



**Uffculme Academy Trust**

# **Finance Policy and Procedures**

March 2016

Approved by The Finance, Audit & Premises Committee on:

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## **Introduction**

Uffculme Academy Trust came into being in September 2010 as one of the first schools to convert to Academy Status under the government's new Academy Initiative. As an Academy, the trust has charitable status and is required to follow the Charities SORP 2015 accounting practices and FRS 102 as well as meeting separate requirements laid out by the EFSA (Education Funding and Skills Agency). In 2013, the Trust became a Multi Academy trust with the incorporation of Uffculme Primary School into the MAT.

This Finance Policy & procedures manual follows the requirements and guidelines laid out in the EFA Academies Financial Handbook (2016) and takes full account of Annex C to that document – Schedule of Requirements.

This document was produced by the Chief Finance Officer (CFO) and agreed by the Directors Finance, Premises & Risk Committee in March 2016. It was reviewed and revised on the following dates:

May 2017

## **Section 1      Financial Oversight**

### **1.1      Organisation of Uffculme Academy Trust (UAT)**

Uffculme Academy Trust (UAT) has three members who have a limited liability for the Trust (at present £10). Although the role of member is more one of formality, there are a number of procedural matters which are laid out in sections 12 – 44 of the Memorandum and Articles of Association.

The main business of the Trust is conducted by the Local Governing Body for each school and by the Main Board.

The Trust has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff. The financial reporting structure is illustrated below:

#### **1.1.1      The Board of Directors (The Board)**

The Directors have overall responsibility for the administration of the Trust's finances. The main responsibilities of The Board are prescribed in the Funding Agreement between the Trust and the EFSA. These main responsibilities include:

- ensuring that grant from the EFSA is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- authorising changes to the Academies personnel establishment (excluding casual temporary appointments – delegated authority to the Head Teacher);
- authorising the award of contracts over £50,000;
- appointment of the Accounting Officer (Executive Headteacher) and Chief Finance Officer

The Board are made aware of key financial risks as set out and reported to them in the Trust's Risk Register.

The Board shall approve and maintain a written scheme of delegation of financial powers setting out clear responsibilities for who is responsible for what. (See Section 1.2)

Board Members should be aware of their statutory duties as Company Directors and of the Charity Commissions guidance for Academies. The Trust will arrange appropriate training / information briefings for both new and existing directors.

### **1.1.2 The Finance, Premises and Risk Committee**

Overseeing the financial management of UAT is the Finance, Premises and Risk Committee. The Terms of Reference for this committee are detailed in Appendix B

### **1.1.3 The Accounting Officer**

The Funding Agreement designates the Executive Head Teacher as the Accounting Officer. They have responsibility, under the Trust Board's guidance, for the overall organisation, management, and staffing and for its procedures in financial and other matters, including conduct and discipline.

The Accounting Officer will be personally responsible for:

- the propriety and regularity of the public finances for which they are answerable;
- keeping of proper accounts;
- prudent and economical administration;
- the avoidance of waste and extravagance;
- ensuring value for money;
- the efficient and effective use of all the resources in their charge.
- advising The Board if any action or policy is incompatible with The EFA Academy Finance Handbook

### **1.1.4 Chief Finance Officer**

The day to day financial management of UAT is delegated to the Chief Finance Officer (CFO) who is the Trusts Financial Director and Academy Business Manager. The CFO reports to the Trust's Board through the Finance, Premises and Risk Committee. The main responsibilities of CFO are:

- the day to day management of financial issues including the establishment and operation of suitable accounting systems;
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by The Board;
- the maintenance of effective systems of internal and financial control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- signing cheques & authorising BAC's payments in conjunction with the Head Teacher or other authorised signatory;
- ensuring that forms and returns are sent to the EFSA in line with the timetable in the EFSA guidance. (see Appendix C)

### **1.1.5 Audit Committee**

UAT has decided that the role of the Audit Committee shall be undertaken by the Finance, Premises and Risk Committee. In its capacity as Audit Committee, the committee will:

- appoint external auditors
- review the risks to internal financial control at UAT and agree a programme of work that will address these risks,
- inform the statement of internal control;
- provide assurance to the external auditors.

The Audit Committee will meet their obligations in this respect through the work of the AT's Internal Auditor.

### **1.1.6 The Internal Auditor**

The Internal Auditor (IA) is appointed by The Board and provides them with an independent oversight of the Trust's financial affairs. The main duties of the IA are to provide The Board with independent assurance that:

- the financial responsibilities of The Board are being properly discharged;
- resources are being managed in an efficient, economical & effective manner;
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions.

The IA will undertake a quarterly programme of reviews based on a programme of Risk Questionnaires to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Directors. A report of the findings from each visit will be presented to the Finance, Premises and Risk Committee and made available to The Board. Detailed guidance on the extent of the IA's annual work programme will be set out and agreed in advance of each new academic year

### **1.1.7 Best Value**

The Board of Uffculme Academy Trust is committed to achieving Best Value and is required to report how it has achieved this over the previous financial period in the annual report. We use the principles of Best Value to help secure continuous improvement and will:

- Regularly review the functions of the academy, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitor outcomes and compare performance with similar schools;
- Consult appropriately before major decisions are made;
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that Uffculme Academy Trust is using its resources effectively to meet the needs of pupils.

### **1.1.8 Directors & Governor Expenses**

The Education (Directors' Allowances) Regulations 2003 allow for "payments by way of allowance in respect of expenditure necessarily incurred for the purposes of enabling the individual to perform any duty".

Uffculme Academy Trust will ensure that a Director or governor (or non-governor who is co-opted on to a committee of the governing body), is not out of pocket where the school has derived a benefit from such outlay. The policy also reaffirms the Trust's commitment to ensuring equality of participation for all directors and Governors.

Details of what can be claimed for are laid out in Appendix D

## 1.2 Delegated Authority

### 1.2.1 Powers delegated to the Executive Head Teacher

Unless specifically identified to the contrary, The Board delegates to the Executive Head Teacher the total day to day management of the Trust, whilst remaining available for advice and assistance at all times. The Board delegates to the Executive Head Teacher duties to:

- Manage the financial position of each academy within the Trust at a strategic and operational level
- Advise it on the discharge of its responsibilities under the Academies Financial Handbook issued by the EFA in September 2015
- Ensure the efficient, economical and effective management of its resources and expenditure, including funds, capital assets, equipment and staff.
- Ensure the introduction and maintenance of sound financial controls
- Seek to ensure that financial considerations are taken fully into account both in reaching decisions and in their execution
- Be responsible for ensuring that the annual accounts are properly presented and records kept in accordance with the charities SORP and EFSA guidelines

### 1.2.2 Senior Management Team Spending Limits

There must be two signatures on all orders over £10,000. One signature must be that of the Head Teacher or Deputy Head Teacher and the other that of the Academy CFO. The spending limit applied is that of the person holding the higher limit

Areas	Executive Head Teacher	Academy Head / Deputy Head	CFO
Orders (Non contractual)	Unlimited	£50,000	£50,000
Contracts	£50,000	£10,000	£10,000
Petty Cash	£500	£500	£500
Authority to certify for payment	Unlimited	£20,000	£20,000
Bad Debt write off limits (in any one month)	£250	Nil	£250
Property write off limits (in any one month)	£1,000	£500	£500
Authority to vire between budget headings	£20,000	£10,000	£10,000

### 1.2.3 Awarding of Contracts

The Board delegates to the Executive Head Teacher, decisions on the award of contracts for the supply of goods and services to the Academy up to a gross value of £50,000 provided that agreed budgets are not exceeded. There should be market testing for expenditure over £5,000. A competitive tendering process should be instigated for individual contracts over £20,000 and the approval of The Board should be sought before a commitment is made. If this is not

possible, consultation must take place between the Chair and Vice Chair of The Board and the Chair of the Finance, Premises and Risk Committee before any order is placed. In this case, retrospective approval should be gained at the next available Board Meeting. The following table should be adhered to:

<b>Value of Contract</b>	<b>Requirement</b>
Up to £1,000	Nil
£1,000 - £5,000	Two written quotes received
£5,000 - £20,000	Three written quotes received
£20,000 - £100,000	Three tenders requested
£100,000 – EU Threshold	Four tenders requested
Above EU Threshold	Five tenders requested

#### **1.2.4 Staff Appointments**

The Board will approve a staffing structure for each academy within the Trust. Changes can be made to this structure with approval of the Personnel Committee who must be satisfied that adequate budgetary provision exists for any establishment changes.

