



## **FINANCE AND RESOURCES POLICY**

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Person responsible for policy: NJW

## Introduction

The main purpose of this policy is to set a framework for sound financial management and boundaries within which the Headteacher, Governors and staff can operate.

The policy also ensures that the academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential these systems operate properly to meet the requirements of our funding agreement with the Department for Education.

The school's financial arrangements comply with the current financial requirements of the Academies Financial Handbook issued by the Department for Education.

**Note:** *The term governing body is used to mean the full governing body or its committees, where responsibility can be delegated to a committee.*

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## 1. Governance

The Governing Body is collectively responsible for the overall direction of the school and its strategic management. This involves determining the guiding principles within which the school operates and making decisions, for example, how to spend the school's budget. It is legally required to agree the school's annual budget plan. The main responsibilities of the governing body are prescribed in the Funding Agreement.

The governing body has a strategic role to realise its mission as an Academy school and has responsibility for setting educational and financial priorities, for oversight of sound financial management and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations and, through the Headteacher, complies with the Education and Skills Funding Agency's (ESFA) financial requirements. It is also responsible for ensuring regularity, propriety and value for money in the management of public funds.

The academy is a company limited by guarantee with charitable status. Governors on the Governing Body are the legal trustees of the charity and are required to comply with obligations as required by the Charity Commission.

- 1.1. The Headteacher is responsible on a day-to-day basis for the management of the school's finances within the approved budget in accordance with the Governor's policy on best value (see **Best Value Statement**, page 21) and in line with the School Improvement Plan. The Headteacher has no authority to exceed the approved budget and must operate within the financial limits of delegated authority. The roles and responsibilities of the Headteacher and other staff in relation to financial decision-making and administration are detailed in the appendices (see **Financial Limits of Delegated Authority**, page 26)

The governing body will:

- ensure audited accounts are produced
- appoint statutory auditors
- prepare financial information as requested by the ESFA.

The governing body is aware of the statutory duties of company directors, as set out in the Companies Act, which include:

- exercise their powers only for a proper purpose
- promote the company's success
- exercise independent judgement
- exercise care and skill and
- avoid conflicts of interest.



12. The Resources and Audit Committee's purpose is to consider strategic financial issues on behalf of the governing body, and its remit and membership is reviewed annually. This committee is also responsible for ensuring that the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies and for ensuring that all policies and procedures relating internal controls are being followed. The annual report and financial statements will include:
  - a Governors' report
  - an independent auditors' report
  - an accounting officers statement
  - a regularity audit
  - a statement of financial activities and a self-assessment of financial management and governance
  - a summary of income and expenditure account
  - a balance sheet
  - a cash flow statement
  - accounting policies
  - other notes to the financial statements and
  - a supplementary detailed income and expenditure account.
13. The financial limits of delegated authority are detailed in the appendices. See **Financial Limits of Delegated Authority**, page 26. Details of the Committee structure, constitution and current membership are available from the Governance Manager.
14. The Resources and Audit Committee must seek the Education Secretary of State's approval for both short term and long term borrowing (including overdraft facilities) and medium/long term loans from the private sector (including finance leases), where such borrowing is to be repaid from ESFA grant or secured on assets funded from ESFA grant.

N.B. The Secretary of State's normal policy is that academies should not be granted permission for medium and long term borrowing.

The Resources and Audit Committee will agree with the Headteacher the minimum frequency, level of detail and general format of the financial information to be provided to it, especially in relation to budget monitoring reports.
15. Minutes will be taken of all meetings of the Governing Body and its committees and include all decisions and by whom action is to be taken.
16. The Governing Body will maintain a register of business interests of governors, the Head teacher and any other staff who influence financial decisions. This is open to examination by governors, staff, parents and the ESFA. "Declarations of interest" is



a standing agenda item on all Governors meetings, and should be used by Governors to declare any changes to their declarations of interest.

17. The Resources and Audit Committee will maintain a risk management assessment in line with the requirements of the Academies Financial Handbook and will include a report on risk management in the Trustees' Report in their annual accounts. There is a separate Critical Incident Response Policy.
18. The Resources and Audit Committee will appoint a Responsible Officer to undertake audit checks and report these directly to the Resources and Audit Committee.

## **2. Financial Planning**

In consultation with the Senior Leadership Team, the Headteacher will create a School Improvement Plan (SIP), which will outline the School's educational priorities. The SIP will state the School's educational priorities in sufficient detail to provide a basis for constructing budget plans for the next financial year.

- 2.1. There will be a clear, identifiable link between the SIP and the budget.
- 2.2. The SIP states intended expenditure on any significant new developments from the previous financial year so that new initiatives can be carefully appraised using a cost benefit analysis approach.
- 2.3. The Headteacher will present a draft budget in line with the SIP to the Resources Committee for approval in line with the ESFA timescale for budget plans. This should include sufficient detail and supporting information to enable Governors to make an informed decision. The draft budget will take account of the agreed staffing structure, known inflationary and incremental staff increases and known staffing changes for September. It should cover in detail the next financial year and forecasts for the following two financial years, based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.
- 2.4. Any budget surpluses (excluding carry forward) will be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year.
- 2.5. Once the budget has been discussed and agreed by the Resources Committee, it is presented to the next Full Governing Body for consideration and approval.
- 2.6. The Senior Finance Officer forwards details of the approved budget to the ESFA in line with the published timescale each year.



