



HALL GREEN SCHOOL

FINANCIAL REGULATIONS MANUAL

November 2018

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Responsibility:	Mr D Adams - Headteacher Mr M Alcott - Deputy Chair of Governors

FINANCIAL REGULATIONS MANUAL

Contents

1. Introduction
2. Organisation
3. Accounting System
4. Financial Planning
5. Payroll
6. Purchasing
7. Income
8. Cash Management
9. Fixed Assets

Appendix 1

1. Introduction

- 101 The purpose of this manual 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).
- 102 The academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This manual expands on that, and provides detailed information on the academy's accounting procedures and systems. The manual should be read by all staff involved with financial systems.
- 103 This manual is reviewed on an annual basis.

2. Organisation

- 201 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 governors and staff. The financial reporting structure is illustrated below:

The Governing Body

- 202 The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DfE and in the academy's Articles of Association. There are six meetings in the year. The main responsibilities include:
- approving the academy's financial controls and procedures through the Financial Regulations Manual;
 - ensuring that grants from the DfE are used only for the purposes intended;
 - approval of the annual budget;
 - appointment of the Headteacher;
 - appointment of the Chief Financial Officer and
 - approval of the academy's personnel establishment.

The Finance and General Purposes Committee

- 203 The Finance and General Purposes Committee is a committee of the governing body. The Committee meets four times a year but more frequent meetings can be arranged if necessary.
- 204 The main responsibilities of the Finance and General Purposes Committee are detailed in written Terms of Reference which have been authorised by the governing body. The main responsibilities include:
- the initial review and authorisation of the annual budget;
 - the 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 and the DfE guidance issued to academies;
- authorising the award of contracts and orders as stipulated by the Scheme of Delegation;
- authorising and reviewing the virement limits delegated to the Headteacher and
- providing assurance to the Board of Trustees over the suitability of, and compliance with its financial systems and operational controls, and to ensure that risks are being adequately identified and managed.

The Audit Committee

- 205 The Audit Committee is a committee of the governing body. The Committee meets at least once a year but more frequent meetings can be arranged if necessary.
- 206 The main responsibilities of the Audit Committee are detailed in written Terms of Reference which have been authorised by the governing body. The main responsibilities include:
- Meeting with the external auditors to scrutinise the annual accounts
 - agreeing a programme of work to prioritise its assurance on financial controls and risks. Reports how this programme of works must also be report to the full Governing Body.

The Headteacher/Accounting Officer

- 207 Within the framework of the academy development plan as approved by the governing body, the Headteacher/Accounting Officer has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Chief Financial Officer but the Headteacher still retains responsibility for:
- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body has agreed should be approved by them;
 - authorising contracts and as stipulated by the Scheme of Delegation
 - authorising payroll payments in conjunction with the Chief Financial Officer;
 - signing cheques and BACS payments in conjunction with the Chief Financial Officer or other authorised signatory.
 - Accounting Officers must adhere to the 'seven principles of public life'. See Appendix 1.

The Bursar/Chief Financial Officer

- 206 The Chief Financial Officer works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Chief Financial Officer also has direct access to the governors via the Finance and General Purposes Committee. The main responsibilities of the Chief Financial Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- the maintenance of effective systems of internal financial control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- signing cheques in conjunction with the Headteacher or other authorised signatory and
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance;
- working with external auditors to produce end of year accounts in compliance with DfE requirements;
- updating this Financial Regulations Manual on an annual basis;
- collating governors 'Declaration of Interests';
- publishing governors' Declaration of Interests on the school website.

Other Staff

209 Other members of staff, primarily the Finance Assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff members 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.

Register of Interests

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

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

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

3. Accounting system

301 All the financial transactions of the academy must be recorded on the SIMS accounting

system. The SIMS system is operated by the Finance Department and consists of:

- Journals
- Nominal Ledger
- Bank Transactions
- Purchase Ledger
- Sales Ledger.

