



Wyvern Academy

A company limited by guarantee, registered in England and Wales. No 8123602

FINANCE POLICY

**(Including Anti-Bribery, Bad Debts, Investment,
Scheme of Financial Delegation, Sponsorship & Donations)**

Review of Policy: Autumn 2023

Members of staff responsible: Business Manager

Policy History: Ratified

Description of Policy Formation and Consultation Process

People involved:
Business Manager
Head Teacher
Finance and Resource Committee
Full Trustee Board

Signed by Chair of Trustees: _____

Date: 28.09.23

Date for next Review: Autumn 2024

Contents

1.	Purpose	6
2	Organisation	7
2.1	Members	7
2.2	The Trustee Board	7
2.3	Finance & Resources (F & R) Committee	8
2.4	Audit Committee (Incorporated within F&R Committee)	9
2.4.1	Internal Audit	9
2.4.2	Annual Accounts and External Audit	10
2.4.3	External audit oversight and findings – the audit and risk committee	12
2.5	Head Teacher – Accounting Officer	13
2.6	Business Manager – Chief Financial Officer	14
2.7	Other Staff	14
2.8	Register of Interests	14
2.9	Delegated Authorities	15
2.9.1	Liabilities and write-offs	15
2.9.2	Special payments	16
2.9.3	Financial Notice to Improve	17
2.9.4	Novel, contentious and repercussive transactions	17
2.9.5	Gifts & Hospitality	17
3	Financial management requirements	18
3.1	Financial oversight	18
3.2	Basic principles of control	18
3.3	Development Planning	18
3.4	Financial planning	19
3.4.1	Budget setting	19
3.4.2	Budget Monitoring	20
3.4.3	Cash Management	21
3.4.4	Investments	21
3.5	Procurement & spending decisions	21
3.5.1	Procurement basics	21
3.5.2	Setting Executive pay	22
3.5.3	Tax Arrangements for Senior Employees	22
4	Financial Management System	23
4.1	Administration	23
4.2	Access Rights	23
4.3	Back-up Procedures	23
5	Payroll	24
5.1	Staff Appointments	24
5.2	Payroll Administration	24

5.3	Payments and Monitoring of the Payroll	24
6	<i>Procurement</i>	26
6.1	Purchasing Goods and Services	26
6.1.1	Purchase orders	26
6.2	Value for Money (VFM) Procedures	27
6.3	Tenders	27
6.3.1	Preparation for Tender	28
6.3.2	Invitation to Tender	28
6.3.3	Aspects to Consider	29
6.3.4	Tender Acceptance Procedures	29
6.3.5	Tender Evaluation Procedures	29
6.4	Payments	30
6.5	Payments to Individuals	30
7	<i>Income</i>	31
7.1	Catering	31
7.2	Trips/Activities	31
7.3	Lettings	32
7.4	Management Fees	32
8	<i>Cash Management</i>	33
8.1	Bank Accounts	33
8.2	Deposits	33
8.3	Payments and withdrawals	33
8.4	Bank Reconciliations	33
8.5	Petty Cash Accounts	33
8.6	Cash Flow Forecasts	34
9	<i>Fixed Assets</i>	34
9.1	Acquisition and disposal of fixed assets	34
9.2	Leasing	35
9.3	Asset register	35
9.4	Security of assets	36
9.5	Loan of Assets	36
10	<i>Depreciation Policy</i>	37
11	<i>Academy Companies Policy</i>	38
12	<i>VAT</i>	39
13	<i>Charge Card</i>	40
13.1	Obtaining Cards	40
13.2	Use of cards	40
13.3	Security	40

14	Reserves	41
15	Thefts, Fraud & Corruption	42
16	Anti-Bribery	44
16.1	Introduction	44
16.2	Purpose and Scope	44
16.3	Policy	44
16.4	Responsibilities	45
16.5	Raising Concerns and Seeking Guidance	45
17	Bad Debt and Write Offs	46
17.1	Introduction	46
17.2	Bad Debt Procedure	46
17.3	Write-offs	47
17.4	Accounting for Write-off's	47
18	Investment Policy	49
18.1	Principles	49
18.2	Purposes	49
18.3	Guidelines	49
18.4	Instructions	49
19	Scheme of Financial Delegation	50
19.1	Powers and duties reserved for the Full Trustee Board	50
19.2	Powers and duties Delegated to the Finance and Resources Committee	51
19.3	Financial Powers and duties delegated to the Audit Committee	52
19.4	Powers and duties delegated to the Standing Committee	52
19.5	Financial powers and duties delegated to the Head Teacher	53
19.6	Financial powers and duties delegated to the Business Manager	54
19.7	Financial Powers and Duties Delegated to Other Staff	55
19.8	Summary of Financial Authorisation Levels	57
20	Sponsorship Policy	58
21	Donations Policy	60
21.1	Purpose	60
21.2	Definition	60
21.3	Policy	60
21.4	Procedure	60
21.4.1	Offers of donations	60
21.4.2	Reasons for declining donations	61
21.4.3	Accounting for donations and banking	61
	Appendix 1 - Wyvern Academy Value for Money Review	62

Appendix 2 – Purchase Requisition Form	63
Appendix 3 – Bad Debt Write-Off Form	65
Appendix 4 – Fixed Assets Disposal Form	66
Appendix 5 – Cash Advance Form	67
Appendix 6 – Petty Cash Form	68
Appendix 7 – Income Collection Sheet	69
Appendix 8 – Asset Release Form	69

1. Purpose

The purpose of this policy is to ensure 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 that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This policy expands on that and provides detailed information on the Academy's accounting procedures. It should be read by all staff involved with financial systems and accountability.

The policy also covers other finance related policies such as depreciation, school companies, reserves and investments and sponsorship.

This policy should be read in conjunction with the latest version of the [Academies Trust Handbook\Academies Trust Handbook 2023.pdf](#) (effective from 1st September 2023).

2 Organisation

The 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 Trustees and staff.

2.1 Members

The academy trust **must** have at least three members, although the Department's strong preference is that trusts should have at least five members.

Every trust has members who have a similar role to shareholders of a company limited by shares. They:

- Are the subscribers to the memorandum of association (where they are founding members).
- May amend the articles of association subject to any restrictions created by the funding agreement or charity law.
- May, in certain circumstances, appoint new members or remove existing members.
- Have powers to appoint and remove trustees in certain circumstances.
- May, by special resolution, issue direction to the trustees to take a specific action.
- Appoint the trust's auditors and receive the audited annual accounts (subject to the Companies Act).
- Have power to change the company's name and, ultimately, wind it up.

There should be significant separation between the individuals who are members and those who are trustees. If members sit on the board of trustees this may reduce the objectivity with which the members can exercise their powers. The Department's strong preference is for a majority of members to be independent of the board of trustees.

As responsibility to conduct the trust's business sits with the trustees, members should be 'eyes on and hands off' and avoid compromising the board's discretion.

However, if the governance of the trust by the board of trustees becomes dysfunctional, the members will have a strong interest in ensuring the board has plans to address the issues or otherwise to remove the board or individual trustees and re-appoint trustees with the skills necessary for effective governance.

For further information on the role of members can be viewed in the [Governance Handbook](#).

2.2 The Trustee Board

The Trustees will manage their affairs in accordance with the high standards detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

Selflessness - Holders of public office should take decisions solely in terms of the public interest.

Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness - Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the public interest clearly demands.

Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership - Holders of public office should promote and support these principles by leadership and example.

The Trustee Board has overall responsibility for oversight of the Academy's finances. The main responsibilities of the Trustee Board are prescribed in the Funding Agreement between the Academy and the Secretary of State for Education. The main responsibilities include:

- Agreeing the long term financial objectives for the Academy
- Ensuring that grant from the ESFA is used only for the purposes intended
- Approving the annual budget and any material changes
- Approving changes to the personnel establishment
- Ensuring a Scheme of Delegation is in place
- Ensuring assets are managed
- Ensuring accurate accounting records are maintained
- Ensuring the budget monitoring statements are a true and accurate record on income and expenditure
- Approval of the annual accounts

The responsibilities of Trustees of the Academy are set out in Part 1 (Sections 1.9 – 1.32) of the [Academy Trust Handbook](#)

2.3 Finance & Resources (F & R) Committee

The F & R Committee is a committee of the Trustee Board. The F & R Committee meets at least once every term but more frequent meetings can be arranged if necessary.

The main responsibilities of the F & R Committee are detailed in written Terms of Reference, which have been authorised by the Trustee Board. The main responsibilities include:

- Initial review and authorisation of the annual budget.
- Regular monitoring of actual expenditure and income against budget.

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies.
- The Committee have the power to authorise/approve transactions in line with the Scheme of Delegation (Section 19).
- Authorising changes to the Academy personnel establishment.
- Appointment of auditors.

2.4 Audit Committee (Incorporated within F&R Committee)

2.4.1 Internal Audit

The academy trust **must** establish an audit committee, appointed by the board. Trusts with an annual income over £50 million must have a dedicated audit committee. Other trusts must either have a dedicated audit committee or can combine it with another committee. The audit committee should meet at least three times a year and the main responsibilities include:

- Directing the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risks.
- Agree a programme of work annually to deliver internal scrutiny that provides coverage across the year.
- Review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
- Agree who will perform the work
- Consider reports at each meeting from those carrying out the programme of work.
- Consider progress in addressing recommendations.
- Consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.
- Have access to the external auditor as well as those carrying out internal scrutiny, and consider their quality.