### **3. Budget Monitoring and Cash Management**

The Headteacher and the Resources and Audit Committee will regularly monitor income and expenditure against agreed budgets and maintain financial control by reviewing the current position and taking remedial action where necessary.

- 3.1. The Senior Finance Officer will produce regular budget monitoring reports for income and expenditure for any users not on the Order Portal, including sums committed but not yet paid and outturn forecasts, against the approved budget. The approved budget is the original budget approved by Governors as reported to the ESFA, plus any additional funding and any approved virements.
- 3.2. The Headteacher will provide reports to the Resources and Audit Committee in line with the committee meeting schedule and to the minimum reporting requirements agreed (see 0, page 5).
- 3.3. The Resources Manager will produce regular budget monitoring reports for income and expenditure on the School Catering function. These reports will be included in the Headteacher's report to the Resources and Audit Committee.
- 3.4. The Headteacher will monitor expenditure on the initiatives set out in the School Improvement Plan.
- 3.5. Where budget elements have been devolved, departmental budget holders will receive and review reports monthly during the academic year (or on request) comparing the amount spent or committed to date against their budgets. The Senior Finance Officer will monitor these reports periodically and take action where necessary.
- 3.6. The Senior Finance Officer will provide a monthly CFR and Cash flow forecast, balance sheet, debtors and creditors to the Headteachers for distribution to the Trustees.
- 3.7. The trust must avoid the bank account being overdrawn without the ESFA's prior approval.



## 4. Purchasing and Procurement

The school will attempt to achieve the best value for money they can from all purchases as detailed in the **Best Value Statement** (see page 21).

- 4.1. The school will consider price, quality and fitness for purpose when purchasing goods or services.
- 4.2. The Trusts funds must not be used to purchase alcohol for consumption.
- 4.3. The school will not enter any Finance leases without first obtaining the ESFA's approval.
- 4.4. There may be cases where the School is looking to procure goods or services from a supplier in whom one of the governors or a member of staff or a related person has a business interest. For a definition of 'related person' see the Academies Financial Handbook section 5.

In such cases there is a potential conflict of interest and particular care must be taken to ensure that the procurement process is competitive, fair and open and that public funds are protected. These measures will include the governor or person declaring their interest and then either or both of:

- a supporting statement of assurance from that individual or organisation to the trust confirming that their charges do not exceed the cost of the goods or services
- an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

For these purposes of these measures, the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services); and
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit. The school will comply with the ESFA requirements of their 'at cost' policy set out in section 5.48 of the Academies Financial Handbook.

- 4.5. The ESFA require academies to declare all new related party transactions in advance and seek approval for agreements above £20,000 in value, either individually or cumulatively. Academy trusts must declare or seek approval using an ESFA 'related party transactions online form'. Existing contracts with suppliers will only need to be declared when the renewal date is reached and will be considered to be 'new' from then onwards.
- 4.6 The school will use one of the Government recommended Deals For Schools, otherwise the following thresholds will be considered when purchasing goods or

services. For contracts, the value is deemed to be over the life of the contract *not* on an annual basis. It also includes renewal of existing contracts.

|  |  |
|--|--|
| £1 – £999                                | Budget holder can raise the order if the Senior Finance Officer is satisfied that they have the budget to do so. No quotes will be required but would be welcome.  |
| £1,000 to £9,999                         | Budget holder will three attach quotes to the purchase order, which will be retained by the Finance Team.<br><br>NB: the quotations may be sought verbally but must be documented in writing and will be from within the last 90 days and, as far as possible and practical, be a like-for-like basis.   |
|  | In certain areas there is often repeat purchase of services such as drainage, electricians, gas engineers etc. Using the same supplier has benefits because they are familiar with the site.<br><br>Therefore it will be acceptable for the budget holder to provide three quotes for only the first job from that supplier in a given financial year. This process is to check that they are <i>still</i> the most appropriate supplier. All subsequent jobs in that sector can be ordered without quotations until the following financial year. |
| £10,000 to £39,999                       | Budget holder will write a specification to providers to include timeline, award criteria, and submit a minimum of three written quotes . They will also include a written justification as to why the chosen provider has been selected, along with the purchase order, which, along with the quotations, will be retained by the Finance Team.<br><br>NB: the quotations will be from within the last 90 days and for, as far as possible and practical, a like-for-like basis.  |
| Over £40,000                             | If you cannot use a Deals For Schools scheme, the budget holder must complete a formal tender process. See 4.5, Tendering, page 8.   |
| Over the Sterling equivalent of €200,000 | See Academies Financial Handbook and EU guidance.  |

4.7. The Senior Finance Officer will be alert to attempts to ‘split’ purchasing into chunks in order to avoid the above thresholds.

