



**CAISTOR
YARBOROUGH
ACADEMY**

FINANCIAL POLICY AND PROCEDURES MANUAL

The purpose of this manual is to ensure that Caistor Yarborough Academy (CYA) maintains systems of financial control conforming to the requirements both of probity and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education

CYA must comply with the principles of financial control outlined in the academies guidance published by the Education & Skills Funding Agency (ESFA). This manual expands on that and provides detailed information on the Academy's accounting procedures.

Date of issue:

Last updated:

Date of Governing Body approval:

Contents

Introduction – Overview and Objectives of this Manual

1. Roles and Responsibilities
2. Internal Financial Control
3. Banking Arrangements
4. Budgeting and Financial Planning
5. Financial Monitoring and Reporting
6. Accounting Routines
7. Payroll and Employee Expenses
8. Orders and Receipt of Goods / Services
9. General Expenditure Controls
10. Capital Income and Expenditure
11. Contracting
12. VAT
13. General Income Controls
14. Academy Meals
15. Petty Cash
16. Academy Fund
17. Assets
18. Security
19. Insurance

Appendix 1 – Scheme of Delegation

Introduction - Overview and Objectives of This Manual

The purpose of this manual is to ensure that the financial management of Caistor Yarborough Academy conforms to the following objectives and principles:

1. A clear definition of financial responsibilities;
2. A clear separation of duties where necessary and appropriate;
3. The operation of effective financial checks and controls;
4. Integrated financial planning and budgeting;
5. Regular and clear financial monitoring and reporting at an appropriate level of detail;
6. Compliance with ESFA rules and regulations and with audit requirements;
7. The securing of best value for money;
8. Operation in accordance with generally recognised financial best practice;
9. Clearly defined delegations of authority

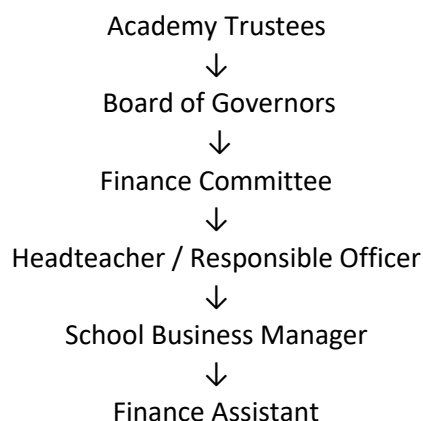
Contents

1. Roles and Responsibilities

- 1.1** Finance structure
- 1.2** Role of the Governing Body
- 1.3** Schedule of financial delegation
- 1.4** Financial policies
- 1.5** Review of financial procedures
- 1.6** Role of the Finance Committee
- 1.7** Reporting financial updates to governors
- 1.8** Role of the Headteacher
- 1.9** Role of the Designated Budget Holders
- 1.10** Role of the Responsible Officer
- 1.11** Role of the School Business Manager
- 1.12** Role of other staff in financial management and administration
- 1.13** Financial Management and Governance Evaluation (FMGE)
- 1.14** Register of Pecuniary (Business) Interests

1.1 - Finance Structure

Caistor Yarborough Academy 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 governors and staff. The financial reporting structure is illustrated below:-



The organisation of CYA encourages regular interaction between those making financial decisions, and those affected by them, through the passing of information regarding any proposed actions through the reporting lines indicated above.

1.2 - Role of the Governing Body

The Governing Body has overall responsibility for the administration of CYA finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between CYA and the Secretary of State for Education. The main responsibilities include:

- ensuring that any grant from the DFE is used only for the purposes intended;
- the approval of the annual budget;
- the approval of delegated financial powers.

The Governing Body also recognises key roles set out in the DFE documents, 'Governance Handbook 2019' and 'Competency Framework for Governance 2017', these being:

- to be strategic, including ensuring that the Academy has clear aims and values, to raise standards of achievement and to ensure that the Academy's resources are directed to through the Academy Improvement Plan (SIP).
- to act as a critical friend, including identifying where the Academy is and is not achieving and supporting and challenging proposals of the Academy
- to be accountable, including the promotion of standards and educational achievement and the Academy's overall performance.

Governors act with integrity, objectivity and honesty and in the best interests of the Academy and are prepared to explain their decisions and actions, if required.

1.3 - Schedule of Financial Delegation

CYA has a detailed Schedule of Delegation (Appendix 1) that sets out the financial responsibilities retained by the Governing Body as well as the delegation to the Finance Committee, Headteacher and to other members of staff within the Academy. This document is reviewed and approved by the Governing Body periodically, as reflected in the minutes of their meetings. In addition to the Schedule of Financial Delegation, Governors are made aware of the Academy Funding Agreement and the Academies Financial Handbook as part of their induction training. The Academy has adopted these documents and incorporated them into its Schedule of Financial Delegation.

The Academy also maintains individual job descriptions for the Headteacher, School Business Manager and all others involved in the financial management of the academy, setting out clearly defined levels of financial responsibility, including their relationship with the Governing Body.

1.4 - Financial Policies

The Governing Body is responsible for ensuring that a number of policies are in place and regularly reviewed. All staff and governors are made aware of these policies through their induction training.

1.5 - Review of Financial Procedures

Governors periodically, or following any significant changes to the financial practices being operated, will review this finance procedures manual. Approval of the manual will be reflected within the governor minutes. The manual is held within the policies file and is available to staff and governors. It is also brought to their attention through the induction process.

1.6 - Role of the Finance Committee

Although there is no requirement for academies to have committees, the Governing Body has agreed that it will fulfil some of its responsibilities through a Finance committee. The Governing Body as a whole decides the membership of this committee

The tasks that are carried out by the Finance Committee are as follows: -

1. Provide advice and offer recommendations to the Governing Body on all financial matters.
2. Scrutinise the drafts of the annual budget and the rolling three-year budget and make recommendations for their approval by the Governing Body.
3. Monitor income and expenditure against the annual budget and all other day to day financial issues within the limits of the Schedule of Delegation.
4. Monitor the financial regulations maintained by the Academy and the effectiveness of the Academy's financial procedures as set out in the finance handbook for staff.
5. Ensure the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DFE guidance issued to academies;
6. Receive reports and monitor the professional development activities of the Academy.

7. Monitor financial areas of the Academy Plan on behalf of the Governing Body.
8. Review financial policies and recommend for approval to the full Governing Body. Monitor the implementation of such policies.
9. Review the reports of the Responsible Officer on the effectiveness of the financial procedures and controls and report on these to the full governing body.

1.7 - Reporting Financial Updates to Governors

The Academy ensures that the Governing Body is kept fully informed about financial issues and developments at meetings of the Finance Committee by recording the details in the minutes. Following discussion, any issues of a significant nature are then fed back to the full Governing Body.

1.8 - Role of the Headteacher

Within the framework of CYA's development plan and schedule of Delegation, as approved by the governing body, the Headteacher has overall executive responsibility for CYA activities including financial activities. Much of the financial responsibility has been delegated to the School Business Manager and to Designated Budget Holders but the Headteacher still retains responsibility for:

- Authorising contracts between £15,000 and £20,000 in conjunction with the Chair of the Finance Committee where appropriate (see Section 11.10);
- The overall integrity of the Academy's finances and the effective operation of the Academy's financial systems and controls;
- Signing cheques in conjunction with other authorised signatories and in accordance with the bank mandate;
- Ensuring that the Designated Budget Holders discharge their responsibilities effectively.

1.9 - Role of Designated Budget Holders

The role of the Designated Budget Holder is to:

- Ensure that all commitment and expenditure against his/her approved Budget is within budget limits and within the limit of his/her delegated authority;
- Liaise with the School Business Manager of any potential overspend or variation to Approved Budget;
- Ensure that they have looked for the best value with all their ordering
- Complete and authorise a Purchase Order for all commitments;
- Ensure that invoices for expenditure against his/her budget are for goods or services properly ordered, have been received, confirm to specification and are of satisfactory standard. If so, to authorise the invoice for payment.

1.10 - Role of The Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of Caistor Yarborough's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

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

1.11 - Role of the School Business Manager

Working with the Headteacher, the School Business Manager prepares the initial draft annual budget for the Academy, which is submitted to the Finance Committee for discussion and then the Governing Body for the final approval.

The School Business Manager also provides specific expertise in long-term financial management and is responsible for:

- budgeting
- providing financial advice
- accountancy
- generating and monitoring income
- arranging and checking insurance
- costing projects undertaken by the Academy (building works, contracts, etc.)
- developing financial policy.