System Access

- 302 Entry to the SIMS system is password restricted and the Chief Financial Officer is responsible for implementing a system which ensures that passwords are changed at least every 3 months. When passwords are changed the new password should be placed in a sealed envelope and passed to the Chief Financial Officer to keep in the safe.
- 303 Access to the component parts of the SIMS system can also be restricted and the Chief Financial Officer is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 304 The Assistant Headteacher in charge of School Systems is responsible for ensuring that there are effective back up procedures for the system. Data should be copied onto an external hard drive or other removable medium and the copies stored in a secure place, preferably in a fireproof container. Back up copies should be taken on at least a weekly basis.
- 305 The back-ups should not be recorded on the same medium each time as this results in only one copy being available. In order to provide more protection from the loss of data, at least three different storage media should be used in rotation and stored in different locations. At least one copy should be stored off-site.
- 306 The Chief Financial Officer should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 307 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.
- 308 Documentation manuals are available on FMS Help online.

Transaction Reports

- 309 The Chief Financial Officer will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
- the audit trail reports;
 - Finance and General Purposes Committee management account reports summarising expenditure and income against budget.

Reconciliations

- 310 The Chief Financial Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;
 - purchase ledger control account;
 - payroll control account;
 - bank balance per the nominal ledger to the bank statement.
- 311 Any unusual or long outstanding reconciling items will be reviewed and queries addressed by the Chief Financial Officer.

4. Financial planning

- 401 The academy prepares both medium term and short-term financial plans.
- 402 The medium term financial plan is 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.
- 403 The development plan provides 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.
- 404 The development planning process and the budgetary process are described in more detail below.

Development and Infrastructure Plans

- 405 The development and infrastructure plans are 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, including the maintenance of the academy's capital assets. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 406 The form and content of the development and infrastructure plans are matters for the academy to decide but due regard should be given to the matters included within the

guidance to Academies and any annual guidance issued by the DfE.

- 407 Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:
- a review of past activities, aims and objectives – “did we get it right?”
 - definition or redefinition of aims and objectives – “are the aims still relevant?”
 - development of the plan and associated budgets – “how do we go forward?”
 - feedback into the next planning cycle – “what worked successfully and how can we improve?”
- 408 The completed development and infrastructure plan will include detailed objectives for the coming academic year. The plans should also include the estimated resource costs, both capital and revenue, associated with each objective.
- 409 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a senior manager. The responsible manager should monitor performance throughout the year and report to the Leadership team on a quarterly basis. The senior manager will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 410 The Chief Financial Officer is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance and General Purposes Committee and the Governing Body.
- 411 The approved budget must be submitted to the DfE by 30 July each year and the Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 412 The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 413 The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
 - 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 base;
 - identification of potential efficiency savings and
 - 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.

Balancing the Budget

- 414 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

- 415 Once the different options and scenarios have been considered, a draft budget should be prepared by the Chief Financial Officer for approval by the Headteacher, the Finance and General Purposes Committee and the governing body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 416 The budget should be accompanied by a statement of assumptions and hierarchy of priorities (see the school development plan) so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

- 417 Monthly reports will be prepared by the Chief Financial Officer. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance and General Purposes Committee.
- 418 Any potential overspend against the budget must in the first instance be discussed with the Chief Financial Officer. The accounting system will not allow payments to be made against an overspent budget without the approval of the Chief Financial Officer.
- 419 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the Headteacher within the limits set and then reported to the Finance and General Purposes Committee.

5. Payroll

- 501 The main elements of the payroll system are:
- staff appointments;
 - payroll administration and
 - payments.

Staff Appointments

- 502 The governing body 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 Finance and General Purposes Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- 503 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the Chief Financial Officer whose appointments must follow consultation with the governors. The Chief Financial Officer maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the Chief Financial Officer immediately.