Membership of the committee:

- Employees of the trust should not be audit committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.
- The chair of trustees should not be chair of the audit committee – this section of the meeting will be led by another non-staff Trustee.
- Where the audit committee is combined with another committee, employees should not participate as members when audit matters are discussed.

Principles of delivering internal scrutiny:

- Be independent and objective – it **must** not be performed by the trust's own accounting officer, chief financial officer or other members of the finance team;
- Be conducted by someone suitably qualified and experienced and able to draw on technical expertise as required.
- Be covered by a scheme of work, driven and agreed by the audit committee, and informed by risk.
- Be timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time.
- Include regular updates to the audit committee by the person or organisation carrying out the programme of work, incorporating: a report of the work to each

audit committee meeting, including recommendations where appropriate to enhance financial and other controls and risk management.

- A short annual summary report to the audit committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.
- Whilst the audit committee is responsible for directing the internal scrutiny, the findings **must** also be made available to all trustees promptly.

The trust **must** deliver internal scrutiny and the options for the type of service used includes:

- Employing an in-house internal auditor;
- A bought-in internal audit service from a firm, or other organisation or individual with professional indemnity insurance;
- the appointment of a non-employed trustee
- A peer review by the chief financial officer, or other member of the finance team, from another academy trust. The trust should satisfy itself that the trust supplying the reviewer has a good standard of financial management and governance and should minute the basis for its decision.

To ensure those carrying out the programme of work are suitably qualified and/or experienced:

- Internal auditors should be members of a relevant professional body;
- Trustees and peer reviewers performing the work should have qualifications in finance, accounting or audit, and appropriate internal audit experience.

The trust **must** keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

External reporting:

- The trust must confirm, in its governance statement, accompanying its annual accounts, which of the internal scrutiny options it has applied and why. The outcome of the work must also inform the accounting officer's statement of regularity in the annual accounts.
- The trust must submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions (as presented to the audit committee under section 3.15 by the person or organisation carrying out the programme of work) to ESFA by 31 December each year when it submits its audited annual accounts. The trust must also provide ESFA with any other internal scrutiny reports if requested.

2.4.2 Annual Accounts and External Audit

Preparation and audit of accounts

- The academy trust must maintain adequate accounting records and prepare an annual report and accounts in line with the Charity Commission's Statement of Recommended Practice (SORP) and ESFA's Accounts Direction.

- The accounts **must** be audited.
- The accounting period of an academy trust will usually end on 31 August as described in its funding agreement.
- The audited report and accounts must be:
 - Submitted to ESFA by 31 December
 - Published on the trust's website by 31 January
 - Filed with Companies House under company law, usually by 31 May
 - Provided to every member (under the Companies Act)
 - Provided to anyone who requests a copy.

External auditors

- Appointment of external auditors
 - Under the Companies Act 2006, academy trusts must appoint an auditor to certify whether their annual accounts present a true and fair view of the trust's financial performance and position (appointment being by the members, other than where the Companies Act permits the trustees to appoint – for example for the trust's first period of account).
 - The audit contract must be in writing. This letter of engagement must only cover the external audit. If additional services are purchased, a separate letter of engagement must be obtained specifying the work and the fee. Trusts should note that auditors are subject to the Financial Reporting Council's Ethical Standard which aims to strengthen auditor independence and prevent conflict of interest where additional services are provided to a client.
 - Trusts should tender their external audit contract at least every five years and must consider the points in [Academy Trust Handbook](#) Section 4.17.
- Removal of external auditors
 - The letter of engagement must allow for removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors must require a majority vote of the members who must provide reasons for their decision to the board. There must be a requirement in the letter of engagement for the auditors to provide the trust with an explanation if the auditors resign, within 14 calendar days of their resignation.
 - The board of trustees must notify ESFA immediately of the removal or resignation of the auditors. For removal, the trust must notify ESFA of the reasons. For resignation, the trust must copy to ESFA an explanation from the auditors. A change in auditor at the expiry of their agreed term of office does not require notification to ESFA.
- Group auditors and sector account
 - DfE will consolidate each academy trust's accounts into a sector annual report and accounts (SARA). DfE will use audited accounts returns and other information to generate the SARA, which the National Audit Office (NAO) will audit.
 - As each trust is a component of the SARA, the trust must prepare the financial information requested by DfE for this purpose.

- Academy trusts' auditors will be required by DfE to audit certain information, and this requirement should be incorporated within the terms of engagement.
- The NAO must reach an opinion on regularity for ESFA's own accounts, and for this will draw on the regularity opinions of trusts' auditors.

Review of regularity

- Accounting officer's statement
 - An accounting officer's statement on regularity, propriety and compliance must be included in the academy trust's annual accounts. This is a declaration by the accounting officer that they have met their responsibilities to Parliament for the resources under their control during the year. It includes responsibility to ensure:
 - Efficient and effective use of resources (value for money)
 - Public money is spent for the purposes intended by Parliament (regularity)
 - Appropriate standards of conduct, behaviour and corporate governance are maintained (propriety).
 - The format of the statement is in ESFA's Accounts Direction. The accounting officer also has responsibility to advise the board of trustees and ESFA of instances of irregularity or impropriety, or non-compliance with the funding agreement or handbook.
- Auditor's review of regularity
 - A review of the accounting officer's statement must be included within the remit of academy trusts' external auditors. The auditor's conclusions on regularity must be addressed jointly to the trust and ESFA.

2.4.3 External audit oversight and findings – the audit and risk committee

- The audit process can support trusts by identifying areas that may require improvement. The board of trustees, taking advice from the audit and risk committee, must ensure there is an appropriate, reasonable and timely response by the trust's management team to findings by external auditors, taking opportunities to strengthen systems of financial management and control.
- Specifically the audit and risk committee must:
 - Review the external auditor's plan each year
 - Review the annual report and accounts
 - Review the auditor's findings and actions taken by the trust's managers in response to those findings
 - Assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor comments and recommendations in relation to key areas

- the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
- the auditor's use of technology
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

2.5 Head Teacher – Accounting Officer

Within the framework of the School Development Plan, as approved by the Trustee Board, the Head Teacher has overall executive responsibility for the Academy's activities, including financial activities. Much of the financial responsibility has been delegated to the Business Manager but the Head Teacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts, which the Trustee Board will approve.
- Authorise/approve purchase orders and the award of contracts up to £10,000, in accordance with the Scheme of Delegation.
- Signing cheques in conjunction with one other authorised signatory (Deputy Head Teacher, Assistant Head Teacher or School Business Manager).
- Authorising BACS payments in conjunction with one other authorised signatory (Deputy Head Teacher, Assistant Head Teacher or School Business Manager).
- Monitoring monthly management accounts reports with the Business Manager and Chair of Trustees and acting on overspends or risks.

The funding agreement identifies the Head Teacher as the **Accounting Officer**, who is personally responsible to the Trustee Board for:

- Ensuring regularity and propriety.
- Prudent and economic administration.
- Avoidance of waste and extravagance.
- Efficient and effective use of available resources.
- The day to day organisation, staffing and management of the Academy.

The Accounting Officer has the duty to take action if the Trustee Board or Chairman is contemplating a course of action, which they consider to be an infringement of propriety or regularity. Objections should be put in writing to the Trustee Board, details sent to the Permanent Secretary and the Academy's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

The personal responsibilities of an accounting officer of an Academy Trust (AT) to secure the funds and assets of an AT are set out in Part 1 (section 1.24 – 1.34) of the [Academy Trust Handbook](#).

These responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the board of trustees of an AT are also responsible for preventing such losses of public funds, and this means that ATs must be aware of the risk of fraud and irregularity to occur within their organisations. They must, as far as possible, address this risk in their internal control and assurance

arrangements by putting in place proportionate controls. ATs are also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

All instances of fraud or theft committed against the AT, whether by employees, Trustees or third parties, above £5,000 must be reported by the AT to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any AT either as the result of a formal notification from the AT itself or as the result of other information received.

2.6 Business Manager – Chief Financial Officer

The Business Manager works in close collaboration with the Head Teacher through whom they are responsible to the Trustees. The Business Manager also has direct access to the F & R Committee. The main responsibilities of the Business Manager are:

- The day to day management of financial issues including the establishment and operation of a suitable financial management system.
- To assist the Head Teacher in the management of the Academy financial position at a strategic and operational level.
- The maintenance and development of effective systems of internal control.
- Ensuring that all statutory returns to ESFA are made in line with reporting deadlines.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy.
- The preparation of monthly management accounts.
- Ensuring that all transactions (orders/payments/sales invoices) are authorised/approved in accordance with the Scheme of Delegation.

The Business Manager will also act as the **Chief Financial Officer (CFO)** for the AT as they are the person to whom responsibility for the trust's detailed financial procedures have been delegated. The CFO should play both a technical and leadership role and need not discharge all their duties personally. The trust may employ additional staff or contractors with the relevant skills and knowledge at the appropriate time and the CFO and their finance staff must be appropriately qualified and/or experienced.

2.7 Other Staff

Other members of staff, primarily the Finance Officers and budget holders, will have some financial responsibilities and these are detailed in the following sections. All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

2.8 Register of Interests

The academy trust's register of interests must capture relevant business and pecuniary interests of members, trustees and senior employees, including:

- Directorships, partnerships and employments with businesses.

- Trusteeships and governorships at other educational institutions and charities.
- For each interest: the name and nature of the business, the nature of the interest and the date the interest began.

