

Presdales School



Title	Financial Policies and Procedures
Version	November 2020
Author/Title	Margaret Stanley, Business Manager
Committee Responsible	Resources Committee
Trustee Link	Mike Robinson
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Enquiries & comments

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Introduction

The purpose of this manual is to ensure that the Academy develops and maintains systems of financial control which comply with the requirements of both propriety and good financial management.

Presdales School became an Academy on 1 April 2012. It is a company limited by guarantee, with charitable status, incorporated in England & Wales (Company Number 07990029)

The Academy must comply with the principles of financial control outlined in the guidance published by the Education and Skills funding Agency (ESFA) in the Academies Financial Handbook (AFH) September 2020 and the duties and obligations of the Academy arising from the Funding Agreement with the Education Secretary (original copy in safe in Finance Office).

Roles & Responsibilities

The Academy has defined responsibilities for each person involved in the administration of framework of accountability and sound financial control for trustees and staff. Details are defined in the Schedule of Financial Delegation.

Trust Board

The main responsibilities of the school are delivered through the Trust Board which has wide responsibilities under statute and regulations, charity law, the Academy's Funding Agreement and Articles of Association. Whilst it has wide discretion over the uses of the schools' funds it is ultimately responsible for the proper stewardship of the funds from the Education and Skills Funding Agency (ESFA) and must ensure economy, efficiency and effectiveness in their use (Value for Money).

The Trust Board will

- Consider and approve the annual budget plan and ensure that it is submitted to the ESFA in the required format by the due date.
- Notify the ESFA of any subsequent changes to the budget;
- Ensure the budget is developed with reference to the school's strategic aims and objectives as stated in the School Improvement Plan;
- Establish and review, annually, the financial limits of delegated authority;
- Review regularly the Register of Interests and ensure its accuracy;
- Ensure that the budget is managed effectively, accurate records are maintained and that these are available for audit and inspection as required;
- Ensure that effective financial procedures and internal controls are in place and carried out;
- Consider the recommendations from external and internal audit reports and ensure that any required action is implemented promptly;
- Approve the staffing structure and pay policy and ensure, in conjunction with the Headteacher, that salary payments are made only to school employees in accordance with their appropriate conditions of employment and for services provided for the school (including tax and NI deductions) and to ensure that payroll changes are accurately recorded and promptly processed;
- Act as a 'Critical Friend' to the Headteacher by providing advice, challenge and support;
- Adopt the four principles of Best Value
- Compare how the school's performance compares with that of other schools;
- Challenge whether the school's performance is enough;
- Compete to secure economic, efficient and effective services;
- Consult with stakeholders about services provided and evaluate the effectiveness of spending decisions
- Obtain approval from the Secretary of State before borrowing, including finance leases of any duration;
- Seek Secretary of State's approval for writing off debts and losses and entering into guarantees, indemnities and letters of comfort beyond limits as specified in the AFH;
- Consider the justification and level of settlement for any staff severance payment;
- Consider that any compensation payment is based on careful appraisal of facts, including legal advice and that value for money will be achieved;
- Obtain Secretary of State's approval before entering into the acquisition or disposal of fixed assets beyond limits specified in the AFH;
- Refer any novel or contentious transaction to the ESFA for prior authorisation, these will relate to situations in which the academy trust has no experience or are outside the range of normal business and which in turn might give rise to criticism of the trust by the public or media;
- Ensure that the range of financial competencies of trustees and staff involved in financial management is such that the school is not over-reliant on one individual;
- Consider the annual insurance premiums for risk and ensure they are appropriate and adequate;

Resources Committee

The Trust Board delegates the regular monitoring of the schools' financial activity to the Resources Committee. The committee will ensure that the Trust Board is kept fully informed about financial issues through the presentation of minutes and briefings.

The committee will work to Terms of Reference drawn up by the Trust Board.

Its main function is to consider and make recommendations to the Trustees on all financial and budgetary matters including:

- Consideration of the annual budget for presentation to the full Trust Board;
- Approval of arrangements to secure compliance with financial regulations;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance to academies;

The Resources Committee will also assume the function of the Academy's audit committee to provide assurance to the Trust Board on the following issues:

- the discharge of its financial responsibilities according to the requirements of the ESFA
- the efficient, economical and effective management of resources and expenditure, including capital funds, capital assets and equipment and staff.
- the introduction and maintenance of sound internal financial control
- that financial considerations are fully taken into account in reaching decisions and in their execution

'Responsible Officer' checks on behalf of the Trust Board are provided by Hertfordshire County Council Shared Internal Audit Service who undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings from each visit will be presented to the Resources Committee.

Shared Internal Audit Service
Hertfordshire County Council
Robertson House
Postal Point SROB105
Six Hills Way
Stevenage

Tel 01438 845524

Accounting Officer

The Headteacher is the Accounting Officer and has specific responsibility for all financial matters including personal responsibility to the Trust Board, Parliament and the ESFA's Accounting Officers for the financial resources under the Academy's control. The Headteacher/Accounting Officer must ensure:

- The keeping of proper accounts;
- Prudent and economical administration;
- The regularity and propriety of public finances for which they are answerable;
- The avoidance of waste and extravagance;
- Ensuring value for money;
- The efficiency and effective use of all resources in his charge;
- The production of contingency and business continuity plan (School Emergency Response Plan);
- The maintenance of a risk register to assess the risks arising from its operations

The Accounting Officer must advise the Trust Board if, at any time, in his opinion any action or policy under consideration by the Trust Board is incompatible with the terms of the Academies Financial Handbook or the Funding Agreement or the board appears to be failing to act where required to do so by the terms of the Academies Financial Handbook or the Funding Agreement

Headteacher

The Headteacher has delegated responsibility to:

- Lead and manage the formulation of a strategic plan (School Improvement Plan), underpinned by sound resource planning which identifies priorities and targets for ensuring that students make progress and achieve high standards, increasing teacher's effectiveness and securing improvement of the schools' performance;
- Ensure that sound internal financial controls are in place which is managed on a daily basis by the Business Manager;
- Ensure the effective implementation of current financial systems, policies and procedures even in the absence of key staff;
- Compile an annual budget (revenue & capital) for presentation to the Resources Committee and final approval of the Trust Board, ensuring that the school has received the correct entitlement to delegated funding via the ESFA;
- Ensure the production of regular, reconciled budget / financial reports for Trustees, ESFA, DfE or other bodies as necessary;
- Obtain Trust Board approval for budget virements as necessary within the authorised limits;
- Consider and respond promptly to recommendations identified in audit reports and Ofsted recommendations and advise the Trust Board of remedial actions to be implemented;
- Prepare a Charging and Remissions policy for approval by the Trust Board;
- Ensure the maintenance of an asset register and inventory for all school property;
- Ensure the adequacy of the school's insurance arrangements;
- Prepare and implement the school Pay Policy and appointments procedures, reviewing staffing requirements and curriculum needs as necessary;
- Advise on any proposed borrowing or finance leasing arrangement to ensure ESFA approval is sought;
- Advise on any proposed debt write-off or loss; and any proposal to enter into any guarantees, indemnities or letters of comfort beyond limits as specified in AFH;
- Advise on any proposed staff severance payment;
- Advise on any proposed compensation payment;
- Advise on any proposed acquisition or disposal of fixed assets beyond limits specified in specified in the AFH;
- Advise on any proposed novel or contentious transaction;
- Prepare a statement for inclusion in the Annual Report, on governance, regularity, propriety and compliance;