Full details of all areas of responsibility are set out within the Job Description for this post. Refer also to the Academy's Schedule of Financial Delegation.

1.12 - Role of Other Staff in Financial Management and Administration

In order for the financial system to operate well, staff with financial responsibilities must act with competence and integrity. As part of the interview and selection process, the Academy specifies the qualifications, experience and personal qualities desired for the post within the person specification. All staff with financial responsibilities are requested to complete the competencies matrix. The Headteacher reviews these and, where appropriate, training to support the members of staff is considered. Staff are also encouraged to review any training sessions offered both internally and by external providers in order to expand the knowledge that they already hold or to bring them up to date with current practices and expectations.

1.13 - Academy Accounts Return

The School Business Manager is responsible for completing the annual Academy Accounts Return, for securing the approval of the Headteacher to this document and for its submission by the ESFA deadline each year.

1.14 - Register of Pecuniary (Business) Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom CYA may purchase goods or services. The register is open to public inspection.

The register includes all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with CYA. The disclosures also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

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

The register is retained by the Headteachers PA and shows:-

- the name of the governor / staff member (including close family members).
- the nature of the business or personal interest.
- the name of the organisation or person which gives rise to the interest.
- an indication of the circumstances in which a conflict might arise (if this is not already obvious).

No governor or member of staff accepts gifts or hospitality from current or potential suppliers, unless appropriate approval is obtained.

Contents

2. Internal Financial Control

- 2.1** Separation of duties
- 2.2** Approved signatories
- 2.3** Maintenance of complete and permanent records
- 2.4** Review and assessment of procedures
- 2.5** Audit arrangements
- 2.6** Internal Audit (by the Responsible Officer)

2.1 - Separation of Duties

CYA maintains this manual of detailed procedures in order to reflect the day-to-day management of financial administration. As far as possible, the allocation of duties has been made to ensure that the same person is not responsible for a process from start to finish in order to reduce the risk of error or intentional manipulation.

Where this is not possible, the School Business Manager undertakes some form of internal check, e.g. review the bank reconciliations, review of paying-in slips, etc. As far as is possible, the following functions are separated:

- Authorisation
- Execution

(E.g. the authorisation of orders and invoices is separated from the placing of orders and raising of cheques, etc.)

- Custody
- Recording

(E.g. the responsibility for managing assets is separated from the recording of items on the inventory and again from the annual checking process, etc.)

- The responsibility for system development from the operation of the system
- Access profiles

(E.g. the development of the computer-based packages is separated from the day-to-day users and profiles are set within the system to restrict access to specific areas only.)

For expenses incurred by the Headteacher, approval is obtained from either the Chair of Finance or Chair of Governors or another authorised signatory.

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

2.2 – Authorisation

Authorisation on an action, transaction, etc. is a key internal control. Staff are expected to exercise authority only where they have been delegated the power to do so.

All orders and invoices are authorised for payment within the finance system by the Designated Budget Holder. Details of all Budget Holders and budgets are attached in Appendix 2.

2.3 - Maintenance of Complete and Permanent Records

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

Security arrangements regarding financial data security and backup procedures, etc. are covered in Section 18 to this manual.

2.4 - Review and Assessment of Procedures

On an annual basis, the Chair of the Finance Committee takes a self-assessment of financial systems as part of the annual review of the risk register. The result of this assessment is discussed with the Finance Committee and is designed to ensure that effective controls are in place and to give reasonable assurance that all the funds managed by a Academy have been properly controlled and accounted for (refer also to Section 5).

2.5 - Audit Arrangements

The governors of CYA ensure that access to financial records will be given to the Responsible Officer and external auditors, Registered Inspectors or their inspection teams and Her Majesty's Taxation Authorities for the purposes of audit inspection.

2.6 - Internal Audit

Lincolnshire County Council complete an internal audit so the Finance Committee can have an independent assurance that:

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

The main purpose of the RO role is to ensure that conditions of DfE grant, and the financial procedures

Contents

3. Banking Arrangements

- 3.1** Account arrangements
- 3.2** Cheque security and signing
- 3.3** Security and control over cheque stationery
- 3.4** Accounting for all cheques
- 3.5** BACS payments arrangements
- 3.6** Online arrangements
- 3.7** Changing account signatories
- 3.8** Direct debits and standing orders
- 3.9** Business Cards
- 3.10** Cashing facility
- 3.11** Reconciliation process
- 3.12** Banking of Cash and Cheques
- 3.13** Cash flow forecasting
- 3.14** Prohibition of any form of credit arrangement

3.1 - Account Arrangements

The Governing Body has agreed that CYA deposits all funds within the bank accounts set up by the Academy Trust.

3.2 - Cheque Security and Signing

The governors of CYA have agreed that the signing of Academy cheques has been delegated to the following approved cheque signatories:

- Headteacher
- Deputy Headteachers
- School Business Manager

Subject to the following limits of signing power:

Authorised Personnel	Limit / Comments
Any two signatories	Cheques up to £2,000 in value
Any two signatories, of whom one must be the Headteacher	Cheques over £2,000 and up to £50,000 in value
Over £50,000	The Headteacher , together with one Governor signatory

The Academy has completed the required forms to instigate these arrangements and copies are retained securely. If the Headteacher is absent for a prolonged period of time the Academy will contact the bank to make alternative arrangements.

For cheques in excess of £2,000 and staff reimbursements, the supporting documentation is also signed by the cheque signatories to reflect separation of duties (i.e. the cheque signatory is not the same as the person receiving payment).

In the event that a cheque is made out to the Headteacher, any two signatories other than the Headteacher will act as joint cheque signatories. (All reimbursements to the Headteacher are approved by the Chair of Finance prior to the cheque being raised).

3.3 - Security and Control over Cheque Stationery

The School Business Manager is responsible for controlling cheques and/or cheque books in issue. Cheque books are ordered automatically; printed cheque stationery is ordered as required. When not in use, cheques, cheque books and printed cheque stationery are kept securely. Access is restricted to the following personnel:

- School Business Manager
- Finance Assistant

3.4 - Accounting for all Cheques

The School Business Manager is responsible for periodically checking the sequence of unused cheque books to ensure that all unused cheques can be accounted for. Any anomalies are reported to the Headteacher immediately and the bank informed not to honour cheques, which cannot be accounted for.

3.5 – BACS payments to suppliers

The School Business Manager will oversee the arrangements regarding BACS payments to suppliers. The Finance team will raise a batch of payments through the Academy's accounting software. An accompanying report with invoices attached will be passed for signing by two of the designated signatories. Once approved, the School Business Manager will process the batch via Lloyds Commercial Banking Online for payment.

3.6 - Online Arrangements

The School Business Manager and Finance Assistant have been set up at the bank with password access to enable them to deal with online banking and telephone queries arising with the bank and a copy of the registration form is retained securely in case this is forgotten.

3.7 - Changing Account Signatories

All changes to the authorised signatures must be approved by the Finance Committee

3.8 - Direct Debits, Standing Orders & BACS payments

The School Business Manager will maintain a schedule of all direct debits, standing orders & BACS payments set up on the Academy's account(s) showing:

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

Appendix 3

These are only set up after careful consideration regarding the risk of error and the Academies ability to meet the on-going cost. All mandates are signed by two of the authorised signatories. The mandates are retained in the finance office.

All direct debits, standing orders & BACS payments reflected on the bank statements are reconciled to the invoices received and any receipts obtained (e.g. use of the Academy petrol card). Refer also to paragraph 3.8 below regarding business cards. The supporting documentation is filed with the paid invoices.

3.9 - Business Cards

Business credit cards are held in the name of the School Business Manager and the Finance Assistant and are kept securely. The limit on the School Business Manager card is £2,500.00 and the Finance Assistant is £500.00. All receipts will be held and reconciled back to the statement. Once reconciled amounts will be transferred to the relevant department and budget.

3.10 - Cashing Facility

It is the sole responsibility of the School Business Manager to withdraw petty cash

3.11 - Reconciliation Process

Printed bank statements are received from the bank on a monthly basis, but on-line access is available at all times. School Business Manager is responsible for overseeing the reconciliation of all accounts undertaken by the finance team. The reconciliation must be done at least on a monthly basis.

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

Once the reconciliation process has been completed, the 'bank reconciliation' reports are retained.

3.12 - Banking of Cash and Cheques

Cash receipts are reconciled by the Finance Administrator and placed in sealed bags, held securely. Weekly collection is by security company. A receipt is taken from the driver.

These are signed as accurate by the School Business Manager.