Trusts should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees **must** keep their register of interests up-to-date at all times – this should no longer be considered just an annual activity.

The register **must** identify relevant material interests from close family relationships between the academy trust's members, trustees or local governors. It **must** also identify relevant material interests arising from close family relationships between those individuals and employees.

Trusts **must** publish on their websites relevant business and pecuniary interests of members, trustees, local governors and accounting officers.

A trust must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include contracts of employment):

- Members or trustees of the academy trust.
- Individuals or organisations related to a member or trustee of the academy trust.

The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

2.9 Delegated Authorities

The academy trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts must obtain prior [ESFA](#) approval.

A schedule of delegated authorities is at Section 5.65 of the [Academies Trust Handbook](#). Trusts must ensure they are familiar with these requirements and ESFA may intervene where trusts do not seek the required ESFA approval in advance.

2.9.1 Liabilities and write-offs

An AT may perform the following financial transactions up to the limits set out below:

- Writing off debts and losses.
- Entering into guarantees, indemnities or letters of comfort.

The delegated limits, subject to a maximum of £250,000, are:

- 1% of total income or £45,000 whichever is smaller, per single transaction.
- Cumulatively, 2.5% of the total annual income in any one financial year per category of transaction for ATs that have not submitted timely, unqualified financial returns for the previous two financial years.

- Cumulatively, 5% of the total annual income in any one financial year per category of transaction for ATs that have submitted timely, unqualified financial returns for the previous two financial years.

Further information regarding these limits can be found in Section 5.19 to 5.22 of the [Academies Trust Handbook](#)

The AT must seek and obtain the explicit approval of the Education Secretary, through the ESFA, for transactions above these limits.

An AT **must** seek the Education Secretary's approval for:

- Short term borrowing, including overdraft facilities.
- Medium term / longer term loans, including finance leases, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.

2.9.2 Special payments

Special payments are subject to greater control than other payments made by public bodies and include:

- Staff severance payments
- Compensation payments
- Ex gratia payments

Staff severance payments

Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance.

The academy trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e. before income tax or other deductions). Where the trust is considering a non-statutory/non-contractual payment of £1000,000 or more, (gross, before deductions), [ESFA's](#) prior approval must be obtained before making any binding offer to staff. Further examples of approval requirements are shown in Part 5 Section 5.11 and 5.16 of the [Academies Trust Handbook](#)

Academy trusts should demonstrate value for money by applying the same scrutiny to a payment under £50,000 as those over £50,000, and have a justified business case.

Academy trusts must ensure confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

Compensation payments

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property.

Academy trusts have delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more ESFA's prior approval must be obtained.

Ex gratia payments

Ex gratia payments are another type of transaction going beyond statutory or contractual cover, or administrative rules.

Ex gratia transactions must always be referred to [ESFA](#) for prior approval. HM Treasury approval may also be needed. If trusts are in doubt about a proposed transaction, they should seek ESFA advice.

2.9.3 Notice to Improve

Where the ESFA has concerns about financial management and/or governance in an AT, the ESFA may issue a Notice to Improve (Ntl) as set out in section 6.18 in the [Academies Trust Handbook](#)

2.9.4 Novel, contentious and repercussive transactions

Novel, contentious and/or repercussive transactions **must** always be referred to the [ESFA](#) for prior approval.

Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.

Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.

Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

2.9.5 Gifts & Hospitality

The AT notes that the acceptance of gifts, hospitality, awards, prizes or any other benefit could be seen to compromise an individual's personal judgement or integrity. Where such benefits have been received they should be recorded in a Gift Register, (held by the Business Manager) detailing, for each occasion, the nature of the benefit, the donor and the eventual use, in case of later complaint. When giving gifts, the AT must ensure that the decision is fully documented and has regard to the propriety and regularity of the use of public funds.

3 Financial management requirements

3.1 Financial oversight

Trustees and managers **must** maintain robust oversight of the academy trust and the trust must take full responsibility for its financial affairs and use resources efficiently to maximise outcomes for pupils.

Board meetings **must** take place at least three times a year (and business conducted only when quorate), although trusts should consider meeting more frequently.

The board cannot delegate overall responsibility for the academy trust's funds. However, it must approve a written scheme of delegation of financial powers that maintains robust internal controls.

The board delegate financial scrutiny and oversight to the F & R committee.

3.2 Basic principles of control

The AT must have sound internal control, risk management and assurance processes. A tiered approach should comprise:

- Clearly communicated procedures, structures and training of staff.
- Appropriate day-to-day supervision and checks by management with internal scrutiny overseen by an audit committee.
- External audit and assurance.

Any control framework **must**:

- Ensure delegated financial authorities are complied with.
- Maintain appropriate segregation of duties.
- Co-ordinate the planning and budgeting process.
- Apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations.
- Plan and oversee capital projects.
- Manage and oversee assets.
- Ensure regularity, propriety and value for money in the organisation's activities.
- Reduce the risk of fraud and theft.
- Deliver independent checking of controls, systems, transactions and risks.

Further details regarding the trustees' responsibility for ensuring internal control and risk management can be found in Part 2 of the [Academies Trust Handbook](#)

3.3 Development Planning

The Academy prepares both medium term and short-term financial plans. These plans are prepared as part of the development planning process. The development plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the development plan are matters for the trustees to decide but due regard should be given to the matters included within the [Academy Trust Handbook](#)

The Trustees will assign lead responsibility for the management of specific areas of work.

The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should ideally include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

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

3.4 Financial planning

The academy trust **must** prepare and monitor financial plans to ensure ongoing financial health.

The budget cycle is as follows:

- Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-monthly)
 - Reconciliation and closure of previous financial year
- Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Revised Budget where appropriate
 - Pre-planning new financial year
- Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the EFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

3.4.1 Budget setting

The Business Manager is responsible for working with the Head Teacher and others to prepare a three-year budget plan for consideration by the F & R Committee.

The board of trustees, and any separate committee responsible for finance, **must** ensure rigour and scrutiny in budget management. The F & R Committee and FTB must approve the budget prior to being submitted to the ESFA by the relevant deadline. The board must minute its approval.

The board must ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets, and reflect lessons learned from previous years.

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

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of General Annual Grant and LA Top-up funding.
- Latest estimate of other EFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds.
- Review of other income sources available to the academy to assess likely level of receipts.
- Review of past performance against budgets to promote an understanding of the academy cost.
- Identification of potential efficiency savings.
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
- All carry forward balances.
- Any unspent grants from the previous financial year.
- Any funds held in Trust.

In addition to the above list, Boards are encouraged to take an [integrated approach to curriculum and financial planning](#) and should refer to the DfE's material on improving school resource management including the following documents:

- [Top 10 planning checks for governors](#)
- [Good estates management for schools](#)
- [School resource management self-assessment](#)
- [School resource management](#)

The board of trustees **must** notify [ESFA](#) within 14 calendar days of its meeting if proposing to set a deficit revenue budget for the current financial year, which it cannot address after taking into account unspent funds from previous years.

3.4.2 Budget Monitoring

Monthly management accounts reports **must** be prepared by the Business Manager and **must** include an income and expenditure account, variation to budget report, cash flows and balance sheet (as per Section 2.9-2.14 of the [Academies Trust Handbook](#))

According to the Academy Trust Handbook the Management accounts **must** be shared with the chair of trustees every month, irrespective of the trust's size, and with the other trustees six times a year. The board **must** consider these when it meets. In practice the reports are distributed to all trustees every month.

The board **must** ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.

The trust **must** select key financial performance indicators and measure its performance against them regularly, including analysis in its annual trustees' report as explained in the [Accounts Direction](#).

3.4.3 Cash Management

The trust **must** manage its cash position robustly. It **must** avoid becoming overdrawn. It may be required to report on its cash position to ESFA where there are concerns about financial management.

The procedures for managing cash can be found in Section 8 of this document.

3.4.4 Investments

The board should follow the Charity Commission's guidance: [CC14 Charities and investment matters: A guide for trustees](#). ESFA's approval must be obtained for novel, contentious and/or repercussive investments.

Investments must be made only in accordance with written procedures approved by the Trustee Board.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Information concerning the treatment of reserves can be found in Section 14 of this document.

3.5 Procurement & spending decisions

The academy trust **must** be able to show that public funds have been used as intended by Parliament.

3.5.1 Procurement basics

The academy trust **must** ensure:

- Spending has been for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money
- Internal delegation levels exist and are applied
- Competitive tendering policy is in place and applied, and the procurement rules and thresholds in the [Public Contracts Regulations 2015](#) are observed unless alternative arrangements to these regulations are introduced
- Professional advice is obtained where appropriate.

Purchasing procedures are found in Section 6 of this document.

3.5.2 Setting Executive pay

The board of trustees **must** ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their own remuneration.

The AT **must** publish on its website, in a readily accessible form, the number of employees whose benefits exceeded £100k in £10k bandings for the previous year ended 31st August. Benefits includes, salary, employer's pension contribution, other taxable benefits and any termination payments. As per section 2.27 to 2.29 the [Academies Trust Handbook](#). This applies to employees and those engaged in off-payroll arrangements.

3.5.3 Tax Arrangements for Senior Employees

ATs must ensure that their senior employees' payroll arrangements fully meet their tax obligations and must comply with HMT's guidance on this matter regarding the employment and contract arrangements of individuals on the avoidance of tax, as set out in the [Treasury's Review of the Tax Arrangements of Public Sector Appointees](#). Failure to comply with these requirements may result in a fine by HMT, equivalent to five times the amount paid to the employee.

