

# The Praxis Trust

## Finance Policy and Procedures Manual

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## 1. INTRODUCTION

The purpose of this policy is to ensure that each academy within The Praxis Trust (the Trust) maintains and develops systems of financial control, which conform to the requirements of both propriety and financial management. It is essential that these systems operate properly to meet the requirements of each Academy's Funding Agreement with the Department for Education.

Each Academy (the Academy) must comply with the principles of financial control outlined in the Academies Financial Handbook published by the DfE. This policy expands on that guidance and forms the manual detailing information on the Trust's accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

## 2. PRINCIPLES

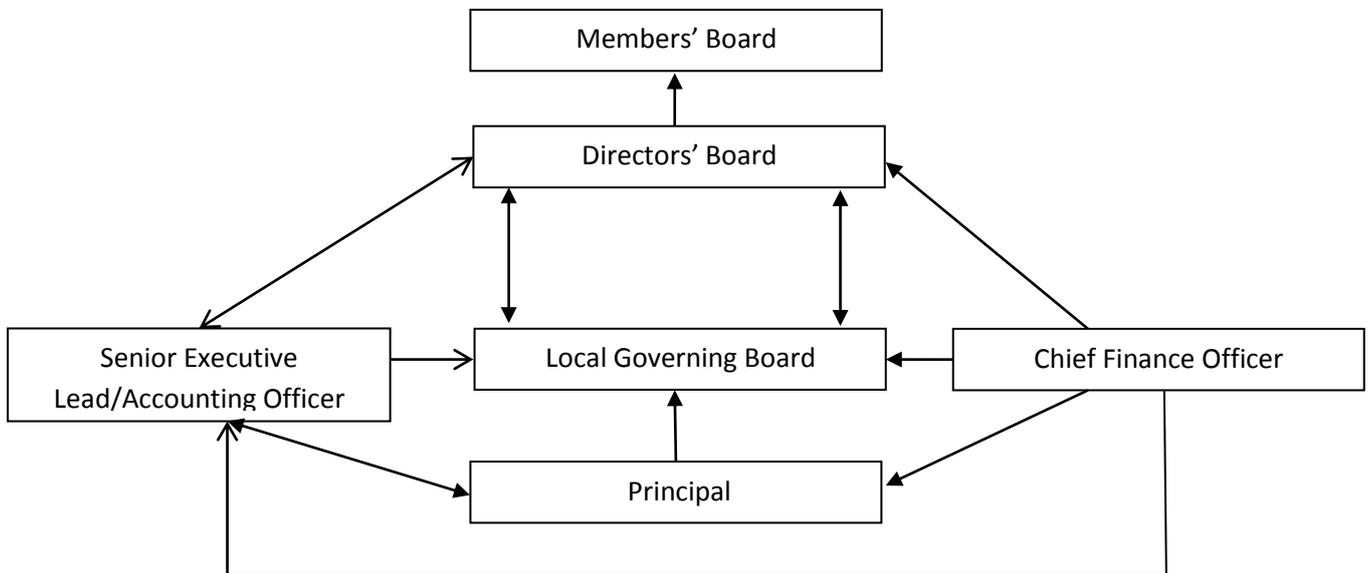
Members of the Directors' Board and the Academy's Local Governing Board (the LGB) will manage their affairs in accordance with the high standards detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

- **Selflessness**  
Holders of public office should take decisions solely in terms of the public interest.
- **Integrity**  
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.
- **Objectivity**  
In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
- **Accountability**  
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness**  
Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demands.
- **Honesty**  
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.
- **Leadership**  
Holders of public office should promote and support these principles by leadership and example.

### 3. ORGANISATION AND RESPONSIBILITIES

The Trust has defined the responsibilities of each person involved in the administration of the Academy's finances to avoid the duplication or omission of functions and provide a framework of accountability for Members, Directors, LGB Members and Staff.

#### 3.1 The Trust's Reporting Structure:



#### 3.2 Members Board

Oversight of central services, budget, staffing, Directors' Board and safeguarding matters.

The appointment and removal of Directors and Senior Executive Lead (Accounting Officer).

#### 3.3 Directors' Board

- Overall Responsibility

The Directors have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishing and running of academies within the Trust. This is largely exercised through strategic planning and the setting of policy. It is managed through business planning, monitoring of budgets, performance management including that of the principal's, the setting of standards and the implementation of quality management processes.

- Local Governance

To draw up Local Governing Board (LGB) governing documents and any amendments thereafter (i.e. LGB Instrument); to appoint (and remove) the chairman of the LGB; to appoint and remove members of the LGB; to regulate the LGB procedures (where not set out in law).

- Admissions

The Directors shall be responsible for the setting and review from time to time of the Trust's admissions policy. Any decision to expand any academy shall be that of the Directors, following recommendation from the Local Governing Board (LGB).

- Legal and Regulatory Matters

The responsibility for the satisfaction and observance of all regulatory and legal matters shall be the Directors but the Local Governing Board shall do all such things as the Directors may specify as being necessary to ensure that the Trust is meeting its legal obligations.

- Financial

To determine the scope of mandatory core services to be delivered by the Trust on behalf of its Academies or left to the discretion of LGBs.

To approve the written scheme of delegation of financial powers to maintain robust internal control arrangements.  
To determine the proportion of the overall Academy budget to be delegated to individual Academies.  
To approve any virements between budget headings and / or likely budget overspends at Trust level.

- Staffing

To appoint staffing to the Trust for mandatory core central services.

To hold the Senior Executive Lead to account.

- Principal Appointments

The Principal shall be appointed by the Directors in conjunction with Local Governing Board. The Directors and the Local Governing Board shall ensure that the Principal is committed to upholding the Mission of the Trust. The Directors in consultation with the Local Governing Board shall manage the performance of the Principal.

- Improving Education Strategy

The Directors have responsibility to rigorously monitor the progress being made by all Praxis academies. The Directors monitor, challenge, broker/commission support and intervene in cases of failure; making use of the independent educational professionals and considering a range of possible support solutions. They judge the degree of risk for each Academy (considering Academy Ofsted category; pupil assessment outcome (attainment and progress)) and ensure that academies are appropriately challenged to bring about rapid and sustained improvements.

Principal, Other Leaders and Chair of Governors of any Praxis Academy considered at risk or judged not to be making appropriate progress, will be invited to meet with the Directors' Board to discuss the matter. On the basis of the evidence presented and conversations with providers at these meetings decisions will be taken about:

- The capacity of the Academy to make the necessary improvements;
- A review of the degree of challenge;
- The commissioning of any further support identified at the meeting;
- The need to take further actions including possible intervention.