The signed reports are to be retained for review, along with the bank statements.

If the account cannot be reconciled, this is reported to the Headteacher.

3.13 - Cash Flow Forecasting

The School Business Manager will maintain a forecast of cash flow for a period of six months ahead on a rolling basis, to assist in optimal funds control and disposition.

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

The Academy monitors its bank position on a monthly basis with direct access to the bank and through the performance of formal bank reconciliations and on a half-termly basis through revised forecasting of the budget.

3.14 - Prohibition of any Form of Credit Arrangement

Generally, Academy's are not permitted to borrow money, unless they have the approval of the Secretary of State. The Headteacher will ensure that the Academy does not enter into any finance/purchasing arrangement that is deemed to represent a credit arrangement, e.g. finance leases.

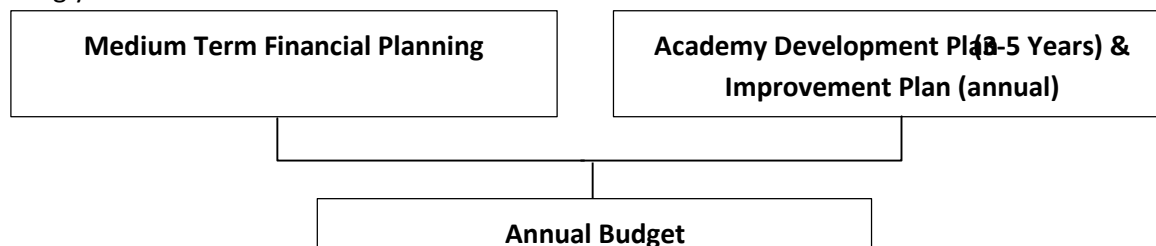
Contents

- 4. Budgeting and Financial Planning**
 - 4.1** Academy Improvement Plan
 - 4.2** Medium term financial plan (MTFP)
 - 4.3** Benchmarking
 - 4.4** Annual budget
 - 4.5** Accounting package
 - 4.6** Budget holders
 - 4.7** Treatment of earmarked funding and reporting of significant activities
 - 4.8** Virements and budget allocations

CYA prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the development planning process. The development plan indicates how CYA's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to CYA and the planned use of those resources for the following year.



The development planning process and the budgetary process are described in more detail below.

4.1 – Academy Development Plan

Academy development planning brings together, in a clear and simple way, the Academy's priorities. Development planning is mostly presented in the form of an annual Academy Improvement Plan (SIP) which documents the main measure taken each academic year to raise standards, the resources dedicated to these, and the key outcomes and targets the Academy intends to achieve. inputs.

4.2 - Medium Term Financial Plan (MTFP)

The Academy uses the SIP to lead its medium term financial plan (MTFP) for the next three years, showing how the needs of the SIP can be met in the medium term, given the Academy's current financial position.

The MTFP is put together at the beginning of the financial year.

The MTFP enables the Academy to:

- take into consideration the financial implication of changes in pupil numbers
- plan for a range of alternative scenarios
- ensure priorities in the SIP are both affordable and sustainable
- ensure that the budget remains sustainable (i.e. forecast income matches forecast expenditure)
- develop contingencies to deal with unexpected events
- avoid deficits or excessive surpluses

This plan is updated and discussed regularly, in line with known changes to income and expenditure pattern and changes in pupil numbers. The Headteacher and School Business Manager work together to achieve this.

The MTFP is approved by the Governing Body once governors are satisfied with the projections and that the assumptions made are realistic. Before approval, the level of the forecasted balances is fully scrutinised. The MTFP is reviewed and updated annually as part of the financial planning / budget formulation cycle.

4.3 – Benchmarking

CYA recognises the benefits in using benchmarking information to learn from others in implementing changes to spending patterns to help deliver educational priorities.

As part of the annual budget setting exercise, the Academy reviews benchmarking data. The extent and depth of review depends on what the data reveals compared to previous reviews and the Academy's current circumstances. The more significant areas of spend, i.e. staffing costs, are reviewed more frequently than others.

In order to obtain comparative data, the Academy uses a number of sources, including:

- DFE Benchmarking website
- Local Authority management information
- information from other local academy's

The information is used to determine how the Academy compares with other similar establishments and forms the basis against which the setting of the current budget is challenged.

4.4 - Annual Budget

The Academy has a budget preparation timetable to ensure that the budget setting process is clear and that all stages are undertaken by the required deadlines.

The Academy uses the SIP, the MTFP, including the indicative budgets, to create each year's annual budget and has links between all three, which are highlighted in the documentation sent to governors for approval of the annual budget.

The governors consider the spending priorities in the light of the budgeted income and expenditure.

The Academy uses budgeting software and clear documented notes are maintained by the School Business Manager regarding the budget preparation, e.g. what assumptions were made, what factors incorporated, what risks attached, how have figures been calculated, etc. The School Business Manager prepares a report for governors showing the basis for compiling the budget and this is presented to them for discussion. This includes a review of the previous year's financial performance.

The Governing Body is aware of the requirement to set an 'in year' balanced budget. In extreme austere years where this is not achievable, unspent funds from previous years will be brought forward.

The Governing Body will consider this carefully, taking into account the Medium Term Financial Plan. Expenditure must be for the education and purposes related to the Academy.

The budget process starts with the Leadership Team deciding on major expenditure, as directed by the SDP together with any major issues that have arisen.

As part of the budget setting process, the Academy's staffing arrangements (both teaching and support staff) are reviewed by the Headteacher and the Head of Operations to take into consideration increment changes, planned structural changes and any other factors known at this time, e.g. staff changes. Once costs such as staffing and premises related matters have been approved the balance is apportioned to departments. This is balanced against the available resources for the same period, and the contingency element of the budget required by the Governing Body, taking into consideration the budgeting information issued by the EFA prior to the commencement of each financial year.

The budget is prepared in a format which separately identifies income and expenditure and is split between revenue and capital allocations. This facilitates completion of returns and ensures consistency with the accounting system and the returns submitted to the ESFA.

The governors have agreed that the first draft of CYA's annual budget for the following financial year will be ready for consideration by the Finance Committee by June/July each year. The draft budget is then circulated to the members of Finance Committee prior to their meeting to discuss it so that they can consider it and obtain any further information and explanations they feel are necessary to gain a thorough understanding of the budget. Any assumptions used are highlighted clearly and attention is drawn in particular to areas of sensitivity.

The budget is then revised if necessary and presented for consideration by the full Governing Body and the budget setting rationale is explained. The Governing Body also reviews the previous year's activities to establish how CYA has performed in relation to the approved budget for that year.

The Governing Body has ultimate responsibility for setting the budget and the operation thereof and ensures that actual income and expenditure during the year is monitored closely and compared against budgeted income and expenditure.

Once the annual budget has been approved, all appropriate EFA returns are completed for submission by 31st August.

The Head of Operations will report to the Governing Body any proposals for policy changes that significantly affect the expenditure or income budgets.

The governors of CYA are aware of the arrangements for excess balances and that they will be required to report the reasons for any high balances. The budget is compiled to ensure only a prudent level of under spend (or in exceptional years, the recovery of a deficit).

4.5 - Accounting Package

From the approved budgeted income and expenditure return, the budget is entered into the accounts system.

The School Business Manager will transfer the reported figures into budget departments and nominal ledger codes where applicable ensuring that the figures match that approved by the Governing Body.

4.6 - Budget Holders

The School Business Manager is responsible for notifying budget holders in writing of their allocation together with guidance on how it can be spent.

4.7 - Treatment of Earmarked Funding and Reporting of Significant Activities

The Academy may receive allocations of earmarked funding. In drawing up the budget, CYA ensures that all streams of funding are specifically identified along with any criteria against which this funding must be used, e.g. Pupil Premium, SEN, Teaching Academy Grant etc. These strands of funding are taken into consideration when putting the budget together and are specifically highlighted to governors when approving the budget.

In addition to the earmarked funds, the Academy may operate a number of large activities, e.g. hirings, commercial activities etc. These are also separately reviewed as part of the annual budget setting process. The School Business Manager records income and expenditure relating to earmarked funds and any significant activities in such a way as to allow this income and expenditure to be separately identified and reported. The areas of earmarking funding and projects are separately monitored as part of the on-going budget monitoring arrangements of the Academy.

4.8 - Virements and Budget Allocations

There is a procedure for formal approval of budget virements. All movements to the budget after approval at the appropriate level are formally recorded and approved in accordance with the delegation set out in this procedure and reported back to the Finance Committee and Governing Body at their next meetings. Virements are processed on the computerised system by the School Business Manager.