Payroll Administration

- 504 The academy payroll is administered by Birmingham City Council, Corporate Payroll and Pensions.
- 505 All staff members are paid monthly by BACS payments via Birmingham City Council. A master file for each employee is held by Birmingham City Council and includes:
- salary;
 - bank account details;
 - taxation status;
 - personal details and
 - any deductions or allowances payable.
- 506 New appointment details or adjustments can only be created by the Chief Financial Officer. Any amendments made by the Chief Financial Officer must be authorised by the Headteacher.
- 507 The Cover Co-ordinator and the HR/Office Administrator must complete a weekly staff return which provides details for all staff in their section of sickness and other absences during the week. The staff return must be authorised by the Headteacher. This will then be processed in accordance with the academy's Sickness Absence management and Leave of Absence policies. New starters and leavers will be processed by the Chief Financial Officer.
- 508 Data input to the payroll system should be undertaken by the Chief Financial Officer in accordance with the timetable. Before the payroll is processed a print of all data input should be obtained and this should be checked against source documentation and initialled by the Headteacher.

Payments

- 509 After the payroll has been processed, but before payments are despatched, a print of salary payments by individual and showing the amount payable in total is sent from Birmingham City Council. This report must be reviewed and authorised by the Chief Financial Officer

and the Headteacher.

- 510 The Chief Financial Officer will prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases, etc. This reconciliation should be reviewed and signed by the Headteacher.
- 511 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net report and BACS payments for these amounts are automatically processed by them.

The Chief Financial Officer should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

- 512 After the payroll has been processed the nominal ledger will be posted. The Chief Financial Officer will make postings to both the payroll control account and to individual cost centres.

6. Purchasing

- 601 The academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they 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.

Routine Purchasing

- 602 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder half-termly and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 603 Routine purchases up to the lower of their annual budget limit or £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Chief Financial Officer's Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the

reasons for this decision must be discussed and agreed with the Chief Financial Officer.

- 604 All orders must be placed using an internal requisition form, signed by the budget holder. An official order will be produced from the financial accounting system by the Finance Assistant. The Deputy Headteacher will authorise and print off the orders which will then be signed by the Deputy Headteacher. Orders are allocated an order number by the system and despatched or faxed to the supplier by the Finance Assistant.
- 605 The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the original order and 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. Agreed delivery notes should be signed and returned to the Chief Financial Officer's Office.
- 606 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Chief Financial Officer's Office should be notified. The Finance Assistant will keep a central record of all goods returned to suppliers and also signed delivery notes.
- 607 All invoices will be reviewed by the Chief Financial Officer and stamped with a grid against which the following can be evidenced:
- order number;
 - cost centre and ledger code details;
 - invoice entered by;
 - invoice authorised for payment;
 - cheque number;
 - date paid.
- 608 The Finance Assistant will attach the signed delivery note to the invoice and then enter the details onto the finance system. Any anomalies between the invoice amounts and the original order will be reported to the Chief Financial Officer to investigate.
- 609 On a fortnightly basis the Chief Financial Officer will review the outstanding invoices from the purchase ledger and pass to the Finance Assistant for payment.
- 610 The Finance Assistant will then input details of payments to be made to the purchase ledger and then generate the cheques or BACS payments as required. The cheques and BACS payments and associated paperwork must be signed and authorised by two of the nominated bank signatories.
- 611 Cheques and BACS payments will be dispatched to suppliers by the Finance Assistant who will also complete payment details on the invoices and then place in the appropriate file.

Orders less than £20,000

- 612 All orders and services up to the value of £20,000 to be authorised by the Headteacher. For

goods and services over £10,000, at least three quotations should be obtained.

Orders over £20,000 but less than £50,000

613 At least three quotations should be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made. All goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000, must have the prior approval of the Finance and General Purposes Committee. However, there may be cumulative spend of more than £20,000 with certain suppliers and for general day to day repairs to site. In these cases, best value is continuously monitored.

Orders over £50,000

614 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000, will be subject to formal tendering procedures. Purchases over £118,133 (threshold from 01/01/2018) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex D in the Academies Financial Handbook.

Forms of Tenders

615 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 Chief Financial Officer 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.

Preparation for Tender

616 Full consideration should be given to:

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

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

Invitation to Tender

618 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.

619 An invitation to tender should include the following:

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

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

Tender Acceptance Procedures

620 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.

Tender Opening Procedures

621 All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- The Headteacher, the Chief Financial Officer plus a member of the Finance and General Purposes Committee.

