disposed of by sale or destruction must be authorised for disposal by the School Business Manager and where significant should be sold through competitive tender. Disposal up to the value of £5000 can be approved by the Headteacher, anything above £5000 will require the approval of the Resources Committee. The Academy must seek approval in writing from the DfE if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is discouraged, as it is difficult to evidence the School obtained value for money.

Computer equipment should be disposed of to a licensed agency, and a certificate of secure disposal received to safeguard school information. School licensed software should be removed. Exeter College provide the disposal service of IT equipment as part of the service level contract, using a licensed agency.

## **9.4 Loans of Assets**

Items belonging to EMS must not be removed without the authority of the Headteacher or School Business Manager. A record of the loan must be recorded in a loan book and booked back in when it is returned. Loans to external parties or of significant value, for example, a laptop, Master Key must sign a declaration of responsibility.

## **9.5 Keys Inventory**

The Key inventory is the responsibility of the School Business Manager to maintain and will always be kept up to date. It is the responsibility of staff to report all lost and stolen keys to enable new security measures to be put in place and for the inventory to be updated.

## **9.6. School car**

Staff must ensure that any expenditure regarding the school car must be made in line with EMS financial procedures and the School Car authorisation process.

## **9.7 Depreciation of Fixed Assets**

Depreciation will be recorded as follows:

- Plant and Machinery (5 years) – 20% straight line
- Fixtures, fittings, and equipment (5 years) – 20% straight line
- ICT Equipment (3 years) – 33% straight line
- Long leasehold buildings (50 years) – 2% straight line
- Long leasehold land (over the life of the lease = 125 years) – 0.8% straight line (from 2021/22 academic year as

recommended by external auditors)

## 10.0 Tax

EMS is not VAT registered. VAT claims are made by the Finance Officer (overseen by the School Business Manager) quarterly using a VAT126 through a government gateway account.

## 11.0 Audit

Based on the size, complexity and risk profile of the school, internal scrutiny has been performed by two qualified Trustees from the Resources Committee. Following a mini competition on the Crescent Pricing Consortium framework in Sept 2021, the Trustees agreed to employ an external company to undertake the Internal Audit Programme.

Where specific non-financial expertise is required the school may use other experienced organisations/qualified professionals to undertake internal scrutiny. In line with the Academies Trust Handbook the external auditors will not undertake this programme of work. The purpose of internal scrutiny must focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
- ensuring all categories of risk are being adequately identified, reported, and managed
- Timely and appropriate reporting to the Resources Committee with recommendations and regular updates
- A short annual summary report for each academic year including key findings, recommendations, and conclusions

The main duties of the Internal Auditor will provide the governing body with on-going assurance that:

- The financial responsibilities of the governing body are being properly discharged
- Resources are being managed in an efficient; economic and effective manner
- Policies in place about purchasing, competitive tendering and delegation of responsibilities are being correctly applied
- Sound systems of internal financial control are being maintained
- Financial considerations are fully considered in reaching decisions

EMS has appointed Bishop Fleming as its external auditors to carry out an independent external audit of the school financial records and procedures; to certify whether their annual accounts present a true and fair view of the Trust's financial performance and position. These External Auditors with the support of the School Business Manager and Finance Officer will produce the annual Financial Accounts formatted in line with the ESFA's Accounts Direction. The Accounting Officer must inform the Board of instances of irregularity, or impropriety, or non-compliance with the funding agreement or handbook.

There must be an appropriate, reasonable, and timely response to any findings by auditors, any recommendations outlined in the management letter require an appropriate management response and actioned.

## 12.0 Insurance

All insurable interests must be covered by a policy approved by the board of Trustees that meets legal obligations or be a member of the Risk Protection Arrangement (RPA).

EMS is currently covered by the ESFA RPA scheme.

The school does not accept the responsibility for the loss of personal possessions, and it is the duty of all employees and students to have adequate personal insurance cover.