4 Financial Management System

All financial transactions must be recorded on the current Financial Management System which is administered by the Finance team and covers the following areas:

- Sales Ledger (Invoiced income)
- Income (non-invoiced income)
- Purchase Ledger (purchase orders/delivery notes/invoices/payments)
- Cash Management (Bank/Petty Cash/Charge Card)
- Budget Forecasting

4.1 Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records will be stored for 7 years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

4.2 Access Rights

Entry to the Financial Management System is password and access is restricted.

The Business Manager is responsible for setting access levels for all members of staff using the system. Access rights within the system are defined for each user with a unique ID and password.

4.3 Back-up Procedures

The Financial Management system is a cloud based system and is not held locally on servers and the software providers are responsible for data backup.

5 Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

5.1 Staff Appointments

The Trustee Board has approved a personnel establishment for the Academy. Changes can only be made to this establishment with the express approval in the first instance of the F & R Committee who must ensure that adequate budgetary provision exists for any establishment changes.

The Head Teacher has authority to appoint staff within the authorised establishment except for Deputy Head Teachers and the Business Manager whose appointments must follow consultation with the Trustees. The Personnel Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Business Manager immediately to enable budget monitoring of the Salaries Budget.

5.2 Payroll Administration

The Academy payroll is outsourced to Dorset Council (DC) HR/Payroll services under an annual Service Level Agreement purchased via Nexus.

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

All personnel files are stored in a lockable cupboard. Only the Head Teacher and Personnel Manager have access to staff files but individuals can request to see their own files in line with data protection policies.

The Personnel Manager is responsible for keeping the staff personnel database up to date on the current Management Information System (MIS).

All staff are paid monthly. The Business Manager also keeps records of all contracted employees on the Financial Management System, for the purposes of payroll monitoring. The Personnel Manager must notify the Business Manager of any changes immediately.

All absences are recorded in the MIS and also on the Staff Absence Record (SAR) template which is uploaded to HR/Payroll at DC each month by the Personnel Manager.

All overtime, travel and expenses are entered by individuals onto the [DC Time, Travel & Expenses online portal](#). These are then authorised by the relevant personnel and paid one month in arrears.

5.3 Payments and Monitoring of the Payroll

DC payroll operations produce a mid-month preview which is downloaded from Dorset Council Sharepoint.

The raw data is then uploaded into the payroll monitoring element of the financial management system to provide a report that indicates whether the pay for each member of staff is as expected.

All lines are checked against records for additions (overtime, travel & expenses), absence deductions and contractual changes. Comments for all anomalies are recorded on the report.

The Business Manager carries out this reconciliation and the report is reviewed and authorised by the Head Teacher. The Business Manager holds delegated powers to authorise the payment in the absence of Head Teacher.

An email is sent to Payroll Operations at DC to approve the payment and the report is filed in the finance office.

All salary payments are made by BACS from the school bank account. The net pay amount is deducted from the bank on the final working day of each month. The third party payments (HMRC, NI, pensions etc.) are deducted from the bank by the 9th day of the following month.

At the end of each month DC payroll services will provide us with the final posting information. Postings will be made both to the payroll control account and to individual staffing codes.

The Business Manager will review the payroll control accounts each month to ensure the correct amount has been posted from the payroll, individual departments have been correctly updated and to identify any amounts remaining in the control accounts.

6 Procurement

The Academy **must** achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- **Probity** - it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy
- **Accountability** - the Academy is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness** - that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Note – it is not possible to have complete segregation of duties due to the limitation of staffing arrangements.

6.1 Purchasing Goods and Services

The purchase of all goods and/or services must be carried out by the Finance Office to ensure correct procedures and protocols are followed, including the budgetary checks required before school funds are committed.

Authorisation limits can be found in Section 19.8 Summary of Financial Authorisation Limits.

6.1.1 Purchase orders

- All order requisitions must be made using the Purchase Requisition Form (see Appendix 2), stocks of which are held by the Finance Department. This must bear the signature of the budget holder and must be forwarded to the Finance Department who will check to ensure adequate budgetary provision exists before placing the order. *This procedure may be changed to allow electronic requisitions and budget approvals when systems are changed or updated.*
- Approved orders are recorded in the purchase order module of the financial management system that allocates a unique reference number and commits the expenditure. Orders will be sent to the supplier from the Finance Department.
- The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt of the goods, the Finance Office must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified.

- All invoices should be sent or forwarded to the Finance Department (finance@wyvern.email). Invoices will be date stamped on receipt and will be recorded by the Finance Department (and the invoice scanned) into the Financial Management System.

Staff are not permitted to use their own credit cards to purchase goods over the internet. The Finance Office will place telephone or internet orders, provided an authorised requisition form has been received.

The exception to this is for CPD activities, such as travel and accommodation. Individuals can use their own cards when they can demonstrate better value for money by booking in advance. Their claim will still need to be authorised.

The credit card is only to be used by Finance Office staff and the Deputy Head Teacher (as the cardholder) must have signed the purchase requisition to indicate his approval for the card to be used. All transactions are recorded on the finance system.

6.2 Value for Money (VFM) Procedures

All orders are subject to the rules concerning quotes and tenders below.

Orders of £5,000 and below

Consideration to be given to alternative suppliers and evidence attached to requisitions. In some cases, it may be prudent to gather a number of quotations for comparison purposes.

Orders over £5,000

Three quotes must be obtained for all purchases over £5,000 and a VFM Checklist (Appendix 1) completed. The order value must include all costs associated with a purchase e.g. one off costs, delivery, any required follow up work, maintenance contracts etc. for up to 3 years.

Orders over £10,000

All goods/services ordered with a value over £10,000, or for a series of contracts which, in total, exceed £10,000 must be subject to formal tendering procedures as detailed below.

All paperwork relating to a tender must be kept in the Finance Offices.

Procurement rules and thresholds in the [Public Contracts Regulations 2015](#) must be observed.

6.3 Tenders

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

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager how best to advertise for suppliers e.g.

general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

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

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

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

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

6.3.1 Preparation for Tender

Full consideration should be given to:

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

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

6.3.2 Invitation to Tender

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

An invitation to tender should include the following:

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

6.3.3 Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

6.3.4 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

6.3.5 Tender Evaluation Procedures

The evaluation process should involve at least two people, usually the Business Manager or Head Teacher plus a member of the Trust Board (TB). Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the F & R Committee and TB highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender. The accepted tender should

be the one that is economically most advantageous unless it can be demonstrated that it is not the best option for the Academy. All parties should then be informed of the decision.

6.4 Payments

Invoices will be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Finance Office for appropriate action to be taken.

No photocopied invoices, or invoice values from supplier statements, will be paid, however invoices sent electronically/downloaded are acceptable.

At least two different staff must be involved in authorising any payment.

All payments will be made by BACS and must be authorised by two signatories, as per the current bank mandate. Cheques can be issued if necessary.

6.5 Payments to Individuals

Payments can only be made to individuals on the production of an invoice.

An enquiry using [HMRC IR35 tool](#) should be carried out and the results will determine how we pay the individual.

- If the individual is deemed to be employed and the payment can then be put through payroll with a Freelancer Payment Request form giving our authorisation and any other instructions.
- If the person is deemed to be self-employed then they can be paid by BACS along with other suppliers and recorded in the Financial Management System.

7 Income

The main sources of restricted income for the Academy are the grants from the ESFA and the Local Authority. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the Academy are collected.

The Academy also receives unrestricted income from:

- Parents – catering, music lesson, trips, visits & residential and extended school activities.
- Dorset Council – invoiced income for providing passenger assistants on school transport routes.
- Private individuals and not-for-profit organisation - lettings.
- Neptune – management fees for hydrotherapy pool operation outside of school hours.
- Sundry income.

All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place when necessary, or if the sums collected exceed the £500 insurance limit on the Finance Office safe. An Income Collection Form is shown in Appendix 7 and its use is covered in Section 8 Cash Management.

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

Income received must not be used for the encashment of personal cheques or for other payments. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the financial management system.

7.1 Catering

Cash and direct bank receipts for pupil and staff meals are to be recorded on the financial management system ready for reconciliation and/or paying in to the bank.

7.2 Trips/Activities

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must complete a costing sheet giving an estimate of income and expenditure for the number of pupils going on the trip and there must be evidence to show that there is no intention to make a profit. The lead teacher must advise the Finance Officer which pupils are participating in the trip.

The Finance Officer will maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher and they are responsible for chasing the outstanding amounts if applicable

For further information, please see Wyvern Academy's Education Visits Policy.

7.3 Lettings

The policy for lettings is contained in a separate document. The policy and charges will be reviewed and approved by the F & R Committee.

The Finance Office is responsible for maintaining booking records and they will enter the amount due on the sales ledger module on the financial management system. An invoice will be produced with a request for payment within 7 days.

7.4 Management Fees

The Hydrotherapy pool management fees will be determined by the Service Level Agreement between Wyvern Academy and the management company. All fees are due monthly and are to be paid by direct transfer into the Wyvern Academy bank account for reconciliation with the bank statement.

8 Cash Management

8.1 Bank Accounts

The opening of all accounts must be authorised by the Trustee Board. Cheques are signed by two of three signatories (Head Teacher, Deputy Head Teacher and Assistant Head Teacher). The operation of Bankers Automatic Clearing System (BACS) is also subject to the same level of control.