4.8. The School will comply with ESFA requirements of their ‘at cost’ policy set out in section 5.48 of the Academies Financial Handbook.

4.9. Tendering

The School will, as far as possible, separate the functions of invitation and selection



as far as possible.

- Tenderers will be determined by the Headteacher and/or the Deputy Headteacher and another member of staff or consultant who has experience in the sector that is being tendered for e.g.
  - Resources Manager and/or Site Team Manager if the tender was for Grounds Maintenance.
  - ICT Systems Manager and a consultant from IBS Schools for replacement of network servers
  - The option of using the Worcestershire e-Tendering facility or similar must be considered and a record will be made that justifies the how the tenderers were invited and stored for a period of one year.
  - If there is a conflict of interest for either post they will be replaced by the either the Chair of the Resources and Audit Committee or the Chair of Governors.
- Competition may be waived where contractors need to be engaged, or materials purchased, to carry out immediate remedial works in an emergency. Any action taken must be reported to the Chair of the Resources and Audit Committee at the earliest opportunity.
- An invitation to tender should include the following:
  - introduction/background to the project;
  - scope and objectives of the project;
  - technical requirements;
  - implementation of the project;
  - terms and conditions of tender and
  - form of response.

It should be created by the individuals referred to in 4.5.1 (see page 8).

- All tenders shall be invited for return by a specific date and for the attention of the Headteacher. The tenders must be opened together in the presence of the Headteacher. They must be stored securely and not be opened until decision making takes place.
- Where tenders are received late they will be accepted only if it is clear that the tenderer despatched the documents in reasonable time and that through no fault of his they were delayed.
- Under no circumstances will tenders that are received after the opening of competitor tenders be accepted.
- There will be at least two people on the decision making panel.
  - The Headteacher and/or the Deputy Headteacher. Ideally this will be opposite to the individual involved in the invitation phase.
  - A member of staff or consultant who has experience in the sector that is being



tendered for.

Wherever possible an attempt will be made to invite a Governor to the decision making panel.

- The decision making will take place using a standardised evaluation document that records the name of the tenderer (and their prices/charges) and an evaluative reference to the technical requirements and implementation conditions referred to in 4.5.3 (see page 9). This document will be completed for each tenderer by each decision maker and signed. The copies of these evaluation documents will be retained for six years.
- The final decision will be made by consensus of the decision making panel using their evaluation documents and the following overarching principles:

*Financial*

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

*Technical/Suitability*

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

*Other Considerations*

- Pre sales demonstrations
- After sales service
- Has the contractor imposed their own conditions? Do they disfavour the School?
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.
- The decision and the justification will be reported at the next Resources and Audit Committee meeting.

4.10. The school should not enter into any financial agreement with capital implications



without the approval of the Secretary of State. If a lease arrangement is entered into, this should represent good value for money and be an 'operating' lease, not a financial lease.

- 4.11. Purchase Orders will be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their or others' private use.
- 4.12. The signatory of the purchase order will be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.
- 4.13. Purchase orders must be signed or approved electronically by budget holders, and approved electronically on PS Financials system by the Senior Finance Officer.
- 4.14. When an order is placed, using a pre-numbered system, the estimated cost will be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- 4.15. A Finance Officer will check goods and services on receipt to ensure they match the order and the invoice is marked accordingly and the check is recorded on PS Financials.
- 4.16. A Finance Officer will certify invoices for payment after consulting the appropriate budget holder and confirming, via a signature, that they believe the goods or services have been delivered or provided in line with what was requested.
- 4.17. Payment will be made within time limits specified in law for the payment of debts and only when a proper (original) invoice has been received, checked, coded and certified for payment. Supplier payment terms and condition should be complied with.
- 4.18. Payments in advance will only be made in exceptional circumstances and with the consent of the Senior Finance Officer.
- 4.19. The School will make interim payments in certain circumstances but only if conditions in 4.12 and 4.13 are met.
- 4.20. Payments to suppliers will be made by BACS unless the supplier is not set up to receive such payments in which circumstances a cheque or commercial card payment will be made. The Senior Finance Officer and a Finance Officer are both required to approve all bank BACS payments.
- 4.21. The school may use its Commercial Card to make payment. The Budget holder submits a signed purchase order and the Senior Finance Officer must approve before the purchase is made.
- 4.22. The balance owing on the commercial card is paid off before any interest accrues.



## 5. Income

The Headteacher and Governors have appropriate controls in place to ensure the security of income.