## 13.0 Associated Documentation

- Anti-Bribery policy
- Charging and Remissions Policy
- Competitive Tendering policy
- Trustee's Expenses policy
- Investment policy
- Lettings policy

## 14.00 Equality analysis

The following equality analysis section should be completed by the policy holder as part of every policy review and carries the same date as the main policy. EAs are particularly helpful in revealing any unintended, indirect discrimination.

Under the Equality Act (2010) we have a duty to;

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

We need to consider each protected characteristic individually and in combination. The interaction of different layers of characteristics is called intersectionality. This recognises that the barriers for each group are not homogenous, and instead are a combination of layers of identity interacting. For further detail or to support the completion of the following, please see our equality and diversity policy.

1. **Evidence considered** *What data or other information have you used to evaluate if this proposal is likely to have a positive or an adverse impact upon protected groups when implemented? Where were information gaps, and what steps can you take to remedy these gaps? Can the RM intelligence Dashboard (student counts) provide any insight into which protected characteristics are likely to be affected by the changes?*

Awareness of the legislative and regulatory demands on safeguarding are the primary drivers of policy and implementation. The policy has, at heart, the protection of those vulnerable and protected groups.

This policy is based on government policy, law and best practice on financial management which in turn protects others against fraud and protects the most financially vulnerable

2. **Consultation.** How have you consulted staff and student communities and representatives including those from protected groups? What were their views? Who else has been consulted in this proposal?

SLT, members of the Finance Team and Link Governor are consulted in the writing of this.

3. **Promoting equality.** Does this policy have a positive impact on equality? What evidence is there to support this? Could it do more?

Yes it addresses inequality in access to financial resources

4. **Identifying the impact of policies**

Identify any issues in the document which could have an adverse impact on any people who are protected by the Equality Act 2010. The protected characteristics are:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
6. Race
7. Religion or beliefs
8. Sex
9. Sexual orientation

| Issue Assessed<br><i>E.g. policy section or practice.</i> | Protected Group | Impact and Evidence<br><i>What are the possible impacts on people from the protected groups above, and explain how you have made that assessment. Are these impacts positive or negative?</i> | Justification<br><i>Can the issue be justified for academic or business reasons? Please explain.</i> | Proposed Action/Timeline<br><i>If this has a negative impact, what will you do to reduce, minimise or eliminate negative impact? If this has a positive impact, how will you promote, develop or utilise this opportunity?</i> | Person responsible for action(s) |
|---|-----------------|---|--|--|----------------------------------|
| None  |                 |   |  |  |                                  |

5. **Monitoring** How will you monitor the actual impact that your proposal has had following its implementation? When will you do this?

This policy is reviewed at least annually

6. **Summary** Summarise the outcome of this Equality Assessment, and state any actions you will be taking as a result.

No Actions

## SCHEDULE OF FINANCIAL DELEGATION

The school is aware of the ESFA Academies Trust Handbook (AFH) and the Charities Commission Statement of Recommended Practice (SORP). These Financial Regulations are adopted by the Governing Body.

**Key for table**

GB Governing Body

RC Resources Committee

AO Accounting Officer (Headteacher)

SBM School Business Manager

|                             |   | Level of Responsibility |         |        |     |
|-----------------------------|---|-------------------------|---------|--------|-----|
|                             |   | GB                      | RC      | AO     | SBM |
| Area of Responsibility      |   |                         |         |        |     |
| <b>Financial Management</b> |   |                         |         |        |     |
| A1                          | Ensure the School's continuing compliance with the AcademiesTrust Handbook  |                         |         | ✓      |     |
| A2                          | Complete and submit the School Resource Management Self-Assessment Tool annually by specified deadline  |                         | Approve | Review | ✓   |
| A3                          | Approval of the School's financial policies (Schedule of Delegation, Scheme for Financing Schools, Financial Regulations, charging, refunds, debt recovery, asset disposal, etc.) | ✓                       | Review  |        |     |
| A4                          | Ensure financial scrutiny and oversight to support maintaining the school as a going concern  |                         | ✓       |        |     |
| A5                          | Ensure that all relevant financial updates are brought to the attention of the Resources Committee  |                         |         |        | ✓   |
| A6                          | To consider all relevant financial updates and advise the Governing Body of any issues affecting the school's financial administration.   |                         | ✓       |        |     |