The Board must notify the EFSA's Chief Executive in writing of the vacating or filling of the positions of Chair, the Principal as Accounting Officer or the Chief Finance Officer.

The Executive Head Teacher has the authority to appoint staff within the authorised structure with the exception of Academy Head Teacher, Deputy Head Teacher and CFO whose appointments must involve consultation with the Personnel Committee. The CFO has the authority to appoint support staff and in some cases this is delegated to the relevant Head of Department in conjunction with the HR Manager.

The Executive Head Teacher and CFO must review the financial implications of any appointment before an offer of employment is made.

Note must be taken of the conditions in the funding agreement on the employment of suitable staff (Clause 16, 17a, 18 & 19)

#### **1.3 Conflict of Interests**

Should any Director or Governor identify a situation where they consider that a conflict of interest arises or may arise with regard to themselves, they should immediately advise the Clerk to the Board or Local Governing Body and withdraw from that part of the proceedings, taking no direct or indirect part in relevant deliberations or decisions. Directors employed by the academy do not face a conflict of interest merely as a result of such employment. The onus is on individual Directors and Directors to recognise such situations and a register of interest will be maintained by the Clerk. The register is open to public inspection.

## 1.4 Transparency

In the interests of transparency, the trust **must** publish on its website up-to-date details of its governance arrangements in a readily accessible format. This **must** include:

- the structure and remit of the members, board of directors, its committees and local governing bodies, and the full names of the chair of each (where applicable)
- for each member who has served at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each director and local governor who has served at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them (in accordance with the trust's articles), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each director their attendance records at board and committee meetings over the last academic year
- for each local governor their attendance records at local governing body meetings over the last academic year

## 1.5 Funds

Income and expenditure will be recorded in the accounting system under the relevant fund code in order to ensure that monies are utilised for the purpose for which they were intended. The Fund codes in use are detailed in Appendix E. In addition to these funds, within the Restricted Fund Code, Income and expenditure will be identified for specific purposes through the Cost centre it is assigned to.

## 1.6 Multi Academy Trust Finance

The Multi Academy Trust is set up as a central services provider and makes a charge to each school within the trust based on a % of their total public income. The charging structure is split into 4 categories to give flexibility to schools joining the trust depending on which central services they need to use. The categories are:

Core Offer	Leadership & Governance Capita Resource Finance Package with training HR advice Legal Advice Internal Audit End of Year Audit
Finance Support	Sales & Purchase Ledger Banking
Premises & facilities Mgt.	Planned Maintenance Programme Line Management of Site Team Health & Safety
IT Support	Strategic ICT planning

ICT Procurement  
IT helpdesk  
On-site support

All cost attributable to these services are assigned to the MAT and a monthly charge is made to each school based on the relevant % to pay for the services they use.

Where possible, invoices for products and services used by multiple academies within the Trust are split by the supplier. Where this is not the case, invoices are apportioned based on an Academies GAG income as a % of the Trust's total GAG income.

## **Section 2      Financial Planning & Monitoring**

### **2.1      Medium Term Planning**

The Academy Trust will always have in place a three year financial plan showing current year, next year and year three by nominal code. When requested by the Executive Head Teacher or by The Directors, the CFO will prepare a forecast showing the impact of identified factors such as changes in staffing, capital expenditure or expected funding variations.

### **2.2      Budget Preparation**

The Trust is required to submit a budget to the EFSA for the financial year September to August by the 31<sup>st</sup> July of the current financial year. It is anticipated that the Trust's funding will be confirmed by the EFSA by the end of March preceding the new financial year in September. A separate draft budget will be constructed for each school within the Trust by the CFO with input from other members of the Senior Leadership Team. They will take into account any financial implications of each academy's current School Improvement Plan, changes to pupil numbers, staffing changes (including threshold increases), premises improvement plans and capital spending priorities. Budgets for individual departments will be determined by the Academy Head Teachers or through discussion between the Budget Holder and the CFO. Curriculum departments can carry forward a maximum under spend of 10% of their budget. Any over spend is carried forward to the following year unless alternative arrangements have been made.

The structure of the budget will follow the nominal code reporting structure required by the EFSA and will also include detail of expected capital income and expenditure. The budget will show the expected carry forward from the current year. The Board will review the levels of reserves that the Trust holds on an annual basis. In general the Trust will budget to maintain free reserves equivalent to one month's revenue expenditure.

The Trust will ensure that income and expenditure is reflected in the appropriate month subject to a minimum accrual and pre-payment limit of £1,000.

The draft budget will be presented to the Finance & Premises Committee in June with a final budget being approved firstly by the Finance & Premises Committee and then the full Board by 31<sup>st</sup> July.

If there are any significant changes to the budget then the Academy must inform the EFSA

The Board must notify the EFSA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year which it is unable to address after unspent funds from previous years are taken into account.

### **2.3      Education Funding and Skills Agency (EFSA) Returns**

In addition to the budget report, the Trust is required to submit a number of other returns to the EFSA. These are shown in Appendix C and are subject to change

### **2.4      Budget Monitoring**

Budgets will be monitored individually by Academy and for the Central Services cost of the MAT. A monthly Income and Expenditure report will be produced by the CFO and sent to members of the Finance, Premises and Risk Committee. The quarterly cumulative position will

be reviewed at each Finance, Premises and Risk Committee meeting. The CFO will report on any exceptions where spending is over or under budget. In addition to the Income and Expenditure account, the CFO will present the cumulative balance sheet and a Tangible Fixed Assets spread sheet indicating capital purchases.

The CFO's reports to the Finance, Premises and Risk Committee will include an analysis of Debts over 30 days as well as balances from key nominal codes in the Non-Public account.

## **2.5 Audit Requirements**

### **2.5.1 Internal Audit**

See Section 1.1.6

### **2.5.2 Statutory Audit**

The Trust is required by law to produce audited accounts and therefore The Board must appoint statutory auditors, who are registered under the requirements of the Companies Act, to conduct an audit (which is in compliance with the requirements of the Companies Act) and certify that the accounts are "true and fair".

The contract for the audit must be in writing. This must take the form of a letter of engagement. The letter of engagement must only cover the external audit. If additional services are to be purchased, a separate letter of engagement must be obtained which must specify the precise requirements of the work and the fees to be charged.

The letter of engagement must provide for the removal of auditors before the expiry of the term of office in exceptional circumstances, notwithstanding the other terms of the contract. Proposals to remove auditors must require a majority vote of Directors. If the auditors resign, there must be a requirement for them to state their reasons.

The Board must notify the EFSA immediately of the removal or resignation of auditors. In the case of removal, The Board must notify the EFSA of the reasons for the removal. In the case of resignation, auditors must copy to the EFSA a statement of their reasons.

### **2.5.3 Whole of Government Accounts**

The financial accounts of the Trust will be consolidated into Whole of Government Accounts (WGA), through the EFSA. The EFSA will use a combination of audited accounts, Academy Accounts Return and other information to generate the consolidated accounts and these accounts will be audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (C&AG). To this end the Trust's Board has a responsibility to prepare the financial information requested by the EFSA for this purpose. The Trust will be requested by the EFSA to audit certain information, and this requirement should be incorporated within the terms of engagement of the auditors.

### **2.5.4 Funding audit**

A system of funding audit has been introduced to give direct assurance to the EFSA in respect of the data provided by The Trust for their grant calculations.

The scope and timing of the EFSA's funding audit approach will be determined annually. This work is sample-focused and so, in any one year, only a small minority of Trust's will be affected by the programme.