### **3.4 Finance & Resources Committee**

- To make recommendations to the Directors' Board with regard to central services and budget.
- To oversee the financial management of the individual academy budgets.
- To oversee policy and procedure implementation at each academy with regard to staffing.
- To recommend to the Directors' Board the percentage of the Academy budget to be retained for central services.
- To recommend the Pay Policy to the Directors' Board.
- To enter into contracts up to the limits of delegation and within an agreed budget (set by Directors).
- To authorise payments within agreed financial limits.
- To make recommendations to the Directors' Board, on an annual basis, those policies which will be developed by the Trust and mandatory for all Trust Academies.

#### Improving Education Strategy

- To evaluate the effectiveness of each academy to ensure a coherent and strategic approach to educational improvement, ensuring that every child receives a good education.
- To monitor and make judgments about standards and quality of provision.
- To identify the Praxis academies that are potentially at risk.
- To provide bespoke and tailored support to ensure rapid improvement.
- To challenge and support the Principal and Chair of the Local Governing Board.
- To monitor and review the Academy improvement plan for each Academy against measurable success criteria.
- To evaluate progress being made by providers and to report termly to the Directors' Board.

### **3.5 Standards & Performance Committee**

- To oversee the implementation of the curriculum policies set by each academy.
- To approve the performance management policies and procedures.
- To approve the staff code of conduct.
- To oversee the implementation of the admissions policy.
- To make recommendations to the Directors' Board, on an annual basis, those policies which will be developed by

the Trust and mandatory for all Trust Academies.

- To enter into contracts up to the limits of delegation and within an agreed budget (set by Directors).
- To authorise payments within agreed financial limits.

#### Improving Education Strategy

- To evaluate the effectiveness of each academy to ensure a coherent and strategic approach to educational improvement, ensuring that every child receives a good education.
- To hold Academics to account regarding standards achieved.
- To monitor and make judgments about standards and quality of provision.
- To identify the Praxis academies that are potentially at risk.
- To moderate Academy self-evaluation by coordinating the Annual Health Check using an external provider for all Trust Academies.
- To provide bespoke and tailored support to ensure rapid improvement.
- To challenge and support the Principal and Chair of the Local Governing Board.
- To monitor and review the Academy improvement plan for each Academy against measurable success criteria.
- To evaluate progress being made by providers and to report termly to the Directors' Board.

### **3.6 Accounting Officer**

- To submit accounts to Auditors and Companies House.
- To have oversight of financial transactions and to present annual accounts to the Members' and Directors' Boards for approval.
- To present the work of the academies to the Finance & Resources Committee with regard to financial management, health and safety, capital investment and building liabilities.
- To be accountable to the Members' Board and Secretary of State for Education.
- To ensure sound and appropriate financial governance and risk management arrangements are in place.
- To help prepare and monitor academy budgets and ensure delivery of annual accounts.

#### **3.6a Senior Executive Lead**

- To present the work of the academies to support a rise in standards (as defined in the Praxis Education Strategy and Plan) to the Learning & Standards Committee.
- To have oversight of educational standards across all academies.
- To present the annual standards of pupil achievement to the Members' and Directors' Boards.
- To have oversight of Headteacher / Principal performance management.
- To recommend to the Directors' Board via one of its committees:
  - the proportion of the overall Academy budget to be delegated to individual Academies;
  - those additional services to be procured on behalf of individual academies or left to the discretion of LGBs;
  - the first formal budget plan each year for the Trust;
  - the financial decision levels and limits at Trust level;
  - the Trust pay policy;
  - the Trust Curriculum policy (If required);
  - the Trust Performance Management Policy;
  - the Trust admissions policy;
  - the Academy Buildings Strategy and bids for central grants;
  - the decision to admit a further Academy to the Trust;
  - the Trust staff code of conduct.
- To share the responsibility for high standards, continuous improvement and the development of best practice across the Trust
- To support a rise in standards in all Academies (as defined in the Praxis Education Strategy and Plan).
- Other duties and responsibilities outlined in Senior Executive Lead Job Description.

### **3.7 Local Governing Board**

- Strategic role

The Local Governing Board shall be responsible for the standards achieved and for their own academy improvement. They are also responsible for the internal organisation, management and control of the academy in conjunction with the principal.

- Financial Responsibility

The Local Governing Board shall expend certain funds and enter into contracts as permitted as set out in this Policy / Scheme of Delegation.

- Staff

The Directors and the Local Governing Board shall ensure that the Principal is committed to upholding the Mission of the Trust. The Local Governing Board shall be accountable for the appointment and management of all other staff to be employed at the Academy,

It shall comply with legislation and all policies dealing with staff issued by the Directors from time to time;

- Performance Management

The Local Governing Board shall carry out or delegate to either the Principal and/or an appropriate committee (as appropriate) the performance management of all staff and shall put in place procedures for the proper professional and personal development of staff.

- Curriculum

The Local Governing Board shall be responsible for the setting and review of the curriculum and for the standards achieved by the Academy and the pupils attending the Academy but shall follow such advice and recommendations of the Directors as they might issue from time to time.

- Policies

The Local Governing Board will adopt and will comply with all policies of the Directors communicated to the Local Governing Board from time to time following consultation in the development of such policies. The Local Governing Board will review its policies and practices on a regular basis, having regard to recommendations made by the Directors from time to time.

- In the event of Remedial Measures being requested by the Secretary of State

The Local Governing Board shall work closely with and shall promptly implement any advice or recommendations made by the Directors and the Directors expressly reserve the unfettered right to review or remove any power or responsibility conferred on the relevant Local Governing Board under this Scheme of Delegation in such circumstances.

- Chair and Vice Chair Positions

The members of the Local Governing Board shall each Academy year, at their first meeting in that year, elect a chairman and a vice-chairman.

- Committees

Subject to this Scheme of Delegation, the Local Governing Board may establish any subcommittee. The constitution, membership and proceedings of any subcommittee shall be determined by the Local Governing Board but having regard to any views of the Directors.

### **3.8 Academy Principal**

#### **Day to Day Internal Organisation, Management and Control**

The Directors and the Local Governing Board may delegate such powers and functions as they consider are required by the Principal for the internal organisation, management and control of the Academy (including the implementation of all policies approved by the Directors and the Local Governing Board and for the direction of the teaching and curriculum at the Academy).