Contents

5. Financial monitoring and reporting

- 5.1** Internal monitoring
- 5.2** Reporting to the ESFA
- 5.3** Risk Register

5.1 - Internal Monitoring

Following the month end procedures set out in Section 6 a number of budget monitoring reports are extracted termly for the various Designated Budget Holders by the School Business Manager. All reports extracted are initially reviewed and, where appropriate, annotated, by the School Business Manager.

The Governing Body and staff of CYA will be regularly consulted to ensure that the financial management information they receive is relevant, timely, reliable and understandable.

Departmental Budget Holders

Designated Budget Holders are accountable for items of expenditure and income they directly control. It is their responsibility to ensure that their budget is being spent in the most beneficial way for their department. They must ensure they are receiving value for money for every purchase.

Each Designated Budget Holder is provided with a termly summary of the budget giving:

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

The Designated Budget Holder is required to examine the reports to ensure that the transactions are as expected and that the report represents an accurate statement of the budget position. Where there are any queries, he/she is required to contact the School Business Manager to establish the reason and action required, if appropriate.

At any stage, if concerns arise over the spending pattern of a particular cost centre it is raised in the first instance by the School Business Manager with the Designated Budget Holder. They jointly decide on the appropriate action. Procedures will not allow any overspend against a budget without prior approval from the School Business Manager.

Management Accounts

The Management Accounts will provide the Headteacher and the Finance Committee with a detailed report of the whole academy income and expenditure.

The forecast outturn for the year will reflect:

- any significant variances between the profiled budget and the actual position to date
- the reasoning behind the variances (outstanding bills, increased overtime due to sickness, pending insurance claims, etc.)
- proposals for addressing any issues that have been identified

The report will also reflect capital income and expenditure separately from revenue so that the two allocations do not become confused.

These variance reports will support the monitoring information provided to the Finance Committee.

Finance Committee

On a quarterly basis, the members of the Finance Committee are provided with a reports with appropriate explanations for variances from budget.

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

The Finance Committee authorise any adjustments to the annual budget. They also consider and approve any virements between existing budget headings at this stage. Any virements are reviewed in line with the Academics' overall aims and objectives

In addition to the budget monitoring reports, the members of the Finance Committee are also provided with the following records, as required:

- details of significant changes to the asset register that may require further investigation or approval
- details of likely or actual bad debts that may require writing off and their effect on the budget
- details of any relevant financial issues being considered / implemented at the time
- accounts relating to any area of spending they wish to monitor, paying particular attention to areas of earmarked funding and specific activities, e.g. catering.

Funds devolved to the Academy on an earmarked basis must be used for the purposes given. An institution providing earmarked funds may recover any funds that are not spent for the purposes prescribed or not spent in-year.

Governing Body

The members of the Governing Body meet on a termly basis and receive copies of the minutes from all committee meetings that reflect all decisions made and responsibilities for actions to be taken, with their agenda.

5.2 - Reporting to the Education & Skills Funding Agency

The ESFA publishes an accounts direction each year setting out its requirements for the preparation of the academy trusts annual reports and financial statements. The School Business Manager ensures that all returns are sent to the ESFA within the deadlines published.

5.3 - Risk Register

The Governing Body of CYA ensures that there are robust systems for identifying, controlling and monitoring all significant risks. To achieve this, the Governing Body has nominated a governor to oversee the allocation of responsibilities and financial procedures on an annual basis to ensure that:

- separation of duties is maintained
- internal controls operate within each financial system

- procedures are still current and relevant
-

The Academy undertakes an annual self-assessment of its financial systems. This work is supported by the findings from the Responsible Officer. The results from this are used by governors when considering the risks and the need to disclose any significant weaknesses.

The Governing Body will meet in January each year to determine that they and the Academy have gone through an adequate process to assess the state of the Academy's internal control and that any notable weaknesses have been identified, declared and formally minuted.

Contents

- 6. Accounting Routines**
 - 6.1** Guidance materials
 - 6.2** Month-end procedures
 - 6.3** Coding structure
 - 6.4** Year-end / closedown procedures
 - 6.5** Suspense, holding and control accounts
 - 6.6** Journals and other exceptional entries

6.1 - Guidance Materials

CYA operates its financial package in accordance with the guidance materials and in conjunction with advice received from the appointed auditors

6.2 - Month-end Procedures

The School Business Manager manages the month-end routine. In order for relevant budget monitoring information to be produced, the Academy's accounting package must be up to date. The Academy has a set month-end routine regarding the Academy's financial package to ensure that the accounts are up to date prior to the budget monitoring reports being produced.

This includes ensuring that:

- all postings onto the computerised financial management are brought up to date
- all debtors, creditors, accruals and prepayments are identified and entered on software. Workings for all such items are retained on file.
- bank reconciliations on all accounts are performed, printed, checked, signed and kept on file (please refer to Section 3)
- control accounts are reviewed and cleared
- budget monitoring reports are printed and monitored (please refer to Section 5)
- VAT returns are completed quarterly (please refer to Section 12)
- other journals or transactions, e.g. trading accounts, earmarked funds are updated
- Management accounts are prepared.

6.3 - Coding Structure

CYA has set up its coding structure in order to provide the required reports for auditors, ESFA, governors and Consistent Financial Reporting.

6.4 - Year-end / Closedown Procedures

The School Business Manager and Finance Assistant undertake the year-end routine. At the end of each financial year a "soft close down" is performed in the software until all accruals and prepayments have been identified and processed, and all reconciliations and control accounts have been successfully performed.

Once all periods have been closed, a backup is taken. Then the year-end procedure is run.

When completing the year-end the School Business Manager reviews the accruals taking into consideration:-

- Debtors -includes an accrual for bank interests and outstanding income.

- Prepayments -includes payments made in advance for academy journeys (e.g. deposits), lease payments that stretch over more than one financial year, courses booked and paid for in advance.
- Creditors -supplies and services already received by not yet paid for.
- Receipts in advance -includes income received for an activity taking place in the following financial year, e.g. academy journeys

After all year-end adjustments have been taken into consideration and the final accounts have been prepared by the accountants and approved by the governors a final close is performed.

6.5 - Suspense, Holding and Control Accounts

All suspense and holdings accounts (e.g. any used for the in-house payroll operation) are reviewed by the School Business Manager on a monthly basis and cleared regularly. Any balances that cannot be immediately cleared are reported separately to governors as part of their monthly monitoring reports.

The VAT control account is monitored as part of the month end procedure to ensure that all expected reimbursements have been received. CYA is aware that it has a three-year deadline for recovering VAT and that any reimbursements not received within this time will no longer be recoverable and would need to be written out of the package.

6.6 Journals and Other Exceptional Entries

The Finance Team recharge departmental budgets for:

- reprographic costs
- academy trip deficits

On a quarterly basis, the IT budget holder uses meter readings from each of the Academy's reprographic/printing machines to determine the number of copies taken by each department. This information is summarised for the finance office and the Head of Operations raises the appropriate journals to charge the department and credit the central reprographic budget.

Contents

- 7. Payroll and Employee Expenses**
 - 7.1** Payroll/HR Arrangements
 - 7.2** Starters/variatioins/leavers
 - 7.3** Timesheets
 - 7.4** Checking of Payroll Data
 - 7.5** Pay-related expenses
 - 7.6** Pay advances
 - 7.7** Staff deductions
 - 7.8** Nominal roll check
 - 7.9** Payroll Posting
 - 7.10** Expenses - general
 - 7.11** Travel expenses

7.1 – Payroll/HR Arrangements

CYA has a contract with EduPay for the processing of payroll. The School Business Manager and Headteacher review these arrangements on a regular basis.

The guidelines for the recruitment process are set out in the Academy's 'Safer Recruitment and Selection Policy'.

7.2 - Starters/variations/leavers

All forms for:-

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

Must be made out by the HR Administrator and authorised (signed) by the School Business Manager. Such forms must then be actioned via EduPay's portal.

7.3 - Time sheets

All time sheets submitted by a member of staff must be checked and then authorised (signed) by the School Business Manager or Headteacher. Authorised time sheets must be submitted electronically and never handed back to the employee.

7.4 - Checking of payroll data

Payroll data received monthly from EduPay must be scrutinised by the School Business Manager, to ensure all employees are recognised, and pay appears reasonable. She will also check the accuracy of the pay calculations.

7.5 - Pay-related expenses

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or by the creditor payment system.