Business Manager

The School Business Manager is the principal finance officer who works in close collaboration with the Headteacher. The key financial responsibilities include:

- the day to day management of financial issues
- the establishment, maintenance and operation of a suitable accounting system
- the maintenance of the Academy's accounting records
- preparing and monitoring the budget
- reporting the Academy's results to the Headteacher and Trust Board
- ensuring the Academy receives all the income to which it is entitled
- the management of the school's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board
- preparation of budget plans in conjunction with the Headteacher
- the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the school
- the preparation of monthly management accounts

- ensuring the accuracy and integrity of the Academy's payroll
- managing specific projects, eg capital projects
- authorising orders in accordance with the agreed Schedule of Financial Delegation.
- ensuring forms and returns are sent to the ESFA in line with any timetabled DfE / ESFA guidance.
- regular communication with the Resources Committee and auditors

Finance Staff

The Academy's Finance Department comprises a Finance Manager and 3 Finance Administrative Assistants and 1 clerical assistant, reporting to the Business Manager. The Headteacher and Business Manager will establish procedures to ensure that:

- personnel are competent, suitably qualified and trained to perform at a level commensurate with their responsibilities
- the finance staffing levels are adequate
- there are effective arrangements to deal with the absence of key financial personnel
-

Key duties include:

- Maintaining the Academy's accounting records and processes
- Liaising with budget holders and providing regular reports
- Ensuring that financial procedures are adhered to at all times
- Managing petty cash
- Maintaining authorised signatory lists

Appointment of External Auditors

The school is required to submit the accounts for an annual audit by external auditors. External auditors should be for a one-year period renewable at the discretion of the Trust Board.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- proper accounting records have been kept by the school throughout the financial year
- grants made by the ESFA have been applied for the purposes intended.
- Trustees will arrange for on-going monitoring of the performance of the auditors:
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Hillier Hopkins LLP
51 Clarendon Road
Watford
WD17 1HP

Contact: Alex Bottom

Tel: 01923 232938

Register of interests

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 Trustees and staff with financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the school may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school. 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 Trustee or a member of staff by that person.

The existence of a register of business interests does not detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or a committee. Where an interest has been declared, Trustees and staff should not attend that part of any committee or other meeting.

The register should be updated at least once a year. All Trustees and relevant staff in posts with financial or spending responsibilities are required to submit a return, including a nil return where relevant. Records should be held by the Clerk to the Trust Board for Trustees and the Business Manager for staff.

Financial limits of delegated authority:

Financial limits of delegated authority are detailed on the **Schedule of Financial Delegation**.

Budget holders are authorised to commit expenditure in line with their departmental plans and agreed budget allocations. Requisition orders must be completed and signed by the budget holder for processing and entering on the school financial management system (FMS). Where urgency requires a verbal order can be made, this should be confirmed by an official order as soon as possible.

Please see Schedule of Financial Delegation for further details.

Whistle Blowing

The staff and Trustees of Presdales School seek to run all aspects of Academy business and activity with full regard for high standards of conduct and integrity. If members of staff, parents, Trustees or any other connected party become aware of activities which give cause for concern, a Whistle Blowing Policy is available. This acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the Academy's disciplinary procedure.

Financial Controls

Audit committee

The role of the Audit Committee has been combined with the Resources Committee and its duties include directing the Trust's programme of internal scrutiny and reporting to the board on the adequacy of financial and other controls and the management of risks. The Academy is required to ensure that the school's systems of internal control and separation of duties is robust. Reports are produced termly following an internal audit carried out by HCC Shared Audit Services for consideration by the audit committee.

External Audit

A full audit is carried out by external auditors annually at the end of each financial year in preparation for the submission of annual accounts to the ESFA and the publication of the Academy Trust Annual Report

Staff responsible for day to day financial processes

Mr M Warren	Headteacher
Mrs Margaret Stanley	Business Manager (to 31 st December 2020)
Mrs A Caira	Finance Manager
Mrs D Cooper	Finance Administrator
Mrs S McKinley	Finance / Trip Administrator
Mrs S Wells	Finance Administrator
Mrs J Davies	Clerical Assistant

Segregation of Duties

Policy Statement

The Trust Board and school staff must consider the principle of segregation of duties when designing and defining job duties. They must implement processes and control procedures that segregate duties among employees and include effective oversight of activities and transactions.

General Principles

The Academy and the DfE require that accounting transactions be authorised according to sound management practices. One of the most basic, yet most important principles of sound management is that of segregation of duties.

Segregation of duties is critical because

- it ensures separation of different functions and defines authority and responsibility over transactions.
- it ensures effective internal control;
- it reduces the risk of both erroneous and inappropriate actions.

The fundamental premise of segregated duties is that an individual should not be in a position to initiate, approve, and review the same action.

The performance of reconciliations and the asset (e.g. money, inventory) custody function should be separated among employees. These are called incompatible duties when performed by the same individual. The Academy has systems for processing and recording transactions, such as purchasing, payroll and income collection systems. The Trust Board is responsible for ensuring that the allocation of duties to staff concerned with financial transactions is, as far as is practicable, distributed so that at least two people are involved with both receipts and payments. This ensures that the same person is not responsible for a process from start to finish, reducing the risk of error or intentional manipulation.

For expenses incurred by the Headteacher, approval is obtained from the Chair of Trustees and the other two authorised signatories sign cheque reimbursements.

In the event of long-term absence of any of the post holders, their responsibilities should be delegated upwards until alternative arrangements can be made.

Approved Signatories

All orders and invoices are authorised for payment by the delegated Budget Holder. Details of all Budget Holders are held within FMS and the Business Manager holds a separate list detailing the name of the budget holder, a specimen signature and any restrictions to their signing limits.

The Business Manager keeps details of authorised signatories for bank transactions, cheques, personnel and payroll forms and accounts payable and receivable. External agencies, notably the payroll provider, will be notified of changes to authorised personnel promptly.

Maintenance of Complete and Permanent Records

Presdales School ensures that complete financial records are maintained at all times so that transactions are traceable from the original documentation to the accounting records and vice versa. Where amendments are required, the person making the change initials the alteration. All manual records are completed in ink and correcting fluid is not used. All records are authorised or approved independently from the person completing them, e.g. approval of the costing for a residential journey or day visit, bank reconciliations, etc. and the records are signed to reflect this. Records are retained for the length of time recommended by the Information and Records Management Society

Accounting Systems

The school uses **Capita FMS** as an accounting system. The system is password protected with restricted access. The system is backed up daily.

Only authorised members of staff are permitted access to the computerised and manual accounting records, which are securely retained when not in use. Levels of access are dependent on posts held.

Posts with access to FMS:

- Business Manager
- Finance Manager
- Finance Administrator
- Finance Assistant
- System Manager
-

The schools budget planning software is **Access Budgeting** which is accessed by the Business Manager

Data Back Up

Data is maintained on the school server and regular cloud based and hard copy back-ups are taken daily. The Academy Business Continuity Plan shall include procedures in the event of loss of the Finance System or financial data.

Transaction Processing

All transactions input to the finance System should be authorised in accordance with the procedures specified in this Manual. Detailed procedures for the operation of the payroll, the purchase ledger, the sales ledger, the disposal of assets and the maintenance of asset records must be produced by the Business Manager. All journal entries must be documented in an appropriate form and authorised by the Business Manager prior to being input to the Finance System. Bank transactions should be input by the Finance Manager or Finance Administrator and the input should be checked by the Business Manager.