In particular, the Academy Principal shall:

- Implement curriculum policy at Academy level;
- Be responsible for standards of teaching, an individual child's education and pupil outcomes;
- Recommend the exclusion of pupils to the Local Governing Board overseen by the Learning & Standards Committee;
- Establish and keep up to date a written policy for sex education and to prohibit political indoctrination and ensuring the balanced treatment of political and minority issues;
- Implement the performance management policy at Academy level;

- Guardian of the Academy Debit Card(s )

### **3.9 Chief Finance Officer**

The Chief Finance Officer is appointed by the Trust Board to lead on financial matters for the Trust, working alongside Finance staff in academies, in ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts. The Chief Finance Officer also has direct access to the relevant committee of the Director and Local Governing Boards. Duties also include:

- 
- To make recommendations to the Finance & Resources Committee with regard to central services and budget.
- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of academy's financial position at strategic level;
- 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 academy;
- Preparation of monthly management accounts;
- Ensuring forms and returns are sent to DfE in line with their reporting deadlines;
- Issuing cheques / authorising BAC's in accordance with the Bank Mandates;
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Trust's payroll service provider;
- Management of the Trust/Academy's Service Level Agreements;
- Signing cheques as detailed in the Scheme of Delegation;
- On-line Banking and BACS Authorisation;
- Invoice processing.

### **3.10 Academy Finance Officer**

The Academy Finance Officer works in close collaboration with the Academy Principal and Chief Finance Officer. The main responsibilities of the Academy Finance Officer are:

- The day to day management of financial issues. including the operation of suitable ordering systems;
- The management of academy's financial position at operational level;
- The maintenance of effective systems of internal control;
- Ensuring that evidence and records required for the annual accounts is properly presented to central finance function;
- Ensuring forms and returns are sent to DfE in line with their reporting deadlines;
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academy's payroll service provider;
- Management of the Academy's Service Level Agreements;
- Guardian of the Academy Debit Card(s )if in possession;
- Cash Collection;
- Weekly Banking;
- Order processing.

### **3.11 Academy Administration Officer**

The Academy Administration Officer works in close collaboration with the Academy Finance Officer and the Lunchtime Cashier (if employed in Academy). The main financial responsibilities are:

- to receive cash and double check amounts received;
- ensure receipts are issued for any cash received into office;
- ensure safe transfer of monies to Academy Finance Officer as soon as possible;
- to ensure Census return is completed;
- to receive monies for lunches on a daily basis(Academy Administration Officer / Lunchtime Cashier);

- to complete daily reconciliation of no. of meals served and total of cash received (Academy Administration Officer / Lunchtime Cashier);
- ensure safe transfer of monies to Academy Finance Officer on a daily basis.

### **3.12 External Accountant – VAST (Responsible Officer)**

Checks and balances are in place to ensure that the financial management arrangements within the Trust are monitored. The Trust has appointed an external accountant to undertake these duties.

The External Accountant is intended to provide an independent oversight of the Academy's and Trust's financial affairs. The main duties of the External Accountant are to provide the Trust Board and Local Governing Board with on-going independent assurance that:

- The financial responsibilities of the Trust Board and Local Governing Board are being properly discharged;
- Resources are being managed in an efficient, economic and effective manner;
- Sound systems of internal financial control are being maintained, and;
- Financial considerations are fully taken into account in reaching decisions.

The External Accountant will undertake the checks and balances in line with the recommendations shown in the Financial Handbook.

General areas for review will cover the following:

- Review that Bank Reconciliations have been carried out each month;
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to relevant committee of the Local Governing Board and Finance & Resources committee minutes);
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised;
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases;
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised;
- Review returns to the EFA to ensure the information supplied is consistent with the underlying records and internal management reports;
- Carry out spot checks of petty cash balances and supporting vouchers;
- Review Purchase Card transactions and ensure the appropriate documentation exists and the purchase is appropriately authorised;
- Review all major contracts and ensure formal tender procedures exist and are being followed.

These reviews will be undertaken termly. The named External Accountant for the Trust is VAST.

### **3.13 Vice-Principal**

The Vice-Principal will assume the financial responsibilities if the Academy Principal is absent

### **3.14 Other Staff**

All staff are responsible for the security of the Academy's property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and conformity with the requirements of the Academy's financial procedures.

### **3.15 Register of Business Interests**

It is vital that Directors' Board, LGB members and staff act, and are seen to act, impartially. All members of the Directors' Board and Local Governing Board are therefore required to complete a declaration of business interests. All staff are also required to complete a similar declaration.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of

related persons such as a parent, spouse, child, cohabite and business partner where that person could exert influence over a Director, LGB member or member of staff.

The existence of a register of business interests does not of course detract from the duties of Directors, LGB members and staff to declare interests whenever they are relevant to matters being discussed by the Directors or LGB members or a Committee. Where an interest has been declared, Directors, LGB members and staff should either not attend or not participate in that part of the meeting.

It is the role of the Chief Finance Officer and LGB members to ensure the Register of Business Interests is up to date.

#### **4. FINANCIAL PLANNING**

The Academy's Principal and Finance Officer working closely with the Chief Finance Officer and Senior Executive Lead and Local Governing Body, will prepare both medium and short-term financial plans. These plans are prepared to inform the academy's strategic development planning processes for the next 3 years. The Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available.

The Academies Annual Improvement Plan provides the framework for the annual budget. The Annual Budget is a detailed statement of the expected resources available to the Academy and the planned used of those resources during the year.

#### **5. SETTING THE ANNUAL BUDGET**

The budget process follows an annual planning cycle which is contained in Appendix 1.

The Academy Finance Officer and Principal, working closely with the Chief Finance Officer and Senior Executive Lead, are responsible for the preparing and obtaining approval for the annual budget from the relevant committee of the Local Governing Board and the Local Governing Board and Directors' Board must approve the budget each year. The Director's board **must** approve a balanced budget, and any significant changes to that budget, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. The board **must** minute their approval(s).

The approved budget must be submitted to the DfE by the published timetable each year. The Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the DfE is met.

The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the Academy Improvement Plan.

The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs eg. Pay increases, inflation or other anticipated changes.

The draft budget should be presented to the relevant committee of the Local Governing Board, full Local Governing Board and Directors' Board together with a supporting report for approval. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change. Any revision should be reported to the relevant committee of the Local Governing Board through the Academy Principal's report to LGB members. Any substantial changes must be approved in accordance with the Academy's Scheme of Delegation.

## **6. BUDGET MONITORING**

The Chief Finance Officer will reconcile all Bank Accounts and Budgets monthly.

The Academy Principal, relevant committee of the Local Governing Board and Directors will receive budget monitoring reports monthly from the Chief Finance Officer on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at relevant committee of the Local Governing Board.

The Academy Principal may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Academy as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Academy Principal who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budget must in the first instance be discussed with the Chief Finance Officer and Academy Principal. The accounting system will not permit payments to be made against an overspend budget without the approval of the Academy Principal.

