

Mercia Primary Academy Trust



Financial Regulations

Policy Status and Review

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Signed by Director:	Garry Hirons
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Financial Regulations

Under the provisions of the School Standards and Framework Act 1998, Academies have budgets delegated to them. This legislation enables governing bodies to decide for themselves how to make the best use of the financial resources available to them. The delegation of the decision-making process brings with it the need for accountability.

Any major organisation needs a set of clearly understood rules and regulations to manage its financial affairs and the Headteacher is responsible for dealing with these affairs.

The Financial Regulations try to achieve four main aims. These are to:

- (a) make sure there are sound and proper financial procedures and arrangements for dealing with the Academy's financial affairs;
- (b) make sure that proper controls are in place;
- (c) provide a framework for managing the Academy finances which will allow the Academy to link together governance, managerial and financial responsibilities; and
- (d) protect Academy Directing Board / Governing Body, the Headteacher and Academy employees.

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Financial regulation A – General

- A1 The CEO is responsible for reviewing all matters relating to Academy financial rules and regulations and so will produce, from time to time, updates to these Financial Regulations.
- A2 The Directing Board / Governing Body has formal responsibility for the financial management of the Academy Trust.

Definitions

- A3 “We” includes “us” and “our” and is defined as the Headteacher acting for the Academy in carrying out his/her responsibilities. In practice, many of the responsibilities of the CEO will be carried out by other people within the Academy acting on his/her behalf.
- A4 Where the Directing Board / Governing Body or a committee thereof must make and evidence a decision, this is clearly stated. The Directing Board / Governing Body are also responsible for ensuring that they receive sufficient evidence to satisfy themselves that these Financial Regulations are being complied with on a day-to-day basis.
- A5 “You” includes “your” and is defined as the CFO. The CFO has overall responsibility for the day-to-day management of the finances of the Trust. The CFO may delegate processes and procedures to other staff within Academy. In these cases, “you or “your” may refer to any member of Academy staff acting on behalf of the CFO. However, the CFO will maintain overall responsibility for good financial management as a senior member of staff within the Trust.

A6 **Chief Executive Officer (CEO) and Accounting Officer (AO)**

a the Trust Board must appoint a named individual as an Accounting Officer. This should be the Chief Executive Officer who must be employed by the Trust.

b the accounting officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament and to the ESFA's accounting officer, these include:

- must assure Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety and value for money;
- must adhere to the 7 principles of public life;
- must have oversight of financial transactions;
- must complete and sign a statement on regularity, propriety and compliance annually and submit this to the ESFA with the audited accounts;
- must demonstrate how the Trust has secured value for money via the Governance statement within the audited accounts;
- must take personal responsibility for assuring the Directing Board / Governing Body that there is compliance with the funding agreement and handbook, and put in writing where the Directing Board / Governing Body fails to act where required;
- must notify the ESFA immediately in writing, in the event the actions proposed by the Directing Board / Governing Body is in breach of the articles, the funding agreement or the handbook.

A7 **Chief Financial Officer (CFO)**

a the Directing Board must appoint a Chief Financial Officer who is the Trust's finance director or equivalent, to whom responsibility for the Trusts detailed financial procedures are delegated. The CFO should play both a technical and leadership role and must be employed by the Trust. The CFO responsibilities include:

- the CFO and finance staff must be appropriately qualified and / or experienced;
- the Trust Board must assess whether the CFO, and others holding key financial posts should have a business or accountancy qualification and membership of a relevant professional body, dependant on the risk, scale and complexity of financial operations;
- the EFSA encourages larger Trusts (>3,000 pupils) to consider the range of accountancy qualifications available from professional bodies such as the ICAEW, ACCA, CIMA, or CIPFA and take this into account when filling CFO vacancies.
- The trust should ensure access to the above qualifications for any CFO employed by the Trust.

A8 **Executive Headteacher / Headteacher**

a the Directing Board / Governing Body must appoint an Executive Headteacher / Headteacher to provide strategic leadership for the Academy which includes:

- all the statutory responsibilities and powers ascribed to a Headteacher under the most recent School teachers' pay and conditions document (STPCD);
- leads the Academy on a day-to-day basis and is accountable to the CEO/CFO for the financial performance of the Academy;

Financial regulation B – Financial planning, budgeting and reporting

B1 The procedures shown in this section apply to all spending and income. They apply to all activities carried out by the Academy and controlled by the Directing Board / Governing Body.