### **2.5.5 Accounting officer's statement**

An accounting officer's statement on governance, regularity, propriety and compliance must be included in the Trust's annual report. This is a formal declaration by the Trust's accounting officer that they have met their personal responsibilities to Parliament for the resources under their control during the year. It includes a responsibility to ensure that public money is spent for the purposes intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control (propriety), a responsibility to ensure good value for money and for the efficient and effective use of all the resources in their charge.

### **2.5.6 Regularity audit**

A review of the accounting officer's statement must be included within the remit of Trust's external auditors. This opinion will be addressed jointly to the Trust's Board and to the Secretary of State through the EFSA.

### **2.5.7 Financial management reviews**

In order to gain assurance over the adequacy of financial arrangements governing the use of public funds by academies, the EFSA may choose to conduct financial management reviews. These will examine whether the systems and control mechanisms that exist in the Trust meet the requirements set out in the Handbook.

## **Section 3 - Internal Control**

### **3.1 Income**

#### **3.1.1 Recording**

All income will be clearly identified and recorded against the correct nominal and fund code. The CFO will monitor grants received from the EFSA and the Local Authority against expected amounts and investigate any differences. All remittance advices will show clearly the source and reason for the income.

#### **3.1.2 Receipts**

All monies received from parents will be processed through the Finance Office Till and will be acknowledged by a receipt. Cash and cheque payments from 3<sup>rd</sup> parties will be promptly recorded in the accounting system, and banked. Receipts will be issued from Resource if requested.

#### **3.1.3 Lettings**

A schedule of charges for the letting of the academy facilities will be agreed by the Finance, Premises and Risk Committee. The CFO has delegated powers to negotiate charges within a margin of 20% either side of the agreed rates. All hirers will be issued with an invoice and payment will be required at least 1 week before the date of the event.

#### **3.1.4 Charging & Remissions**

The law requires that education during normal school hours and the examination of students in accordance with the National Curriculum is provided free of charge. The Board recognises the valuable contribution that the wider range of additional activities, including trips, clubs and residential experiences can make towards students' education and reserves the right to charge parents in accordance with the provisions of the Education Act 1996.

Full details are in the Trust's policy on Charging & Remissions in Appendix F

#### **3.1.5 Debtors**

Where sundry debtor invoices are raised, arrangements will be in place to ensure that the monies due are collected in a timely manner. Sundry debtor invoices shall be issued promptly upon delivery of the goods or services (no later than 5 working days after the transaction takes place). Sundry debtor invoices shall be marked 28 days payment terms.

Where a sundry debtor invoice has not been paid after 28 working days a polite reminder letter will be sent. Should this sundry debtor remain outstanding after a further 10 working days, a strongly worded reminder letter outlining the possibility of legal action will be sent.

Should the sundry debtor remain outstanding after a further 10 working days the CFO will consider legal action where he/she feels it is economically viable to do so.

The Finance, Premises and Risk Committee shall receive an aged debt analysis at each meeting setting out:

- the amount;
- length of time outstanding;
- steps taken so far to recover the debts;
- next steps if the amount is not paid.

In pursuing debts, account will need to be taken of the circumstances of the debtor particularly if this is a parent, including the possibilities of paying by instalments if necessary. Such cases may need to be handled with sensitivity. It will not normally, however, be permissible for additional credit terms to be made available for services until the original debt has been fully recovered.

### **3.1.6 Write Offs**

The Trust has delegated authority from the EFSA to write off bad debts and losses to a maximum of 5% of its annual grant income in any calendar year with a limit per single transaction of 1%. Beyond these limits the Trust must seek approval of the Secretary of State.

The Head Teacher and CFO are delegated powers to write off a maximum of £250 in any one month without reporting it to the Finance, Premises and Risk Committee. All other bad debts are to be brought to the attention of the Committee who have the authority to write off amounts up to £1,000 in any one month. Any amount over this must have approval of the full Board. The Executive Head Teacher may write off property to the value of £1,000 and the Academy Heads, Deputy and CFO may write off property to the value of £500.

## **3.2 Purchasing**

### **3.2.1 Supplier Control**

Only suppliers on the Resource Accounting system may be used. If any budget holder wishes to purchase from an alternative supplier they must submit a New Supplier Request Form (Appendix G) to the CFO for approval.

### **3.2.2 Quotes & Tenders**

The schedule set out in Section 1.2.3 should be followed by all budget holders. Appendix H details the Academy Trust's Tender Procedure.

### **3.2.3 Resource Web Ordering**

The preferred method for budget holder ordering is the Resource Web System. The procedure is as follows:

- Requisition completed on system by Budget Holder or Order Originator
- If ordered by a third party, the requisition will go to the budget holder for approval. If submitted by budget holder it will be deemed to have been approved.
- Approved order is downloaded by Finance Officer, an order created and e-mailed, faxed or posted to supplier.
- When goods are received, delivery note is retained by Finance Office.

- Finance Officer enters invoice onto system as soon as it is received. Resource system will then generate a request to the order originator to confirm receipt of the invoiced goods (this may differ from the original order because of split deliveries etc.).
- If invoice amount is as per order, order originator approves invoice for payment. If amount differs to order, invoice goes to budget holder for authorisation.

The Resource Web system users are maintained by the CFO. Budget Holders can use the system to view their budgets and expenditure as well as view past invoices.

### **3.2.4 Non Resource Web Orders**

In exceptional cases orders can be placed using a manual request system.

- Budget Holder or Order Originator completes an orange Purchase Order (PO) form. This should have details of the goods required and prices.
- If the PO is completed by non-budget holder this needs to be passed to the appropriate Budget holder for signature.
- The completed PO is sent to the Finance Office.
- The Finance Office input onto accounts system and send off order by e-mail, fax or post
- On receipt of invoice, the Finance Office enters it onto the system to be authorised electronically by the Budget Holder through the Web Resource system.

### **3.2.5 Non-Orders**

There are a number of cases where orders will not have been placed. These include regular services such as utilities, rates etc. as well as emergency repair orders. Food orders are also exempt from the order system. All other orders must follow either the Web Ordering or PO order process.

Where a non -order is placed, a requisition is completed after the goods have been delivered and invoiced. The Budget Holder must sign this requisition to confirm receipt of the goods and correct pricing.

### 3.2.6 Business Charge Cards

Business Charge Cards operate in a similar way to Credit cards and are not considered to infringe the borrowing restrictions imposed on the Trust by the EFSA, providing any balance is cleared in full at the end of each month.

Charge Card expenditure should only be used where there is no reasonable alternative and should not be considered by Budget Holders as the normal purchasing method. The Academy will not hold cards for general use but will instead assign card to nominated users who will use them only for specific purposes.

Card Holder	Credit Limit	Scope & Process
Finance Officer	£5000	<p>Purchase of goods or services over the internet that have been authorised by Budget Holder using a credit card requisition form.</p> <p>Requisition form must be completed in full showing web site details, item details and price (with print out from site if possible) and must be signed by the appropriate Budget Holder</p> <p>Purchase of travel in connection with training course that has been authorised by the INSET Budget Holder or by the SENCO on a Credit Card Requisition Form</p>
HR Officer	£2000	<p>Purchase of training courses that have been authorised by the INSET Budget Holder or by the SENCO on a Credit Card Requisition Form</p> <p>Requisition form must clearly show preferred method and times of travel with start and finish points. HR Officer will arrange best value tickets</p>
Head Teacher	£2000	<p>Expenditure on travel and subsistence and incidental purchases.</p> <p>Head Teacher is required to complete a Requisition Form showing details of expenditure with receipts attached.</p>

Card holders are responsible for the safekeeping of their card and are required to sign a card holder agreement form (Appendix I)

Charge card purchases will not be entered as a commitment on the Finance System until the goods are delivered so Budget Holders need to be aware when they are looking at their budget balances that other commitments may exist. Once delivery is received, the cost is entered onto the accounting system with VAT recorded if applicable. When the monthly statement arrives, the Finance Office reconciles the statement to the individual purchases for each of the three cards. These reconciliations are checked by the CFO and signed off by the Deputy Head Teacher or Head Teacher.