The relevant committee of the Local Governing Board will continually monitor the quality of the financial information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The Original Budget must be set in the HCSS Accounting system and up-to-date changes monitored against a Master budget which records in-year changes. An audit trail of all virements made after the approval of the original budget must be made.

## **7. ACCOUNTING SYSTEMS**

### **7.1 Financial Accounting System**

The Trust uses HCSS Accounting (**subject to periodic review**) and all financial transactions must be recorded using this System. Access rights within HCSS are defined for each user with a unique ID and password. Users are detailed in the Academy's Financial Scheme of Delegation. A manual for the use of this software is found within the Central Finance Office.

- All financial transactions relating to the Academy's budget must be recorded using HCSS. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures. The system is backed up, daily, remotely, encrypted and password protected, according to the academy practices and is held remotely at Chesterton Community Sports College.

## **7.2 Transaction Processing**

- All journal transfers and transactions in the Nominal Ledger will be processed by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation.
- Cash Book entries will be made by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation.
- Fixed Asset transactions will be made by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation.
- Orders on requisitions authorised in accordance with the Scheme of Financial Delegation will be raised by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation.
- Invoices will be processed ready for payment by the Central Finance Team or the nominated responsible officer, as per the Academy scheme of delegation.
- Sales Ledger and Purchase Ledger transactions will be processed by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation.
- BACS or manual payments should be raised by the Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation and countersigned in accordance with the Bank Mandate as per Scheme of Delegation.
- The Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The Chief Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation will ensure monthly reconciliations in respect of the bank, sales ledger, purchase ledger, VAT, payroll, nominal ledgers and cash book.

## **8. PAYROLL**

The main elements of the payroll system are:

- Staff Appointments;
- Payroll Administration;
- Payments and monitoring.

### **8.1 Staff Appointments**

The Local Governing Board and Directors' Board approve a personnel establishment for the Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the full Local Governing Board and Directors' Board, who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff.

The Academy Principal has the authority to appoint Staff within the authorised staffing structure. The Academy Finance Officer in each Academy will maintain personnel files for all members of staff, which include contracts of employment.

### **8.2 Payroll Administration**

The Trust's payroll is outsourced to CAPITA Payroll Services.

All payroll transactions relating to Academy staff, permanent or casual will be processed through the payroll system. Payments for employment will not be made to staff, or visiting lecturers, through any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to CAPITA Payroll on the appropriate form. Forms should be completed by the Academy Principal / Academy Finance Officer and signed by the Academy Principal. In the case of changes to the Principal's salary, forms should be signed by the Chair of LGB as per the Scheme of Delegation. Copies should be retained in the employees personnel file and the original sent to payroll.

All personnel files shall be stored in a lockable cabinet. Only the Academy Principal and Academy Finance Officer will have access to staff files but individuals can request to see their own files in line with data protection policies.

The Academy Finance Officer or the nominated responsible officer, as per the Academy scheme of delegation is responsible for keeping the staff personnel database up-to-date via SIMS Personnel recording system.

Absence records are maintained by the Academy Finance Officer or the nominated responsible officer. Both paid and unpaid leave is notified to CAPITA Payroll using the appropriate form.

**Absence records for full and half days lost to sickness should be disclosed to the Trust appointed auditor at Trust level for inclusion in the End of Year (August) Accounts Return.**

Staff claims for overtime must be checked by the Academy Finance Officer or the nominated responsible officer. Claims for overtime/variance of grade of duties, casual claims and supply claims are made by completing an Additional Hours form. All amendments and claims will be authorised by the Academy Principal and sent to payroll in line with CAPITA's payroll calendar of each month for claims up to the end of the previous month.

### **8.3 Payments and Monitoring**

All salary payments are made by BACS.

CAPITA submit payroll reports prior to salary payments being dispatched detailing costs and individuals payment details. The Academy Finance Officer or the nominated responsible officer will undertake a sensibility check to ensure the data does not contain major errors prior to salaries being paid.

The Academy Finance Officer or the nominated responsible officer will undertake reconciliation of all claims for additional hours/unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation. CAPITA are authorised to make direct payment for the amounts of deductions to the following agencies: Local Government Pension Scheme, Teachers Pensions, and Union Payments by the 27<sup>th</sup> of the month following the pay run and to HMRC.

CAPITA will then submit a 'Payment Advice Note' to each Academy. A BACS payment on the last Wednesday of the month or around the 27<sup>th</sup> of the month will be made by CAPITA to cover payments made to staff and amounts due to TPS, LGPS and amounts due to HMRC in respect of Tax/NI in respect of the payroll.

The Academy Finance Officer or the nominated responsible officer will enter the payroll data onto CAPITA via Individual Staff/ Block Payment at the earliest opportunity.

Each month the Academy Finance Officer or the nominated responsible officer will check each member of staffs' gross pay against the payroll system to the contract of employment.

## **9. VALUE FOR MONEY (VFM) PROCEDURES**

All orders for goods and services are subject to the following rules concerning quotes and tenders below.

### **9.1 Orders of £1,000 and below**

Consideration to be given to alternative suppliers and evidence attached to requisitions if quotes have been sought. The Principal must make best effort to secure probity and value for money.

## **9.2 Orders over £1,000 but less than £5,000**

At least two written/verbal quotes should be obtained for all orders to identify the best source of goods and services. These should be recorded on or attached to the requisition form. The Principal must make best effort to secure probity and value for money.

## **9.3 Orders over £5,000 (£5,000 works) but less than £15,000**

At least three written quotations should be obtained for all orders to identify the best sources of the goods/services. Written details of quotations should be attached to the requisition form for audit purposes.

## **9.4 Orders over £15,000-£50,000**

A minimum of three formal quotations to be obtained in writing by a specified date and time based on a written specification. Evidence to be attached to the requisition form. Formal tenders may be requested if it is felt appropriate.

## **9.5 Orders over £50,000 – EU Threshold** (check up to date limits <http://www.ejec.com/threshholds.aspx>)

Goods or services ordered with a value over £50,000 or for a series of contracts in which the total exceeds £50,000 must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be kept in the Academy Office.

## **9.6 Orders over EU Threshold**

Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and Award of Contracts.

## **10. FORMS OF TENDER**

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

### **10.1 Open Tender**

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Academy Principal how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

### **10.2 Restricted Tender**

This is where suppliers are specifically invited to tender and are appropriate where:

- There is a need to maintain a balance between the contract value and administration 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 requirements
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

### **10.3 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 existing supplier are justified

### **10.4 Preparing for Tender**

Full consideration should be given to:

- Object of project
- Overall requirements
- Technical skill required

- After sale service requirements
- Form of contract

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **10.5 Invitation to Tender**

An invitation to tender should include the following:

- Introduction/background
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Form of response

### **10.6 Aspects to Consider**

#### *Financial*

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be born in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price
- Is there scope for negotiation?