Detailed information on the operation of the Finance System can be found in the user manuals held in the Finance Office.

The school will seek to adhere to the control principles set out within the Academies Financial Handbook.

Risk Management

Presdales School will undertake a regular review of the areas of risk which is documented in the Risk Register, in accordance with the school's Risk Policy:

Staff Responsibilities and Duties

Tasks			
Financial Planning Budget	Who	Discussed With:	Approved By;
Compiling draft budget proposal	Business Manager Headteacher	SLT & Resources Committee	Trust Board
Compiling Salary Plan	Headteacher	Personnel Committee	Trust Board
Costing Salary Plan	Business Manager	Resources Committee	Trust Board
Premises	Business Manager Headteacher	SLT & Resources Committee	Trust Board
Contracts	Business Manager Headteacher	SLT & Resources Committee	Trust Board
Departmental allowances	Business Manager Headteacher	SLT & Resources Committee	Trust Board
ESFA budget income	Business Manager Headteacher	SLT & Resources Committee	Trust Board
Other income	Business Manager Headteacher	SLT & Resources Committee	Trust Board
Presentation to Head & Trustees	Business Manager		Trust Board
Final budget – input onto system	Business Manager		Trust Board
Budget Monthly	Business Manager		
Monitoring reports for Trustees	Business Manager	Headteacher	Trust Board
Presentation to Trustees	Chair of Resources		Trust Board
Revised Forecasts	Business Manager		Trust Board

Purchasing	Who	Results to:	Approved by
Raising of orders	Budget Holder Finance Staff		
Filing of orders/ checking orders	Finance Staff		
Approval of invoices for payment	Budget Holder		
Payment of Invoices	Finance Administrator		Budget Holder
Monitoring outstanding orders	Finance Manager	Business Manager	Budget Holder
Petty Cash	Finance Manager		Budget Holder
Day to day management	Finance Manager	Business Manager	
Cash cheques at bank	Finance Manager		Business Manager
Income	Who	Results to:	Approved by
Departmental sales – day to day management	Admin Assistant	Finance Manager	Budget Holder
Input on system	Finance Manager	Budget Holder	
Other income – day to day management	Finance Administrators	Finance Manager	Business Manager
Input on system	Finance Manager	Business Manager	
Maintenance of day book	Finance Manager	Business Manager	
Music Fees	Who	Results to:	Approved by

Checking of registers/invoices	Finance Manager/ Administrator	HOD	
Maintenance and checking of reports	HOD		
Checking teachers timesheets	Finance Manager		
Raising of invoices	Finance Administrator		
Monitoring payments	Finance Manager	Business Manager	HOD
Check of music service provided	HOD		
Constant queries	Finance Manager	HOD	Business Manager
Fund Account	Who	Results to:	Approved by
Bank reconciliation	Finance Manager/Finance Administrator		Business Manager
Maintenance of day book and banking	Finance Manager		
Financial management of non-educational trip	Finance Manager	Teacher in Charge	Headteacher
Payment records	Finance Administrator	Finance Manager	Teacher in charge
Chasing of payments	Finance Administrator	Business Manager	
Entry into day book	Finance Manager	Business Manager	
Foreign currency arrangements	Finance Manager		
Costing of trip	Teacher in Charge	Business Manager	

Final reconciliation annual return reforecast	Business Manager		Headteacher Trust Board
School Trips – Financial Aspect	Who	Results to:	Approved by
Records of payments	Finance Administrator	Finance Manager	
Chasing of payments	Finance Administrator	Business Manager	
Costing of trip Transport, accommodation, entry fees Cover costs Risk assessment and essential forms i.e. OV7, OV8, E11 etc.	Teacher in charge	Business Manager	
Preparation of banking	Finance Administrator	Finance Manager	
Monitoring online Wisepay payments	Finance Administrator	Finance Manager	
Entry into day book	Finance Administrator	Finance Manager	
Foreign currency or cash arrangements	Finance Manager		
Processing of refunds insurance claims	Teacher in charge	Finance Manager	
Final reconciliation	Finance Manager	Teacher in Charge	Headteacher
Banking general	Who	Results to:	Approved by
Preparation for banking	Finance Manager		
Input onto system	Finance Manager	Business Manager	

Bank reconciliation –	Finance Manager or Finance Administrator	Business Manager	Business Manager
Payroll Monthly/ Weekly	Who	Results to:	Approved by
Preparation of contract changes	Business Manager		Head
Preparation of Supply staff time sheet	H Goodwin	Business Manager	Head
Travel claims - Check/Log	Business Manager		Head
Lettings – Overtime - Check/log	Business Manager		Head
Staff sickness	H Goodwin	Business Manager	Head
Teaching/Support Staff	Business Manager		Head
Overtime payments - Check/ Log	Business Manager		Head
MSA, SSA, Duty Payments, etc. reports	Business Manager		Head
Input onto remote timesheet	A Caira	Business Manager	Head
Monthly reconciliation	Business Manager		
Teachers’ Pension Annual Audit	Business Manager	External Auditors	
LGPS FRS17 annual return	Business Manager	External Auditors	
VAT Returns	Who	Results to:	Approved by
Monthly VAT reclaim report	Business Manager		Head

Input onto system	Business Manager		
Monitoring of reimbursement	Business Manager		
Inventory	Who	Results to:	
Compiling up to date inventory	Finance Administrator	Finance Manager	Business Manager
Monthly updates	Finance Administrator	Finance Manager	Business Manager
Annual – monitoring report	Finance Administrator	Finance Manager	Business Manager
Insurance	Who	Results to:	Approved by
Premises insurance claims	Business Manager		
School trips insurance claims	Business Manager		
Arrangements for insurance cover	Business Manager	Head	Trust Board
Property	Business Manager	Head	Trust Board
Annual trip insurance	Business Manager	Head	Trust Board
Reports/ Returns	Who	Results to:	Approved by
Monthly monitoring report	Business Manager	Headteacher	Trust Board
Annual Accounts Returns	Business Manager	Headteacher	Trust Board
Budget Forecast submission	Business Manager	ESFA	
Monthly System reconciliation	Business Manager		
Catering report	C Huckle	Business Manager	

Reporting and Monitoring

External Reporting

Presdales School is a company limited by guarantee with charitable status. The school is required to produce annual financial statements in accordance with the applicable United Kingdom Standards, the Charity Commission "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005), The Academies Accounts Direction issued by ESFA and the Companies Act 2006. The financial statements should give a true and fair view of the school's financial position at the balance sheet date and of the income and expenditure and cash flows for the period ended to that date. They require independent audit examination and will need to contain an independent auditor's report.

The Annual Report and Financial Statements should include:

- Reference and administrative details
- The Trustees Annual Report
- A Statement on Internal Control
- A Statement of Trustees Responsibilities
- An Independent Auditor's Report
- A Statement of Financial Activities, including an Income and Expenditure Account
- A Balance Sheet
- A Cash Flow Statement
- Notes to the Financial Statements

The Annual Report and Financial Statements must be approved at a meeting of the Trust Board and signed and dated on the school's behalf by the Chair of Trustees or another member of the Trust Board authorised to do so. The draft Annual Report and Financial Statements, including the independent auditors report, will be reviewed by the Resources/Audit Committee prior to being presented for approval by the Trust Board

The audited Annual Report and Financial Statements must be filed with the ESFA by 31 December each year and also with Companies House by 31 May.