- 5.1. The Resources and Audit Committee will be informed of (and given access to) the October census on which funding is calculated by the ESFA to ensure that it is accurate and has been completed in accordance to the funding criteria.
- 5.2. There is a separate Charging Policy to ensure a clarity of expectation regards collecting income for extra-curricular activities, repair of damage and non-return of items.
- 5.3. All lettings will be authorised by the Resources Manager within a framework determined by the Governing Body and are recorded in a diary. There is a separate Lettings Policy.
- 5.4. The Headteacher will inform the Senior Finance Officer of all income due (or conditions of income due to enable inquiries to be made) from the ESFA, the LA and any other sources where an SLA has been set up.
- 5.5. The safeguard for this is that all of the remittances also come to the CFO (Deputy Head) who also forwards these to the SFO.
- 5.6. The Senior Finance Officer will keep records of all other income that is due.
- 5.7. The responsibility for identifying sums due to the school will be separated from the responsibility for collecting and banking such sums.
- 5.8. Where invoices are required they will be issued within 30 days.
- 5.9. The school will always raise official, pre-numbered receipts and maintains adequate formal documentation for all income collected and paid into the delegated budget. If necessary, a copy of the receipt can be issued. Receipts are securely stored in order.
- 5.10. Cash and cheques will be locked away to safeguard against loss or theft.
- 5.11. Collections will be paid into the appropriate bank account promptly and in full. Bank paying-in slips will show clearly the split between cash and cheques and list each cheque individually. The receipt number(s) should also be referenced in the paying in book/sheets when income is banked to provide an effective audit trail between incomes received and banked. The school will use coin sorters and the records from a money counting machine as evidence to prevent the bank claiming that the money deposited does not match the claimed sum.
- 5.12. Income collections will be banked intact and will not be used for the encashment of personal cheques or for making payments.
- 5.13. The Senior Finance Officer will reconcile the sums collected with the sums deposited at the bank on a weekly basis. The Resources Manager undertakes this reconciliation in



relation to catering income.

- 5.14. The Senior Finance Officer will reconcile sums received into ParentPay cashless system every week and check that the money due from ParentPay is paid.
- 5.15. The school has procedures for chasing any invoices, which have not been paid within 30 days.
- 5.16. Any invoices that are issued will be proper VAT invoices and state the School's VAT registration number, which is 119 2813 19.
- 5.17. The Senior Finance Officer will prepare the VAT return at the end of each period and check that the amount is received in the bank.
- 5.18. Debts will only be written off with agreement of the Resources and Audit Committee and only in accordance with ESFA requirements.
- 5.19. A Lead Teacher will be appointed for each educational visit. He/she will prepare a costing sheet for the trip as part of the Educational Visits Pack. This costing sheet will be approved by the Senior Finance Officer before parents are requested to make payment. Parents will make payments on the online ParentPay system or pay in cash at PayPoint shops. A Finance Officer will maintain an up to date record for each trip and each student showing the amount paid and the amount outstanding. This record will be held on the Portal so that Student Reception and the Lead Teacher can see what payments are outstanding. The Lead Teacher is responsible for chasing the outstanding amounts. Any losses made by running educational visits will be offset by the appropriate departmental budget.

## **6. Banking**

- 6.1. The Senior Finance Officer will obtain electronic bank statements bi-weekly and reconcile them with the accounting records. Any discrepancies will be investigated.
- 6.2. All bank reconciliations will be signed by the Senior Finance Officer who performs the reconciliation. They will also be reviewed and countersigned by the Deputy Headteacher on a monthly basis.
- 6.3. Individuals will not use their private bank accounts for any payments or receipts related to the school's budget or use the school's accounts for payment of their personal expenditure or income.
- 6.4. All cheques must bear the signatures of two signatories approved by Resources and Audit Committee
- 6.5. Only manuscript signatures will be used and cheques should not be pre-signed.
- 6.6. Supporting evidence will be made available to cheque signatories to safeguard against inappropriate expenditure.



- 6.7. All cheques drawn on the account(s) will be crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- 6.8. Pre-printed cheques will be held securely when not in use.
- 6.9. All cash and cheques will be kept safe in the Finance Office and the School Kitchen safe prior to banking. A Finance Officer is responsible for preparing the banking and the Senior Finance Officer will check it. One of the Finance Officers will deposit the banking at the local bank branch. The Senior Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking.

## **7. Petty Cash**

- 7.1. All cheques drawn on the account(s) will be crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- 7.2. The normal maximum amount of petty cash is £500, which represents a balance between convenience and the risk of holding cash on the premises. In exceptional circumstances, approved by the Deputy Headteacher, this limit may be temporarily increased.
- 7.3. The Senior Finance Officer will ensure that the petty cash fund is held securely and that only authorised employees have access to it. This is administered by the Finance Officer and locked in a petty cash tin stored in the safe.
- 7.4. Payments from the petty cash fund will be limited to minor items that could not have been expected to have been ordered using a purchase order form. If the order relates to the purchase of fresh items for demonstrations in lessons or for an educational visit.
- 7.5. All expenditure from the fund must be supported by receipts, identifying any VAT paid. It is signed for by the recipient and countersigned by the budget holder of the budget from which the payment is requested from.
- 7.6. Petty cash over £20 will be re-imbursed via BACs payments into the staff member's bank account as part of the bi-weekly payment run.
- 7.7. Proper records will be kept of amounts paid into and taken out of the fund.
- 7.8. The amount in the petty cash fund is periodically checked against the accounting records and reviewed by the Senior Finance Officer.
- 7.9. Personal cheques will not be permitted to be encashed from the petty cash fund.