#### *Technical*

- Qualifications of contractor
- Experience
- Descriptions of technical service facilities
- Compliance to CDM
- Certificates
- Quality control procedures
- Details of previous sales and references

#### *Other Considerations*

- Pre-sales demonstrations
- After sales service
- Financial status of supplier

### **10.7 Tender Acceptance Procedures**

The tender invitation will state the time and date by which the completed tender documentation should be received by the Academy. Tender submission should be received in plain envelopes clearly stating they contain tender documents, they must be:

- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

### **10.8 Tender Opening Procedures**

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders; this would normally be the Academy Principal and the Chief Finance Officer. In some circumstances this could be delegated to an agent who has been employed by the Academy to undertake the tendering process i.e. firm of architects.

### **10.9 Tender Evaluation Procedures**

The evaluation process should involve at least two people. Those involved should disclose all interest, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the relevant committee of the Local Governing Board.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

## 11. PURCHASING

The Academy will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. The Academy Principal is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- *Probity* – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny
- *Accountability* – the process whereby individuals are responsible for their actions and decisions
- *Fairness* – that all those dealt with by the Academy are dealt with on a fair and equitable basis

The Chief Finance Officer will ensure that there is a clear separation of duties within the finance team, which would, if combined, enable one individual transaction to record a complete transaction.

### 11.1 Orders for Goods and Services

Budget holders should raise an order for goods or services using a requisition form available from the academy office for processing of a purchasing requisition on HCSS Accounting .

Where the value of an order is over £3,000, the requisition must be accompanied by evidence of appropriate number of quotes/or proof that VFM exercise has taken place – as per section 10. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the Chief Finance Officer.

- Upon receipt of a requisition from signed by the relevant budget holder, the requisition must be authorised by a signatory in line with the Scheme of Delegation.
- Official orders will be raised through HCSS and emailed to the supplier by the Academy Finance Officer or the nominated responsible officer.
- **Telephone/direct verbal ordering will ONLY be permitted only in situations where raising an official order is not practicable and only undertaken with PRIOR APPROVAL from the Chief Finance Officer.** In such cases, a written confirmation order will be raised as soon as possible, normally within 24hours.
- Orders must have the HCSS generated purchase order recorded on it and filed in supplier alphabetical order (along with the requisition form) in the Central Finance Team Office.

### 11.2 Delivery of Goods and Services

- On receipt of goods the Academy Administration Officer (or other designated staff member) will check the goods received match the delivery note and sign the note to confirm this.
- The Academy Finance Officer or the nominated responsible officer will check the delivery note against the original order to ensure the correct goods have been dispatched and then forward the delivery note to the Central Finance Team for attachment to the original purchase order in the file.

- The Academy Administration Officer (or other designated staff member) will raise any discrepancies with the Academy Finance Officer for investigation.
- The Academy Administration Officer (or other designated staff member) will despatch the goods the budget holder.
- The budget holder must ensure that the goods received are of acceptable quality of any goods that rejected must be notified to the Academy Administration Officer within 2 days of delivery.

## **12. PAYMENT OF ACCOUNTS**

**In all aspects of the payments of accounts, including cash/card payments, the Chief Finance Officer or his/her delegated officer is responsible for the appropriate and accurate recording of VAT.**

### **12.1 Processing of Invoices**

Payment for supplier and services will be paid upon receipt of an invoice when:

- It is confirmed that goods or services have been received and are of the quality expected as per section 11;
- The invoice is arithmetically correct;
- Prices are correct;
- VAT has been treated correctly.

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Chief Finance officer or designated individual as per Scheme of Delegation will do the above checks and enter the invoices onto HCSS as soon as possible. The Principal will authorise the payment of the invoice within HCSS to make it available for payment within the Accounting System. The invoice will then be counter authorised by the Chief Finance Officer. All invoices are to be processed through HCSS and payments made by BACS, payments made by cheque will be authorised in accordance with the Bank Mandate. Only in **exceptional** circumstances should payment be made by debit card.

### **12.2 Payments to individuals**

Payments can be made to individuals on production of an invoice. An enquiry must be carried out on the individual using the HMRC, Employer Status Indicator Tool (<https://esi2calculator.hmrc.gov.uk/esi>). The generated reference number must be kept with the invoice. If the enquiry shows that the payment cannot be made to the individual via the invoice produced, the appropriate form should be completed and the individual paid through the Trust's payroll provider.

## **13. OTHER PURCHASES**

The Academy recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Also purchasing goods and services over the internet which requires payment at the time of ordering is becoming more common in practice. It is the function of the Debit Card Account to support these transactions.

### **13.1 Internet Purchases**

When making a request for an Internet order:

- Requisitions are required as per "ordering goods and services" procedures above;
- The Principal/delegated individual holds the debit card for orders placed over the internet and orders may be placed by them;
- The transaction is recorded in HCSS as soon as possible and the transaction reference number recorded on the documentation;
- The debit card should be held securely by the Principal or designated cardholder at all times and the PIN Code not disclosed to any other party.
- All purchases made by debit card **MUST** be supported by documentation for the goods/services received.

### **13.2 Reimbursements to individuals**

For reimbursement of cash transactions:

- For requests for reimbursement to individual; requests are to be made on the Purchase Order Form, approved by Principal and MUST be supported by receipts for the goods/services received;
- Reimbursement may be refused if the Principal considers maverick purchasing methods have been used, or did not seek prior approval prior to purchase;
- The person being reimbursement signs for receipt of the reimbursement;
- The reimbursement is recorded in HCSS as soon as possible and the transaction number recorded on the documentation.

## **14 INCOME**

The main sources of income for the Academy are the Grants from the EFA and the Local Authority. The receipts of these funds are monitored by the Chief Finance Officer who is responsible for ensuring all grants due to the Academy are collected.

### **14.1 Income collected by the Academy**

The Academy collects income from parents or the public for:

- Academy Meals;
- Trips and residential visits;
- Donations/Seasonal Fairs;
- Lettings;
- Extra-Curricular Activities
- Music Tuition
- Reimbursements from various parties for activities in which the academy plays an active role.

The Lunchtime Cashier / Cashless System is responsible for the daily collection and reconciliation of all Lunch money. The Academy Administration Officer (or other designated staff member) is responsible for all other income into the office and to ensure that a receipt is issued to all parents/members of staff. It is the Academy Finance Officer or the nominated responsible officer's responsibility to check that lunch money received corresponds with Daily Cash Collection sheet and Cash received corresponds with receipts issued. Also, to ensure cash is placed in the office safe immediately.