8.2 Deposits

Particulars of any deposit must be entered on both an Income Collection Sheet (Appendix 7) and the banks paying-in slip. Details should include:

- the amount of the deposit and whether it is cash/cheque/direct payment.
- a reference, such as the number of the receipt or the name of the debtor.

8.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two individuals as per the bank mandate.

This provision applies to all accounts, public or private, operated by or on behalf of the Trustee Board of the Academy.

8.4 Bank Reconciliations

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

- all bank accounts are reconciled to the Academy's computerised ledger.
- Reconciliations are prepared by the Finance Officer.
- Reconciliations are subject to an independent monthly review carried out by the Business Manager.
- Adjustments arising are dealt with promptly.
- Any unusual or long outstanding reconciling items must be brought to the attention of the Business Manager.

8.5 Petty Cash Accounts

The petty cash is administered by the Finance Officer and is kept in the Finance office safe. Budget holders may authorise the use of petty cash for items of expenditure up to £15. Payments of petty cash will not be made without valid receipts and signed authorisation from the relevant budget holder. The Head Teacher may authorise an increase in this limit in special circumstances. VAT receipts will be obtained for purchases where appropriate. The Academy maintains an imprest system with a maximum cash balance of £500.

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

In the interests of security, petty cash payments will be limited to £15. Higher value payments will be made BACS payment directly from the main bank account as a cash book payment. A Petty Cash Claim Form (Appendix 6) must be completed and signed by the budget holder before payment will be processed.

The Finance Officer is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation.

Petty cash should be held in a locking cash box which is kept in the safe at all times.

A cash advance can also be requested

8.6 Cash Flow Forecasts

The Business Manager is responsible for preparing annual and monthly cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds and if a shortfall is forecast remedial action will be taken.

9 Fixed Assets

9.1 Acquisition and disposal of fixed assets

An AT **must** seek and obtain prior written approval from ESFA, for the following transactions:

- Acquiring a freehold of land or buildings.
- Disposing of a freehold of land or buildings.
- Disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Academy trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without the Secretary of State's approval. For avoidance of doubt, this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval.

Items which are to be disposed of by sale or destruction must be authorised for disposal in accordance with the Scheme of Delegation (~~Section 19) using the Disposal of Assets Form (Appendix 4) and where significant, should be 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 the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner.

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

9.2 Leasing

There are two types of lease:

- Finance leases: these are a form of borrowing.
- Operating leases: these are not borrowing.

Trusts **must** obtain [ESFA's](#) prior approval for the following leasing transactions

- Taking up a finance lease on any asset for any duration from another party.
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven years or more.
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land or buildings to another party.

9.3 Asset register

The Academy **must** maintain a fixed asset register. All items of furniture and equipment purchased with Academy funds must be entered in an asset register. Any item purchased with a value over £1,000 (the Academy's capitalisation limit) must also be capitalised and depreciated (see point 10 below). The asset register should include the following information:

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

The Asset Register 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.

9.4 Security of assets

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

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

9.5 Loan of Assets

Items of Academy property must not be removed from Academy premises without the authority of the Head Teacher. A record of the loan must be recorded on an Asset Release Form (Appendix 8) which will be held in the Finance Office and it must be booked back when it is returned.

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

10 Depreciation Policy

Assets costing £1,000 or more are considered for capitalisation as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Donated assets are valued either by an external valuer or by management based on their best estimate of the market value of these items.

Wyvern Academy will depreciate fixed assets in line with recognised accounting standards, academy best practice and DfE guidelines. Depreciation rules will be approved by the TB in advance of preparing the annual accounts in the first year of operation. Any revisions thereafter will be approved by the TB.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line balance basis over its expected useful life:

- | | |
|------------------------------------|-----------------|
| • Freehold buildings | 2% |
| • Long leasehold buildings | 2% |
| • Fixtures, fittings and equipment | 20% (5 years) |
| • ICT equipment | 33.3% (3 years) |
| • Motor Vehicles | 20% (5 years) |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Activities.

11 Academy Companies Policy

Wyvern Academy will not form any companies, subsidiaries or joint ventures without the approval of the FTB.

12 VAT

The Academy will be registered for VAT. Claims will be made online on a monthly basis using the Making Tax Digital options in the Financial Management software.

13 Multi-Function Card

This policy is intended to provide guidance and assistance in obtaining and using credit/debit and charge cards.

13.1 Obtaining Cards

Wyvern Academy's multi-function card is issued to a named cardholder, who will administer all such card applications, renewals and cancellations in conjunction with the Business Manager.

13.2 Use of cards

The multi-function card must not be used for personal use.

The multi-function card use will be restricted to the cardholder only.

Purchase requisitions must be raised for all orders which require the use of the multi-function card, as per Section 6.1.1 and must be approved by both the cardholder and the nominated budget holder.

Receipts or invoices must be obtained to support every item of expenditure and if any purchases contain charges for VAT a VAT receipt or invoice should be obtained.

Payments made using the multi-function card are subject to budget approval, as for all purchases.

The maximum limit per transaction is £1,000 and the card limit is £3,000. Additional and project-based cards can be added to the account with a total account limit of £25,000.

All transactions must be reconciled between the bank statements and receipts/invoices on a monthly basis.

Only secure internet sites should be used.

13.3 Security

The multi-function card must be kept locked in the Finance Office safe.

Access is limited to the finance team and cardholder.

The bank must be notified immediately if the card is lost or stolen or fraudulent use is suspected.

14 Reserves

Reserves are important for contingency planning and fulfilment of various contracts.

This policy demonstrates financial transparency and accountability, good financial management and justification for the amount of reserves to support the Academy's overall finances.

The Finance & Resource Committee will consider the reserves as part of the budget monitoring cycle and consideration towards school improvement, targets set through the School Development Plan (over 3 years).

There is no absolute level of reserves that an Academy must have. To determine the right level of reserves, the Academy needs to look at their current and future incoming and outgoing resources and ask:

- How likely is it that our main source of income will change?
- How would we cope if it did?
- How would our beneficiaries be affected?

The Charity Commission research on small community and voluntary organisation reserves discovered that the most popular techniques used to establish an appropriate level of reserve was:

- Through a cash flow analysis
- Discussion with accountant or members of the finance committee
- Through an examination of past trends

As a minimum, the Academy should:

- Forecast its income
- Forecast planned activities and their associated costs
- Consider future needs and opportunities, for example, expansion possibilities
- Consider various scenarios - asking "What if-" for example, there was a change in government policy affecting their area of operations.

Once the Academy has an idea about what level of reserves it should have, it can compare these with current actual reserves.

The Charity Commission is mostly concerned with "free reserves" (that is, not permanent endowments or restricted funds). It does not question their existence, but does require a justification for their level. A very large amount of reserves may not be serving the organisation's objectives.

This policy confirms that reserves are maintained at a level that ensures that Wyvern Academy's core activity could continue during a period of unforeseen difficulty. This policy requires the Academy to maintain a proportion of reserves in a readily accessible form (i.e. bank current account). The calculation of the required level of reserves is an integral part of the Academy's planning, budget and forecast cycle. It takes into account risks associated with each stream of income and expenditure being different from that budgeted; the future planned activity level; the Academy's commitments.

15 Thefts, Fraud & Corruption

The personal responsibilities of an accounting officer of an Academy Trust (AT) to secure the funds and assets of an AT are set out in Part 1 (section 1.5) of the Academy's Financial Handbook. These responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the board of trustees of an AT are also responsible for preventing such losses of public funds, and this means that ATs must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. ATs are also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

All instances of fraud or theft committed against the AT, whether by employees or Trustees or third parties, above £5,000 must be reported by the AT to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any AT either as the result of a formal notification from the AT itself or as the result of other information received.

- I. Wyvern Academy is responsible for the prevention, detection and investigation of irregularities, including Theft, Fraud and Corruption. To discharge this responsibility, Trustees should ensure that an adequate system of internal control is operated.
- II. The financial affairs of the Academy are carried out within the rules laid down in the Financial Regulations and Procedures. These are designed to minimise the opportunities for Fraud and Corruption. It is the responsibility of the Senior Leadership Team to ensure that all staff are aware of the regulations and procedures and that they understand that they are required to comply with them.
- III. Theft, fraud and corruption are unacceptable to Wyvern Academy and considered a breach of disciplinary rules, which could constitute gross misconduct. In all cases where it is suspected, investigation and appropriate action under the relevant Academy disciplinary procedure will be initiated.
- IV. This document sets out both the procedure for staff to notify of any suspicions and how Wyvern Academy should respond in the event of being notified of a suspected fraud or misuse of funds.
- V. It is a duty of each employee to report an actual or suspected incident of Theft, Fraud or Corruption to the Business Manager. Each report will be treated as confidential.
- VI. The Business Manager will undertake a preliminary investigation and report to the Head Teacher, (If this is not appropriate, the Deputy Head Teacher). If both are agreed that a full internal investigation is likely to provide a reasonable suspicion that, a person has committed an act of Theft, Fraud or Corruption then the Business Manager / Head Teacher will undertake the internal investigation and report the matter to the Chair of Trustees. The Head Teacher can over-ride these procedures under his/her statutory powers, e.g. in the event that there is a need for a fast-track approach.