B2 In accordance with the requirements of the Schools Standards and Framework Act 1998, the Directing Board / Governing Body is responsible for managing the financial resources allocated to the Academy.

B3 The Directing Board / Governing Body must formally approve and record in its minutes:

- a any delegation of its powers contained in these Financial Regulations for Schools, including the setting of financial limits to Governing committees, the CEO or other nominated staff
- b channels of reporting to the Directing Board / Governing Body or other governing committees.

B4 The Academy budget must be capable of meeting all known and anticipated demands during the financial year to which it relates; including any deficits or liabilities brought forward from a previous financial year. Academies cannot plan to overspend the resources available to them.

B5 How the Directing Board / Governing Body manages the revenue and capital budgets of the Academy is based on the principle that the budgets are simply a statement of

the School Development Plan / School Improvement Plan in financial terms. Any spending Directing Board / Governing Body agree to make should be identified through the School Development Plan / School Improvement Plan and be tailored to achieving the desired outcomes.

- B6 The Directing Board / Governing Body may manage additional budgets including budgets for community facilities. In these cases, the same standards of financial planning, budgeting and reporting are required.
- B7 The CEO / CFO may draw matters of budgetary concern to the attention of the Directing Board / Governing Body / Headteacher and may require the Directing Board / Governing Body to demonstrate that appropriate remedial action is taken to remain within budget.

Monitoring and reporting

- B8 You are responsible for making sure you regularly monitor all the school budgets. You must also investigate any variations and take appropriate action to deal with them.
- B9 You must report to the Directing Board / Governing Body if you cannot balance spending and resources within the approved budget. The Directing Board / Governing Body will consider these reports and, where appropriate, make decisions to deal with the shortfall.
- B10 You must send monitoring and outturn reports to the Directing Board / Governing Body or a delegated committee of Directing Board / Governing Body in line with timetables set by Directing Board / Governing Body. The CEO / CFO can advise on the appropriate level of detail and content to be provided in these reports.

Closure of accounts

- B11 The EFSA will notify you each year of the procedures and timescales to be followed in order to finalise the annual accounts.
- B12 The CEO / Headteacher is responsible for producing the annual statement of accounts and for submitting it to the EFA. The format of these statements is set by the EFA and relies on you coding actual expenditure and income correctly to achieve statements that comply with consistent financial reporting requirements. These reports are a public document and are available on the Companies House website.

Financial regulation C – Financial standards and systems

- C1 The CEO / Headteacher is responsible for setting financial management standards for the Academy and for making sure they are adhered to. The CEO / Headteacher is also responsible for making sure the Academy maintains proper professional practices and accounting policies.
- C2 The Directing Board / Governing Body has formal responsibility for the financial management of the Academy Trust which is assessed by the annual completion of the external audit.
- C3 The Directing Board / Governing Body are free to determine how to manage and account for the resources made available to them. The Academy receives delegated funds in respect of the following:

- a the provision of financial and accounting services
 - b the provision of payroll services
 - c the provision of creditor payment and banking facilities
- C4 The CEO / CFO / Headteacher is responsible for keeping the accounting records of the Academy. The records for the Academy are kept on HCSS.
- C5 The CEO / CFO / Headteacher is responsible for determining the way in which accounting principles are applied in respect of Academy budgets and Academy expenditure.
- C6 You must make sure that all accounting records are kept properly and held securely. The records and all related vouchers and documents must be managed in line with the Retention Guidelines for Schools a copy of which can be found in the school office.

Financial regulation D – Audit, control and irregularities

- D1 Internal audit are responsible for carrying out an annual internal audit function and producing a report which is reviewed by the CFO. An annual risk management and asset management review are also carried out. The Responsible Officer (RO) / CEO / CFO will present these reports to the Directing Board / Governing Body and Audit Committee.
- D2 The CEO / CFO / Headteacher must co-operate with, and provide all necessary information for both the internal and external auditor.
- D3 You are responsible for setting up effective and efficient arrangements for internal control. You will ask the CEO / Headteacher for advice on any significant matter if the principles of internal control prove difficult to put into practice or maintain.
- D4 You must let the CEO know immediately about all instances of potential and actual irregularity which affect the Academy's finances.
- D5 Internal and external auditors must be given reasonable access to school premises and to see any documents, records and computer files they may need for the audit period. They can also ask the Directing Board / Governing Body and school staff for information and explanations if they think this is necessary for their audit.
- D6 The external auditor may report directly to the CEO / CFO / Directing Board / Governing Body.