7.6 - Pay Advances

Pay advances are only made in very exceptional cases and approval is required from the Headteacher. All advances are recovered automatically through the payroll provider.

No other loans or advances will be made to any person unless the Governing Body has given the Headteacher the power to authorise such. Tax requirements will be observed in any such instances.

7.7 - Staff Deductions

All staff deductions are paid over to the relative bodies by the academy.

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

7.8 - Nominal Roll Check

The Academy produce a nominal roll report for all staff showing their grades, proportion of whole time, allowances, etc. This report is checked on a termly basis by School Business Manager referring to the contracts held by the Academy, paying particular attention to the following:

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

Any errors identified are correct on EduPay to ensure that pay and deductions are consistent with each individual's employment terms and entitlements and vice versa.

7.9 - Payroll Posting

The payroll analysis is posted monthly by the School Business Manager onto the FMS accounting package.

7.10 - Expenses – General

It is the policy of CYA that expenses will only be paid in respect of costs incurred while on Academy business.

All benefits in kind, such as accommodation, use of telephones, vehicles, provision of clothing, equipment, etc., will be paid through the payroll provider to enable taxable deductions to be taken into consideration.

Staff are expected to make only incidental personal use of Academy facilities, e.g. telephone, photocopier, etc. If any member of staff wishes to make greater use of any facilities, they must obtain permission of the Headteacher and a recharge of the cost plus VAT will be made.

7.11 - Travel Expenses

Staff travel expenses which arise as a result of working on Academy business away from premises are claimed on a monthly basis using the EduPay app claim form which is duly authorised.

Claims made by the Headteacher are authorised by the Chair of Governors.

For tax reasons, mileage can only be claimed for the excess mileage in traveling to CYA rather than between Academy and home. Where the Governing Body/Headteacher agrees to pay expenses for

any journeys from home to Academy the claimant will clearly record these and the School Business Manager will ensure that the payroll provider treats these as taxable.

Payment is only made when supported by authorised claim forms.

The rates at which mileage and subsistence allowances are paid do not exceed the maximum level of the HMRC Authorised Mileage Rate. CYA is aware that payment may be made in excess of the recommended rate however any element in excess of this limit would be subject to taxable deductions.

No governors' expenses will be paid without the express approval of the governing body.

Contents

8. Orders and receipt of goods / services

8.1 General

8.2 Orders and requisitions (below the contract limit)

8.3 Receipt of goods / services

8.4 Outstanding orders / commitments

8.1 – General

It is the policy of CYA that all dealings with its suppliers and contractors be carried out in such a way as to preserve the integrity of CYA. It is also the policy of the Academy that best value for money be obtained at all times. Ordinarily this is demonstrated by some form of 'market testing' to secure the best price / quality available.

8.2 - Orders and Requisitions (below the Contract Limit)

Please refer to section 11 on contracting for supplies and services in excess of this limit

A specification and at least three written quotes will be obtained for supplies and services between £5,000 and £20,000. Up to £5000 verbal quotations or price lists, will be examined and retained. Where quotes are required, orders will only be placed once they have been considered. A potential contract must not be divided in order to avoid the need to implement Contract Regulations. For orders less than £5,000 more than one quote will be obtained wherever possible or appropriate.

All orders must be raised using the academy's FMS.

Telephone orders are not encouraged and should only be used where this is absolutely necessary and authorisation is obtained in advance from the budget holder. These orders should be retrospectively recorded in the accounting package to ensure that all commitments are captured within the budget monitoring reports extracted from the system.

If an order is placed by any other person details must be provided to the School Business Manager as soon as possible thereafter so that a proper record can be made.

Internet ordering is limited to items that cannot be purchased through the normal procurement process. Ordering over the internet is normally carried out by the School Business Manager, or delegated to one of the finance team when necessary. When ordering over the Internet an order is raised as per procedures above and the official order number is issued to the Internet supplier if possible.

Academy orders should not be used to obtain goods and services for individuals or other organisations associated with the Academy.

No individual should purchase supplies or services on behalf of the Academy unless authorised to do so. Claims for reimbursement of expenses incurred personally may be refused if this requirement is not observed. It is essential for issues of ownership, liability and VAT recovery that it is always clear when an individual undertakes any purchasing or enters a commitment on behalf of the Academy.

If the supplier appears on the register of business interests and if the Governing Body has not specifically authorised transactions with the supplier, then the prior approval of the Chairman of Governors is obtained and recorded and filed with the register which will be examined at least annually by the Governing Body.

All orders for a single item, or combined order total must be signed in accordance with the delegation set out in the Schedule of Financial Delegation.

After checking that the requisition has been properly signed, a member of finance team will enter the details onto the accounting package and the original requisition is initialled by them once this has been completed.

The order is then printed from the accounting package and the suppliers' copy authorised in accordance with the governors Schedule of Financial Delegation. Once authorised, the original is issued. To the supplier and a copy of the order is matched to the original requisition and retained in the finance office.

8.3 - Receipt of Goods / Services

Deliveries are handled by the receptionists who sign the delivery note as to quantity of parcels received. They are signing for delivery only and are not responsible for verifying the contents, (unless the suppliers' terms make checks a point of delivery essential), but should ensure the correct number of packages, etc. are received as reflected on the delivery note.

The Designated Budget Holder is contacted as soon as possible following delivery and it is their responsibility to thoroughly check the goods as to quality and quantity against the original order.

The Budget Holder will advise any short deliveries, damaged goods, or other problems or queries with the finance office immediately. The finance office will take appropriate action.

Delivery notes should be given to the finance office to be placed on file with the order copy to await receipt of the invoice.

It is the responsibility of the Budget Holder to ensure that all paperwork relating to accounts matters is forwarded to the finance office without delay. Failure to do this may distort the accounts / financial reports due to incomplete entries and may result in a delay in closing down a month's accounts.

8.4 - Outstanding Commitments / Orders

All outstanding orders are shown on the budget monitoring reports as commitments. In order to ensure that the level of commitments is still appropriate, an 'outstanding order' report is extracted from the accounting package by the finance assistant and reviewed for appropriateness on a monthly basis. Each Budget Holder is contacted and asked to ensure that the items reflected are still expected. The Finance Assistant clears all cancelled orders from the system.

Contents

- 9. General expenditure controls**
 - 9.1** Invoice authorisation
 - 9.2** Invoice payment
 - 9.3** Payment made by standing order or direct debit
 - 9.4** Proforma invoices

9.1 - Invoice Authorisation

Designated Budget Holders are responsible for all spending against their budget. They must authorise any payment or deduction from it through the finance system. The Budget Holder must be satisfied that payment is properly due, i.e.

- satisfactory receipt of the goods or services has been acknowledged by the Budget Holder
- expenditure must be properly incurred, as acknowledged by the Budget Holder
- invoices accord with quotations, tenders, contracts or catalogue prices, as acknowledged by the Budget Holder

When an invoice is received, it is entered on the academy FMS.

The invoice will then go onto the budget holders awaiting authorisation list for them to approve for payment when appropriate to do so.

If an invoice is authorised by a budget holder, and subsequently paid, when services have not been provided/ received it will be the budget holder's responsibility to chase this. If the service is not provided and they cannot receive a refund the cost will be met by their budget.

9.2 - Invoice Payment

Once authorised by the Budget Holder the finance office will authorise payment of the invoices on the accounting package providing:

- invoices are arithmetically correct and checked by the finance officer
- discounts have been taken, where available
- invoices are made out in the name of the Academy
- invoices comply with VAT requirements

The payment is then prepared by the finance assistant in a bi-weekly cheque/BACS run. The finance assistant presents the cheque/BACS together with all supporting documentation to authorised signatories for signing. Cheques/BACS can only be signed by authorised signatories in accordance with CYA arrangements with its bankers.

The finance office marks paid invoices with the date of payment and the invoices are filed with the relevant payment run documentation within the main finance office.

To ensure that invoices are paid within the settlement terms stated on the invoice or within 30 days from the date of issue the finance officer monitors the unauthorised invoices on the invoice register. Where an invoice has not been authorised by a budget holder within a reasonable time, the finance officer issues a reminder note to the Budget Holder requesting the return of the invoice. If the invoice is still not returned to the office the finance officer will contact the School Business Manager as appropriate. Where authorisation is not possible, due to a dispute/query with the suppliers, details are recorded and retained with the invoice.

Discounts for prompt payment should be considered at all times. If prompt payment would result in discounts likely to be greater than any bank interest gained, then payments should be accelerated to ensure the discount, subject to availability of funds at the time.