|   |   | Level of Responsibility |    |    |     |
|---|---|-------------------------|----|----|-----|
| Area of Responsibility                                  |   | GB                      | RC | AO | SBM |
| <b>School Development Plan – financial implications</b> |   |                         |    |    |     |
| B1  | Prepare a fully costed School Development Plan setting out the aims of the school.                          |                         |    | ✓  |     |
| B2  | Secure the implementation of the School Development Plan with the collective support of the schools' staff. |                         |    | ✓  |     |
| B3  | Consider the School Development Plan, review and monitor it.  |                         |    | ✓  |     |
| B4  | Approve an ongoing School Development Plan and take stock of the progress of the plan on a termly basis.    | ✓                       |    |    |     |

|                           |   | Level of Responsibility |    |    |     |
|---------------------------|---|-------------------------|----|----|-----|
| Area of Responsibility    |   | GB                      | RC | AO | SBM |
| <b>Financial Planning</b> |   |                         |    |    |     |
| C1                        | Prepare a three-year medium-term budget (MTFP) based on the cost of current policies, the proposals for change (drawn from the School Development Plan) and estimates of the level of future resources. |                         |    |    | ✓   |
| C2                        | Consider the School's MTFP in the light of the School Development Plan and the level of future resources.   |                         | ✓  |    |     |
| C3                        | Approve the School's MTFP before submission to the ESFA and review this document in the light of any significant factors that come to the attention of the Governing Body.                              | ✓                       |    |    |     |

|  |  | Level of Responsibility |    |    |     |
|--|--|-------------------------|----|----|-----|
| Area of Responsibility                             |  | GB                      | RC | AO | SBM |
| <b>Annual Budget Plan and Best Value Statement</b> |  |                         |    |    |     |
| D1   | Prepare the School's draft annual budget and best value statement, based on the agreed objectives of the school as set out in the School Development Plan, MTFP and set out key issues for consideration by Governing Body |                         |    |    | ✓   |
| D2   | Consider the draft School budget and key issues (links to the School Development Plan and MTFP) and the proposal of the balanced budget for the year for the approval of the Governing Body.                               |                         | ✓  |    |     |
| D3   | Approve the School's annual budget.  | ✓                       |    |    |     |
| D4a  | Prepare the annual 'Best Value' statement and check that appropriate steps have been taken by the school to obtain best value.   |                         |    |    | ✓   |
| D4b  | Review the annual 'Best Value' statement and ensure that appropriate steps have been taken by the school to obtain best value and ensure it is submitted on time.  |                         | ✓  |    |     |
| D5   | Approve the 'Best Value' statement based on the work undertaken by both the School and Resources Committee to ensure value for money has been established.   | ✓                       |    |    |     |

|   |  | Level of Responsibility |    |    |     |
|---|--|-------------------------|----|----|-----|
| Area of Responsibility                        |  | GB                      | RC | AO | SBM |
| <b>Annual Timetable for Budget Management</b> |  |                         |    |    |     |
| E1  | Prepare a timetable with key dates for annual budget management and submissions. |                         |    |    | ✓   |