Response to audit reports

- D7 The CEO / CFO / Headteacher must consider and respond promptly to recommendations in audit reports and make sure that any agreed actions arising from audit recommendations are carried out as soon as possible.

Internal control and checks

- D8 The duty of providing information, working out, checking and recording the amounts due to or from the Academy must be separated, as far as possible, from the duty of collecting or paying these amounts.

D9 Wherever possible, you need to make arrangements to make sure that:

- a work, goods and services are ordered properly
- b you acknowledge when they have been received

Financial regulation E - Spending

General

- E1 All payments made on behalf of the Academy will be made using the BACS via the HCSS system or via the Trust bank account, debit card facility or membership card accounts.
- E2 These payments will be made in line with the terms and conditions determined by the CEO / CFO / Headteacher or external company.
- E3 In making these payments, the Headteacher will, where necessary, rely on the certification (electronic or manual) of authorised employees. The Academy will meet from its own budget any costs incurred as a result of a breach arising from its own failings.
- E4 Every employee involved in the procurement process must adhere to the Procurement Regulations set out in the Scheme of Delegation.

Setting up a new vendor

- E5 Before setting up a new vendor you must check that the vendor is not already set up in HCSS.
- E6 Vendors should not be set up to make payments to people, including staff, who should properly be paid through the payroll system.
- E7 A new vendor is set up using a new vendor form. Bank details should be supplied so that the vendor can be paid via BACS.

Raising an order

- E8 Depending on the requirements of E9, and where reasonably necessary, you need to raise official orders when asking for supplies, works or services. You must not raise an order after the supplies have been received or the work carried out, unless it is an emergency or you do not hold the official information at the point of delivery.
- E9 Where reasonably necessary you need to raise an official purchase order for all items or services you buy via the HCSS purchasing module.

However, if there is a fixed-term contract with a supplier, where providing goods and services is already scheduled in the contract, and under the terms of the contract you do not need an instruction to receive the particular goods or service you want, you do not need to raise an order. Instead, you can process the invoice for payment without raising an order. This is achieved by using a non-order invoice payment in the HCSS accounts payable module. See Appendix 1 for examples of how to follow these principles.

The only other reasons for not raising a purchase order are shown below:

- a debit card purchases
- b for emergency work/services
- c official information not held at the point of delivery
- d other payments approved by the CEO / CFO / Headteacher

E10 In line with the school's scheme of delegation, each official order must be approved and the approver must make sure that:

- a the spending is for proper purposes
- b the spending can be met from approved budgets
- d the main fields of the purchase order are filled in correctly (for example, the description of supplies, work or services and delivery address)
- e the spending is charged to the correct cost centre accounting code
- f any staff who have delegated responsibility for a budget keep to these instructions

E11 You must never use official orders to arrange work, supplies and services for private use by yourself, another employee or for a member of the Directing Board / Governing Body.

E12 If there is a clear business need, you can self-authorise orders that you have agreed. In other words, you can approve an order you have raised up to the value stated in the scheme of delegation.

Matching invoices

E13 You must make sure that effective arrangements are in place to make sure that the supplies, services or work needed have been received and are satisfactory before invoices are entered for payment.

Paying invoices

General

E14 Payments must not be made against a statement or any document other than a formal invoice unless the CFO agrees. You can use photocopied, faxed or pdf emailed invoices to replace 'lost' invoices. However, these should be of good enough quality to be scanned in case they are needed in the future. To reduce the risk of duplicate payments, it is important to accurately enter the supplier's invoice reference when posting an invoice.

E15 Creditors can arrange to be paid by direct debit or standing order.

E16 Paid invoices should be kept in school in line with the document retention time of current year plus 6 years.