Further detailed information can be found in the Academies Financial Handbook and the Academies Accounts Direction issued by the ESFA each year.

Internal Reporting and Monitoring

Following the month end procedures, the overall financial position is examined by the Business Manager and any queries or discrepancies investigated. Budget monitoring reports are extracted for the various Budget Holders by the Finance Manager. All reports extracted are initially reviewed and, where appropriate, annotated, by the Business Manager.

Budget holders are accountable for the items of expenditure and income they directly control. It is the responsibility of the Budget Holder to ensure that their budget is being spent in the most beneficial way for their department. They must ensure they are receiving value for money for every purchase. Each Budget Holder is provided with a monthly summary of the budget giving:

- total spend
- outstanding commitments (i.e. order placed but invoice not yet received / paid)
- balance left

The Budget Holder is required to examine the reports to ensure that the transactions are as expected and that the report represents an accurate statement of the budget position. Where there are any queries, the

Budget Holder is required to contact the Business Manager to establish the reason and action required, if appropriate.

Resources Committee

The Resources Committee meets half termly to monitor the budgetary position and the following information is provided:

- actual income and expenditure
- budgeted income and expenditure
- variances
- forecasts
- the revised estimate for the end of year
- variance of budget to revised estimate
- a variance report explaining variances of concern

These reports are derived directly from the school's accounting package.

The Resources Committee consider whether any adjustments (e.g. new funding) to the annual budget are required as a result of the reports they receive. The Resources Committee also approve any virements between existing budget headings at this stage. Any virements are reviewed in line with the school's overall aims and objectives.

The budgetary position is also monitored monthly by the Chair of Trustees

Banking and Cash Management

Bank Facilities

The opening of all bank accounts should be authorised by the Resources Committee and reported to the Trust Board. The Schedule of Financial Delegation (Appendix 1) sets out the signatory authorities operating on the school bank accounts and specimen signatures are held in the finance office.

Bank reconciliations are carried out weekly by the Finance Manager or Finance Administrator and reviewed by the Business Manager. All bank statements are filed sequentially

Separate bank accounts are held for public and private funds as follows and the Academy's main accounts are held at:

Lloyds Bank 1 Bircherly Street Hertford SG14 1BU:

Sort Code	30-84-85
Presdales School General Account	24241768
Presdales School Fund Account	24242168

Signatories on the above account are Mr Warren, Miss Jennings, Mrs Miller and Mrs Stephenson

Other charitable accounts linked to the Academy are as follows:

Presdales School Educational Trust:

Natwest 59 High Street Ware SG12 9AB

Sort Code	60-22-32
Presdales School Educational Trust	35228989

Lloyds Bank 1 Bircherly Street Hertford SG14 1BU:

Sort Code	30-98-97
Presdales School Educational Trust	49121760

Signatories on the above accounts are the Headteacher, Mrs R Bolton, Mr P Dougherty and Mr H Freed.

Brough Assistance Fund

Sort Code	35175192
Brough Assistance Fund	49353071

Signatories on the above account are the Headteacher and Mrs L Ormond.

Bank Password Arrangements

The Business Manager and Finance Manager have been set up at the bank with password access to enable them to deal with queries arising with the bank. Passwords for all accounts are held in the safe in the finance office

Deposits

The main sources of income for the school are the grants from the ESFA and from the local authority. The receipt of these sums in the school bank accounts is monitored directly by the Business Manager, who is responsible for ensuring that all grants due to the school are collected on a timely basis.

All cash receipts for whatever reason should be paid directly into the relevant school bank account.

Particulars of any cash deposit must be entered on a paying-in slip.

Payments and Withdrawals

All Cheques and BACs payments and other instruments including bank purchase cards authorising withdrawal from school bank accounts must be approved in accordance with the Agreed Schedule of Financial Delegation (Appendix 1). This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board.

Petty Cash Accounts

The school holds a petty cash float up to a maximum of £200. The Finance Manager will exercise discretion over the use of petty cash and will produce monthly reports to track utilisation of the fund which is reviewed and approved by the Business Manager and authorised by the.

Cheque Signing

The Trustees have agreed that the signing of school cheques has been delegated to:

Authorised Personnel	Limit / Comments
Mr M L Warren Headteacher	Sole signatory on all cheques up to a value of £2,000. Main signatory with the Deputy Headteacher on all cheques over £2,000.
Mrs J Stephenson Deputy Head	Counter signatory with the Headteacher on all cheques in excess of £2,000. Dual signatory with the Miss Jennings/Mrs Miller on cheques less than £2,000 in the absence of the Headteacher only.
Miss S R Jennings Assistant Head	Counter signatory with the Headteacher on cheques in excess of £2,000. Dual signatory with the Mrs Stephenson/Mrs Miller on cheques less than £2,000 in the absence of the Headteacher only.
Mrs S Miller Deputy Head	Counter signatory with the Headteacher on cheques in excess of £2,000. Dual signatory with the Mrs Stephenson/Miss Jennings on cheques less than £2,000 in the absence of the Headteacher only.

The school has completed the required bank mandate to instigate these arrangements and copies are retained at the bank.

Unless he is unavailable, all cheques are signed by the Headteacher. Cheques over £2,000 are required to be countersigned by Mrs Stephenson, Mrs Miller or Miss Jennings. The second signatories are not permitted to sign cheques for amounts greater than £2,000. If the Headteacher is absent for a prolonged period of time the school will contact the bank to make alternative arrangements.

In the event that a cheque is made out to the Headteacher, the second signatories will act as joint cheque signatories. (All reimbursements to the Headteacher are approved by the Chair of Trustees prior to the cheque being raised –

BACS Payments

All BACS transactions must be approved by 2 of the 3 authorised personnel

Authorised personnel	Limit / Comments
M L Warren Headteacher	Any 2 of the 3 authorised personnel can authorise BACS runs up to £250,000
Mrs S Miller Deputy Headteacher	Any 2 of the 3 authorised personnel can authorise BACS runs up to £250,000
Mrs J Stephenson Deputy Headteacher	Any 2 of the 3 authorised personnel can authorise BACS runs up to £250,000

Security and Control over Cheque Stationery

All cheques are crossed 'account payee only'. Chequebooks and pre-printed cheques are held in the safe in the finance office. The Business Manager is responsible for controlling cheques and / or cheque books in issue. Cheque books and printed cheque stationery are ordered automatically. When not in use, cheques, cheque books and printed cheque stationery are kept securely. Access is restricted to the following personnel:

- Business Manager
- Finance Manager
- Finance Administrator

The Business Manager is responsible for periodically checking the sequence of unused cheque books / cheques to ensure that all unused cheques can be accounted for. Any anomalies are reported to the Headteacher immediately and the bank informed not to honour cheques which cannot be accounted for. Spoilt cheques are not destroyed but retained in the financial records.

Changing Account Signatories

All changes to the authorised signatures must be submitted to the bank using the correct bank mandate forms.

Direct Debits and Standing Orders

The Business Manager will maintain a schedule of all direct debits and standing orders set up on the school's account(s) showing:

- payee
- reason for payment
- amount
- date set up
- frequency / timing of payment

These are only set up after careful consideration regarding the risk of error and the school's ability to meet the on-going cost. The Headteacher and one of the other authorised cheque signatories sign all mandates. All direct debits and standing orders reflected on the bank statements are reconciled to the invoices received and any receipts obtained (e.g. use of the school petrol card). Refer also to paragraph 3.8 below regarding business cards. The supporting documentation is filed with the paid invoices.