9.3 - Payments Made by BACS, Standing Order or Direct Debits Please refer to Section 3.

9.4 - Proforma Invoices

Requests for staff reimbursement or payment where an official invoice cannot be obtained are supported by an internal proforma with supporting receipts or other documentation attached detailing what was purchased. The proforma invoices are used to record the supply or goods received and the reason for this (e.g. ingredients required for cookery), signed by the member of staff and authorised by the budget holder.

NB: - No individual should incur expenditure on behalf of the Academy without prior authorisation. If the School Business Manager is not satisfied that the expenditure was necessary and/or value for money achieved, the individual may not be reimbursed.

Contents

- 10. Capital income and expenditure**
 - 10.1** General
 - 10.2** Devolved formula capital allocation
 - 10.3** Capital project plan – restrictions on ineligible expenditure
 - 10.4** Property / premises related projects – need to obtain approval from the area Planning Officer
 - 10.5** Accounting for capital expenditure
 - 10.6** Capital expenditure – contributions from revenue

10.1 – General

The staff and governors of CYA will exercise the same controls for capital income and expenditure as required for revenue items.

Please refer to sections 8, 9 and 13 regarding the raising of orders, the authorisation and payment of invoices, and general income controls.

10.2 - Devolved Formula Capital Allocation

On an annual basis, the Academy receives an allocation of Capital according to the funding formula. This can be spent in the year of allocation or carried forward for up to three years to support the larger capital projects of the Academy. CYA is aware that any balances not spent within three years may have to be returned to the ESFA

10.3 - Capital Project Plan – Restrictions on Ineligible Expenditure

The Governing Body of CYA has an on-going development plan for the maintenance of the Academy buildings and other capital projects. This forms part of the Academy's improvement plan and has been factored into the Academy's medium term finance plan.

Governors are aware of the need to raise formal contracts for works undertaken in the Academy, and that, depending upon the value, tenders and not just quotes may need to be obtained. Please refer to section 11 of this manual.

The governors are aware that the DFC allocation cannot be vired into any other areas or used for any form of revenue expenditure, e.g. for redecoration or leasing arrangements (as these items are deemed to be of a revenue nature).

Progress against the 'capital projects' plan and the financial implications are monitored by governors separately from the revenue budget. (Please refer to Section 5.)

10.4 - Property / Premises Related Projects – Need to Obtain Approval from the Area Planning Officer

Before any capital works are undertaken, consideration is given to the need to obtain consent from the Area Planning Officer.

10.5 - Accounting for Capital Expenditure

As the funding for Devolved Formula Capital is received by the Academy locally, invoices relating to this allocation are paid for directly by the Academy through its local account.

In addition, the Academy may be successful in bidding for works through the Capital Programme

10.6 - Capital Expenditure – Contributions from Revenue

The Governing Body is aware that CYA cannot reflect an 'overspend' on capital items. Where the capital costs exceed the available capital resources available, a transfer from revenue to capital will be undertaken to offset the difference. (The cost of projects will have been agreed in advance, along with the sources of funding. The on-going progress of such projects is closely monitored by the Academy and the Finance Committee on a regular basis.)

The Academy may also undertake a transfer from revenue to capital in advance of the actual expenditure being incurred where work is imminent. The Academy would only undertake such a transfer once it is sure that the commitment will occur as it is clear that, once moved into capital, funds cannot be transferred back into revenue.

The governors of CYA are also aware that they are not permitted to enter into any form of borrowing without the approval of the Secretary of State, (Please also refer to Section 3 of this manual.

Contents

- 11. Contracting**
 - 11.1** Compliance with contract regulations
 - 11.2** Contract value and tendering requirement
 - 11.3** Roles required under contract regulations
 - 11.4** Stages in the tendering process
 - 11.5** Receipt and evaluation of tenders
 - 11.6** Tendering requirement thresholds
 - 11.7** Contract monitoring
 - 11.8** Leases
 - 11.9** Contract signature

11.1 - Compliance with Contract Regulations

The Governing Body makes its buying decisions in accordance with the principles of 'best value' probity and accountability. Prior to entering into any arrangement with a supplier, CYA will consider the value of any single purchase or on-going arrangement. Where an arrangement requires a contract to be drawn up, or where it is unclear whether a contract is required, or where any purchase is over £50,000 in value, the following guidance is followed. This includes:

- reviewing a pre purchase checklist
- considering the need for a tender process
- ensuring that the Academy avoids unlawful leases
- considering the employment status of consultants and suppliers being contemplated
- reviewing the risk assessment process
- ensuring appropriate CRB clearance is obtained
- maintaining appropriate contract records

The Health and Safety competence of contractors is assessed.

Only contractors registered with their professional or trade association will be employed to carry out major work at the Academy. Where practical, work is carried out at the end of the Academy day (term time), or during holiday periods.

11.2 - Contract Value and Tendering Requirement

Purchases for supplies and services with a total value in excess of £50,000 are subject to a formal tendering procedure. The value is determined by either the total value of the contract where the contract is for four years or less, or the value over a four-year period where there is no specified termination date or where this date is beyond four years. It is the responsibility of the Headteacher and the Finance Committee to ensure that such procedures have been followed correctly, prior to agreeing the contract.

11.3 - Roles Required Under Contract Regulations

CYA will appoint the appropriate officers to undertake the required roles within the tendering and contract management process, including a:

Contracting Officer

Contract Director *

Tender Opening Officers

* Who may be an agency appointed by the Headteacher

These roles are also set out within the Academy's Schedule of Financial Delegation.

The Academy is required to ensure that there are at least two people available to open and record the tenders that are received (Tender Opening Officers) and that these should exclude the Contracting Officer and Contract Director.

11.4 - Stages in the Tendering Process

The Academy's tendering process ensures that all required stages are completed, including:

- A written specification is prepared, by the Designated Budget Holder and authorised by the Headteacher
- The tender document is prepared, by the Contract Director
- A draft contract is prepared, and reviewed (including the mandatory clauses highlighted in Contract Regulations).
- An advertisement is prepared, by the Contract Director. Where purchases exceed £50,000, the Academy advertises for applications to tender in a local journal with a reasonably wide circulation and/or in the relevant trade or professional journals. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by the finance office.
- A tender pack is put together, by the Contract Director.
- The advert is placed, by the Contract Director.
- A tender pack is issued to all being invited to tender and those responding to any tender advertisement, by the contract Director including:
 - An introduction/background to the project
 - The scope and objectives of the project
 - Any technical requirements
 - Implementation details for the project
 - The terms and conditions of the tender
 - The form and date of response to the Academy
- A panel is formalised to evaluate the tenders received, by the Contracting Officer
- The unsuccessful tenderers are informed of the Academy's decision, by the Contract Director.
 - A meeting is arranged with the successful supplier and the contract is formalised by the Contracting Officer.
- The contract is signed and issued (the contract must be signed by two people), by the Contracting Officer and Contract Director

CYA acknowledges that, where possible, separation of duties should be maintained between the person signing a contract and the person who would usually sign the corresponding cheques.

The governors of CYA recognise that all contracts with external organisations must be in writing and reflect the following information:

- a description of the service (specification)
- details of insurance minimums (Public Liability - £5,000,000 for any one incident, Employer Liability - £10,000,000 for any one incident)
- CRB checks on all staff / volunteers with contact with the children or their details
- termination clauses
- health and safety requirements
- Data Protection and Freedom of Information
- sub-contracting

CYA selects suppliers on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account. Consortia are used where they provide value for money.

Suppliers are selected from:

- Business directories
- Trade journals
- Supplier catalogues and mail shots
- information from other Academy's
- Information provided by the LEA

11.5 - Receipt and Evaluation of Tenders

Tenders are addressed to the 'Contracting Officer' in a plain envelope marked 'Tender' and must be opened in the presence of the Tender. A tender log is maintained indicating the nature of the contract, the names of the tendering suppliers and the amounts of each tender, together with any appropriate comments.

All tenders are opened at the same time by staff authorised to do so. The following information is recorded:

- The date and time of opening
- The names and signatures of those present
- The value of each tender
- Details of suppliers who declined the invitation, or failed to submit a tender
- Any omissions in the submission, e.g., documents, signatures, missing data

Late tenders are rejected and retained unopened until the contract is awarded. They are then returned to the tenderer with an explanatory note.

Contracts are placed on a competitive basis and the reasons for selecting a supplier are minuted. If the lowest tender is not accepted, this is noted and the reasons for non-acceptance outlined.