|     | Area of Responsibility   | Level of Responsibility |                     |        |     |
|-----|--|-------------------------|---------------------|--------|-----|
|     |  | GB                      | RC                  | AO     | SBM |
|     | <b>Budget Monitoring and Control</b>   |                         |                     |        |     |
| F1  | Approve virements between budget headings.   |                         |                     | £5,000 |     |
| F2  | Approve virements between budget headings.   |                         | £5,000 -<br>£10,000 |        |     |
| F3  | Approve virements between budget headings  | >£10,000                |                     |        |     |
| F4  | Advise the Resources Committee and Governing Body of all budget movements (e.g., virements, allocation of additional funding, etc.) undertaken where not otherwise approved in advance by the Resources Committee or Governing Body.   |                         |                     |        | ✓   |
| F5  | Review all budget movements undertaken (including virements), ensuring that the reasoning for the movements is sound.  | >£10,000                | <£10,000            |        |     |
| F6  | Monitor and control expenditure against the budget during the financial year, including preparation and approval of reports for the Resources Committee and Governing Body (6 x monthly reports) and the production of a register of staff responsible for managing budgets. |                         |                     |        | ✓   |
| F7  | Review monthly management account reports.   | (Chair)                 |                     | ✓      |     |
| F8  | Review the budget monitoring reports and the projected out- turn position.   |                         | ✓                   |        |     |
| F9  | The control and monitoring of delegated budgets.   |                         |                     |        | ✓   |
| F10 | Ensure that earmarked funds and large or trading activities are separately monitored and reported to the Governing Body.   |                         |                     |        | ✓   |
| F11 | Review earmarked funds, trading activities and large School operations, (e.g., boarding, extended School activities, hiring's, etc.) to ensure that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.       |                         | ✓                   |        |     |

|  |  | Level of Responsibility |    |    |     |
|--|--|-------------------------|----|----|-----|
| Area of Responsibility                 |  | GB                      | RC | AO | SBM |
| <b>Financial Reporting to the ESFA</b> |  |                         |    |    |     |
| G1                                     | The preparation of the year-end accounts and other returns required by the ESFA for consideration by the Accounting Officer (Headteacher). |                         |    |    | ✓   |
| G2                                     | In conjunction with the Governing Body, approve all year-end accounts and any financial returns required by the ESFA                       | Chair                   |    | ✓  |     |

|                                     |   | Level of Responsibility |    |    |     |
|-------------------------------------|---|-------------------------|----|----|-----|
| Area of Responsibility              |   | GB                      | RC | AO | SBM |
| <b>Audit and Inspection Reports</b> |   |                         |    |    |     |
| H1                                  | Produce a formal response to the Internal Audit report and an action plan showing how the recommendations will be implemented.                    |                         |    |    | ✓   |
| H2                                  | Consider the recommendations set out in Internal Audit report and the action plan proposed by the School Business Manager for implementing these. |                         | ✓  |    |     |
| H3                                  | Ensure that the recommendations agreed by the school have been implemented.   |                         | ✓  |    |     |

|   |  | Level of Responsibility |    |    |     |
|---|--|-------------------------|----|----|-----|
| Area of Responsibility                              |  | GB                      | RC | AO | SBM |
| <b>Retention and Disposal of Accounting Records</b> |  |                         |    |    |     |
| I1  | Ensure maintenance of complete financial accounts and full supporting records for all accounts.                        |                         |    |    | ✓   |
| I2  | The retention, secure storage, and disposal of accounting records in accordance with both legal and ESFA requirements. |                         |    |    | ✓   |
| I3  | The maintenance of full financial records for all accounts.  |                         |    |    | ✓   |

|    | Area of Responsibility  | Level of Responsibility |    |    |                 |
|----|---|-------------------------|----|----|-----------------|
|    |   | GB                      | RC | AO | SBM             |
|    | <b>Computer Systems and the Data Protection Act 1998</b>  |                         |    |    |                 |
| J1 | Ensure that the school complies with the requirements of the Data Protection Act 1998.                    |                         |    |    | ✓               |
| J2 | Ensure that the School's Data Protection registration is renewed annually                                 |                         |    |    | ✓               |
| J3 | Ensure the setting up of dual authentication factor and maintain Access Finance profiles for system users |                         |    |    | ✓               |
| J4 | Ensure financial records are processed and recorded in accordance with the Academies Trust Handbook       |                         |    |    | ✓               |
| J5 | Ensure financial records are processed and recorded in accordance with the Academies Trust Handbook       |                         |    |    | Finance Officer |