### **14.2 Trips/Activities**

A lead teacher must be appointed for each trip. The lead teacher and either the Academy Finance Officer or the nominated responsible officers are responsible for budgeting the trip and collecting the sums due and liaising over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity.

Cash sent in via pupils must be placed in the class collection boxes which are taken to the office daily. Parents may pay at Academy office. A receipt must be issued in both cases for transactions exceeding £20 unless a specific request is made for a receipt for a lower amount is received.

### **14.3 Lettings**

The policy for lettings of premises is contained in a separate document. The policy and charges will be reviewed annually and approved by the relevant committee of the Local Governing Board.

The Academy Finance Officer is responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for these facilities whenever possible.

The Chief Finance Officer will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the Local Governing Board (the DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

At this time, there may be some academies who do not let out their premises. This situation will be periodically reviewed by the Local Governing Board.

#### **14.4 Custody**

All receipts are generated by HCSS. All cash and cheques must be held in the Office Safe prior to banking. Banking will take place monthly/weekly or more frequently if the cash sum held exceeds £5,000. Banking is collected by G4S according to the individual Academy timetable.

The Academy Finance Officer is responsible for preparing Income sheets on behalf of the Academy Principal. The Chief Finance Officer inputs the banking amounts into HCSS and completes reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

#### **14.5 Debtors**

Debts under £150 may be written off by the Academy Principal with advice to Local Governing Board.

Debts over £150 may be written off only with the approval of the relevant committee of the Local Governing Board under advice to Directors.

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice, a reminder will be sent asking for payment within 7 days;
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment;
- If payment is still not forthcoming, for debts over £1,000 a threat will be issued to put the matter into the hands of a nominated Solicitor if payment not received within the next 7 days;
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly;
- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on at Relevant committee of the Local Governing Board meetings where LGB members will decide on action to be taken;
- The current aged debtor report together with details of any debts written off (under £50) and solicitors letters sent will be provided for each relevant committee of the Local Governing Board meeting.

### **15 CASH MANAGEMENT**

#### **15.1 Trust Banking Arrangements**

The Trust has appointed Lloyds Bank as their bankers for all funds. The opening of all Bank Accounts must be authorised by the Directors who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

#### **15.2 Banking Deposits**

Particulars of any bank deposit must be entered on a paying in slip and should include the amount of the deposit.

The Counterfoil should also include:

- The amount of the deposit;
- The G4S Bag Reference Number;
- Signature of Person preparing the Banking;
- Signature of Person checking the Banking;
- G4S collection receipt attached ;

- Transaction totals as stated on the Income Sheet.

### 15.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from any of the Trust's bank accounts must bear signatures in line with the Scheme of Delegation and bank mandates.

### 15.4 Bank Reconciliations

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

- All Bank Accounts are reconciled to HCSS system
- Adjustments are dealt with promptly

### 15.5 Petty Cash Accounts

For academies that hold Petty Cash for reimbursement of cash transactions:

- Requests for reimbursement to individuals are to be made on the Purchase Order Form, authorised by the Principal and MUST be supported by receipts for the goods/services received;
- The maximum that will be reimbursed via Petty Cash is £20.
- Reimbursement may be refused if the Principal considers maverick purchasing methods have been used, or did not seek prior approval;
- The person being reimbursement signs for receipt of the reimbursement;
- All Petty Cash reimbursement claims MUST be made in the month goods have been purchased;
- The reimbursement is recorded in HCSS as soon as possible and the transaction number recorded on the documentation.

### 15.6 Debit Card Account (at the discretion of Directors)

A Debit Card Account has been established for the purpose of using the Academy debit card. Debit cards are issued to personnel under the Scheme of Delegation for the purposes of paying for goods and services when the normal ordering processes are not possible.

**The procurement of goods and services through the use of the Debit Card should be kept to a minimum and reference to suppliers in the HCSS accounting system should be sought in the first instance. Debit card transactions must have a maximum value of up to £100 unless prior authorisation has been sanctioned by Chief Finance Officer.**

To minimise the risk of loss through possible card fraud the balance of the Account will be kept to a maximum balance of £1,000 unless additional funds are required for a specified purpose.

The cardholder will:

- Ensure the debit card is held securely;
- Ensure the card is signed for when taken off site;
- In recognising the risks associated with debit card use, the academy will have available at all times, without prior notice, its records for scrutiny by any member of the relevant committee of the Local Governing Board or Chief Finance Officer/Directors;
- Report any instances of unauthorised card use to the relevant committee of the Local Governing Board or Chief Finance Officer / Directors;
- Report the loss of Card or PIN details to the Bank immediately.
- Debit card purchases are to be made on the Purchase Order Form, authorised by the Principal and MUST be supported by receipts for the goods/services received;
- If VAT has been applicable a VAT invoice should be obtained ;
- The transaction is to be recorded in HCSS as soon as possible and the transaction number recorded on the documentation.

## **15.7 Cash Flow Forecasts**

The Chief Finance Officer is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds – see Investment Policy.

## **15.8 Investments**

Investments must only be made with the approval of the Directors' Board. Any investments can only be made in low risk, short term accounts with high street banks – see Investment Policy.

## **15.9 Reserves**

The level of reserve will be reviewed and set on an annual basis as part of the annual budget setting plan for the Trust – See Reserves Policy.

## **16 VAT**

### **16.1 VAT 126 Claims**

Under legislation VAT claims can be made on expenditure supporting the Trust's core business purposes according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued in June 2011. **A consolidated claim for the whole Trust will be made to the HMRC by the Chief Finance Officer on a monthly basis.**

### **16.2 VAT Registration**

Separate to the activities mentioned above the Trust may choose to register for VAT in relation to its non-business activities, i.e. production of Adult meals.

The Trust is not registered for VAT at present. This is kept under on-going review with the Trust's External Auditors. (Guidance on VAT can be found at <http://www.hmrc.gov.uk/vat/start/introduction.htm>).

## **17 FIXED ASSETS**

The treatment of Fixed Assets is detailed in the Academy's Capitalisation and Control of Assets Policy.

## **18 KEY INVENTORY**

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

## **19 COMPUTER SYSTEMS**

Systems should be in place to protect key computer data and control features will include:

- Back-up procedures;
- Passwords;
- Disaster recovery plans

## **20 REPORTING TO THE EFA**

The Trust is required to submit reports to the EFA in the following areas:

- Annual Budget Forecast;
- Statutory Accounts.

### **20.1 The Annual Budget Forecast**

The Trust is required to send a copy of its annual budget forecast to the EFA. This will be in the format as provided by the EFA.