Business Cards

Academy business cards in the names of Mr Warren and Miss Jennings are retained securely by the Business Manager. The joint credit limit over both cards is £20,000. Any use of the cards is charged to the school's general account automatically on a monthly basis.

Card-user obligations

- The School business card is held in the safe in the finance office and will be issued, on request, to authorised users for the purposes listed above.
- The card user will be required to sign the issue register when they request the card and again when they return it to the Finance Office.
- The card user will be responsible for the security of the card whilst it is in their possession.
- Sales vouchers or details of purchase should be passed promptly to the Business Manager, on return of the card, for accounting purposes.
- Wherever possible, the business card holder must obtain formal tax receipts in order to allow the school to recover VAT.
- Generally, the card cannot be taken out of school but this will be permitted in exceptional circumstances, such as collection of pre-booked theatre tickets.
- If the card is lost or stolen the card user must report this immediately to the Business Manager or Finance Manager

Emergency Contact in the event of lost or stolen cards:

Lloyds Bank – Commercial Banking – 0800 096 9779

Cashing Facility

The school has made arrangements to the Business Manager/Finance Manager to withdraw cash from the Lloyds account with written authorisation from the Headteacher.

Bank Reconciliation

Bank reconciliations are carried out weekly by the Finance Manager or Finance Administrator and reviewed by the Business Manager. All bank statements are filed sequentially

The list of unreconciled items is reviewed, once the items on the bank statements have been cleared, and examined for old expenditure items and outstanding income items. All cheques that have not been presented at the bank within six months of production are investigated and written back into the account, where appropriate. Outstanding income items are investigated and chased through the bank, where appropriate.

Once the reconciliation process has been completed, the 'bank reconciliation' reports are extracted from the accounting package and signed as accurate by the Business Manager. If the account cannot be reconciled, this is reported to the Headteacher.

Cash Flow Forecasting

The school is aware that it is not permitted to go overdrawn at the bank and, in the event that the school becomes aware that there are insufficient funds available to meet current commitments, the school will contact the ESFA for guidance.

Prohibition of any Form of Credit Arrangement

Schools are not permitted to borrow money, unless they have approval from the Secretary of State. The Headteacher and Business Manager will ensure that the school does not enter into any finance / purchasing arrangement that is deemed to represent a credit arrangement, e.g. finance leases.

Financial Planning

Academy Financial Year – 1 September to 31 August

General Principles

The school prepares both medium-term and short-term financial plans using, Access Budgeting, which are aligned to the needs of the School Improvement Plan. The School Improvement Plan indicates how the school's objectives are going to be achieved in the next academic year and over the medium term. It provides the framework for the annual budget which is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.

The financial planning and budgetary control processes are described in more detail below.

Annual Budget

The Headteacher, in conjunction with the Business Manager, is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Full Trust Board after consideration by Resources Committee.

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

The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the improvement plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of likely numbers of students in order to estimate the amount of government grant receivable, until receipt of the final funding notifications
- review of other income sources available to the school to assess likely level of receipts
- review of past and current performance against budgets, along with expected variations in cost, e.g. pay and price increases, in order to
- promote an understanding of the school cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the School Development Plan objectives
- review of resource needs of each department within the school
- consideration of how the school is achieving best value in its operation.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks, implementing changes in order to deliver efficiency savings or deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of priority need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared and proposed by the Headteacher in conjunction with the Business Manager for consideration by the Resources Committee prior to full approval of the Trust Board. Medium term financial forecasts should be presented alongside the annual budget proposals in order that Trustees can consider and approve budget plans in the context of medium term estimates.

Once the budget has been approved it should be communicated to all staff with financial responsibility so that everyone is aware of the overall budgetary constraints. Initial approved budgets will be communicated to Budget Holders in advance of the start of each financial year.

Monitoring and Review

Monthly reports will be prepared by Finance Staff. The reports will include actual income and expenditure and commitments against budget and a forecast for the year and will be presented to the Headteacher.

It is the responsibility of each Budget Holder to manage the budgets under their control and to ensure that the funds available are not overspent. Budget Holders will be provided regular budget statements to provide:

- overall summary of financial position
- detailed financial summary with actual costs incurred and commitments against budget profile;
- details of transactions processed against those budgets for which they are responsible.

Budgets will be monitored by the Business Manager to prevent over/underspend.

Any potential budget overspends against budget must be reported to the Business Manager and no additional expenditure committed unless agreed by the Business Manager. The Finance System will not allow payments to be made against an overspent budget without the approval.

Budget monitoring reports with recommendations will be produced and presented to the Resources Committee and the Trust Board as appropriate at the respective meetings.

The monitoring process will be effective and timely in highlighting variances in the budget with differences being investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised in accordance with the agreed Schedule of Financial Delegation (Appendix 1).

Timetable for Budget Preparation and Submissions

Details	Date
ESFA issues academies budget forecast for following academic year	February
ESFA issues final funding allocations	March
Departmental Improvement Plans and budget requests submitted	April/May
Draft Budget to Resources Committee	June/July
Whole School Improvement Plan approved by full GB	June/July
Draft Budget approved by full GB	June/July
Budget Forecast return submitted to ESFA	31 July
End of Financial Year	31 August
External Audit of accounts	Sept/Oct
Preparation of Annual Accounts Return and Financial Statements	Oct/Nov
Submission of Annual Accounts Return and Financial Statements to ESFA	31 December
Submission of Annual Accounts Return and Financial Statements to Companies House for previous financial period	31 May
Publication of Annual Accounts Return and Financial Statements for previous financial period on school website	31 May

Personnel and Payroll

Payroll

The main elements of the payroll system are:

- staff recruitment and appointments
- payroll
- administration
- payments

Staff Recruitment and Appointments

All appointments will be made following the school's Recruitment Policy and the following pre-employment checks will be undertaken:

- identity confirmation
- academic qualifications, where appropriate
- professional and character references
- previous employment history
- DBS clearance

The Trust Board has approved a Pay Policy and Staff Structure for the school. Changes can only be made with the express approval in the first instance of the Personnel Committee, who must ensure that adequate budgetary provision exists for any payroll changes.

The Headteacher has authority to appoint school staff, however, Senior Leadership positions will be appointed jointly by the Headteacher and Trustees. With regard to the Headteacher, all documentation is signed by the Chair of Trustees.

The Headteacher and Business Manager will maintain personnel files for all members of staff which will contain copies of all contracts and any other related documentation, e.g. interview notes, letter of appointment, performance management, and sickness records. The files will be kept complete and up to date. Changes to contracts of employment will be made in writing by the Business Manager using the appropriate Personnel forms.

Access to personnel files is restricted to:

- Headteacher
- Business Manager
- Head's Secretary

All personnel changes must be immediately notified to the Business Manager.

Access to computerised personnel records is granted to the auditors, the Headteacher, Business Manager and the Head's secretary. Presdales School is registered under the Data Protection Act and complies with its requirements.

Compliance with PAYE Requirements

The Trust Board is aware that it must ensure that all salaries, wages, fees and other remuneration due to staff and other individuals, whether under a formal contract of employment or not, are paid through a formal payroll system which complies with legislation regarding tax, national insurance, pensions, sickness and other benefits

In some instances, the school may consider the use of individuals for certain services but must assess the employment status of each individual.