The decision as to which tender to accept is made as follows:

- by the Finance Committee for budgeted expenditure up to £100,000 with an obligation to report on reasons to the full Governing Body
- by the full Governing Body for budgeted expenditure of £100,001 or more. In this case, the Finance Committee make recommendations as to which tender to accept, except in the case of specific projects where that committee will make recommendations
- by the full Governing Body if the expenditure has not been included in the budget

The following points are considered when deciding which tender to accept:

- Suppliers – Qualifications, technical ability and experience

- Pre sales demonstrations ○ After sales service ○ Quality procedures ○ References from existing customers ○ Financial status ○ Company search (where appropriate ○ Professional indemnity insurance
- Cost - Overall price ○ Unit price for parts of the product or service ○ The possibility of 'hidden costs' ○ Scope for negotiation

11.6 - Tendering Requirement Thresholds

The governors of CYA require a minimum of three tenders for contracts between £50,001 and £140,000. For contracts above £140,001 an EU tender, complying with EU regulations and all relevant legislation.

11.7 - Contract Monitoring

The person appointed as Contracts Director for each contract, is responsible for ensuring service level agreements are in place and that they are monitored and reviewed.

All contractors' work must be closely supervised by the Contracts Director.

This review of contracts extends to all on-going arrangements with suppliers, regardless of value, e.g. window-cleaning, refuse collection, contracts taken out through the Academy, etc. In considering the options for ICT, telecommunications and payroll, the academy takes into consideration the Local Authority's 'Best Value guides' for these areas.

11.8 - Leases

CYA holds a number of leasing / rental arrangements. These are listed on the Lease Register maintained by School Business Manager . The Academy is aware that it is only permitted to enter into operating leases and that all forms of financing are prohibited.

(Please also refer to section 3 regarding credit arrangements.)

11.9 - Contract Signature

All contracts will be signed on behalf of CYA as follows:

- Contracts up to £5,000 – the Contracting Officer;
- Contracts between £5,001 and £10,000 – the Headteacher ;
- Contracts between £10,001 and £50,000 – the Headteacher and the Chair of the Finance Committee;
- Contracts over £50,000 – the Chair of the Finance Committee and the Chair of Governors.

Contents

12. VAT

12.1 General

12.2 VAT returns

12.3 VAT accounting

12.1 - General

The School Business Manager is responsible for the administration of VAT within the Academy's accounting package. This is processed in accordance with the guidance provided by the ESFA.

12.2 - VAT Returns

VAT 126 returns are extracted from the system on a quarterly basis and submitted to HMRC for reimbursement. All claims for reimbursement are prepared by the School Business Manager, reviewed, and signed by the Head of Operations.

On an ongoing basis the finance team review the 'standing information' held on the computerised system for each supplier to ensure that the details are correct, e.g. that the VAT number is still appropriate and correct.

12.3 - VAT Accounting

The School Business Manager ensures that the Academy has been reimbursed for all VAT due i.e. received payment for all claims submitted through careful monitoring.

The School Business Manager also undertakes regular system reconciliations to ensure that the financial package properly reconciles, i.e. that the outstanding VAT claims match the amount reflected in the VAT control account within the financial package. Any discrepancies are addressed Refer also to section 6 to this manual.

CYA has a restriction on VAT claimable to reflect business and non-business income. The calculation underlying this is reviewed annually.

Contents

13. General Income Controls

- 13.1** Credit Income
- 13.2** Cash Income
- 13.3** Banking
- 13.4** Charging Policy
- 13.5** Donations
- 13.6** Parent Pay
- 13.7** Security of receipt books
- 13.8** Investment of Funds

13.1 - Credit income

Where payment for goods/services provided by the Academy is made after the provision takes place.

The School Business Manager must ensure that an official invoice is raised in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one week after the provision.

A file of copy invoices is held in the finance office.

Reminders will be sent after the following periods if the debt remains outstanding:-

- 1st reminder 30 days
- 2nd reminder 60 days

If after 90 days the debt remains unpaid, consideration will be given by the Headteacher and/or Governors to writing the debt off in accordance with the following limits:-

- Up to £200:- Head may authorise write off
- Up to £499:- Chairman of Governors may authorise write off
- £500 and over:- full Governing Body may authorise write off

However in each case, the possibility of taking legal action to recover the debt must be considered by Head, Chairman and Governors as appropriate.

As well as sending formal reminders, efforts must be made by the Academy to contact the debtor in order to secure recovery of the debt. If payment has not been received after 30 days of raising the invoice, no further goods or services must be provided until the outstanding debt is settled.

The School Business Manager will monitor the credit income of Commercial Operations on a regular basis to monitor compliance with this policy.

13.2 - Cash income

(i.e. where payment is received at the time goods/services are provided).

An official receipt must be issued to the payer at the time the payment takes place, and a duplicate copy retained at the Academy.

13.3 - Banking

All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

13.4 - Charging policy

The full Governing Body will set a charging policy to cover:-

- lettings
- academy trips

The charging policy will be reviewed annually by the Governing Body. Charges levied by the Academy will be in line with this policy.

13.5 – Donations

Donations from any sources must be acknowledged by the issue of an official receipt to the payer. All donations must be banked promptly and intact.

13.6 Parent Pay

Parent pay send a weekly amount for the money they collect on the behalf of the academy. This will be reconciled back to the parent pay system and the bank, before being posted to the financial system on a weekly basis.

If a refund is needed and payment has been made via parent pay, the refund will also be done via parent pay.

13.7 - Security of receipt books

All unused receipts and tickets to be used to acknowledge receipt of income, must be held securely in the accounts office.

13.8 - Investment of funds

The Academy's budget is paid into Lloyds, one of the major banks. Any surplus is held within the designated bank accounts and accrues interest at the designated rate.

The Academy may deposit funds with Lloyds on short term or fixed term deposit where appropriate, with the express authority of both the Headteacher and the Chair of Finance.

Contents

- 14. Academy Meals**
 - 14.1** Catering contract
 - 14.2** Staff Meals
 - 14.3** Free academy meals

14.1 - Catering

CYA contracts out its catering provision to Kingswood and the contract is overseen by the School Business Manager

14.2 - Staff Meals

Staff are set up on the payment system and able to buy themselves meals.

14.3 - Free Academy Meals

The Catering Director has a list of the pupils that are entitled to free academy meals. This list is reviewed periodically with the School Business Manager.

Petty Cash

- 15.1** Floats
- 15.2** Expenditure
- 15.3** Cash Advances
- 15.4** Income
- 15.5** Reconciliation

15.1 – Floats

CYA operates a petty cash float, administered by the School Business Manager.
Maximum float levels are £500

The petty cash boxes are kept securely locked in the safe when not in use. Cash holdings are kept to a minimum and in accordance with the level set by the Governing Body (as stated in the Schedule of Financial Delegation).

The use of petty cash is discouraged; staff should aim to use the correct financial systems.

15.2 - Expenditure

Petty cash is paid for claims up to £25. Amounts over £25 are paid through expenses, unless specific authorisation is given by the Headteacher. Both must be supported by a payment request and by receipts. When payment is being made to a member of staff to reimburse expenses or to refund cash purchases, the authority of the Budget Holder is also required. The School Business Manager must countersign any repayment requested by a Budget Holder, to themselves. Payments should not be made for transactions with regular suppliers, unless extenuating circumstances prevail.

Requests for payment to a third party or staff reimbursement should be made using the relevant standard proforma.

15.3 - Cash Advances

Where a cash advance is provided, there must be a request authorised by the Budget Holder and the sum requested must be within their ordering limits. The recipient of the cash must sign when taking the cash and receipts must be given to the accounts department as soon as the purchase is made. If change is returned the petty cash payment slip must be amended to indicate the correct amount taken.

A Designated Budget Holder signs for cash from their own budget, through signing a petty cash slip, authorised by the School Business Manager.

15.4 – Income

When the cash in hand falls below a reasonable level the account will be topped up by the Finance Officer. Only cash drawn from the Academy account will be used for petty cash purposes. All other cash received will be paid into the appropriate account. Personal cheques will not be cashed from petty cash.

15.5 – Reconciliation

The School Business Manager ensures that relevant entries are made on the accounting system at least monthly to keep CYA's records up to date. Weekly, and at each top-up, the balance in the petty cash account is reconciled to the physical cash held. The School Business Manager reviews these reconciliations monthly and performs ad hoc checks that the receipts and cash held total the float.

The School Business Manager will monitor the turnover on the petty cash facility regularly to ensure that it remains at a reasonable level.