### **3.2.7 Capital Purchases**

All Capital purchases should have been identified in the budget process and the source of funding clearly identified. From time to time the Board, Head Teacher or CFO may identify additional Capital Projects or items of departmental expenditure which should be capitalised. When placing orders for Capital items, the schedule in Section 1.2.3 should be followed.

For Capital Projects, the CFO will maintain a record of funding and spend in order to monitor the project cash flow. Where funding is being provided from an external source, the CFO will ensure that the funding stream is in line with expenditure.

In the case of larger projects this function may be delivered by an external Project Manager or Quantity Surveyor appointed by the Trust but the CFO will maintain overall responsibility.

Capital purchases are treated as Fixed Assets and are accounted for as detailed in Section 3.6

### **3.2.8 Trading with Connected Parties**

The trust **will** pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- any member or trustee of the academy trust
- any individual or organisation connected to a member or trustee of the academy trust. For these purposes the following persons are connected to a member, or trustee:
  - a relative of the member or trustee.
  - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
  - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
  - an organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
  - any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or anybody related to such individual or organisation
  - any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or anybody related to such individual or organisation

Further information can be found in the Academies Financial Handbook 2015, Section 3.2

### **3.3 Invoice Processing**

#### **3.3.1 BACs Payment**

BAC's is the preferred method of payment for all suppliers.

Once invoices have been received and authorised by the appropriate Budget Holder, they will be batched for payment. The Finance Office will create a BAC's run which will then be passed to the CFO for authorisation. The CFO will check the run and sign off electronically using the Lloyds Link System. Where a batch contains individual payments over £1000, a second electronic signature is required. This will be the Head Teacher or Deputy Head Teacher. The CFO is authorised as a sole signatory where no payment to a single supplier exceeds £1,000.

Each authoriser will have an individual card and card reader for which they are responsible.

The CFO is responsible for maintaining the users on the Lloyds Link system

Changes to supplier bank details must only be made if they are received in writing from the supplier.

#### **3.3.2 Cheque Payments**

Cheques will be ordered, stored securely and prepared by the Finance Officers.

Cheques will be compiled into a batch payment and will be passed to the CFO to check and sign. Cheques over the value of £1,000 must have a second signatory. This will be the Head Teacher or Deputy. The CFO is authorised as a sole signatory where no payment to a single supplier exceeds £1,000

#### **3.3.3 Direct Debit Payments**

Where appropriate, suppliers of regular goods or services such as utilities, will be paid via direct debit. These payments will be authorised by the Budget Holder through the Web Resource System.

### **3.4 Payroll**

The Trust's payroll is administered through an external provider which is currently Devon County Council

#### **3.4.1 Payroll Preparation**

The Trust currently uses Capita Sims P7 to record all employee details including their contract and pay information. All information is sent to the payroll provider on appointment on a 'Starter Form'. Any amendments to pay or contract details are notified by sending the relevant form to the payroll provider. These forms are completed by the HR Officer and countersigned by the CFO.

Each month, the Finance Officer/Administrator with responsibility for payroll in each Academy, will complete a 'Claims Spread sheet' which is e-mailed securely to DCC. This details any additional hours worked, duty payments and casual staff hours and must be signed off by the budget holder for the relevant cost centre and the CFO

### **3.4.2 Payroll Payments**

After the payroll has been processed but before payments are dispatched, a print of salary payments by individual and showing the amount payable in total should be obtained from the system. The print must be reviewed and authorised together with authority to release payment by the Academy CFO.

All salary payments are made by BACS.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. These amounts payable are summarised on the gross to net pay print. DCC currently pay over these amounts to the relevant bodies on the Trust's behalf.

After the payroll has been processed by the payroll provider, a copy of the Payroll Summary and detailed payment sheet is forwarded to the Finance Office. A summary journal template is produced and imported into the Resource accounting system. Postings will be made both to the payroll control account and to individual cost centres. The Finance Officer should review the payroll control account each month to ensure that the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

Any overpayment of salary shall promptly be reported as recoverable to the member of staff concerned. Where recovery of the overpayment is deemed uncollectable and is below £1,000 in value the Head Teacher may authorise its write-off. Amounts exceeding £1,000 shall be reported to the Board of Directors for approval. Overpayments shall only be written off if:

- all steps possible have been taken to recover the amount due or;
- the cost of recovering the debt would exceed the sum involved or;
- recovery would cause undue hardship to the employee concerned.

A list of all staff on the Trust's establishment must be made available to the Internal Auditor each year.

### **3.4.3 Salary Sacrifice Deductions**

Salary Sacrifice Schemes are where goods or services are provided for the benefit of employees who then pay for those goods or service out of their gross salaries, thereby saving on Tax and NI payments. The Academy will offer these services only on the condition that:

- i. They are approved the Finance & Premises Committee
- ii. They are approved by the Inland Revenue
- iii. They are available to all staff
- iv. The deductions from salary will not take the employee below the National Minimum Wage

### **3.4.4 Travel & Subsistence**

The rate and conditions for reimbursement for travel and subsistence are covered within national conditions of service. However, the Trust has discretion as to the rates to be applied. Travel mileage will be calculated using the most economic route to the destination from the

school unless it is the same or less mileage from another location, i.e. home. If it is more cost effective, public transport should be used. Staff travelling to the same event should car share wherever possible. Train tickets should be booked in advance via the HR Officer so as to maximise the opportunity to book at a reduced rate.

Staff and Board member claims for travel and subsistence are to be made on the Trust's claim forms (Appendix J). Claims can be made in respect of:

- Training courses and events approved by the SLT Member responsible for CDP. The relevant CPD request and evaluation forms must be completed
- work experience visits and activities week.
- meetings where the Academy is required to be represented and approval has already been obtained from the Head Teacher
- lettings and other functions where staff are required to unlock/lock or secure the premises outside core time
- Emergency call outs to school
- payments to parents and volunteers where they have assisted the academy with the transport of pupils or attended an event on behalf of the academy as part of an organised activity
- travel on academy business (e.g. banking, collecting materials etc.)

Claims will not be considered for:

- home to work travel unless employee is required to attend outside normal working time;
- voluntary activities unless with the prior approval of the Head Teacher;
- claims more than 3 months old.

All travel and subsistence claim forms must be signed and dated by the claimant and by the relevant budget holder and be accompanied by official receipts. All claims will be reimbursed through the Trust's creditor payments systems. Claims will then be authorised as part of the BACS run before payment is made.

Arrangements for re-imburement of interview travel expenses will be in accordance with the above with the exception that all mileage will be paid at 15p per mile. The Trust will not pay for overnight accommodation or subsistence unless by prior agreement of the Executive Headteacher. The Trust will not reimburse Travel Claims for candidates who withdraw after interview. The Trust does not reimburse successful job applicants for removal or relocation costs.

Travel Claims may also occasionally be made by visiting teachers and speakers. These should be completed using the same form as Academy staff.

### **3.4.5 Special Payments**

Where the Trust wishes to make staff severance, compensation or ex-gratia payments above contractual entitlement, the board will take legal advice before doing so. In all cases, notice shall be taken of the guidance laid out in Section 3.7 of the Academies Financial Handbook

If such a payment exceeds £50,000 prior approval must be obtained from HM Treasury via the EFSA.

## **3.5 Cash Management**

### **3.5.1 Bank Accounts**

The opening of all accounts must be authorised by the Board who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **3.5.2 Deposits**

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include the amount of the deposit and a reference, such as the number of the receipt or the name of the debtor.

### **3.5.3 Payments and withdrawals**

All cheques and other instruments authorising withdrawal from Trust bank accounts (including creditor payment schedules) must bear the signatures of two of the following authorised signatories:

- Head Teacher;
- Deputy Head Teacher
- Assistant Head Teacher
- CFO

Only one signature is required where a payment is less than £1000 in value.

The Finance Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust's cash book by the Finance team
- adjustments arising are dealt with promptly.
- The bank reconciliations will be checked by the CFO and signed off by the Deputy Head Teacher
- reconciliations are subject to an independent review carried out by the Internal Auditor

### **3.5.4 Petty Cash**

The Academy can keep a maximum cash balance of £2,200. The cash is administered by the Finance Officers in the Secondary School and by the school administrator in the Primary School. The cash must be kept in locked boxes in the school safe.