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

Tendering Procedures

- 623 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 624 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.
- 625 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance and General Purposes Committee highlighting the relevant issues and recommending a decision.
- 626 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.
- 627 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

7. Income

- 701 The main source of income for the academy is the grant from the DfE. The receipt of all income is monitored directly by the Chief Financial Officer who is responsible for ensuring that all grants due to the academy are collected.
- 702 The academy also obtains income from:
- parents, for trips, before and after school club and extended services.

Trips

- 703 A lead teacher must be appointed for each trip to take responsibility for the booking of the trip venue and costing. The Finance Administrator will administer the collection of monies and ordering of coaches.
- 704 Parents should make payments via Parent Pay using debit card or pay point.
- 705 The Finance Administrator should 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 on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

Lettings

- 706 The Chief Financial Officer is responsible for maintaining records of bookings of halls and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.

Custody

- 707 All payments to school must be sent via Parent Pay. The Finance Administrator reconciles payments on Parent Pay. The Finance Assistant reconciles trip accounts. The payments from Parent Pay are entered onto FMS by the Chief Financial Officer. Any cash or cheques collected via School Office must be kept in the Chief Financial Officer's Office safe prior to banking. If there is any cash in the safe collected from parents, banking should take place every week or more frequently if the sums collected exceed the £1,000 insurance limit on the Chief Financial Officer's Office safe. Any balances on ParentPay from dinner accounts over £5.00 to be refunded or transferred to siblings. Other balances will remain in the system. Parents may be refunded under £5.00 with written request to the school.
- 708 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Assistant is responsible for preparing the banking deposits weekly. The Chief Financial Officer checks the deposits before they are collected by the cash collection agency. The sums deposited at the bank along with all payments made by parents for services will be posted onto FMS by the Finance Assistant. Amounts banked will be reconciled by the Chief Financial Officer during the bank reconciliation process.

8. Cash Management

Bank Accounts

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

Deposits

- 802 Particulars of all deposits are recorded on the copy paying-in slip. The details include:

- the amount of the deposit;
- the name of the debtor;
- and the total income banked broken down over different cost centres.

Payments and withdrawals

- 803 All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories, except cheques over £5,000 whereby the Headteacher cannot sign:

Headteacher
Deputy Headteacher

Chief Financial Officer

Governors' private bank account cheques also need signature by either the Chairman or Vice-Chairman of the governing body.

804 This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure. The purchasing system provides a division of duties.

Administration

805 The Chief Financial Officer must ensure bank statements are reconciled regularly and at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's finance system;
- reconciliations are prepared by the Chief Financial Officer;
- reconciliations are subject to an independent review carried out twice yearly following the programme of works agreed by the Finance and General Purposes Committee;
- adjustments arising are dealt with promptly.

Petty Cash Accounts

806 The academy does not hold petty cash in the office. All petty cash payments are made by cheque or BACS payments directly from the main bank account as a non-order invoice.

Deposits

807 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.

Cash Flow Forecasts

808 The Chief Financial Officer is responsible for preparing 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.

Investments

809 Investments must be made only in accordance with written procedures approved by the governing body.

810 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.

Debit Cards

811 The Debit Card should be in the school's name, if more than one user is required then each person should have a separate Debit Card and each Debit Card should have an individual identification number and pin number, so each purchase can be traced to the relevant individual. When a Debit Card is used the school should raise a confirmation order to create a commitment on the system within 24 hours or as soon as possible. The money is to be transferred from the main account, the bank can be informed by fax for the transfer and must be signed by two signatories from the mandate. The limit is £500.00. The debit card must be stored securely in a safe. The Debit Card must not be shared with other staff.

9. Fixed assets – see separate Fixed Asset Policy.

APPENDIX 1

Seven Principles of Public Life

1. **Selflessness** Holders of public office should act solely in terms of the public interest.
2. **Integrity** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. **Objectivity** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. **Accountability** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. **Openness** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. **Honesty** Holders of public office should be truthful.
7. **Leadership** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.