## 8. Payroll

There is a separate Pay Policy that details how the School will remunerate staff with the aim of achieving best value. Below is policy on how the School and the Governors ensure that the payroll is processed accurately and without undue risk of fraud.

- 8.1. The School will run its own in house HR and Payroll functions.
- 8.2. The Headteacher will ensure that, where practical, the duties of creating, amending or ending contracts are separated from the duties of processing claims and the payroll itself.
- 8.3. The HR Manager will ensure that the payroll for 100% of the individuals involved in a change of contract and/or submitting a claim forms are checked by account signatory.
- 8.4. The Senior Finance Officer will carry out checks on a random sample of 10% of entire payroll against the staffing spreadsheets maintained by the HR Team. This will include checks on individuals' gross pay as well as checks to ensure that the correct employers NI and pension contributions are being paid.
- 8.5. The Senior Finance Officer will carry out checks to ensure that there are no discrepancies between the payroll file created by the HR Team and the BACS instruction sent to the bank.
- 8.6. The HR Manager and the Senior Finance Officer and will ensure that the correct amounts of tax, pension contributions, union subscriptions and child care vouchers are paid to HMRC, pension schemes, unions and childcare schemes.
- 8.7. The School will ensure that any compensation and severance payments are in line with the guidance in the Academies Financial Handbook.
- 8.8. Roles are reversed once a year to double check the accuracy of this work.

## 9. Tax

- 9.1. The Senior Finance Officer ensures that all relevant finance and administrative staff are aware of VAT regulations.
- 9.2. Only proper VAT invoices will be paid, as the school will not be reimbursed in the absence of such documentation.
- 9.3. School procedures will set out how VAT on business activities, school trips and other taxable activities should be accounted for.
- 9.4. The School will make payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS)
- 9.5. Tax advice will be provided as part of the contract for Accountants and External Audit.
- 9.6. The Senior Finance Officer will assess new suppliers' employment status for tax



purposes to ascertain whether the intermediaries legislation, known as IR35, applies to the engagement.

## **10. Fraud**

Trustees must notify ESFA of any instances of fraud, theft or irregularity exceeding £5,000 individually or £5,000 accumulatively in any one year.

## **11. Voluntary Funds**

Voluntary funds e.g. donations from parents, pupils and other benefactors are not public money. This section only applies to voluntary funds that belong to the school and not to other organisations that have a connection with the school such as a PTFA.

- 11.1. The Senior Finance Officer will ensure that voluntary funds are accounted for separately from the school's delegated budget.
- 11.2. The Senior Finance Officer will ensure that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds.
- 11.3. The voluntary funds will be included in the audit work for the annual year end accounts.
- 11.4. The policies on Banking (see page 13) that apply to the school's income and expenditure will also apply to the voluntary funds.

## **12. Assets, Stock and Security**

- 12.1. All staff will be responsible for ensuring that assets and information are securely stored. The Finance Office will always be locked when there is no-one present. Keys for safes and filing cabinets storing confidential information will be stored securely, away from the location of the safe/cabinet.
- 12.2. There is a separate policy for the security and storage of data on ICT Systems.
- 12.3. Up-to-date asset registers will be maintained of all items of equipment with a replacement value exceeding £500 or agreed lower value items which are portable and particularly attractive.
- 12.4. Items that meet the conditions of 11.3 will be identified as school property with a security marking.
- 12.5. The Senior Finance Officer will arrange for the asset register to be checked at least once a year against physical items. All discrepancies will be investigated.
- 12.6. The asset register will include, where possible, the following information:
  - asset description
  - asset number



- serial number
- date of acquisition
- asset cost
- source of funding (revenue or capital)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset.

12.7. The capitalisation threshold for assets is £500.

12.8. The school understands, in accordance with the Academies Financial Handbook, that disposal of Land, Buildings and Heritage Assets requires special permission from the Secretary of State.

12.9. Disposal of assets with a depreciated value of greater than £25 will require the authorisation of the Resources and Audit Committee, that may request they be sold and the proceeds be reinvested.

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

12.11. The value of the stock held by the school catering function at the beginning of each month will be calculated and included in the trading account to ensure that the surplus or deficit of the function is being correctly calculated. These records will be retained for 12 months.

12.12. A record of wastage within the school catering function will be included in the management report to governors along with the monthly trading account.

12.13. The school will keep a separate policy on the management of assets in terms of strategic planning regarding condition, suitability, sufficiency, accessibility and prioritisation.

### **13. Insurance**

13.1. The school will review all risks annually to ensure that the sums insured are commensurate with the risks.

13.2. The school will notify its insurers of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.



- 13.3. The school will not give any indemnity to a third party without the written consent of its insurers, where it is required.
- 13.4. The school will immediately inform its insurers of all accidents, losses and other incidents that may give rise to an insurance claim.
- 13.5. Insurance arrangements cover the use of school property, for example musical instruments or computers, when off the premises. Staff will be advised that equipment is not insured if left unattended in a car.