- VII. The Business Manager should, at the earliest opportunity during an investigation into an alleged incident, take appropriate steps to safeguard relevant assets and accounting records.
- VIII. It is the duty of each employee to co-operate with the investigation and to make statements. A request for anonymity by an employee will be respected as far as is practical.
- IX. Any investigation of suspected theft, fraud and corruption will be pursued in accordance with the appropriate disciplinary procedure.
- X. The Head Teacher will consult Human Resources when there is evidence that it may be appropriate for an employee to be suspended.
- XI. If the Head Teacher believes that there is a reasonable suspicion of theft, fraud or corruption by a person then the Police will be informed.
- XII. It will be for discussion and agreement with the Police as to whether the internal investigation continues.
- XIII. At the end of the investigation the Head Teacher will prepare a report setting out the facts and making recommendations for disciplinary action and changes to systems. This report will be presented to the Standing Committee of the Trustee Body.
- XIV. The broad definitions of Theft, Fraud and Corruption are:-
 - a. Theft – the taking of property without permission with the intention of depriving the owner permanently of its possession.
 - b. Fraud – involves the use of deception to obtain an unjustified or illegal financial or material advantage.
 - c. Bribery and Corruption – the giving or receiving of financial or material benefits or undertaking a specific course of action.

16 Anti-Bribery

16.1 Introduction

Wyvern Academy values its reputation and is committed to maintaining the highest possible ethical standards in all its business activities. It recognises that the risks from bribery are a growing concern of corporate and public life in many countries across the world. Wyvern Academy, in its ongoing efforts to keep its high ethical standards and with a view to uploading its position against any form of bribery, has prepared and set out a clear policy which should be implemented in conjunction with our Code of Conduct and the Gifts & Hospitality Policy.

16.2 Purpose and Scope

The purpose of the policy is to set out the responsibilities of all Trustees, staff and associated persons in observing and uploading the Academy's position on bribery.

The Bribery Act 2010 defines a person associated with a commercial organisation as a person who 'performs services' for or on behalf of the organisation. This person can be an individual or an incorporated or unincorporated body. The capacity in which a person performs services for or on behalf of the organisation does not matter, however, when deciding if a person is performing services for an organisation reference should be made to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and the organisation. It therefore includes any persons connected to an organisation who might be capable of committing bribery on the organisation's behalf, for example this means that contractors could be 'associated' persons to the extent that they are performing services for or on behalf of the Academy. Further guidance on the Bribery Act 2010 can be found at <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

16.3 Policy

Wyvern Academy prohibits the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement:

- to or from any person or company, whether a public official or public body, or a private person or company, wherever situated; or
- by any individual employee, agent or other person or company acting on Wyvern Academy's behalf; or
- in order to gain any commercial, contractual or regulatory advantage for Wyvern Academy in a way which is unethical; or
- in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

For the avoidance of doubt, Wyvern Academy prohibits the making of any payments to anyone for securing or accelerating routine processes and procedures ("Facilitation Payments").

To further clarify, this policy prohibits the making, giving or receiving of any inducement, which results in a personal gain or advantage to the recipient, or any person or body associated with the recipient, and which is intended to influence the recipient to take action which may not be solely in the best interests of Wyvern Academy.

Breach of this policy by staff will fall under the remit of the Staff Disciplinary Policy.

Breach of this policy by Trustees will fall under the remit of the Academy's Articles of Association and Memorandum of Association.

If a breach of this policy occurs due to the actions of an associated person(s) then the Academy will immediately terminate any relationship with the associated person(s) and further remedial steps may be taken.

16.4 Responsibilities

The prevention, detection and reporting of bribery is the responsibility of all employees throughout Wyvern Academy. If and when any instance of bribery is identified, remedial steps must be taken immediately including the reporting of the incident, or suspected incident, of bribery in accordance with the Whistle Blowing policy.

16.5 Raising Concerns and Seeking Guidance

Wyvern Academy's Whistle Blowing policy provides details of who to contact should you have any concerns or doubts as to whether a potential act constitutes bribery.

17 Bad Debt and Write Offs

17.1 Introduction

In accordance with Section 66 of the Schools Funding Agreement, the Academy is required to apply financial and other controls, which conform to the requirements of both propriety and good financial management.

To this end the Trustee Board is responsible for ensuring that procedures are in place for the recovery and for the write-off of any debt which is deemed to be irrecoverable.

The purpose of this procedure is to outline the Academy's guidelines to staff and trustees, on the management and provision for the write off of bad debts. It is the responsibility of the Financial & Business Manager to ensure that the bad debts financial practices are consistent with this statement.

The policies and procedures will apply to all of the Academy's debtors irrespective of the source; the main debtor areas are:

- Additional pupil income
- Lettings

Writing off bad debts is a non-routine function, and all practical means will be undertaken to recover outstanding amounts due to the Academy. Procedures shall be reviewed regularly by the Finance Committee to minimise bad debts and where appropriate and viable, legal action may be taken to recover larger amounts outstanding.

Only after all avenues to collect the amount due have failed, will the bad debt be removed from the Academy's books as a bad debt.

17.2 Bad Debt Procedure

- Any service that has been contractually invoiced and remains unpaid after 10 days of the date of the invoice, the debtor will be contacted by email or telephone, with an overdue account reminder to pay. Telephone conversations/email trails with the debtor will be logged and key points recorded for further reference.
- After 30 days a letter of outstanding account reminder will be issued.
- After 60 days Warning letter will be issued - Paperwork to be reviewed by Business Manager and Head Teacher.
- After 90 days:
 - If the debt is over £500 then a final demand and intention of court action will be issued. Paperwork to be reviewed by Business Manager and Head Teacher. Finance Committee is to be notified of small claims court summons issued.
 - If the debt is less than £500 then move straight to Debt write off.

- A bad debt write-off form is to be completed and approved by the chair of trustees.
- Cease any future business with the bad debt customer by removing them from the financial management system and communicating with Finance Team.

Debts will be written off when the recovery procedures have proved unsuccessful or the debt is less than £500 and the bad debtor is unwilling to pay the amount due and further action is either not cost effective or highly unlikely to succeed.

17.3 Write-offs

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:-

- The Head Teacher on behalf of the Academy must provide 30 days' notice to the Secretary of State for Education of its intention to write off any debts owed to it as set out in Section 75 of Schools Funding Agreement. This notice is required whether or not the circumstances require the Secretary of State for Education's approval (see below).

Those debts below the value set out in the [Academies Trust Handbook](#) can then be approved and written off by the Finance Committee and reported to the next meeting of the Full Trust Board.

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction;
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements; and
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified financial returns for the previous two financial years.

Beyond these limits the trust must seek and obtain explicit and prior approval of the Secretary of State, through the ESFA, for the transaction.

17.4 Accounting for Write-off's

The Academy's financial and administrative practice is to write off bad debts as a charge to a revenue code or the related reserve for doubtful accounts, not as a reduction of revenue.

Provision of Bad Debts

The possible provision of bad debts will be reported in the monthly accounts as to any doubts possible unable to collect and the potential for the current debt to deteriorate and

become bad. The Finance Committee shall determine and review the bad debt provision annually.

Record Retention

The complete record of the account, including write off approval and documentation of due diligence in the collection effort, will be retained in the archives for six years.

18 Investment Policy

18.1 Principles

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

18.2 Purposes

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

18.3 Guidelines

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing deposit accounts with Lloyds TSB
- Treasury deposits, with maturity dates, which do not result in the cash funds being unavailable for longer than 8 weeks

On maturity of investment, the Academy Finance Director will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy.

18.4 Instructions

Before monies are placed, sanction from the Chair or Vice Chair of Trustees will be gained by the Academy Finance Director.

Any documentation will be signed in accordance with the Bank signatory instructions.

19 Scheme of Financial Delegation

The Trustees Board agrees a Scheme of Financial Delegation that distinguishes between matters reserved exclusively for the Trustees' approval or decision, and matters delegated to committees and individuals.

This is a key document which forms the basis for all financial controls in the School.


19.1 Powers and duties reserved for the Full Trustee Board

The Full Trustees Board shall be responsible for:

General

- Approval of a written scheme of delegation of its financial powers and duties to its committees, groups and individuals. The Scheme of Delegation should be read in conjunction with the Finance Policy and [Academies Trust Handbook](#)
- Formally approving the annual budget for submission to the Education & Skills Funding Agency in line with required deadlines.
- Considering budgetary monitoring reports from the Finance and Resources Committee, with relevant explanations and documentation where required.
- ~~Receiving details from the Finance and Resource Committee of virements approved between £5,000 and £10,000.~~
- ~~Approving virements in excess of £10,000.~~

Purchasing

- Maintenance of a Register of Business and Pecuniary Interests for all Trustees and Staff.
-  Authorising the award of orders and contracts over £50,000
- Authorisation of the advertising of tenders above £25,000, and approving the award of such tenders.

Income

- Authorisation of the write off of debts not collectable. The Secretary of State's prior approval is also required if debts written off are above the values specified in the relevant [Academy Trust Handbook](#).

Security of Assets

- Authorisation of the disposal of individual items of equipment with an original purchase value in excess of £20,000 (to reflect changes latest funding agreement and ATH)

Accounts and Audit

- Approval of audited financial statements prior to submission to the Secretary of State in line with required deadlines.
- Approve the appointment or reappointment of the External Auditors.

Service Level Agreements

- Consider any service level agreements recommended from the Finance and Resources Committee.