17. Academy Assets

17.1 Inventory record

17.2 Security of assets

17.3 Removal of assets

17.4 Inventory checks

17.5 Items removed from academy

17.1 Inventory Record

The Governing Body of CYA is responsible for the safe custody of stocks, stores, cash and valuables at the Academy and in transit. Private property held by the Academy on behalf of individuals is safeguarded.

All items purchased with a value over CYA capitalisation limit of £1000 are entered in an asset register. The asset register includes the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register is maintained within the accounting system and helps:

- 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;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the Academy's financial system and support insurance claims in the event of fire, theft, vandalism or other disasters.

Depreciation rates are agreed by the Finance Committee from time to time.

17.2 - Security of assets

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

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

17.3 - Removal of assets

Assets may only be disposed of with the prior approval of the Headteacher, up to the value of £500 or the Finance Committee for items in excess of this amount. All disposals are reported back to the Finance Committee at their next meeting. The reason and method of disposal is recorded in the inventory (the entry should not be completely removed from the record at the time that the item is actually disposed of).

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

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 CYA would need to ensure licences for software programmes have been legally transferred to a new owner.

CYA is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested, then the Academy must repay to the DFE a proportion of the sale proceeds.

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

17.4 - Inventory Checks

On an annual basis the confirmation of the existence, condition and location of a random sample of listed assets is carried out by the Academy's appointed auditors.

Any discrepancies are noted and brought to the attention of the School Business Manager. All discrepancies are investigated and, where the value exceeds £1000 the Finance Committee is notified.

A separate record is maintained that reflects the date that the check was undertaken and the signature of the person undertaking it. This record is retained securely in the finance office safe.

17.5 Items Removed from Academy

All equipment taken off site must be initially agreed with the School Business Manager and formally recorded in the loans record that is retained within the main office, e.g. computers, cameras, mobile phones, etc. Individuals should sign to acknowledge personal responsibility for items in the possession and must not hand them on to other staff without first obtaining permission to do so and formally recording the transfer. The new 'custodian' must sign to accept responsibility. Items should be logged back in once they are no longer required. For the mobile phone and cameras, separate log sheets are held within the main record. Where assets are removed from the premises, the insurance of the asset must be maintained, and if necessary the members of staff borrowing the item should arrange

independent cover. The insurance must cover the transporting of the asset to and from home, as well as the time in their home.

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 are therefore kept under review and any potential benefits discussed with STRS's auditors.

Contents

18. Data Security

18.1 Back up Procedure

18.2 Emergency Recovery Procedure

18.1 Back up Procedure

All databases are to be backed up as follows:

- Every day a full backup of databases takes place every hour, both onsite backup and off site backup.
- All current and archived paper-based data to be held in either the locked and alarmed Finance Office or the secure archives room.

18.2 Emergency Recovery Procedure

The Network Director and IT team will manage the emergency data recovery process in the event of a loss of data at the Academy.

Contents

19. Insurance

19.1 Insurance cover

19.2 Policies held

19.3 Employees use of own vehicles on academy business

19.4 Changes to risk exposure and insurance cover requirements

19.5 Claims

19.1 - Insurance Cover

CYA is aware that it has responsibility for ensuring suitable cover for a number of standard insurance policies (material damage, public liability, employers' liability, officials' indemnity, libel and slander, personal accident, fidelity guarantee, money and motor contingent liability). This is reviewed annually by governors to ensure that adequate cover is held.

In addition to the above, the Academy acknowledges that it has responsibility for a number of optional extensions (balance of risks building and contents, motor, third party hirers, parent teacher associates, academy journeys, sickness supply cover and personal accident – pupils)

In deciding which insurance scheme to use, the governors consider the following information:

- the standard and rating of the company
- the overall cost
- excesses due in the event of a claim
- the support available, if required

19.2 - Policies Held

In addition to the policies recommended by the ESFA, CYA has also taken out optional extensions for motor (to cover the Academy's minibus & staff using their own car for Academy business), third party hirers (for lettings), and Academy journeys. A full list of the policies held is retained in the finance office. No governors or members of staff of CYA will give any indemnity to a third party without the written consent of the insurer.

19.3 - Employees Use of Own Vehicles on Academy Business

All members of staff using their own car for Academy business must liaise with the Education Visits Coordinator or the Head of Operations regarding the current regulations.

19.4 - Changes to Risk Exposure and Insurance Cover Requirements

The Head of Operations will notify the insurers of all new risks, property, equipment and vehicles, which require insurance or alterations affecting existing insurance cover as appropriate.

19.5 - Claims

The School Business Manager will immediately inform the insurers of all accidents, losses and other incidents, which may give rise to an insurance claim.

Claims under the insurance policy are authorised by the Head of Operations prior to its submission to the insurance company.



Scheme of Delegation

Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority
Ordering goods and services (* Includes certification of invoices and approval of contracts)	Up to £500*	Finance Assistant
	Up to £10,000*	Head of Operations
	Up to £20,000*	Headteacher
	Over £20,000	Finance Sub-Committee
Tender/Quotations	Up to £5,000	Minimum of one verbal quotation
	£5,001 to £30,000	Minimum of three competitive alternative written quotations, other than in exceptional circumstances, with the approval of the Governing Body.
	Over £30,000	Formal tendering process, including advertising in OJEU if over the approved level, currently £172,514 excl VAT (supplies and services), £4,322,012 excl VAT (works)
	Authority to accept other than lowest quotation or tender	Finance Committee up to £25,000 and Governing Body above this figure.
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatories from: <ul style="list-style-type: none"> • Headteacher • Deputy Headteachers • School Business Manager

Payroll Documentation Timesheets Monthly payroll returns Starter/leaver/variation Forms Travel and expense claims		<ul style="list-style-type: none"> • Headteacher • Deputy Headteacher • School Business Manager • Office Manager <ul style="list-style-type: none"> • Individual claims from Departmental Budgets should be authorised by Budget Holder (see Finance Certification Details)
Signatories for EFA grant claims and EFA returns	Any	Two signatories (or as required by EFA) from: <ul style="list-style-type: none"> • Headteacher • Deputy Headteachers • Chair of Governors • Chair of Finance Committee • Head of Operations
Virement of budget provision between budget heads	Up to £5,000	School Business Manager, with reporting to the Finance Committee
	Up to £10,000	Headteacher, with reporting to the Finance Committee
	Over £10,000 and up to £25,000	Finance Committee, with reporting to the Governing body
	Over £25,000	Governing body
Disposal of assets	Up to £2,500	Headteacher, reporting to the Finance Committee
	£2,500 to £10,000	Finance Committee
	£10,001 to £20,000	Governing Body
Write-off of bad debts		In accordance with the current EFA Financial Handbook
Purchase or sale of any freehold property	Any	EFA approval required
Granting or taking up of any leasehold or tenancy agreement exceeding five years.	Any	EFA approval required



Appendix 2

Budget Heading Budget Holder

ACAD – Academy	Claire Poprawski
ADM - Administration	Nina Nobel
ADV - Advertising/Publicity	Helen Downie
CAP - Capital	Mark Midgley
CAT - Catering	Leigh Chivers
CLE - Cleaning	Leigh Chivers
COV - Cover	Nina Nobel
CPD - CPD	Simon Chadwick
CRA - Creativity - Art	Simon Chadwick
CRD - Creativity - Drama	Simon Chadwick
CRE - Creativity	Simon Chadwick
CRF - Creativity - Food	Simon Chadwick
CRI - Creativity - ICT/Business/Music	Simon Chadwick
CRP - Creativity - PE	Simon Chadwick
CRT - Creativity - Graphic Design	Simon Chadwick
ENG - English	Amy Spalding
EXA - Examinations	Jo Bigland
GOV - Governors	Bridie Rippin
GRM - Grounds Maintenance	Liz Hassall
HDS - Heads Fund/Innovation	Mark Midgley
HUM - Humanities	Ben Curtis
ICT - IT	Sol Jackson
INS - Insurance Claims	Claire Poprawski
LIB - Library	Nina Nobel
MAT - Mathematics	Chery Marshallsay
MUT - Music Tuition	Claire Poprawski
PAS - Pastoral	Becky Edlin
PPM - Pupil Premium	Jo Bigland
PRD - Production	Heather Bagot
PRL - Primary Liaison	Kirsten Tinsdale
REF - Refurbishment	Mark Midgley
REW - Rewards	Becky Edlin
SCI - Science	Louise Coulson
SEN - Learning Support	Amy Spalding
WHO - Whole School	Claire Poprawski
WHS - Whole School - Staffing	Claire Poprawski