Expenditure paid through Petty Cash must only be on the basis of a formal receipt and will not exceed £20 for any one transaction. Cash given out in advance of expenditure must be reconciled with the Finance Office on the next working day.

In all cases a Petty Cash Form must be completed and signed by the Budget Holder to confirm that they are happy with the payment. The Finance Officers are responsible for the prompt entry of transactions onto the accounting system and for the monthly reconciliation. The CFO will check the Petty Cash Claims on a monthly basis.

### **3.5.5 Cash Flow Forecasts**

The Academy CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile potential cash shortages.

### **3.5.6 Investments**

The aim of any investment is to ensure the maximum return on funds from the management of cash flow.

The Academy CFO will determine whether funds are available for investment and will, following consultation with and approval by the Head Teacher, make arrangements for the investment to take place and for reporting this action to the next meeting of the Finance & Premises Committee.

Factors and constraints checklist to be taken into account when planning an investment:

- The extent to which cash will be required to meet specific obligations in the short-term, i.e. statutory deductions, and in the longer-term, i.e. project costs;
- The likely future cash flow position if the investment may overlap into a new financial year;
- The possibility that cash may be needed to settle an urgent liability neither foreseen nor referred to in the annual accounts;
- The potential for the repayment of grant-aid where this is deemed not to have been properly applied;
- The possibility that grant-aid profiled in the accounts is not received at the planned time.

Unless the cash flow assessment determines otherwise it will be unusual for any investment to span more than a year and beyond the current financial year. The Academy CFO will liaise with the Chair of the Finance & Premises Committee on the best accounts to place investment in.

### **3.5.7 Reserves**

The Trust's Board considers it necessary for the good management of its affairs to hold reserves.

In determining the proportion of the Trust's budget share to be spent or retained the following broad principles will apply when the annual budget is prepared:-

- the budget will ensure that the Trust meets its continuing obligations for the current pupil population including contingency provisions for unforeseen emergency items as appropriate;
- the Senior Leadership Team will advise the Board through the Finance Committee on the level of resources required for teaching and learning;
- any existing reserves carried over from the previous year and any likely calls upon those reserves will be taken into account.

The Board has decided to set a minimum reserve level of approximately £400k

### **3.5.8 Operating Leases**

Subject to the authorisation limits set out in Section 1.2.2, the Trust can enter into operating lease agreements to a maximum of five years subject to the prescribed tendering policy. If the Trust wishes to enter into an Operating Lease agreement for longer than five years, it must seek approval from the Secretary of State through the EFSA.

### **3.5.9 Borrowing**

The Trust must seek Secretary of State approval through the EFSA if it wishes to borrow if that borrowing is to be repaid from GAG Funds or is secured against assets purchased with GAG funds. Subject to approval of the Finance & Premises Committee, the Trust may borrow to provide for a capital asset with a life of more than five years. This borrowing may take the form of a loan or lease and the committee must be re-assured that such borrowing could be re-paid through non GAG income.

Borrowing will only be approved if the project is beyond the scope of the Trust's normal revenue budget plus any additional capital grant aid.

## **3.6 Capital and Revenue Asset Policy**

### **3.6.1 Capital Assets**

All assets purchased with an individual value (or a combined value where they form part of a single project) greater than £1,000 will be recorded as a Capital Asset

The Capital Asset List will include the following information:

- asset description
- asset number
- date of acquisition
- asset cost
- source of funding
- depreciation
- current book value

### **3.6.2 Depreciation**

All depreciation will be carried out on a straight line method on the following basis:

Buildings – Minor	15 Years – 30 Years
Furniture & Equipment	5 Years – 10 Years
IT	3 Years – 5 Years

### **3.6.3 Asset Register**

All items purchased with a value over £500 or which are deemed to be desirable or thievable will be entered into a register of assets. This is regardless of whether or not the asset has been capitalised. The Fixed Asset Register will include the following information:

- asset description
- asset number
- serial number

- date of acquisition
- asset cost
- location

The Asset Register helps to:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- support insurance claims in the event of fire, theft, vandalism or other disasters.

When a recorded asset reaches the end of its useful life, it will be disposed of and a record of the disposal will be made in the register.

### **3.6.4 Security of assets**

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the academy's property and there should be an annual check against the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

### **3.6.5 Disposal of Assets**

The Academy CFO has authority to "write off" items which are damaged or worn out, and of no greater present value than £500. The Deputy Head may also write off items up to a value of £500 and the Head Teacher a value to £1,000. All other items for disposal are to be presented to the appropriate sub-committee for decision and, where appropriate, should be sold by competitive tender.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence that the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets.

All disposals of land must be agreed in advance with the Secretary of State.

### **3.6.6 Loan of Assets**

Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back into the academy 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 academy's auditors.

## **SECTION 4 NON-PUBLIC FUNDS**

### **4.1 Introduction**

This section is to be read in conjunction with the preceding sections of the Financial Procedures document and gives an overview of the procedures to be adopted for controlling non-public funds. Non Public Funds are subject to the same limits, checks, controls and accounting principles as Public funds. The non-public funds are held in a separate bank account and are controlled through a separate accounting system.

The accounts are combined with the Academy Trust's accounts for the purpose of the statutory financial reporting.

### **4.2 Accounting Principle**

The non-public fund covers both the Primary and secondary School. Non-public fund cost centres are to be created for specific purposes. In particular school trips and events are to be accounted for in this way. All non-public payments and receipts from pupils must be made through Parent Pay or the relevant school Finance Office. On no account will personal cheques be cashed through public or non-public accounts. Only bank accounts opened and maintained by the Finance Office are to be used for school money. Employees should never pay money into a personal account, even as a short term measure.

School Trips and Events are not to be amalgamated into one budget, which may allow a debit balance from one trip to be absorbed into another. The overriding principle must be to account for each trip separately and for budget holders to close each trip with a 'nil' balance.

Budget Holders must ensure funds do not build up large debit balances and must inform the Head Teacher if this occurs.

### **4.3 Costing and Accounting for School Trips and Events**

Accounts must be maintained through the Finance Office for all activities. A statement of balance can be obtained at any time. Before a trip or event is undertaken the budget holder must estimate income and expenditure using the Trip Costing Form (Appendix K). It is recognised that individual activity budgets are likely to end with a slight surplus or deficit but for accounting purposes the budget holder must plan to achieve a zero balance before the account is closed. No commitment should be made until the budget holder is satisfied that the trip or event is financially viable. All activities should be self-financing unless agreed with the Head Teacher in advance.

Consideration should be given to planning for a slight surplus to cover unexpected expenditure such as a last minute sickness or cancellation. This invariably amounts to a very small additional sum which provides the budget holder with some flexibility on costs. When the fund is closed down, any surplus over £5 per head should be reimbursed to participants. Surpluses up to £5 per head will be transferred to 'Trip Under spends' account. This account can be used to top up trips which are in deficit if there is no other source of funding. At the end of the year any balance will be transferred to the Head Teacher's miscellaneous fund.

Unexpected costs can arise and requests for additional funds may have to be made after the event to ensure the trip or event is closed with a zero balance.

#### **4.4 The Uffculme School Trust**

The Wood Trust was set up with the specific purpose of enabling all young people in the school to have equal access to all trips and activities. Parents and carers are able to make a request for financial support for trips from the Uffculme School Trust. This is a separate charity to the academy and has its own Trustees but applications are made through the Finance Office and agreed by the Head Teacher.

If a trip is in deficit because parents have not paid the voluntary contribution, then the Finance Office can apply to the trustees of the Uffculme School Trust to reimburse that trip budget.

#### **4.5 Monitoring of Cost Centres**

The Finance Officer monitors all cost centres on a day to day basis and will highlight any concerns to the CFO. The person responsible for ensuring the correct accounting and control of a cost centre is the budget holder. A check of transactions and balances is to be made by budget holders at least once a month.