19.2 Powers and duties Delegated to the Finance and Resources Committee

The Finance and Resources Committee shall be responsible for:

General

- Exercising the powers and duties of the Trustee Board in respect of the financial administration of the School, except for those items specifically reserved for the Trustee Board, its committees, groups and individuals.
- Reporting on decisions taken under delegated powers to the next meeting of the Trustee Board.

Budgets / Budget Monitoring

- Reviewing the annual School budget prior to the start of each financial year and recommending its acceptance, or otherwise to the Trustee Board.
- Considering budget monitoring reports on the School's financial position, taking appropriate action to contain expenditure within the budget and report to the Trustee Board.
- Reporting to the Trustee Board all significant financial matters and any actual or potential overspending.

Purchasing

- Discussing the award of orders and contracts over £10,000 and up to £50,000 and making recommendations to the Full Trust Board.

Insurances

- Ensuring that arrangements for insurance cover are in place and adequate.

Security of Assets

- Ensuring that an asset register is maintained.

- Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value over £10,000 and up to £20,000

Accounts and Audit

- Reviewing the draft financial statements and highlighting any significant issues to the Trustee Board, prior to submission to the Secretary of State.
- Recommend to the Full Trustee Board the appointment or reappointment of the External Auditors.
- Appoint the Responsible Officer
- Informing the Education & Skills Funding Agency if it suspects any irregularity affecting the Board.

Service Level Agreements

- Review and recommend any service level agreements to the Full Trust Board.

19.3 Financial Powers and duties delegated to the Audit Committee

General – allocated to the Audit, Risk, Audit and Health & Safety Committee

Reviewing the risks to the School's internal financial controls and:

- Agreeing a programme of work to address these risks
- Inform the Governance Statement in the statutory published accounts
- Provide assurance to the external auditors

Trustees Performance

Trustees performance will be reviewed through self-evaluation, completion of annual Skills Audit and the annual Trustee review and planning day.

19.4 Powers and duties delegated to the Standing Committee

The Standing Committee shall be responsible for:

- Meeting annually with the Head Teacher to review the Head Teacher's recommendations regarding the performance and teacher's pay awards.

- Conducting the Performance Review of the Head Teacher, and to make recommendations to the Pay Committee to award performance points where appropriate, and as prescribed in the Pay Policy.
- Investigating any complaint from the Head Teacher.
- Ensuring via reports from the Head Teacher, that the Performance Management policy is implemented throughout the school, and that all staff are included in the system of performance review.

19.5 Financial powers and duties delegated to the Head Teacher

The Head Teacher has delegated powers and functions in respect of internal organisation, management and monitoring of the School, the implementation of all policies approved by the Trustee Board and for the direction of teaching and the curriculum.

The Head Teacher shall be responsible for:

Accounts and Audit

- Signing off all ESFA submissions as the Accounting Officer for the Academy, in accordance with the latest [Academies Trust Handbook](#)

Budgetary Monitoring

- Reviewing income and expenditure reports and highlighting actual or potential overspending to the Finance and Resources Committee in conjunction with the Business Manager.

Purchasing

- Authorising orders and contracts up to £10,000 and ensuring all orders and contracts over £10,000 have been approved by the Finance and Resource Committee or the Full Trust Board.

Payroll and Personnel

- Approving new staff appointments.
- Certifying the payment of salaries each month, in conjunction with the Finance and Business Manager.

Security of Assets

- Ensuring that proper security is maintained at all times for buildings, furniture, equipment, vehicles, stores, cash, information and records etc. under his/her control.

19.6 Financial powers and duties delegated to the Business Manager

The Business Manager has delegated powers in line with being the designated Chief Financial Officer and shall be responsible for:

Accounts and Audit

- Ensuring regularity, propriety and value for money in the management of public funds.
- The operation of financial processes within the School, ensuring that adequate operational controls are in place and that principles of internal control are maintained.
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- Ensuring that all records and documents are available for audit by the appointed external and internal auditors and by the Audit Committee.

Financial Management

- Ensuring arrangements for the collection of income, ordering of goods and services, payments and security of assets are in accordance with the latest [Academies Trust Handbook](#), Financial Policies and Procedures.

Budgets / Budget Monitoring

- Preparing an annual draft budget plan for approval by the Finance and Resources Committee and Trustee Board before the deadline for submission to ESFA.
- Monthly monitoring of expenditure and income against the approved budget and submitting reports on the School's financial position to the Head Teacher and the Finance and Resources Committee. Any actual or potential overspending shall be reported to the Head Teacher and Finance and Resources Committee.

Purchasing

- The Business Manager can authorise transactions on the financial management system that have been approved (signed) by the relevant budget holder, in accordance with the Scheme of Delegation.
- Retention of quotes obtained for goods, works and services.
- Ensuring that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.

- Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

Payroll and Personnel

- Ensuring in conjunction with the Personnel Manager that the monthly payroll is checked, and certified for payment by the Head Teacher.

Income

- Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

Banking Arrangements

- Maintaining proper records of account and reviewing monthly bank reconciliations.

Insurances

- Notifying the Head Teacher and Finance and Resources Committee on any eventuality that could affect the School's insurance arrangements.

Security of Assets

- Maintaining an asset register in conjunction with the Finance Officer

19.7 Financial Powers and Duties Delegated to Other Staff

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Policies and Procedures.

The following responsibilities are delegated to other staff in addition to the Head Teacher and Finance and Business Manager:

Budgets / Budget Monitoring

- Senior Curriculum Leaders and other budget holders are responsible for reviewing the budgets delegated to them and for reporting any errors or irregularities to the Finance Director. Any actual or potential overspends must also be reported to the Business Manager.

Purchasing

- Budget Holders must authorise order requests before passing them to the finance office for processing. Order requests must be within the scope and remaining balance of their delegated budget.

- The following members of staff are authorised to receive and check goods:
 - Budget Holders
 - Administrators
 - Business Manager
 - Finance Officers

19.8 Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering goods and Services (requisition/order/payment approval)	Up to £1,000	Budget Holder approves.	Selection from preferred suppliers – obtain price or quotation
	Over £1000 and up to £5,000	Budget Holder approves. Finance & Business Manager to authorise order	Selection from preferred suppliers – obtain price or quotation
	£5,000 to £10,000	Budget Holder approves. Head Teacher to authorise order.	Obtain 3 quotations
	Over £10,000	Budget Holder approves. Head Teacher after approval from F&R Committee	Formal tendering process
	Over £50,000	Budget Holder approves. Head Teacher after approval from FTB	
Signatories for cheques, BACS payment authorisation, Direct Debit agreements and other bank transfers.		Any two bank signatories	
Disposal of assets	Up to £10,000	Headteacher	Disposal of Assets form
	Over £10,000	F&R Committee	
	Over £20,000	FTB	Review to reflect latest funding agreement and Academies Financial Handbook
Write Off of bad debts	Up to £10,000	Headteacher	
	Up to £45,000	Trustee Board	Bad debt write-off form
	Over £45,000	As above plus ESFA approval	Review to reflect latest funding agreement and Academies Financial Handbook
Purchase or sale of any freehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	ESFA approval required	

20 Sponsorship Policy

Mission Statement

Wyvern Academy will actively seek partnership with business, industry and the community through appropriate sponsorship. In doing so, the school will aim to raise its own profile and that of its sponsors both locally and nationally.

Definition

We understand sponsorship to be the provision of substantial and sustained financial or other support to a person or an establishment by another outside agency.

Sponsorship is not a gift as there is an underlying expectation exists on the part of the Sponsor that the person or establishment being sponsored will promote the interests of that sponsor.

Implicit in sponsorship is the existence of a partnership between the Sponsor and the person or establishment being sponsored.

Sponsorship may be sought from various areas, for example:

- Local/national businesses
- Individuals
- Charitable organisations
- Local Authorities
- School suppliers

Likewise, the sponsorship itself may take different forms:

- financial support
- goods
- equipment
- materials
- services

Whatever the nature of the Sponsor or the form of the sponsorship, the school's guidelines should be followed in all instances.

Guidelines

By entering into any sponsorship agreement Wyvern Academy is entering into a partnership. As such, the importance of clear guidelines for both the sponsor and the school cannot be over-emphasised.

When establishing a partnership through sponsorship, Wyvern Academy will:

- ascertain exactly the form that sponsorship will take
- obtain the agreement of the Academy's Trustee Board
- establish any expectations that the Sponsor may have of the Academy
- produce a clearly-defined, written agreement between the Sponsor and the Academy
- ensure the sponsors' product is appropriate to the Academy's environment

- examine the integrity of the Sponsor prior to any agreement being made
- keep records of all sponsorship pledged and how/where it was used.

Links to other Academy policies

This policy should read in conjunction with the following related policies:-

- Gifts and Hospitality
- Code of Conduct
- Travel and expenses

21 Donations Policy

21.1 Purpose

The academy's accounting procedures must clearly identify receipt of all donations. The academy must also differentiate between donations, discounted purchases and gifts given with conditions.

The purpose of this policy is to clarify the process for acceptance and accounting for donations.

21.2 Definition

Donations and gifts may be in the form of cash, goods or services. They may be given with or without conditions. Donation means a contribution that voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver. Generally, donations are irrevocable, and, beyond a possible designation of use, the donor does not impose contractual requirements or subsequent reports as a condition of the donation.

21.3 Policy

Donations, gifts or sponsorship will be declined where they are given with conditions that are incompatible with: the objects of the Trust; public procurement legislation; genuine principles of donation without obligation; or because of the source or conditions of the donation might bring the academy in to disrepute.