#### **14. Internal Scrutiny and Audit**

Each academic year there will be an interim audit in the spring and full audit at year end. The audit will be carried out by external auditors appointed by the governors. The audit findings report will be shared with the governors.

- 14.1. The school will complete one internal assurance check per year by an appropriately independent and qualified person to evaluate financial and non-financial controls. The subject of which will be determined by the governors. The findings will be reported to the governors.
- 14.2. All reports will be submitted to the ESFA along with the Annual Financial statements by the deadline.

#### **15. Financial Controls**

Financial controls are in place to protect the school's resources from loss or fraud and to ensure that information provided about how the budget is being spent is accurate and timely. There is also a Policy on Anti-Fraud and Gifts and Hospitality.

- 15.1. The Headteacher will ensure that duties related to financial administration are distributed so that at least two people are involved. The work of one acts as a check on the work of the other and all checks are fully documented.
- 15.2. The Headteacher will ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.
- 15.3. The school will maintain proper accounting records and retain all documents relating to financial transactions for at least the period recommended by the ESFA and required by the Companies Act i.e. 6 years plus the current year and will provide auditors with any documentation and explanations they consider necessary.
- 15.4. There will be a clear audit trail, with all financial transactions being traceable from original documentation to accounting records, and vice versa.
- 15.5. Any alterations to original documents such as cheques, debtor accounts and orders will be discouraged. Wherever possible, amendments will be made by cancelling the original document and reissuing.



- 15.6. One off, non-regular month end and year end journals will be reviewed by the Headteacher to ensure they are accurate and appropriate.
- 15.7. The Headteacher will immediately inform the Chair of Governors and the External Auditors of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting cash, stores or other property of the School. For more information see the Anti-Fraud and Gifts and Hospitality Policy.
- 15.8. The Headteacher will advise the board of trustees in writing if, at any time, in her/his opinion, any action or policy under consideration of the governing body is incompatible with the terms of the Academies Financial Handbook or the Funding Agreement.

## 16. Investment / Reserves

The governors review the reserve levels of the Academy annually as part of the Financial Planning (see page 5) activity. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It also covers anticipated future incomes to ensure that future years where costs may be greater than revenue are suitably covered.

## 17. 16-19 Bursary

- 17.1 The 16-19 Bursary is intended to give financial help to students remaining in education towards costs such as books, educational equipment, specialist items required for their course, travel, meals, university costs, educational visits, exam resit fees, work experience and other course-related costs. The list is not exhaustive.  
This policy acts as a guide, full information at [www.gov.uk/guidance/16-to-19-bursary-fund-guide](http://www.gov.uk/guidance/16-to-19-bursary-fund-guide).
- 17.2 There are two types of bursary available – Defined Vulnerable Group or Discretionary Student Support Bursary.

### **Defined Vulnerable Group Bursary (up to £1200 per year)**

A student may be eligible if aged 16-19, UK resident and:

- They are in or recently left local authority care.
- They get state benefits such as Income Support, Universal Credit, Disability Living Allowance, Personal Independence Payments in their own name.

### **Discretionary Student Support Bursary**

A student may be eligible if aged 16-19, UK resident and:

- They are in need of financial help to enable them to complete their studies.
- They have been in receipt of Free School Meals.



- Their household is on a low income (generally £15,000 or less, before deductions).
- They have sought asylum in the UK.

If a student falls under one of these categories, they do not automatically become eligible.

- 17.3 How much is the bursary? All applications will be assessed by the school and any award made will be dependent on the individual's circumstances. The award will not be limited, and additional financial help may be available if the need arises and the funds are available (for which a new application does not need to be made).

The school may not award a bursary if it assesses that the student has no financial need or there are not relevant costs associated with the course.

In the instance a weekly amount is paid, payments will not be made for school holidays but will be made during study leave.

The bursary will be approved by the Sixth Form Pastoral Manager.

- 17.4 How is the bursary paid? The school prefers to make payments to students by way of reimbursing them for agreed items or by purchasing them on the student's behalf. Payments and reimbursements are to be made into the student's own bank account via BACS, and only in extenuating circumstances will these be paid into someone else's bank account.

For reimbursements for items that a student has already purchased, the receipt needs to be submitted to the Sixth Form Administrator. Each week, the Sixth Form Administrator will compile a list of claims for reimbursements and, for attendance based payments, will print a register of attendance. They will then seek approval from the Sixth Form Pastoral Manager before passing to Finance for payment. Payments will be loaded onto the PSF accounting software each week by a Finance Officer, approved by the Senior Finance Officer and then paid into students' bank accounts the following week.

For items the school will purchase on the student's behalf, the student needs to email the Sixth Form Administrator with their requirements, who will then raise an order, approved by the Sixth Form Pastoral Manager, to pass to the Finance department. The Finance team will order and pay for the goods or services. Goods will remain property of the school and must be returned at the end of the study programme.

The school may terminate any awards/payments if the student does not conform to acceptable levels of behaviour or commitment to their study. The school expects an attendance level of at least 90%. Additionally, the school may terminate payments after four continuous week's absence.

- 17.5 The Application Process.