# **Finance, Premises & Risk Committee**

## **TERMS OF REFERENCE**

*In the text below all references to the Trust refer to Uffculme Academy Trust*

### **1. Purpose**

The overall purpose of the Finance, Premises & Risk Committee is:

- a. To exercise the powers and duties of the Board of Directors in respect of the financial administration of the Trust, except for those items specifically reserved for the Main Board and those delegated to the Executive Head teacher and other staff
- b. To monitor and assess internal controls to ensure that the Trust as a whole is operating at appropriate levels of risk.
- c. To take responsibility for external and internal audit matters, oversee the work programme and performance quality of the internal and external audit services.
- d. To support the Board in ensuring that a framework is established and maintained for the identification and management of risk
- e. To ensure that the Trust is meeting its statutory obligations concerning health and safety
- f. To provide support and guidance for the trust's and academy schools' Senior Leadership Teams on all matters relating to school premises, grounds, physical resources, security.

### **2. Membership**

- a. The Finance, Premises & Risk Committee will comprise a minimum of four committee members, including a majority who are Directors.
- b. The chair of the Finance, Premises & Risk Committee will be a Director but will not be the Chair of the Board or any other Committee or the Executive Head teacher. The Main Board will appoint a vice chair of the Committee.
- c. The Committee will be supported by the Trust's Business Manager as the lead member of staff.
- d. The Committee may meet with internal or external auditors without the presence of members of the Senior Leadership Teams.
- e. Where the Trust's Business Manager is an employee of the Trust s/he may act only as an adviser on matters relating to internal and external audit.
- f. All members of the Committee must declare any pecuniary interests before the beginning of each meeting of the Committee.

### **3. Frequency of meetings**

- a. There will be three standing meetings a year scheduled to enable recommendations to be referred to the Main Board and/or Local Governing Body/ies with minimum delay.
- b. Additional ad hoc meetings may be arranged to deal with identified significant issues or to cope with increased workload.

### **4. Quorum and Voting**

- a. The quorum shall be three Committee members.
- b. Every matter which requires a decision at a Committee meeting shall be determined by a majority of the votes of the Committee members present and voting on the question. Every Committee member shall have one vote.
- c. The Committee may not make any decision unless those present at the meeting include a majority of Directors

### **5. Core Functions**

#### **5.1 General**

- a. Agreeing all audit, fraud, and risk management policies and keeping them under review.
- b. Investigating any activity within its terms of reference and if necessary obtaining external legal or other independent professional advice (being authorised to request the financial resources to do so) and having access to and the cooperation of staff, and access to any documents or files, to enable it to properly conduct its business.

#### **5.2 Financial Control**

- a. Ensuring that all policies and procedures comprehensively cover all necessary controls to permit the Trust to be managed efficiently and effectively at an appropriate level of risk.
- b. Ensuring, and reporting to the Main Board, that there is a sufficient, systematic review of internal control arrangements of the Trust including individual academies, both operational (relating to effectiveness, efficiency and economy) and of financial reporting controls to ensure probity and to employ reasonable measures to prevent errors.
- c. Reviewing the Trust's annual budget prior to the start of each financial year and recommending its acceptance, or otherwise to the Main Board.
- d. Reviewing the Management Accounts at every meeting, taking appropriate action to contain expenditure within the budget and report to the Main Board.
- e. Reviewing the virement of sums over £20,000 between cost centres as approved and authorised by the Executive Head teacher and Finance Director.
- f. Reporting to the Main Board all significant financial matters and any actual or potential overspending.
- g. To recommend the level of delegation to the Executive Head teacher for the day-to- day financial management of the Trust.

### **5.3 External Audit**

- a. Agreeing the external audit plan each year and advising the Main Board on the performance of the external auditors.
- b. Overseeing a regular process of review and renewal of the external audit contract; establishing a process of tendering for the service and recommending a suitable appointment to the Main Board.
- c. Recommending to the Main Board the fee to be paid to the external auditor.
- d. Advising the Main Board on its recommendation of the appointment of external auditors to be made to the Trust Members at the AGM.
- e. Reviewing the audited annual financial statements before recommendation to the Main Board for approval and presentation to the Trust Members at the AGM.
- f. Where the Trust's Business Manager is an employee of the Trust s/he may act only as an adviser on matters relating to internal and external audit.

### **5.4 Internal Audit**

- a. Ensuring that the Trust has appropriate internal audit arrangements in place and approving the scope and/or limitations of such arrangements.
- b. Overseeing a regular process of review and renewal of the internal audit contract; establishing a process of tendering for the service, and recommending a suitable appointment to the Main Board.
- c. Annually assessing the risks to the Trust and subsequently reviewing and agreeing the three year plan and annual programme of internal audit work.
- d. Receiving internal audit reports and management action plans and monitoring the ongoing completion of actions at each meeting ensuring that they are addressed in line with the committee's agreed priorities.
- e. Regularly appraising the effectiveness of the approach, nature and scope of internal audit activities and compliance with professional standards, good practice guidance and performance indicators.
- f. Where the Trust's Business Manager is an employee of the Trust s/he may act only as an adviser on matters relating to internal and external audit.

### **5.5 Fraud**

- a. Receiving reports from Senior Leadership on all cases of fraud, attempted fraud or other irregularities, including any whistle blowing and to consider whether appropriate action has been taken and that internal controls are satisfactory.
- b. Ensuring that a fraud register is maintained and reviewed.
- c. Notifying the Main Board (and the relevant Local Governing Body/ies if appropriate) of any material incidence of fraudulent activity of which the committee becomes aware.
- d. Notifying the Education Funding and Skills Agency (EFSA) of any incidence of fraudulent activity, in line with regulatory guidance.
- e. Reviewing the Trust's systems and controls for the prevention of bribery and money-laundering and receive and consider reports on non-compliance.

## **5.6 Risk Management**

- a. Developing and recommending to the Board the Trust's strategy for risk management.
- b. Agreeing a framework for the production of the Trust's Risk Register, ensuring that key risks are identified and monitored, that appropriate controls are in place, and action is being taken to offset or manage them.
- c. Advising the Main Board where action is required to avoid adversely affecting the ability of the Trust to deliver its strategic objectives or ensure regulatory compliance.
- d. Ensuring that appropriate disaster recovery and contingency plans are in place and tested regularly.
- e. Ensuring that the Trust's assets are protected including the maintenance of adequate insurance cover or Risk Protection Arrangements; reviewing insurance claims history and making appropriate recommendations to the board.

## **5.7 Premises & Resources**

- a. To provide support and guidance for Senior Leadership on all matters relating to school premises, grounds, physical resources, security.
- b. To approve the costs and arrangements for maintenance, repairs and re-decoration within the budget allocation.
- c. To oversee the preparation and implementation of contracts.

## **5.8 Health and Safety**

- a. Develop and recommend to the Main Board, the Trust's strategy for health and safety and its statutory health and safety policy.
- b. Ensure that the Trust is meeting its statutory obligations concerning health and safety.
- c. Nominate a member of the committee to be the health and safety champion for the Trust who will play an active advisory role to support Senior Leadership and appropriate Trust staff in discharging their health and safety responsibilities.