Certifying invoices

- E17 If an order has been raised using the HCSS purchasing module, invoice details will be entered onto HCSS within the Academy. No further certification process is needed unless the value of the invoice is more than the accepted value of the order. If this is the case, the order will need further authorisation using workflow. If there has been a change to a purchase order, the approver should make sure that they are satisfied that there is justification for the increase in the value of the order.
- E18 If a non-order invoice payment is being made using the accounts payable module within HCSS (see E9), invoices are processed by the Academy using the automated certification or workflow.
- E19 Certifying an invoice for payment manually or electronically within the finance system will mean the following:
- a you have followed the Financial Regulations and the account is correct in all aspects
 - b the supplies have been received, examined and approved in line with the specification, and are satisfactory, and the prices and discounts (if any) are correct and meet the conditions of the contract quotation or order
 - c the invoice can be paid from within approved budgets
 - d entries have been made in inventories if necessary
 - e the invoice has not previously been passed for payment and is due
 - f the invoice complies with the VAT requirements of HM Revenue & Customs
- E20 Invoices must be entered into the finance system as soon as possible and authorised promptly to avoid late-payment penalties. Invoices are paid based on the date on the invoice, not on the date they are entered on the HCSS system.

Payments in advance

- E21 In exceptional circumstances, where the supplier will only deliver on the basis of payment with the order or otherwise in advance, you are responsible for ensuring that the supplies / services are subsequently provided together with a VAT invoice.

Recurring payments

- E22 You are responsible for keeping records of regular payments and will make sure that any payments are correct and not duplicated.

Other checks

- E23 The CEO has the right to carry out any extra checks he considers necessary either before or after payment. He has the right to check that the procedures laid down for authorising and ordering supplies, work or services and examining accounts have been properly carried out.

Goods Purchased by Staff using their own monies

- E24 Goods can only be purchased by staff if agreed in advance by the CFO. If reimbursement is required, receipts must be presented and payment will be made by cash or cheque by the CFO.
- E25 You must have a receipted voucher for any payment over £50. To satisfy HM Revenue & Customs' rules, you must get, at least, a modified VAT invoice for payments under £250 that include VAT. The invoice must show:
- a the name, address and VAT registration number of the supplier
 - b the date the supplies or services were supplied
 - c a description of the supplies
 - d the total amount due including tax; and the rate of tax

Debit cards

- E32 You must make sure of the following for each item bought using your credit card:
- a the spending is for proper purposes
 - b the spending can be met from approved budgets
 - c the spending is charged to the correct cost code
 - d the goods have been received, examined and approved in line with the specification, and are satisfactory. The prices and discounts (if any) are correct or the work done or services provided have been satisfactorily carried out, and the materials used (if any) were of the right standard, and the prices and discounts (if any) are correct
 - e the VAT is accounted for correctly and VAT receipts have been kept
 - f debit cards have not been used to buy work, supplies and services for private use
 - g the use of the debit card has been approved by the CEO / CFO / Headteacher / STL in advance
- E33 You are responsible for ensuring that all staff that have budgetary responsibility adhere to these instructions.
- E34 The Responsible Officer will review a sample of transactions to make sure that purchases are valid; that all transactions have been appropriately authorised and coded, and that VAT has been accounted for correctly.
- E35 You must make sure that there is a procedure in place to avoid mistakenly paying a supplier again when the invoice is received for a debit-card transaction.

Payments to employees

- E38 The Directing Board / Governing Body is responsible for setting the salary scales of the Headteacher and other leadership team members. Payment to each school employee must be made in accordance with the School Teachers Pay and Conditions

Document or The Green Book, National Agreement on Pay and Conditions of Service as appropriate.

- E39 The Directing Board / Governing Body may decide to delegate the power to appoint or vary the contracts of employees other than the Headteacher / Deputy Headteacher to the Headteacher / Business Manager using the scheme of delegation approved by the Directing Board / Governing Body. The power to appoint or vary the contracts of the Headteacher or Deputy Headteacher must not be delegated.
- E40 You, or a member of staff nominated by the Directing Board / Governing Body, must certify all appointments, variations of contract, resignations, dismissals, suspensions, secondments and transfers relating to members of staff in a form approved by the Headteacher.
- E41 A member of staff nominated by the Directing Board / Governing Body other than the Headteacher must certify all appointments, resignations, dismissals, suspensions, secondments and transfers relating to the Headteacher. The minutes of the Directing Board / Governing Body meeting approving such changes should be attached.
- E42 The payroll service, must know as soon as possible and in the form, they have approved (including HCSS being updated at source), about all matters which may affect paying items referred to in E39 or E40.