Donations will be accounted for so that their receipt and subsequent expenditure or transfer to other funds can be readily identified and reported.

21.4 Procedure

21.4.1 Offers of donations

All offers of donations made to individuals (Trustees or members of staff) should be referred to the Head Teacher, in the first instance. The Head Teacher will then determine whether the donation is consistent with the Academy Trust's Objects as defined in its Articles of Association.

For donations that are equal to, or greater than, £5,000 in value the Head Teacher will consult with the Chair of the Board of Governors before making a decision about accepting the donation. All other amounts are to be at the discretion of the Head Teacher.

All donors should be requested, for audit purposes, to put in writing details of their gift, the fact it has no conditions attached (where relevant), their estimation of the value of the gift and when the academy will receive the gift.

Where there are conditions attached, it is unlikely the amounts can be recorded as donations of an unrestricted nature.

21.4.2 Reasons for declining donations

An offer of a donation will be declined if one of the following conditions exist:

- The donation has conditions attached that are inconsistent with the Academy Trusts Objects;
- The donation has conditions attached that are inconsistent with procurement best practice or legislation;
- The donation has conditions attached that are inconsistent with the principle that a donation is a contribution that is voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver.
- The source of the donation or its intended purpose are inconsistent with the characteristics of an Academy as laid out in the Funding Agreement or are likely, in the view of the Head Teacher, to draw adverse publicity for the academy or bring it into disrepute.

21.4.3 Accounting for donations and banking

Donations made in cash will be banked in the 'School Fund' account. The Accounting System will register receipt of donations, as with any income receipt, so that all receipts of donations and their subsequent transfer of these to other bank accounts, or their expenditure, can be identified and reported.

Gifts of cash are the easiest to value. However, a proportion of contributions may be in the form of gifts in kind (i.e. assets).

Gifts in kind will be included in the academy's accounts (within the Statement of Financial Activities) in the accounting period in which they are receivable. The value placed on gifts in kind will be either a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale.

Appendix 1 - Wyvern Academy Value for Money Review

Introduction

The Trustee Board is accountable for the way in which the academy's resources are allocated to meet the objectives set out in the academy's development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost to ensure the school achieves value for money with the funds it has been delegated to manage. This will lead to continuous improvement in the academy's achievements and services.

Value for money means delivering the best outcomes from a given set of resources. It comprises three elements:

Economy – securing goods, services and personnel at the best price for a given level of quality and at the lowest cost (e.g. procurement, HR & recruitment, leasing, use of premises i.e. extended schools).

Efficiency – the best deployment of those goods, services and personnel to achieve a set of outputs, (use of ICT, use of teaching staff/support staff/Business Managers).

Effectiveness – the right mixture of outputs to achieve a particular set of outcomes; it is up to each school to determine what constitutes the right mixture of outputs (this could be timetabling, use of specialist teachers, staff development and deployment).

Trustees and school managers should ensure:

- Procurement is in line with the Academy's procurement and regulatory requirements (including EU requirements).
- Sharing or collaborating with other schools is considered as a procurement option, where appropriate.
- Three quotes are obtained for all purchases over £5000 and a Value for Money Checklist is completed to record the basis of the selection of the supplier. (This amount will include **all costs** necessitated by a purchase e.g. one off costs, delivery, any required follow up work, maintenance contracts - for up to 3 years)
- Time and resources are not wasted investigating minor areas where few improvements can be achieved or minor savings made. The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. It can also distract management from more important or valuable areas.
- Any procurement includes a review of expenditure with potential suppliers to ensure that cumulative spend with one supplier does not/will not exceed £50,000 over a 3-year period.

Value for Money Checklist

(To be completed and attached to all orders placed over £5,000)

Pre quote checklist (*delete as appropriate*)

- ☐ There are/are not any existing contracts in place within the LA for the goods, services or works that are required
- ☐ Where there is a potentially appropriate LA contract a quote is included below
- ☐ The quotes are for total value and include delivery, installation and on-going maintenance /support (include up to 3 years)
- ☐ This is (1) a one-off purchase or (2) Is something that will be required again either this year or on a repeat basis next year
- ☐ If (2) the repeat requirement costs are included in the quote.
- ☐ Collaboration/sharing with another school(s) has been considered
- ☐ Orders with this supplier do not or will not exceed £50,000 over a 3 year period.

Project	
Budget Heading	

Quotations received:

Quotations received:				
1			£	
2			£	
3			£	
Agreed Supplier			Cost	£

Value for Money Review

(Please clarify the rationale used when placing this order if the lowest price has not been selected)

--


Approved:(Head Teacher/F & R or FTB) **Date**

Orders will not be processed without this form being completed, attached and approved.

Appendix 2 – Purchase Requisition Form

Wyvern Academy Purchase Order Form					
Name of Company:	Date:	Order Number:			
	Date Required:				
Address:		Annual Budget:	£		
		Remaining Budget:	£		
Budget Area:					
Post Code:	Nominal:				
Telephone Number:	Order Raised by:				
Email Address:	Authorised by:				
All orders must be approved and signed by the Budget Holder					
Description of Goods	Cat.Ref ISBN No.	Qty	Unit Cost £	Cost £	VAT Code
			Total Cost £		

Appendix 4 – Fixed Assets Disposal Form

	<h3 style="margin: 0;">Wyvern Academy Equipment Disposal Form</h3>			
<u>Asset Equipment description/Name</u>				
Model			Serial no.	
Year of purchase			Original Cost: £	
Location				
Reason for Disposal				
Proposed disposal Method:	<i>please tick</i>	<i>Details (if applicable):</i>		
To be scrapped	<input type="checkbox"/>			
To be sold - complete section below	<input type="checkbox"/>			
Part exchanged	<input type="checkbox"/>			
Other	<input type="checkbox"/>			
<u>Approval for Disposal</u>				
Proposer			Date	
Authorised			Date	
Approval by Head Teacher			Date	
Approval by F & R Committee (up to £5,000)				
Approval by F & B (£5,000 - £20,000)			Date	
<u>Sale details</u>				
<u>(on completion of sale)</u>				
The purchaser				
Contact details for invoicing				
Proposed sale price £ (net of VAT)				
Cost Centre				
Nominal Code				
Copy passed to Finance	<input type="checkbox"/>			
Fixed Asset Register updated	<input type="checkbox"/>			
Date	<input type="checkbox"/>			

Appendix 5 – Cash Advance Form

WYVERN ACADEMY – CASH ADVANCE VOUCHER

NAME OF TEACHER / TA / STAFF (please print name)

.....

DATE OF REQUEST.....

BUDGET TO BE CHARGED

SIGNATURE OF BUDGET

HOLDER.....

(Required for all requests prior to advance being given)

Class:	Amount (£)
Purpose	
If for a specific Bursary student, please give their name/s	

SIGNATURE OF TEACHER / TA / STAFF (on receipt of cash)

.....

Please return completed form to the Finance Office

Please return any change with the receipts within five days

Appendix 6 – Petty Cash Form

WYVERN ACADEMY – PETTY CASH/CHEQUE CLAIM FORM

£15 limit for cash reimbursement

Receipts must be submitted before the end of the month, in which the expenditure is incurred.

Please use one voucher per budget area.

BUDGET TO BE CHARGED

Expenditure details (please delete as appropriate) Catering/ Class / Curriculum / Travel / Bursary /			**FINANCE OFFICE USE ONLY**	
Is this claim form matched to a Cash Advance Voucher? Yes / No	Date of Receipt	Total Spent	VAT	Nett of VAT
		£	£	£
		£	£	£
		£	£	£
		£	£	£
		£	£	£
	total	£	£	£

NAME OF CLAIMANT (please print name).....

SIGNATURE OF BUDGET HOLDER.....
(Required for all claims)

DATE OF REQUEST.....

SIGNATURE OF CLAIMANT (on receipt of cash).....

Please return completed form, to the Finance Office WITH VAT RECEIPTS ATTACHED
(NOTE: Debit card receipts are not VAT receipts and cannot be accepted)

*****Finance Office use only*****

VAT Number:	
COST CENTRE:	NOMINAL CODE:
JOURNAL REFERENCE NUMBER	
CHEQUE NUMBER:	DATE:

Appendix 7 – Income Collection Sheet

WYVERN ACADEMY - INCOME COLLECTION SHEET									
STAFF:									
PURPOSE:					DATE:				
NAME	Form	M/F	Cheque Payment Details				or		
			Cheque No.	Sort Code	Bank A/c No.	Amount	Cash		
				.. / .. / ..		£..... p....	£..... p....		
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
						£.... p....	£.... p....		
SUB TOTAL CHEQUES COLLECTED									
SUB TOTAL CASH COLLECTED									
TOTAL COLLECTED									
Date.....					Cost Centre.....				
Income Reference.....					Nominal Code.....				
Paying In Slip Number.....					GAG / OTHINC (Delete)				

Appendix 8 – Asset Release Form

ASSET RELEASE FORM



Wyvern Academy	
Dorchester Road	
Weymouth	
Dorset	
DT3 6QN	01305 817917

ASSET DETAILS:	
Value:	
Date on Loan:	
Date of Return:	

Acknowledgement and Declaration by Parent/Guardian	
Name:	
Date:	
I hereby acknowldege that I have recevied the above mentioned item.	
I understand that this asset belongs to Wyvern Academy and is under my possession during the period. I hereby assure that I will take care of the asset to the best possible extent.	