**Academy Reporting & Business Cycle**

Month	Academy	EFSA
January	<ul style="list-style-type: none"> <li>complete spring school census</li> <li>submit Academy Accounts returns by 31 January</li> <li>publish prior year financial statements by 31 January</li> </ul>	<ul style="list-style-type: none"> <li>pay 1/3 of pupil premium payments for the current financial year</li> <li>publishes guide to funding allocations for following year</li> <li>launches online information form for academy auditors</li> </ul>
February	<ul style="list-style-type: none"> <li>submit spring school census (by 11 February)</li> <li>publish their admissions appeals timetable</li> </ul>	<ul style="list-style-type: none"> <li>publishes guide to completing budget forecast return for all academy trusts open as at 31 March</li> <li>issues final funding allocations for next year</li> </ul>
March		<ul style="list-style-type: none"> <li>pays year 7 (Y7) catch-up premium for current year</li> <li>publishes budget forecast return online form</li> </ul>
April	<ul style="list-style-type: none"> <li>publish and submit to their local authority their determined admissions arrangements for entry next September</li> </ul>	<ul style="list-style-type: none"> <li>pays the fourth and final pupil premium payments for the prior fiscal year</li> </ul>
May	<ul style="list-style-type: none"> <li>submit academy trusts' financial statements for prior academic year to Companies House</li> <li>Submit the Budget Outrun Statement for the current financial year by 19<sup>th</sup> May</li> </ul>	<ul style="list-style-type: none"> <li>issues academies' accounts direction</li> <li>pays the second and final primary PE and sport grant payment for current academic year</li> </ul>
June		<ul style="list-style-type: none"> <li>publishes Academies Financial Handbook, applicable for the next financial year</li> <li>makes devolved formula capital payment for current financial year</li> </ul>
July	<ul style="list-style-type: none"> <li>submit their next year budget forecast return by 31 July</li> </ul>	<ul style="list-style-type: none"> <li>confirms pupil premium allocations for the next financial year</li> <li>pays the first of 4 pupil premium payments for the next financial year</li> <li>pays the second of 2 revenue payments for universal infant free school meals (UIFSM)</li> <li>publishes prior year accounts return and benchmarking return</li> </ul>
August		
September		
October	<ul style="list-style-type: none"> <li>complete and submit autumn school census by 28 October (opens 1 October)</li> </ul>	<ul style="list-style-type: none"> <li>publishes August accounts return online training video</li> <li>pays the second of 4 pupil premium payments for the current financial year and publishes final allocations</li> <li>publishes final funding allocations at institution level for 2015 to 2016 academic year</li> </ul>
November	<ul style="list-style-type: none"> <li>complete school workforce census (opens 6 November)</li> </ul>	<ul style="list-style-type: none"> <li>pays the first of 2 primary PE and sport grant payments for current academic year</li> </ul>
December	<ul style="list-style-type: none"> <li>submit school workforce census (by 5 December)</li> <li>submit academy trusts' audited financial statements, auditor's management letter and value for money statement for 2014 to 2015 by 31 December</li> </ul>	<ul style="list-style-type: none"> <li>announces dedicated schools grant settlement and indicative pupil premium for the 2015 to 2016 financial year</li> </ul>

## **Director & Governor Expenses**

Allowances and expenses necessarily incurred for which a claim may be made comprise the following:

- **Child care or babysitting expenses**  
Where a director or governor does not have a spouse, partner or other responsible adult to care for a children during a period of absence in which that director or governor attends meetings of the main board, the Local governing body, its committees or is otherwise representing the school or the trust. Claims will be limited to reimbursing the actual cost paid to a registered child minder or the cost of a baby sitter.
- **Care arrangements for an elderly or dependent relative**  
Costs may be refunded in similar circumstances to childcare. Claims will be limited to reimbursing the actual amount paid to a person providing the care that the director or governor would have provided during the period of their absence.
- **Directors or Directors with a special need**  
Where the school or trust does not provide facilities or equipment to enable a director or governor for example to communicate or otherwise take part in the activity in question. Claims will be limited to reimbursing the cost of, for example, provision of a signer, audiotapes, Braille documentation, or travelling and subsistence for a person providing support.
- **Directors or Directors whose first language is not English**  
The translation of documents or provision of an interpreter may be met in circumstances similar to a director or governor with a special need.
- **Telephone charges, photocopying costs and stationery**  
May be reimbursed where the director or governor is unable to use the facilities of the school in carrying out any duty on behalf of the trust. A written record or a receipt should be provided (where possible)
- **Travel and subsistence**  
Mileage up to a maximum of 50 miles, may be claimed where the distance between the director or governor's home and the school exceeds 3 miles. The use of public transport (where available) is encouraged, and fares will be reimbursed on the basis of actual expenditure, up to the level of standard class rail travel. In cases where no public transport is available, the cost of a taxi fare will be reimbursed up to the level of the actual fare paid, upon production of a valid receipt. Mileage allowance will be reimbursed at the rate of 45p per mile.

Payments of expenses where these have been, or are already met by the LEA or other body are excluded from this policy.

### **Claiming**

To reduce administration, unless substantial sums are involved, directors and Directors are asked to claim termly in arrears, prior to the end of the financial year in question. Claims should be made to the Finance Office and authorised by the clerk to the board or the LGB

## Uffculme Academy Trust Fund Codes

Fund Code	Income	Expenditure
<b>GAG</b>	School Budget Share Education Services Grant Minimum Funding Guarantee Rates Grant Insurance	Expenditure on Education Provision & Support
<b>OTHER RESTRICTED</b>	Other Restricted Income (i.e. for a specific purpose) Pupil Premium Year 7 catch Up Primary PE Grant Universal Infant Free School Meals Grants from DCC Items for Re-sale Exam Fees Music Tuition	Expenditure directly related to the income
<b>RESTRICTED FA</b>	Capital Grants Capital Donations	Capital Fees Capital Land & Buildings Capital Furniture Capital IT
<b>UNRESTRICTED</b>	All other income	Expenditure related to Unrestricted Income Catering Lettings Un returned Library Books

# Charging and Remissions Policy

January 2016

Approved by The Finance, Audit & Premises Committee on:

19<sup>th</sup> January 2016

Next review date January 2019

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## **Introduction**

The law requires that education during normal school hours and the examination of students in accordance with the National Curriculum is provided free of charge. The Multi Academy Trust board recognises the valuable contribution that the wider range of additional activities, including trips, clubs and residential experiences can make towards students' education and reserves the right to charge parents in accordance with the provisions of the Education Act 1996.

## **Aim**

Uffculme Academy Trust aims to promote and provide such activities both as part of a broad and balanced curriculum for the students of their schools and as additional optional extras.

## **Charges**

Except where students are entitled to statutory remission, schools within the Trust reserve the right to make a charge in the following circumstances for activities organised by the schools:

- **School activities in school hours:** For the board and lodging element of approved residential activities deemed to take place in school hours.
- **Activities outside school hours:** For the full cost to each student of all approved activities deemed to be optional extras (Appendix 1) taking place wholly or mainly outside school hours as permitted by the Education Act 1996.
- **Individual Instrument Tuition:** For the cost to the student (individually or in a group of up to four) of providing any instrumental tuition not part of the prescribed Public Examination System.
- **Charging in Kind:** For the cost of materials, ingredients or equipment provided by parents in subjects such as: Food technology, textiles, art /craft and resistant materials.
- **Acts of vandalism and negligence:** the Governing Body reserves the right to recover part, or the whole cost, of damage to buildings or equipment which is the result of vandalism or negligence by a student

No charge will be made in respect of books, materials, equipment, instruments or incidental transport provided in connection with The National Curriculum, statutory religious education or in preparation for prescribed public examination or courses taught at school. There is an exception where parents have indicated in advance that they wish to own the finished product.

*NB: Travelling expenses from home to work experience placements will be met by parents/carers.*

### **Examinations**

Schools within the Trust will ONLY charge for examination entries in the following circumstances:

- the school has not prepared students for the examination in the year for which the entry is made
- the examination is not on the set list but the school arranged for the student to take it
- a student has failed, for no good reason, to complete the requirements of the examination course or to attend the examination

### **Remissions**

Where the parents/carers of a student are in receipt of

- Income Support
- Income Based Job Seekers Allowance
- support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, provided the parent is not entitled to Working Tax Credit and their annual income does not exceed the threshold published by the DfES
- Guarantee element of State Pension Credit
- Income related Employment and Support Allowance

The Trust will offer to remit in full the cost of board and lodging for any residential activity which: is deemed to take place in school hours; forms part of the syllabus for the National Curriculum or is a requirement of a prescribed examination.

### **Damage to school property**

The Governing body will seek payment from parents for damage to or loss of school property caused wilfully or negligently by their child.

### **Subsidy**

The school will subsidise certain activities to a limited extent as funding allows. This is at the discretion of the Head-teacher.

### **A.E Wood Trust**

The school operates a charitable trust whose purpose is to support students financially to allow them to take part in chargeable activities. Parents can apply for support from the Trust using a form available from the Finance Office

### **Delegation**

The Headteacher, in consultation with the Local Governing Body, will determine any individual case arising from the implementation of this policy.