Payroll Administration

Payroll administration and salary payments are currently handled by a SERCO on behalf of the school. The detailed terms are outlined in the annual Service Level Agreement. Changes to contracts of employment will be made in writing using the appropriate Personnel forms

The Business Manager is responsible for checking that all payroll information is received by the school on a monthly basis to enable checks to be undertaken and payments processed.

The Business Manager will ensure that the payroll service provider, currently SERCO, has complete details of sickness and other absences during the month, in addition to any new appointments, contract amendments or terminations in the period.

Payments

All salary payments are made by SERCO in line with the arrangements outlined in the annual service level agreement.

The Business Manager will undertake detailed checks of the calculation of gross pay on a monthly basis to ensure that the payroll system is operating correctly, and half termly checks on gross to net calculations on a sample basis. The Business Manager will maintain detailed records of the monthly payroll and maintain an ongoing reconciliation with the Financial System.

The Business Manager will maintain separate analysis of payroll costs against budget for budget monitor purposes and will investigate unexpected variances

On an annual basis the Business Manager will check for each member of staff that the gross pay per the payroll system agrees to the contract of employment.

Timesheets

A number of internal timesheets are used to record variable hours on a day-to-day basis, e.g. staff overtime and additional hours, MSA hours, etc. These records are signed by the individual and their line manager as confirmation that the claims are correct. The information from these records is transferred onto the monthly electronic timesheet to Serco by the Finance Manager and authorised by the Business Manager. The completed whole school timesheet is passed to the Headteacher, along with the supporting records, for signature.

All payroll input and supporting documents will be retained for a period of six years for audit purposes.

Pay Advances

Pay advances are only made in exceptional cases and approval is required from the Headteacher. The School follows the guidance provided by Serco. All advances are recovered automatically through the payroll.

Staff Deductions

All staff deductions, e.g. pension contribution, loans, etc are notified to the payroll provider using the standard forms. These deductions are collected automatically by Serco and paid over to the relative bodies.

Requests by employees for deductions, e.g. pension scheme, union contributions, etc must be made in writing. Similarly, any amendments to address, marital status, bank details, etc must be made in writing.

Payroll Reports

On a monthly basis, Serco provides the school with a report that reflects:

- the names of all staff paid in the current financial year, split between the different types of contract, e.g. teaching staff, admin staff, caretaking and cleaning staff, etc.
- the basic salary received for the month in question
- any additional payments made in that month, e.g. travel expenses
- the monthly on-costs

Copies of all correspondence with Serco are filed with the payroll printouts.

Nominal Roll Check

Nominal roll reports are available from SAP showing grades, proportion of whole time, allowances, etc. for all employed staff. This report is checked by the Business Manager to the contracts held by the school paying particular attention to the following:

- ensuring that all recent changes have been properly actioned
- ensuring that part-time hours have been properly reflected
- ensuring that temporary contracts have been properly set up, i.e. that termination dates are reflected within the payroll system to prevent the overpayment of staff
- ensuring that teaching staff, or non-teaching staff, who are not currently making contributions towards a pension have formally opted out of the scheme
-

Any errors identified are reported back to Serco and / or Human Resources to ensure that pay and deductions are consistent with each individual's employment terms and entitlements and vice versa.

Expenses

General Principles

It is the school's policy to ensure that members of staff are reimbursed promptly and appropriately for expenses incurred on school business, in accordance with the Staff Expenses Policy. However, it should be stressed that it is the responsibility of each staff member to ensure that costs are appropriate and reasonable. Any attempt knowingly or falsely to claim expenses in breach of the Expenses Policy will result in disciplinary action.

It is also the school's policy to ensure the best use of public monies at all times, taking into account the nature of its business.

Members of staff are expected to display prudence with respect to business related expenses and at all times, to base their business spending decisions on the best interests of the school. Only actual expenses incurred in accordance with the travel guidelines and in the course and interest of the school's business, will be reimbursed to employees.

Entertaining visitors

Staff may entertain visitors and guests only where it is within budgetary limits and is likely to help the school to further its business objectives. Advance approval from the Headteacher or Business Manager is required. In-house facilities should be utilised whenever possible.

The names of each person attending must be noted on the claim, identifying which attendees are from the school and which are external guests.

Subject to these constraints and those in relation to the Gifts and Hospitality Policy set out in section 8, staff may claim reasonable and appropriate entertaining expenses.

Entertaining staff

The cost of entertaining school staff is not normally reimbursable. Reimbursement may only be claimed where exceptional business purposes justify the expense. Advance approval from the Headteacher or Business Manager is required.

The names of each person entertained must be noted on the claim.

When approval is given and such entertaining results in a taxable benefit on the staff entertained, the school will meet this tax liability.

Other Circumstances

In circumstances where a member of staff could incur other expenses that are not explicitly covered by this policy, reimbursement may be available providing agreement has been reached in advance with the relevant senior manager and the Business Manager.

Reimbursement of expenses

Expenses will only be reimbursed if they are:

- supported by detailed (VAT) receipts and credit card slips if necessary
- submitted on the school expense claim form
- submitted within three (3) months of being incurred
- fully completed
- appropriately authorised
- claimed in line with this Finance Manual.

In exceptional circumstances, the school may consider reimbursing minor claims for travel without a back-up receipt, for example the use of a prepaid Oyster card to travel on school business where no receipt is currently issued or tube tickets that are retained as you pass through the ticket barrier. Staff need to give a full explanation to explain why no receipt is available and must include this on the expense claim form before getting approval from a manager.

In claiming reimbursement, staff must confirm both that the expenses have been incurred and that the school business to which they relate has been carried out in the manner most cost effective to the school in the circumstances.

Authorised expenses submitted in line with this policy on the required forms will be paid directly into your bank or building society account on a monthly basis. The Finance Department must receive claims within the month that they are incurred.

Trustee Expenses

The school recognises that Trustees should not be out of pocket and should be able to claim allowances for legitimate expenses incurred in carrying out their duties, in accordance with the Trustees' Expenses Policy. The allowances paid will only relate to actual costs incurred, apart from mileage costs which must be paid at a rate not exceeding the maximum level of the HMRC Authorised Mileage Rate. Other Trustees' expenses must be paid on provision of a receipt at a rate determined by the Trust Board, and will be limited to the amount shown on the receipt.

Under no circumstances will Trustees be paid for loss of earnings or for time spent on the school's affairs.

PURCHASING

General Principles

It is the policy of the school to seek the best value for money from all purchases commitment, i.e. goods and services of the requisite quality and quantity delivered on a timely basis at the best price possible.

It is the school's policy to ensure the best use of public monies at all times.

The school will ensure transparency in the purchase of goods and services and demonstrate that there is no corruption or private gain involved in the contractual relationships of the school.

The school will deal with all parties on a fair and equitable basis.

Budget Holders

Budget holders are responsible for raising orders within their budget limit. ICT purchases are to be sourced by the Network Manager to achieve best value and approved suppliers are to be used where possible.

Approved order requisitions must be submitted to the finance office using an Official Order Form signed by the budget holder. A purchase orders will be raised on FMS and will be dispatched by post, fax or email to the supplier by the Finance Office.

The Budget Holder must make appropriate arrangements for the delivery of goods to the school. Upon receipt of goods, a member of school staff should sign for receipt of the number of packages being delivered. The delivery docket should be signed unchecked. Goods should be checked against the delivery note and the original order by either the Budget Holder or a member of the finance staff. A record of any discrepancies between the goods delivered and the Goods Received Note (GRN) should be made.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified immediately.