The Academy Finance Officers, working closely with the Chief Finance Officer and Senior Executive Lead, will ensure that a final budget is submitted setting out the Academy's and Trust's plans for the forthcoming academic year in more detail in the required format and by the required deadline as notified by the EFA year on year.

## **20.2 Annual Accounts**

As a charitable company the Trust must comply with company law as set out in the Companies Act **2006**. This includes requirement to prepare a governor's report and financial statement ('annual accounts') **in accordance with the Academies Financial Handbook 2017 and accounts direction** and for these to be independently audited by a registered auditor. Financial Statements should be prepared to 31 August each year. They should include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of each Academy at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts
- Directors Report
- Governance Statement
- Statement on Regularity and Compliance
- Auditors Report

The Annual accounts must be submitted by 31<sup>st</sup> December. As soon as the DfE deadline, but by no later **31<sup>st</sup> May (9 months after the end of the accounting year)**, a copy of the audited final accounts must be sent to Companies House. **Statutory Accounts and account returns are prepared at Trust level and cover all Academies within the Trust.**

## **21 EXTERNAL AUDITORS**

The Academy has appointed RSM Accountants as their external auditors. This will be reviewed on a 3-yearly basis. The appointment of Auditors must be approved by the Directors' Board and the DfE will be notified to any change to the external auditors appointment.

### **Following Sections Still Being Developed**

- 24. Novel and Contentious Payments**
- 25. Investment Policy – See separate policy**
- 26. Reserves Policy – See separate policy**
- 26. Borrowing**
- 27. Accounting Policy**
- 28. Related Party Transactions**
- 29. Reporting Fraud**
- 30. Contingency and Business Continuity Plan**
- 31. Risk Register**

**Appendix 1  
The Praxis Trust  
Annual Budget Cycle**

September	Academy Administrative Officer/Academy Finance officer completes the census return which is used by Government as the basis for the funding for the next financial year
February	The Senior Leadership Team start work on next year's priorities and possible staffing needs. These priorities will be discussed with the relevant committee of the Local Governing Board.
January	<b>Publish the statutory accounts on the Trust website.</b>
March	Academy receives its Draft Recurrent Grant for the following year from the Education Funding Agency (EFA). The Academy's Finance Officer starts to construct next year's budget. A mid-year review of current budget takes place.
April/May	The Academy Principal and Academy Finance Officer, working closely with the Chief Finance Officer and Senior Executive Lead (Accounting Officer), discuss details of next years' budget and present to the relevant committee of the Local Governing Board and Directors along with Academy plans for seeking approval to retain more than 8% reserves.
May	<b>First Submission deadline for the End of Year Certificate for the TPS.</b>
June	Full Local Governing Board and Directors' Board approve final budget for the following year. Chief Finance Officer then prepares return to EFA which is signed by the Accounting Officer (Senior Executive Lead) and returned to the EFA.
July	Appointed Auditors start their preparative work on the Annual Accounts.
August/September	Financial Year End (31 <sup>st</sup> August) Start of New Financial Year (1 <sup>st</sup> September) The Accounting Officer supports Trust members in preparation of Trust members Report
September	<b>Deadline for submission of Audited End of Year Certificate for the TPS.</b>
October	<b>The audit fieldwork on going/termly process due to the size of the Trust and practicalities of doing everything in one month.</b>
November/December	Appointed Auditors present accounts to Full LGB members and Directors' Board. Directors' Board approve Financial Statements.
December/ January	<b>Finalise and submit the August Accounts Return based on the statutory accounts of the Trust. Awaiting EFA guidance on any changes to this submission date.</b>

## Appendix 2

### Scheme of Financial Delegation

#### Authorising orders for goods and services, authorising payments, entering into contracts

Position	Name	Limit/Restriction
Directors' Board	Majority	No Limit
Finance & Resources Committee	Majority	£35,001 - £50,000
LGB	Majority	£15,001 - £35,000 – The LGB must seek guidance from Trust Finance & Resources committee who must advise on most appropriate mechanism for procurement and approval to be recorded in LGB minutes
Principal of Academy*	Brian Wilkinson Janette Mountford-Lees Judith Ackers	£0 - £1,000 – Evidence for VFM to be attached if quotes sought
Principal of Academy*	Brian Wilkinson Janette Mountford-Lees Judith Ackers	£1,001 - £5,000 – At least two written/verbal quotes should be obtained and attached to order.
Principal of Academy*	Brian Wilkinson Janette Mountford-Lees Judith Ackers	£5,001 - £10,000 – At least three written quotes should be obtained and attached to order.
Principal of Academy*	Brian Wilkinson Janette Mountford-Lees Judith Ackers	£10,001 - £15,000 – Three written quotes required and approval from LGB
Vice Principal of Academy		Vice Principal may authorise up to above limits in absence of Principal

\*Vice Principal of Academy may authorise in absence of Principal of Academy

#### Authorisation to make virements between nominal codes

Position	Name	Limit/Restriction
Directors' Board	Majority	No Limit
Finance & Resources Committee	Majority	£35,001 - £50,000
LGB	Majority	£15,001 - £35,000 – approval to be recorded in LGB minutes
Principal of Academy*	Brian Wilkinson Janette Mountford-Lees Judith Ackers	£0 - £15,000 spend to be recorded in LGB minutes
Vice Principal of Academy		£15,000*

\*Vice Principal of Academy may authorise in absence of Principal of Academy

#### Managing the Trust Bank Account

Position	Name	Authority
Members		
Directors		
Principal	Brian Wilkinson	Cheque signatory (two of any three to sign)
Signatory	James Masterson Louise Simpson	Cheque signatory (two of any three to sign)

### User of computerised finance package – HCSS

Position	Name	Authority
Senior Executive Lead / Accounting Officer	TBA	Full
Chief Finance officer	TBA	Full
Academy Finance Officer (Bursley)	Yvonne Jennings	Full
Academy Finance Officer (Hollinsclough)	Stephen Malbon	Web Requisition only
Academy Finance Officer (Manifold)	Helen Virani	Web Requisition only
Principal (Bursley)	Brian Wilkinson	Web Requisition & Approval
Principal (Manifold)	Judith Ackers	Web Requisition & Approval
Principal (Hollinsclough)	Janette Mountford-Lees	Web Requisition & Approval

### Certification payroll documents

Position	Name	Authority
Chair of Trust	Diane Beardsmore	Sign payroll forms relating to Senior Executive Lead/Accounting Officer
Senior Executive Lead	TBA	Sign all Appointment and leaver forms and Change of Contract forms
Accounting Officer	Brian Wilkinson	Sign all Appointment and leaver forms and Change of Contract forms
Principal - Bursley	Brian Wilkinson	Certification of all Academy payroll forms Certification of Additional Hours forms
Principal - Hollinsclough	Janette Mountford-Lees	Certification of all Academy payroll forms Certification of Additional Hours forms
Principal - Manifold	Judith Ackers	Certification of all Academy payroll forms Certification of Additional Hours forms