*Uffculme Academy Trust may from time to time, amend the categories of activity for which a charge may be made. Nothing in this policy statement precludes schools from inviting parents to make a voluntary contribution towards the cost of additional activities, which take place in school time. In no case will the charge for each student exceed the actual cost (e.g. to subsidise hardship cases, or general fund-raising). Parents may be advised that the continuance of an activity may depend upon voluntary contributions, but once it has been decided to run such an activity no qualifying child will be excluded or treated differently by reason of inability to make a voluntary contribution.*

## **Appendix 1**

### **Optional Extras**

Charges may be made for some activities that are known as “optional extras” and include:-

- Education provided outside of Academy time that is not:
  - part of the National Curriculum;
  - part of a syllabus for a prescribed public examination that the pupil is being prepared for at the Academy;
  - part of religious education.
- Examination entry fee(s), if the registered pupil has not been prepared for the examination(s) at the Academy;
- Transport that is not required to take the pupil to Academy, or to other premises where the local education authority/governing body have arranged for the pupil to be provided with education;
- Board and lodging for a pupil on a residential trip;
- Any materials, books, instruments, or equipment provided in connection with the optional extra.

- The cost, or a proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, where the tuition is an optional extra.

Any charge made in respect of individual students may not exceed the actual cost of providing the optional extra activity, divided equally by the number of students participating. It may not therefore include an element of subsidy for any other students wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

Participation in any optional extra activity will be on the basis of parental choice and a willingness to meet the charges. Parental agreement is therefore a necessary pre-requisite for the provision of an optional extra where charges will be made.

## Request for New Supplier

Person Making the Request

Supplier Name

Supplier Contact Name

Address

Telephone Number

Fax Number

E-Mail Address


Goods / Service Supplied

Reason for request

Signed

Date

Please pass this request to Tony Aspden, CFO

## **Uffculme School Tender policy**

### **Form of Tenders**

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. Prospective tenderers should be informed of the basis upon which the winning tender will be selected at the time they that it is published.

#### **Open tender**

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO 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 would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements, the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

#### **Negotiated Tender:**

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

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

Great care should be taken when negotiating such tenders and external expert advice sought before negotiations get underway.

### **Preparation for Tender**

Full consideration should be given to:

- objective of 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 the following:

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

## **Aspects to Consider**

### **Financial**

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Is there scope for negotiation?
- 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**

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

## **Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate that 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 be accepted and remain unopened.

## **Tender Opening Procedures**

All tenders (and formal written quotations) submitted should be opened at the same time and the tender (quotation) details should be recorded. Two persons should be present for the opening of tenders (quotations) as follows:

- For contracts up to £50,000\* - 2 x from the Budget Holder, the Head Teacher and CFO
- For contracts over £50,000\* - 2 x from the Head Teacher, the CFO and a Director

\*Estimated cost of goods, services or supplies

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

## **Tender Evaluation Procedures & Acceptance of Tenders**

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. The basis upon which the tenders will be evaluated will already have been made known to the prospective tenderers.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for The Board highlighting the relevant issues and recommending a decision. The Chairperson on the Board shall sign the contract on behalf of the Trust.

For contracts under £50,000 the decision and criteria should be reported to the Finance Committee. The contract should be signed by the CFO. Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the academy which may not be the lowest cost. Where a tender other than the lowest cost is preferred the matter should be reported to the Board for approval and contract signing. All parties should then be informed of the decision and tender documentation held on file.

## **Novel and Contentious Payments**

Where the Trust intends to make a payment for which it has no experience or the payment is in respect of goods or services outside normal business activity, the Accounting Officer shall determine whether or not the prior advice of the EFSA be sought. The aim is to ensure that public money is spent prudently and in ways to command broad public support.

## Uffculme Academy Trust

### Business Charge Card – Card Holder Agreement

- a) I, ..... have received a Lloyds Business Charge Card. As a cardholder I agree to comply with the following terms and conditions regarding my use of the Card.  
I will keep the card safe.
- b) I have received and understood that I am being entrusted with a corporate charge card and will be making financial commitments on behalf of Uffculme Academy Trust.
- c) I agree that I will not use the card to make cash withdrawals.
- d) I understand that Uffculme Academy Trust is liable to the card provider for all the charges made on the card.
- e) I agree to use this card for business purchases only and agree not to charge personal purchases. I understand that Uffculme Academy Trust will audit the use of this card and report and take appropriate action on any discrepancies.
- f) I will follow the established procedures for the use of the card. Failure to do so may result in either revocation of my use privileges or any other disciplinary actions, including termination of employment.
- g) I will obtain receipts / invoices to support every item of expenditure and if the purchase contains any charge for VAT; I will obtain a proper VAT receipt / invoice.
- h) I agree not to split an order because the value exceeds the single transaction limit.
- i) I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organisational change, which cause my Lloyds Business Charge Card requirements to change, I agree to return my card and arrange for a new one, if appropriate.
- j) If the card is lost or stolen I agree to notify the Bank immediately by telephone and the Academy's Card Administrator as soon as possible thereafter.

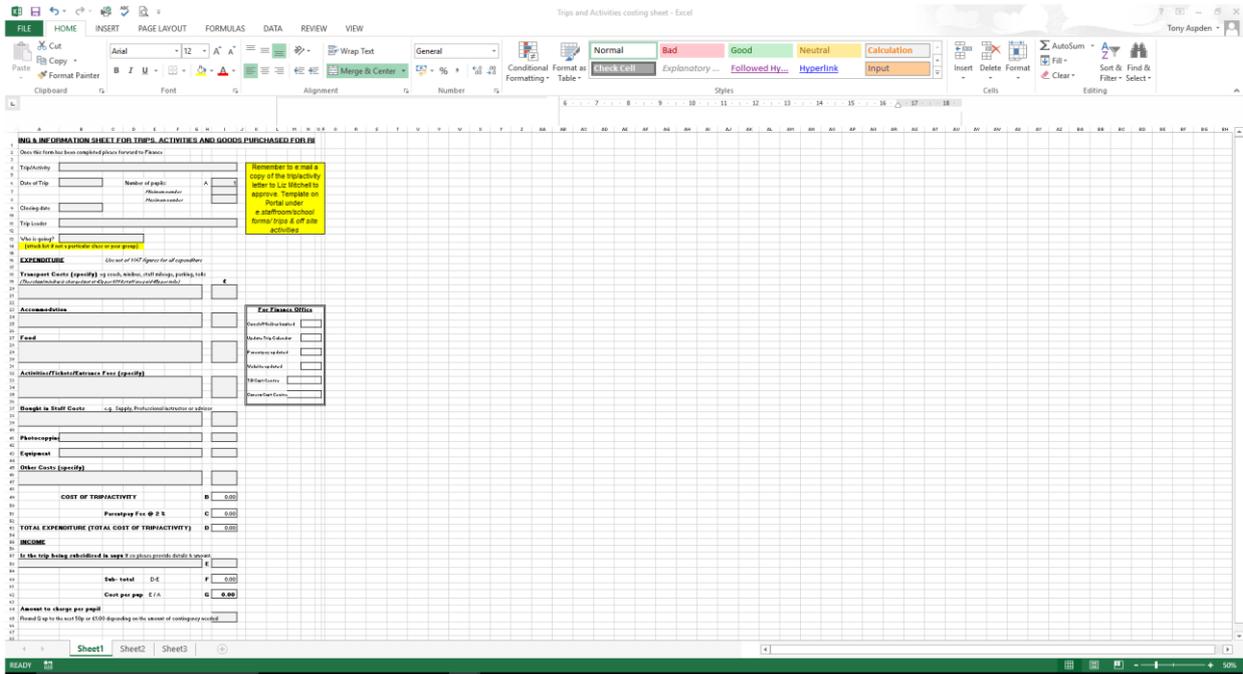
Employee Name..... Signature .....

Date.....

CFO..... Signature .....

Date.....





Form available on staff portal