All invoices should be entered onto the Finance System (FMS) in the Purchase Ledger by the Finance Office on receipt by the school. Invoices will be matched to purchase orders and goods received notes and forwarded by the Finance Office to the Budget Holder to check and approve.

The following checks are to be made by the budget holder before any invoices are passed for payment

- goods or services are received
- goods or services are those ordered
- prices are correct

The following checks are to be made by the finance office before any invoices are processed for payment

- the invoice is arithmetically correct
- invoices are authorised for payment
- payment is authorised
- VAT is treated correctly
- payment is made

The payment and associated paperwork must be authorised according to the agreed Schedule of Financial Delegation.

Payment will be made by cheque by the Finance Office who will maintain records in the appropriate file.

Best Value

It is the school's policy to ensure the best use of public monies at all times.

Competitive Tendering

Quotations and Tendering

The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value are:

- Above £1,000 and up to £2,500; two oral/email quotes.
- Above £2,500 (£5,000 for works) and up to £10,000; three written quotes.
- Above £10,000 and up to £50,000; three formal quotations to be submitted in writing by a specified date and time and based on a written specification.
- Above £50,000 and up to EU thresholds; four tenders.
- Over EU thresholds; five tenders

Tendering Process

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

Open Tender

This is where all potential suppliers are invited to tender. The Budget Holder must discuss and agree with the Business Manager how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender

This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs;
- a large number of suppliers come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements; and
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the open tender methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available
- extreme urgency exists
- additional deliveries by the existing supplier are justified preparation for tender.

In the evaluation of tenders, full consideration should be given to:

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

It may be useful, after all requirements have been established, to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

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

An invitation to tender should include all of the following:

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

The following aspects will be considered in the tendering process:

- Financial
- The quality of goods and services in the proposition should be considered along with the price, i.e. if a lower price means a reduced service or lower quality this should be factored in to the decision-making process
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Scope for negotiation on price.

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other Considerations

- After sales service
- Financial status of supplier.

Tender acceptance procedures

The invitation to tender should state clearly the date and time by which the completed tender document should be received by the school.

Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening.

Tenders received after the submission deadline should not normally be accepted.

Tender opening procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. At least two senior members of staff should be present for the opening of tenders as follows:

For contracts up to £50,000:

Headteacher, Business Manager and one other member of the SLT

For contracts over £50,000:

Headteacher, Business Manager and a Trustee

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality (see policy on Gifts and Hospitality) from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation.

For contracts of greater value than £50,000 a report should be prepared for the Resources Committee highlighting the relevant issues and recommending a decision.

For contracts under £50,000 the decision and criteria should be recorded and be available for future reference.

Where required by the conditions attached to a specific grant from the ESFA, the agency's approval must be obtained before the acceptance of a tender.

Gifts and Hospitality

Receipt of gifts, hospitality, entertainment or other services

In accordance with the Gifts and Hospitality Policy, Trustees and members of staff involved in making buying decisions do not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. Any modest gifts which are received should be shared.

Expenditure on gifts, hospitality, entertainment and favours

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches. Modest hospitality is occasionally provided outside the workplace.

INCOME

The Trust Board has overall responsibility for ensuring that all income due to the Academy is properly accounted for. Day to day responsibility has been delegated to the Business Manager. Income is accounted for in accordance with the requirements set out in the Academies Financial Handbook. Specific criteria are attached to each source of income, and roles and responsibilities around the allocation of resources are clearly defined.

Incoming funds

Cash Handling, Storage, Collection and Banking

All cash and cheques received must be locked in a secure location as agreed by the Business Manager prior to banking.

Banking should take place at least twice a week, and more frequently where the sums collected exceed the £5,000 estimate of cash that may be held on the premises at any one time provide for insurance purposes. A member of the finance staff, accompanied by the caretaker, will take monies to the bank.

Monies collected must be banked in their entirety in the appropriate bank account.

The Finance Manager is responsible for preparing reconciliations between the sums collected, deposited at the bank and posted to the Finance System, which must be reviewed and certified by the Business Manager.

Payments from parents

Parents are able to make payments to the school for various activities in the following ways:

- Cash; for which receipts must be issued
- Cheque
- Wisepay

Wisepay is a secure online payment service where, at present, payments can be made for school meals, trips and music fees and we expect this to be extended to facilitate other payments in the future. Parents are able to make online debit and credit card payments through the Wisepay payment portal, which is accessible to parents through a link on the school's website.

Parents have instant access to their child's account and will be able to view up-to-date information, including the balance on school meals accounts and details of purchases made, payments made towards school trips and any outstanding balances due.

Charging for activities

Trustees have drawn up a Charging and Remissions Policy which outlines the circumstances under which charges and voluntary contributions are requested and when the remission of fees will apply.

Debt Recovery

The Trustees have drawn up a Debt Recovery Policy that outlines the steps to be taken when chasing outstanding income due to the school. These procedures precede any potential decision to write the debt off.

Grant Income

The main sources of income for the school are grants received from the ESFA, funding from HCC, fees and charges. The receipt of these sums is to be monitored directly by finance staff. Grant Income is defined as restricted funding due from the ESFA, local authority or other public funding body designated for specific expenditure. For example, the General Annual Grant is receivable from the ESFA to fund the operational costs of the Academy, namely; staffing, premises, occupancy, supplies & services. Such grants are paid directly into the School's General Account.

Complete records of all grant Income and related expenditure must be maintained for auditing purposes.

The Business Manager is responsible for ensuring that all grants received by the school are collected on a timely basis, and that the reporting required in respect of the grant income receipts is produced.

Catering Income

The school operates an in-house cashless catering system provided by Nationwide. Parents can credit their child's account either online through Wisepay or by sending in a cheque or cash **in advance**. Cash will not be accepted at the pay points. Any cash or cheque payments are credited to the student / staff account by the Catering Manager and handed to the Finance Office for banking on a daily basis. All financial transactions are operated through the school's general account.

Student and staff accounts are operated by biometric finger scan but parental permission is required for students and if refused the account will be operated using the students' name.

Prices are reviewed annually by the Catering Manager. Staff are entitled to an allowance of the £2 per day towards the cost of a lunch, provided they consume it in the dining room and act in a supervisory capacity when needed.

Catering staff are employed directly by the school

Fundraising

Fundraising is defined as monies given in respect of a specific charitable event held by the school, for the stated purpose of providing funds to support a particular charity, project or initiative. Fundraising monies should be ring-fenced from other charitable income for the stated purpose for which the monies were raised.

Complete records of the amounts raised and utilised must be kept by the Business Manager for auditing purposes.

Monies collected through specific fundraising activities are to be banked in the School Fund Account and coded in the Finance System to enable clear identification.

Gift Aid Donations

Presdales School Educational Trust raises money for the school, under the terms of the Trust Deed, by inviting parents to pledge an annual sum and requesting, whenever possible, that the donation is gift-aided

to enable the tax to be reclaimed form HMRC. The scheme is administered by the Business Manager who will

- Make regular checks against records to ensure that expected amounts have been received from the donor.
- Ensure that, in the case of gift aid donations, the reclaimable tax has been obtained form HMRC

Letting of Academy facilities

School premises are available for use by the public and outside organisations for an appropriate charge, subject to letting agreement setting out the terms and conditions of hire, in accordance with the Hire of School Premises Policy. Charges are reviewed annually by the Resources Committee. Please see terms and conditions of use.