|    | Area of Responsibility  | Level of Responsibility |    |    |     |
|----|---|-------------------------|----|----|-----|
|    |   | GB                      | RC | AO | SBM |
|    | <b>Petty Cash</b>   |                         |    |    |     |
| K1 | Agree, with the Resources Committee, an appropriate amount of petty cash to be held, currently £200, and the periodic check of completeness of financial records. |                         |    |    | ✓   |
| K2 | The maintenance of accounting records, and the security of petty cash.  |                         |    |    | ✓   |
| K3 | Reconcile Petty cash account monthly  |                         |    |    | ✓   |

|    | Area of Responsibility   | Level of Responsibility |                            |    |     |
|----|--|-------------------------|----------------------------|----|-----|
|    |  | GB                      | RC                         | AO | SBM |
|    | <b>Banking Arrangements</b>  |                         |                            |    |     |
| L1 | Open bank accounts and approve or vary signatures thereto, taking into consideration the restrictions set out in the ESFA Trust Handbook and any effect that this may have on the way the annual budget is advanced to the school. |                         |                            |    | ✓   |
| L2 | Authorise payments by cheque as a joint signatory to a maximum of £1000  |                         |                            | ✓  | ✓   |
| L3 | The signing of BACS/cheques for £1,000 to £9999 and reimbursements to the Accounting Officer Headteacher. Any signatures (see Annex 2) of the following combination. A+B or B+B (HT should not sign own reimbursements)            |                         |                            | ✓  | ✓   |
| L4 | The signing of BACS/cheques over £10000. Any 2 signatures (see Annex 2) from the following combination A+B.  |                         | Chair and nominated deputy | ✓  | ✓   |
| L5 | The control and reconciliation of the school's bank accounts   |                         |                            |    | ✓   |
| L6 | Review the bank reconciliation monthly   | (Chair)                 |                            | ✓  |     |
| L7 | Review at least 6 bank reconciliation monthly reports each academic year   | ✓                       |                            |    |     |

|    |  | Level of Responsibility |    |    |     |
|----|--|-------------------------|----|----|-----|
|    | Area of Responsibility   | GB                      | RC | AO | SBM |
|    | <b>Personnel and Payroll</b>   |                         |    |    |     |
| M1 | Review the staff structure of the school   |                         | ✓  |    |     |
| M2 | To review the financial implications of changes to staffing numbers and grades and approve those with a compound annual effect over £10,000. |                         | ✓  |    |     |
| M3 | The filing and electronic storage of personnel and pay records (including person specifications and interview notes for a least 6 months).   |                         |    |    | ✓   |
| M4 | Periodically reconcile gross pay with contracts and other authorised documents   |                         |    |    | ✓   |
| M5 | Implement the Schools pay policy and appointment procedures for all staff employed through the school.                                       |                         |    | ✓  |     |

|    |  | Level of Responsibility |    |    |     |
|----|--|-------------------------|----|----|-----|
|    | Area of Responsibility   | GB                      | RC | AO | SBM |
|    | <b>Leasing</b>   |                         |    |    |     |
| N1 | Seek approval for any proposed leases, other than operating leases, from the ESFA, in accordance with the Academies Trust Handbook |                         |    |    | ✓   |
| N2 | The maintenance of a register of all leases held by the school   |                         |    |    | ✓   |