This includes:

- a absences from work for sickness and other absences which affect pay
 - b changes in pay, other than normal increments and pay awards and agreements which apply to everyone
 - c information needed to keep records of service for superannuation, income tax and national insurance
- E43 Using the payroll services, the CEO / CEO / Headteacher is authorised to pay all salaries and other employment-based payments.
- E45 All employees must be paid in the most economical way – currently BACS – unless the CEO / CFO approves otherwise.
- E46 You must make sure that you have processes in place to make sure that payments made to employees are properly due.

Travelling and subsistence allowances

- E47 You must make sure that all claims for employees' car allowances, subsistence allowances, travelling and other expenses are submitted as soon as possible. They must be signed as authorised and. Copies of VAT receipts must be kept in school in line with the document retention policy.
- E48 The CEO is responsible for making sure that employees who use their cars for school business are properly insured against all third-party risks and that the insurance includes indemnity against any loss.
- E49 Before entering any forms referred to in E40 or E41, you are responsible for checking:

- a travelling and subsistence allowances
 - b the accuracy of the mileage claimed
 - c the purpose of the journeys made
 - d the taxable status of the claim
 - e that they have kept to the allowance regulations and any other decisions we have made (if appropriate)
- E50 The CEO will rely on you to certify and authorise payments for claims. You or another member of the leadership team must certify the travelling and subsistence expenses incurred by the Headteacher, having made the checks in E49 and the Headteacher will rely on such certification.

Allowances to Directing Board / Governing Body

- E51 The Directing Board / Governing Body may be entitled to claim travel and other allowances subject to the policy agreed by the Directing Board / Governing Body. Such claims, other than mileage, are normally paid by cheque. The claim should be made in writing and should be accompanied with any VAT receipts as appropriate. In submitting a claim, the Governor is confirming that this is a true record of expenses they have paid out. For mileage claims the Governor must complete an expenses claim form and accompany it with a VAT receipt. This will be paid through the vendor system. All claims should be certified by you to confirm that they are made in accordance with the agreed policy.

Capital expenditure and leasing

- E52 The Directing Board / Governing Body may use its budget to pay for expenditure of a capital nature. As the County Council owns the premises, the Directing Board / Governing Body must seek the consent of the County Council prior to the proposed works.
- E53 Where a school receives money which is earmarked for capital expenditure, it must ensure that all expenditure charged against the allocation complies with guidance provided by the ESFA.
- E54 The Directing Board / Governing / CEO / CFO can enter into two types of leases under the UK financial reporting standards:
- a finance leases: these are a form of borrowing
 - b operating leases: these are not a form of borrowing
- E55 The Directing Board / Governing Body / CEO / CFO must obtain ESFA approval prior to entering into the following leasing transactions:
- a any finance lease on any asset not included with the DfE approved list
 - b taking up a leasehold or tenancy agreement on land or buildings from any other party for a term of 7 or more years

- c granting a leasehold interest, including a tenancy agreement, of any duration on land and building to another party
- E56 The Directing Board / Governing Body is responsible for the payment of all leasing rentals in accordance with the terms and conditions of the agreement.
- E57 All leasing agreements must be made between the leasing company and the Academy.

Financial regulation F – Income

- F1 Each year you must review and report to the Directing Board / Governing Body with recommendations for approval on all fees and charges over which the Academy has discretion to levy. This is called the Charging and Remissions Policy.
- F2 Any new or revised fee or charge must be approved by Directing Board / Governing Body.
- F3 You must manage all money (cash or credit) due to the Academy in line with our anti-money-laundering strategy (Appendix 2). You must follow detailed procedures relating to collecting income, receipting and banking (as detailed below) at all times.
- F4 You must ensure that income is banked regularly and before school holidays while ensuring that amounts held in school are within the insurance limits.

Collection

- F5 You must make arrangements to make sure all amounts due to the school are recorded. All money recovered must be collected, controlled, banked and accounted for.
- F6 You must make sure that, wherever possible, at least two members of staff are present when post is opened to make sure that postal payments are dealt with properly and recorded as received immediately.