- Students must fill in an application form, which they can obtain from the Sixth Form Administrator. All information must be true and correct. The completed form along with all supporting documentation must be returned to the Sixth Form Administrator.



- The application form will be reviewed by the Sixth Form Pastoral Manager, financially assessed, a discussion may be held with the student, and an Award Notification will be made by letter. The award will detail how much the school will contribute and clear expectations about what the bursary is to be spent on; the school may ask for evidence of this expenditure. One copy will be given to the student, one retained by the Sixth Form Pastoral Manager and one retained by the Finance department.
- The application form will have a copy of this policy included, which will act as the terms and conditions.
- Students may appeal about an Award Notification to the Sixth Form Pastoral Manager, where it will be reviewed. After which, the school's decision is final.
- A new application must be made for each academic year.
- Any change in circumstances must be notified to the school immediately.

The bank account details will be retained securely by the Finance department for six years plus the current year. Droitwich Spa High School and Sixth Form Centre takes its responsibilities as a data controller and data processor seriously and are committed to using any personal data collected and held in accordance with the law. The schools policies, privacy notices and forms in relation to personal data are available for you to view on our website at [www.droitwichspahigh.worcs.sch.uk](http://www.droitwichspahigh.worcs.sch.uk).

# 1. Appendices

## a. Best Value Statement

### *Introduction*

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

### *What Is Best Value?*

Governors will apply the four principles of **best value**:

- **Challenge**  
Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare**  
How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA maintained schools? How does it compare with similar academy schools?
- **Consult**  
How does the school seek the views of stakeholders about the services the school provides?
- **Compete**  
How does the school secure efficient and effective services? Are services of appropriate quality, economic?

### *What Is Value for Money?*

Achievement of value for money underpins the appropriate use of public funds. It is usually defined as economy, efficiency and effectiveness where:

- **Economy** is minimising the costs of resources used having regard to appropriate quality;
- **Efficiency** is the relationship between the output (however measured) and the resources used to generate that output;
- **Effectiveness** is the extent to which the objectives are achieved and the relationship between the actual and the intended outputs from an activity.

It is acknowledged that best value requires looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance.

In applying funds, Governing Bodies must have regard to value for money considerations. From the definitions given above it should be evident that this does not necessarily mean the cheapest on offer. Consideration also needs to be given to factors including quality, suitability, availability, reliability of the supplier, terms available and so on.



### *The Governors' Approach*

The Governors and school managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

Governors and the school managers, will:

- make comparisons with other/similar schools using data, e.g. RAISEonline, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration.

Governors and school managers will not waste time and resources:

- on investigating minor areas where few improvements can be achieved
- to make minor savings in costs
- by seeking tenders for minor supplies and services.

Areas of focus for best value:

- Staffing – deployment of staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.
- Use of Premises – allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.
- Use of resources – deployment of equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.
- Quality of Teaching – reviewing the quality of curriculum provision and quality of teaching, to provide parents and pupils with:
  - a curriculum which meets the requirements of the needs of pupils
  - teaching which builds on previous learning and has high expectations of children's achievement.
- Academic Progress - review the quality of children's learning, by cohort, class and demographic, including Pupil Premium, to ensure children achieve at least nationally expected progress.
- Purchasing - developing procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Measures include:

- competitive quoting and tendering procedures (see 4 Purchasing and Procurement, page 6)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)

- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment)
- Student Welfare - reviewing the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.
- Health & Safety - reviewing the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

### *Monitoring*

Evidence of monitoring of the above areas will be found in:

- In-house monitoring by the Headteacher and curriculum leaders, e.g. classroom practice, work sampling
- Annual performance management, including that of the Headteacher
- Budget monitoring and planning
- Analysis of school pupil performance data
- Analysis of DfE pupil performance data, e.g. RAISEonline
- Ofsted Inspection reports
- Minutes of Governors' meetings

## **b. Financial Roles and Responsibilities**

| <b>Headteacher</b> |  |
|--------------------|--|
| Role               | <p>Responsible to the Governing Body for:</p> <ul style="list-style-type: none"> <li>● Ensuring that sound systems of internal control and financial administration are in place that enable the proper processing of the school's transactions and activities</li> <li>● Ensuring that the school properly discharges its responsibilities as set down in the Academies Financial Handbook and the Accounts Direction</li> </ul>  |
| <b>Headteacher</b> |  |
| Responsibilities   | <p>Act as the Accounting Officer, as outlined in the Academies Financial Handbook and the Accounts Direction.</p> <p>Report to the Governing Body any proposals for policy changes which significantly affect the school's expenditure or income budgets</p> <p>Oversee the responsibilities of the Deputy Headteacher</p> <p>Ensure regularity and propriety, prudent and economical administration</p> <p>Avoid waste and extravagance</p> <p>Secure value for money through the efficient, effective and economic use of available resources and the day to day organisation, staffing and management of the school</p> |



Lead the Senior Finance Officer in order to ensure he/she efficiently manages the Finance Team such that the School manages finances effectively, including keeping all records and documentation to ensure that it receives favourable audit and RO checks.