|     | Area of Responsibility   | Level of Responsibility |    |    |                 |
|-----|--|-------------------------|----|----|-----------------|
|     |  | GB                      | RC | AO | SBM             |
|     | <b>Purchasing – provision of goods and services</b>  |                         |    |    |                 |
| O1  | Set house rules for a purchasing policy, monitor, and review the rules in accordance with ESFA guidelines.   |                         |    |    | ✓               |
| O2  | Monitor purchasing regulations to ensure compliance by the school  |                         | ✓  |    |                 |
| O3  | Contracts Manager for the contracts taken out.   |                         |    |    | ✓               |
| O4  | Maintain a Contracts Register.   |                         |    |    | ✓               |
| O5  | Review contracts on an on-going basis (and as part of ensuring the school continues to achieve 'best value')   |                         |    |    | ✓               |
| O6  | Ensure that a minimum of 2 written quotes are obtained for purchases and contracts valued at over £1,500 and up to a value of £3,000 excluding VAT.                  |                         |    |    | ✓               |
| O7  | Obtain best value for purchases under £1,500   |                         |    |    | Finance Officer |
| O8  | Ensure that a minimum of 3 quotes are obtained for purchases and contracts valued between £3,000 and £10,000.  |                         |    |    | ✓               |
| O9  | Ensure that a minimum of 3 tenders are obtained for purchases and contracts valued over £10,000.   |                         |    |    | ✓               |
| O10 | Ensure related party transactions are appropriately declared and approved by the ESFA  |                         |    |    | ✓               |
| O11 | Ensure that the Public Procurement (EU Exit) Regulations 2020 are applied for all purchases of goods and services over £189,330 or construction work over £4,733,252 | ✓                       |    |    |                 |
| O12 | Supervise contractors and service providers to ensure the receipt of best value for money and compliance with legislation.   |                         |    |    | ✓               |



|    | Area of Responsibility   | Level of Responsibility |                           |    |                 |
|----|--|-------------------------|---------------------------|----|-----------------|
|    |  | GB                      | RC                        | AO | SBM             |
|    | <b>Orders for Goods and Services and Payment of Accounts</b>   |                         |                           |    |                 |
| P1 | The maintenance of an authorised budget holder signatory list for orders (subject to the limitations agreed).  |                         |                           |    | ✓               |
| P2 | The authority for the signing of official orders for the purchase of goods and services up to the value of £10,000.  |                         |                           | ✓  |                 |
| P3 | Control the placing of orders for the purchase of all goods and services, up to a value of £10,000.  |                         | Chair                     | ✓  |                 |
| P4 | Approve orders for all goods and services (taking into consideration tendering requirements) above £10,000   |                         | Chair or nominated deputy |    |                 |
| P5 | Approve capital projects.  |                         | ✓                         |    |                 |
| P6 | Maintaining purchase order system for goods and services purchased in the school on Access Finance:<br>- obtaining 3 quotes where appropriate<br>- confirming receipt of goods and services<br>- keeping concise records |                         |                           |    | ✓               |
| P7 | Purchases including:<br>• obtaining VAT invoices:<br>• checking invoices to deliveries/services received<br>• posting invoices onto Access when received<br>• preparing supplier etc. payments by BACS or cheque         |                         |                           |    | ✓               |
| P8 | Ensuring suppliers paid within the recognised time frame. Keeping concise records.   |                         |                           |    | Finance Officer |
| P9 | Purchase invoice approval  |                         |                           |    | ✓               |

|    | Area of Responsibility   | Level of Responsibility |    |    |     |
|----|--|-------------------------|----|----|-----|
|    |  | GB                      | RC | AO | SBM |
|    | <b>VAT</b>   |                         |    |    |     |
| Q1 | Ensure VAT is claimed in accordance with current VAT regulations.            |                         |    |    | ✓   |
| Q2 | To monitor the regulations on VAT, ensuring compliance by the school.        |                         |    |    | ✓   |
| Q3 | To complete and submit the reimbursement claim for VAT on a quarterly basis. |                         |    |    | ✓   |
| Q4 | The signing of the VAT reimbursement claims.                                 |                         |    |    | ✓   |