Music Lessons

Students are given the opportunity to have music lessons in a variety of instruments or for vocal tuition during school time.

Parents are asked to sign an agreement with the school that sets out the terms and conditions, and students and parents / guardians are expected to adhere to the terms of this agreement. These agreements are issued in the term prior to the tuition starting in order to allow the school time to make arrangements with the appropriate tutors.

Once the agreements have been received, Mrs Hetherington is responsible for making arrangements for the provision of tuition and for drawing up a timetable for the lessons.

Students wishing to terminate tuition are requested, through their initial contract, to advise Mrs Hetherington at least half a term in advance so that the contract with the Music Service can be amended. Students will be charged for any lessons not attended, unless good cause can be established.

The school contracts with the Herts Music Service for the provision of peripatetic music teachers and is billed on a pay as you use basis termly in arrears through the direct debit system from the Local Authority. A small number of teachers are employed directly by the school.

Charges for music lessons are largely in line with the HCC recommended charges and are billed termly in advance. Parents in receipt of certain benefits may apply to the Herts County Music Service for remission of fees. Where remission has been granted the school is notified through the Local Authority Solero system. At the start of the autumn term the Finance Manager checks Solero to determine who has been awarded remission of fees. This is completed until all expected authorisations have been received and is also undertaken for any new starters to music tuition during the course of the year.

At the end of each term, the Herts Music Service requests confirmations that the students granted remission of fees have actually attended lessons for the duration specified. The Finance Manager compares the list provided by the Music Service to the registers held and confirms the details or annotates it with any changes. This form is then signed by Director of Music and returned to the Music Service. The Business Manager checks the monthly direct debit reports to ensure that the money is refunded and that the amount received corresponds with that expected.

Students studying GCSE music are entitled to receive 15 minutes' individual tuition free of charge, subsidised from the school budget. Students studying A level music are entitled to receive 30 minutes' individual tuition free of charge, subsidised from the school budget. Students wishing to have longer lessons are required to pay for the additional time.

School Trips

Detailed instructions on organising school trips are included in the staff handbook and the school's policy on Offsite Visits and Learning Outside the Classroom. Payments are collected either through Wisepay or by cash or cheque via Mrs Eyre who will record update income records and pass cash/cheques to the Finance Office for banking.

- Students should place cash /cheque payments for school trips and activities in the post box outside the Main Office in sealed envelopes recording their name, form and activity being paid for. Envelopes are collected daily by the Miss McKinley and recorded on the appropriate record. Receipts will be issued for cash payments. Other payments such as music lessons may be handed directly to the Finance Office.
- The total income received for each area of income is recorded in the 'day book' at the end of each day by Miss McKinley or the Finance Manager
- All income collected will be secured within the school's safe facilities overnight.
- Prior to banking, the cash and cheques are recounted by the Finance Manager together and the amounts recorded on the paying-in slip. The totals in the 'day book' are also totalled and checked by the Finance Manager, to ensure that they agree to the income counted. Income is banked at least twice a week by the Finance Manager accompanied the Caretaker.
- The income collected is then posted to the appropriate budget headings within the accounting package by the Finance Manager
- Income collections are not used for the cashing of personal cheques or for other payments.
- Collections from the vending machines are undertaken and counted by two people. Where any machine has the facility to record the value of sales, this is recorded and compared to the actual amount of income received. Other income received is compared against the cost of usage, stock consumed, etc.

Reserves

The school will maintain an adequate level of uncommitted reserves to cushion the impact of uneven cash flow and to provide a financial contingency for unexpected events.

VAT

As a charitable company, Presdales School is permitted to reclaim VAT on all non-business activities relating to the charitable purpose of the academy. The school has chosen not to register for VAT and is therefore unable to charge VAT on any income. An appropriate apportionment will be calculated each month and an adjustment made to the VAT claim for any business income, such as lettings, adult meals and caretaker's rent.

Insurance

The Academy must demonstrate that it can cover insurable interests under a policy arranged by the Trust Board. The Academy is a member of the ESFA Risk Protection Arrangement which covers material damage to school owned property, public/employer liability, libel & slander, Trustee liability, legal expenses and fidelity guarantee. Motor vehicle (mini buses & OBU), and school journey insurance is bought from Marsh Ltd.

Details of all policies held are kept in the Finance Office

Fixed Assets

Fixed Assets

All assets purchased with a value over £2,000 must be entered in the capital asset register in FMS. Assets of a lower value but which are perceived as a high risk item, should be included on an asset list maintained by the Network Manager for insurance purposes / asset management purposes e.g. laptops, digital cameras etc.

Asset register

The asset registers should include the following information:

- date of acquisition
- description of the asset including a unique identification mark such as a serial number
- cost
- source of funding i.e. DfE grant or donations
- location of asset
- expected useful life of asset
- name of staff member responsible for that asset

The asset register helps:

- to ensure that staff take responsibility for the safe custody of assets
- with the security of assets e.g. to enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- to calculate capital asset depreciation costs
- to help the external auditors to draw conclusions on the annual accounts and the Academy's financial system
- to support insurance claims in the event of fire, theft, vandalism or other disasters

Security of Assets

All desirable and portable items in the register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and where significant, reported to the Headteacher and Resources Committee. Inventories of school property should be kept up to date and reviewed regularly. Where items are used by the school but do not belong to it, this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and where significant, should be sold following competitive tender. The school must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

When computers are disposed of hard drives will be 'wiped' and collection by an appropriate Company arranged. A certificate from the disposal company will be required. Pecuniary Interests will be considered at all times.

The school is expected to re-invest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested, then the school must repay to the ESFA a proportion of the sale proceeds.

Land and Buildings

School land and buildings are leased from Hertfordshire County Council and therefore cannot be disposed of by the school

Loan of assets

With the exception of ICT assets specifically intended for the purposes, e.g. laptops, property must not be removed from school premises without the authorisation of the Headteacher. A record of the loan must be recorded in the appropriate register and booked back into the school when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis, the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the school's auditors.

Depreciation Policy

Land and buildings

Assets under construction – no depreciation is provided on land or assets in construction.

Leasehold buildings will be depreciated on a straight-line basis over the term of the lease - 125 years

Equipment

Equipment costing less than £2,000 per item or group of items is written off to the income and expenditure account in the period of acquisition. All other equipment with an expected life of more than one year is capitalised at cost.

(Equipment is depreciated on a straight line basis over its useful economic life as follows) *:

ASSET GROUP	DEPRECIATION METHOD
Long leasehold property	2% (50 years) Straight line
Buildings and Building modifications	2% (50 years) Straight line
Plant and Machinery	20% (5 years) Straight line with nil residual value
Furniture and Equipment	210% (5years) Straight line with nil residual value
Computer Equipment and Software	33% (3 years) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.
Motor Vehicles/Minibuses	20% (5years) Straight line with nil residual value

*(Certain individual assets may have a 'useful economic life' that varies from the above, for example, a grand piano. Where this is the case, the policy can be varied to reflect this and reflected in the school financial statements)

Leased Assets

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. No leases will be entered into without the prior approval of the Headteacher.

Depreciation is charged to the income and expenditure on the same basis as above. Leasing payments are treated as consisting of capital and interest elements and interest is charged to the income and expenditure account over the period of the lease.

Inventory

The Business Manager maintains an inventory of any items of furniture, equipment and ICT valued in excess of £200 and will arrange for an annual check at the end of the summer term.

Any write-off (lost, broken) with a value of £500 or more will be notified to the Resources Committee.