Provide written reports to the Resources Committee on spending compared with the approved budget and other monitoring information as requested by the Governing Body, including documented explanations of major variances and details of management action or recommendations

Ensure that where parts of the budget are delegated to a departmental/school function level the responsibility for controlling these budgets is matched by the level of accountability (i.e. budget managers are accountable only for items they can directly control.)

### **Deputy Headteacher**

**Responsibilities** Act as Chief Financial Officer as outlined in the Academies Financial Handbook and the Accounts Direction.

Work with the headteacher to prepare estimates of expenditure and income sufficiently in advance of each financial year to allow for consideration and approval by the Governing Body (PR)

Ensure that sound systems of financial control are in place and arrangements made to maintain control in the absence of key staff

### **Responsible Officer**

**Role** On behalf of the governing body to oversee the financial management arrangements of the academy on a termly basis.

**Responsibilities** Provide an independent oversight of the academy's financial affairs by checking:

- 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
- financial considerations are fully taken into account in reaching decisions.

### **Governance Manager**

**Role** Act as the Clerk to the Governors to ensure that the Governors and the School meet all of their governance obligations.

**Responsibilities relating to Finance.** Maintain and update on an annual basis a register of pecuniary interests for governors.

Act as the Company Secretary and file all accounts and reports with the appropriate bodies.

Support the Deputy Headteacher (Finance, Data and Resources) to serve the Governors Audit and Resources Committee by communicating agendas and compiling minutes.



### Senior Finance Officer

**Role** Lead the Finance Team to ensure that the school's systems of internal control and financial administration are followed and that the school complies with the Academies Financial Handbook

### Senior Finance Officer

**Responsibilities** Assist the headteacher and payroll and budget data officer to prepare estimates of expenditure and income and to maintain relevant budget working papers and records

Assist the Headteacher to provide reports of actual income and expenditure as compared to the approved budget and other monitoring information as requested by the Governing Body

Provide monitoring information to the Headteacher and budget holders.

Prepare and maintain the financial reports and records in accordance with the Academies Financial Handbook, and Accounts Direction and the financial standards and procedures required by the Governing Body.

Undertake Best Value checks

Maintain up to date inventories and asset management records

Review the effectiveness of internal control procedures.

Provide Financial Returns to the ESFA as requested.

Ensure the annual accounts are properly prepared and adequately supported by the underlying books and records of the academy and liaise with the auditors.

Forward details of the approved budget and any subsequent budget changes to the ESFA as required

Profile the budget and forecast cash flow to take account of likely spending patterns

### Budget Holders

**Responsibilities** Manage efficiently and effectively, and to be accountable for the resources delegated to them by the Headteacher/Senior Finance Officer.

Day-to-day planning, monitoring and control of delegated budgets



Ensure goods/services purchased from the delegated budget are in accordance with the schools aims and objectives

Ensure goods/services purchased are done so in line with the school's Finance Policy and giving due consideration to Best Value.

### All Staff

Responsibilities Ensure the security of academy property, to avoid loss or damage

Ensure economy and efficiency in the use of resources

Ensuring conformity with the requirements of the school's financial procedures and policies, including the anti-fraud and gifts and hospitality policy

## c. Financial Limits of Delegated Authority

### *Resources and Audit Committee*

In all cases the Resources and Audit Committee is NOT empowered to authorise expenditure that would result in total expenditure being greater than the budget set. This would require the approval of the Full Governing Body.

Full powers are delegated to the Resources and Audit Committee to authorise virements and expenditure up to the limits of the approved respective revenue and capital budgets.

Full powers are delegated to the Pay Committee to approve salary increases.

The Resources and Audit Committee must approve significant alterations to the staffing structure. If the Committee feels that the restructure will have a significant impact on the leadership of the school and/or issues focussed upon in the School Improvement Committee then the matter will be heard by the Full Governing Body.

### *The Headteacher*

The Headteacher is empowered to authorise expenditure only within the approved budgets, not including the contingency sum and up to a single value item not exceeding £50,000. Approval of the appropriate committee or full Governing Body is required above this sum and for virement from the contingency sum.



Where specific items or work have the approval of the Resources Committee, the Headteacher is empowered to authorise expenditure up to the approved sum. The approved sum is the amount allocated for the item or the lowest of any quotations/tenders less any contingency sums, whichever is the lower.

The Headteacher may delegate his/her authority to named senior members of staff.

#### *Budget virement*

The Headteacher is empowered to authorise virement between budget headings within the overall delegated sum as follows:

- Up to £10,000 at the Headteacher's discretion
- Greater than £10,001 and up to £25,000 if discussed with relevant Committee Chairman and subsequently reported to Resources and Audit Committee.
- Greater than £25,000 Resources and Audit Committee approval required.

Virement from capital to revenue is not allowed.

#### *Contracts*

Variations to contracts and/or specifications involving additional expenditure exceeding

£5000, whether or not from the contingency sum, require the approval of the appropriate Committee or in an emergency the Chair of the appropriate Committee.

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