Receipting

- F7 Each staff member who receives money on behalf of the school must acknowledge the amounts received in line with procedures prescribed by the CEO / CFO / Headteacher. You only need to issue official receipts for cash payments (not cheques) for amounts over £50 or if the customer specifically asks for a receipt. You may use your discretion about whether to issue a receipt for amounts of less than £50.
- F8 All official receipt forms or receipt books must be in the form approved by the CFO.
- F9 Every transfer of official money from one member of staff to another must be recorded and signed by the receiving member of staff. Official money is money that has been received and recorded. For example, where a teacher collects money from pupils but does not record what monies have been received, this is not official money until it reaches the office and is recorded.
- F10 Each member of staff who receives money on your behalf must also keep records. This includes an accurate account of all receipts and when money was paid into the bank account.

- F11 Personal cheques must not be cashed out of the money held on behalf of the Academy. Under no circumstances must amounts due to the school be paid into voluntary or private funds, either temporarily or permanently.

Banking

- F12 You must ensure that all money received on the Academy's behalf is paid directly, promptly and intact to the bank using the bank paying-in book. You must not use any other stationery.
- F13 You must add some or all of the following information onto the paying-in slip – whether electronically via HCSS or on paper paying-in slips:
- a the amount of each cheque or postal order
 - b some reference which will connect the cheque or order with the debt or debts (for example, the receipt number or customer's name)
 - c the reference number of either the customer's account or invoice numbers which relate to the payment
 - d if no customer account has been raised, use the code for the budget heading to which the income will be paid into and the value to be paid in
 - e an idea of the purpose and source of the payment if it does not relate to money which is owed to the school
 - f cash must be checked by a second staff member and the paying in slip signed and dated

Sending customer invoices

- F14 A customer invoice should be raised in advance for goods or services or lettings as this avoids the bureaucracy and expense of processing customer accounts. If it is not possible to take payment in advance or at the time of delivery of the goods or services or lettings, then an invoice must be raised as soon as possible after the event.
- F15 A customer invoice should not be raised for a voluntary contribution (eg: for a school trip) or for money owed to a voluntary fund (eg: school fund or PTA).
- F16 You are responsible for ensuring that customer invoices and credit memos are raised as soon as possible after the goods are sold or the service carried out and certainly within 30 days. Accounts raised in HCSS will have an invoice number given to them automatically by the system.
- F17 You must add the date the service is provided when raising customer invoices.

Issuing credit memos

- F18 The amount of a customer account can only be reduced by using an official credit memo or BACS payment to return funds, if the amount was raised by mistake or the invoice contains incorrect information. When a credit memo is raised in HCSS, the system will pass the credit memo to a designated member of staff for approval using workflow principles.

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- F19 If a credit results in changing the VAT originally charged, the credit memo must show the full details that HMRC will need.

VAT

- F20 The Trust is not currently registered for VAT on income.

Debt recovery

- F21 The Directing Board / Governing Body should approve a debt recovery policy which is applied consistently to ensure that customer debt is dealt with in a timely manner and further goods or services are not supplied to customers who have not paid for items already received or used.
- F22 The Directing Board / Governing Body must approve the writing off of any debt in relation to the delegated school budget if over £250. The Directing Board / Governing Body must take into account their review of the age and size of each customer's debt. The CEO / CFO may approve the writing off of any debt of £250 or under.

Financial regulations G- Payroll

- G1 Payroll must be checked and authorised by either the CEO / CFO. Where possible, payroll should be signed by either the CEO / CFO and one other member of the senior leadership team.
- G2 Payroll reports are issued by Stoke payroll services, once internally checked must be signed and dated accordingly.

Financial regulation H - Bank accounts

- H1 The bank account is operated by Lloyds Bank. All cheques must be signed by 2 of the authorised signatories.

Financial regulation I – Assets

Land and buildings

- I1 The CEO will keep a register of all properties that the Academy owns or uses.
- I2 The Director of Law and Democracy is responsible for making arrangements for looking after all title deeds and formal contract documents where the County Council owns the buildings and/or land.
- I3 The Directing Board / Governing Body / Headteacher are responsible for looking after the assets they manage and must make sure that properties are safe, watertight and comfortable.