### Certificate of Travel / Subsistence Claims

Position	Name	Limit/Restriction
Chair of Trust	Diane Beardsmore	Travel claims of Senior Executive Lead/Accounting Officer
Senior Executive Lead/Accounting Officer	TBA	Principal Claims
Principal – Bursley	Brian Wilkinson	Certification of all Academy Claims
Principal –Hollinsclough	Janette Mountford-Lees	Certification of all Academy Claims
Principal - Manifold	Judith Ackers	Certification of all Academy Claims

### Debit Card Holders

Position	Name	Limit/Restriction
Chair of Trust	Diane Beardsmore	No card held
Senior Executive Lead/Accounting Officer	TBA	TBA
Principal – Bursley	Brian Wilkinson	Debit card held

Principal –Hollinsclough	Janette Mountford-Lees	Debit card held
Principal - Manifold	Judith Ackers	Debit card held
Caretaker – Bursley	Anthony Smith	Debit card held
Bursar – Hollinsclough	Stephen Malbon	Debit card held

#### Authorisation of Write-off Bad Debts

Position	Name	Limit/Restriction
Academy Principals	Brian Wilkinson Janette Mountford-Lees Judith Ackers	Up to £150 under advice to Local Governing Board
Finance & Resources Committee	Majority	Over £150-recorded in Director minutes
Secretary of State	Current Incumbent	Detailed in funding letter

#### Completion of VAT Returns

Position	Name	Limit/Restriction
Senior Executive Lead / Accounting Officer	Brian Wilkinson	
Chief Finance Officer	Yvonne Jennings	

#### Authorisation of Petty Cash/Expenses Vouchers

Position	Name	Limit/Restriction
Chair of Trust	Diane Beardsmore	For expenses claims from Senior Executive Lead/Accounting Officer
Principal – Bursley	Brian Wilkinson	Certification of all Academy Claims
Principal –Hollinsclough	Janette Mountford-Lees	Certification of all Academy Claims
Principal - Manifold	Judith Ackers	Certification of all Academy Claims

#### Opening of Tenders

Position	Name	Limit/Restriction
Chair of Trust	Diane Beardsmore	N/A
Senior Executive Lead / Accounting Officer	TBA	£30,000

#### Evaluation of Tenders – for decision making at appropriate delegated levels

Position	Name	Limit/Restriction
Finance & Resources Committee	3 members	N/A
In some instances it will be necessary to involve an appropriate member of staff i.e. Premises, Network Manager in order to ensure the evaluation process take into account the view of the immediate service area		



### Appendix 3

#### Framework for External Accountant (Responsible Officer) – Termly

**Academy:**

**Date:**

**External Accountant Name:**

##### Part A: Payroll

Check	Evidence/Recommendation	Achieved Yes/No
a) 5 x employees taken at random from the payroll list and check salary details back to personnel records.		
b) 3 x amendments to payroll/staffing changes to ensure appropriately authorised and reflected in the budget planner.		
c) Review the final payroll print for one month to ensure it has been appropriately authorised.		
d) Check salary expenditure to date and compare to originally submitted Spending Plan for any significant variations.		
e) Check superannuation, NI and salary scales are up to date on HCSS Check No. of staff as noted on the submitted School Workforce Census and compare to system.		
f) Check 3 x supply/expense/overtime claim forms to ensure clear procedures are adhered to from the reason for supply directly through to payment of staff with evidence of authorisation at every stage.		

## Review – Termly

### Part B: Purchases

Check	Evidence/Recommendation					Achieved Yes/No
Selection of 5 payments made within the relevant quarter and ensure that:						
a. The payment is correctly authorised/certified.						
b. The payment is correctly recorded in the accounting system (check to department & nominal code)						
c. The invoice is correctly authorised.						
d. The invoice agrees to the order.						
e. That goods or services have been certified as received.						
f. That the order is correctly authorised.						
g. That the order has been placed with a preferred/appropriate supplier.						
h. That there is complete segregation throughout the ordering/invoicing process.						
i. Details are provided for contracts with a value over the prescribed limit as shown in the Academy Finance Manual and review documentation to ensure correct quotation/tender procedures have been followed.						

Part C: Income

Check	Evidence/Recommendation	Achieved Yes/No
a) Review receipts from the EFA and any other income strands as noted in the signed off and submitted Budget Plan to check all receipts are received and agree to original documentation.		
b) Check Catering Income balances and corresponds with bank paying in slip		
c) Check cash income received for visits from spreadsheet/receipt book against what was paid into the bank		

Part D: Accounting System

Check	Evidence/Recommendation	Achieved Yes/No
a) Review bank reconciliations to ensure that they have been correctly prepared and authorised.		
b) Check the bank balance as recorded on the system matches the bank statement hard copy		
c) Review control account reconciliations to ensure that they have been correctly prepared and authorised		
d) Ensure that the Academy Financial Manual is adhered to and maintained at all times via 3 x random checked comparing recommended practice and actual practice		
e) Spot check of petty cash accounting		

1. All checks achieved: **Yes** **No**

2. Recommendations (if any):

Part D: Accounting Systems Continued

Check	Evidence/Recommendation	Achieved Yes/No
a. Check expenditure to date against expected expenditure as outlined in the submitted Spending Plan for any significant variation.		
b. Review sample checks – to ensure the procedures used to prepare the financial reports issued to governors and officers of the Academy and EFA financial returns are completed accurately and promptly,		
c. Ensure any significant variations from the signed and submitted Spending Plan return are noted in the relevant Governing Body committee minutes.		

3. All checks achieved: **Yes** **No**

4. Recommendations (if any):

## Director Review - Annually

### Part E: Core Requirements

Check	Evidence/Recommendation	Achieved Yes/No
a. The Academy can supply an up to date financial manual which is reviewed at least annually.		
b. The Academy can provide evidence of any significant changes to the Spending Plan as presented to the full governing body with a clear audit trail from reasoning behind variation to authorisation by the Full Governing Body where appropriate.		
c. Production of evidence of number of pupils as per PLASC data return (twice yearly) and notification of any significant changes from that date.		
d. Review progress against any significant capital contracts to ensure payments made are appropriate and progress is satisfactory i.e. any significant building work being carried out? Payments in stages? 50K over		

5. All checks achieved: **Yes** **No**

6. Recommendations (if any):