|     | Area of Responsibility  | Level of Responsibility |    |    |                 |
|-----|---|-------------------------|----|----|-----------------|
|     |   | GB                      | RC | AO | SBM             |
|     | <b>Income</b>   |                         |    |    |                 |
| R1  | Set a charging policy for consideration by the Governing Body   |                         |    |    | ✓               |
| R2  | Approve the charging policy.  |                         | ✓  |    |                 |
| R4  | Management and reconciliation of debtors including a monthly debtors report, keeping concise records  |                         |    |    | Finance Officer |
| R5  | Set suitable controls for the recording and collection of monies due, and for the movement of banking of monies for all accounts under the control of the school. |                         |    |    | ✓               |
| R6  | The preparation of receipts for banking. Banking receipts. Keeping concise records.   |                         |    |    | ✓               |
| R7  | Authorisation of banking (dual controls)  |                         |    |    | ✓               |
| R8  | Approve procedures for chasing outstanding income due to the school (debt recovery policy).   |                         | ✓  |    |                 |
| R9  | Write off bad debts for less than £500. Amounts more than this limit to be approved by the Resources Committee.   |                         |    |    | ✓               |
| R10 | Approve and write off bad debts accruing to the school over the value of £500. Items above £5000 must be referred to the ESFA for approval.                       |                         | ✓  |    |                 |
| R11 | Ensure the security of monies held on site.   |                         |    |    | ✓               |

|  |   | Level of Responsibility |    |    |     |
|--|---|-------------------------|----|----|-----|
| Area of Responsibility                               |   | GB                      | RC | AO | SBM |
| <b>Security of Assets, Stocks and Other Property</b> |   |                         |    |    |     |
| S1   | Oversee security arrangements at the school (including procedures for call-out and key replacements)  |                         |    |    | ✓   |
| S2   | Approve and periodically review the policy for security arrangements at the school.   |                         | ✓  |    |     |
| S3   | To determine a value above which assets should be Capitalised. Currently £1000  |                         | ✓  |    |     |
| S4   | Ensure the physical security of the school's assets and maintain and periodically inspect an up-to-date inventory.  |                         |    |    | ✓   |
| S6   | The notification of any changes in physical assets to the inventory coordinator.  |                         |    |    | ✓   |
| S7   | To determine a value above which discrepancies in the inventory should be reported to the Governing Body.   |                         | ✓  |    |     |
| S8   | The physical inspection of the inventory on an annual basis or through an on-going programme of (random) sample checks.   |                         |    |    | ✓   |
| S9   | Oversee the disposal of surplus stock and equipment and property, other than land and buildings, and authorise items for disposal up to a maximum value of £2000. |                         |    |    | ✓   |
| S10  | Approve the policy for disposal of surplus stock and equipment and the sale of property, other than land buildings and authorise items for disposal over £5,000.  |                         | ✓  |    |     |
| S11  | Authorise the disposal of surplus stock and equipment and property, other than land and buildings, and authorise items for disposal between £2,000 to £5,000.     |                         |    | ✓  |     |
| S12  | Maintain a register of key holders.   |                         |    |    | ✓   |

|                        |   | Level of Responsibility |    |    |     |
|------------------------|---|-------------------------|----|----|-----|
| Area of Responsibility |   | GB                      | RC | AO | SBM |
| <b>Insurance</b>       |   |                         |    |    |     |
| T1                     | Initiate adequate insurance cover for the school and maintain a register of policies taken out. |                         |    |    | ✓   |
| T2                     | Undertake an assessment of risk management for insurance purposes at the school.                | ✓                       |    |    |     |

## Bank Signatories Mandate

### Panel 1 (A)

Chair of Resources

1 designated Trustee

### Panel 2 (B)

Accounting Officer (Headteacher)

School Business Manager

Deputy Head

### Limits

0 - £10,000 – 2+2, 1+2

>£10,000 – 1+2

The inputting of all financial payments is undertaken by the Finance Officer prior to the authorisation of the above Panels.