Stocks and stores

- I5 You are responsible for keeping proper records and for looking after any stocks and stores.

Asset Register

- 16 All items purchased with a value over the academy's capitalisation limit of £1,000 are to be entered in an asset register. However, as ICT equipment represents a large proportion of the academy's expenditure Directing Board / Governing Body made the decision to include the following:

- a Laptops
- b Tablets
- c IWB's
- d Laptop trolleys
- e Projectors
- f Printers

The Asset Register helps:

- a Ensure that staff take responsibility for the safe custody of assets
- b Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- c To manage the effective utilisation of assets and to plan for their replacement
- d Help the external auditors to draw conclusions on the annual accounts and the academy's financial system
- e Support insurance claims in the event of fire, theft, vandalism or other disasters

- 17 The Asset Register must be kept up to date and as a minimum include the following information:

- a date of acquisition
- b adequate description of the asset including any unique identification mark such as a serial number
- c location of asset (including where off-site or allocated to an employee)
- d details of disposal or write-off (including reference to Directing Board / Governing Body' minutes)

- 18 At least once a year you, or a delegated person are responsible for checking that all items on the Asset Register are accounted for. You must ensure that the Asset Register is certified by a person who is independent of the employee maintaining the Asset Register.

- 19 Property must not be removed from the Academy unless it is in the ordinary course of business. You must ensure that any property removed from and returned to Academy is recorded. You must also ensure that Academy property that is allocated to a member of staff (eg: laptop) is recorded and is returned when the member of staff leaves or the property is replaced. Property can only be used for Academy purposes unless you issue specific instructions otherwise.

- I10 Whenever an employee hands over, leaves or is no longer responsible for any of the Academy's property which is entered on an Asset Register, you must, wherever possible, check that the property is sound.
- I12 Property may be written off and removed from the Asset Register by the CEO / CFO if valued up to £1,000, the Finance Committee if valued up to £5,000 and by the Directing Board / Governing Body if valued over £10,000.

Security

- I13 The Headteacher is responsible for arranging proper security for all assets and records under their control.
- I14 The Headteacher is responsible for adhering to the DfE's digital and technology standards, particularly around cyber security.
- I15 In relation to computers and information technology, the Directing Board / Governing Body is required to approve and implement an ICT Security Policy.
- I16 You must not exceed the maximum limits for unbanked money. This level will normally be the insurance limit of the school safe.
- I17 The person responsible must keep on them any keys to safes, cash boxes, and other places in which money or valuables are stored.

Selling spare equipment

- I17 You are responsible for dealing with any spare equipment you do not need. The Academy may keep the proceeds from selling assets unless the asset was bought using non-delegated funds.
- I18 The Academy may not sell land or buildings without obtaining the relevant permissions, which will vary depending on the type of Academy. If selling property, the County Council own generates a capital receipt, this receipt is not automatically available to be spent on the Academy.
- I24 Equipment, may be sold over the internet (for example, eBay). However, if they are, they must be sold in line with the Distance Selling Regulations (2005) (as amended or re-enacted).
- I26 You must be particularly careful when selling goods to members of staff to ensure that they are not able to purchase goods or equipment at below market value.
- I27 You must not release any items sold before you receive payment. If payment is made by cheque, this must be cleared before the items are released.

Tangible Assets Policy

- I28 This includes:
 - a. capitalisation limit of £1,000 per individual item proposed by the Academy
Depreciation guidance:
 - 1. Buildings (both freehold and leasehold) - 50yrs straight line

2. Plant & Machinery - 10yrs straight line
3. F&E - 5yrs straight line
4. ICT equipment – 3yrs straight line

Intangible Fixed Assets

- I29 Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows
- a Purchased computer software – 3yrs straight line

Financial regulation J – Insurance

- J1 The CEO / Headteacher is responsible for arranging appropriate minimum levels of insurance.
- J2 The CEO / Headteacher will negotiate claims with insurers.
- J3 You must notify the insurance company as soon as possible about all new risks, properties or vehicles that need to be insured and about any changes which affect existing insurance.
- J4 You should make sure that school staff involved in insurance claims do not admit liability as this will affect the insurance cover.

The Seven Principles of Public Life - K

- K1 Selflessness – Holders of public office should act solely in terms of the public interest.
- K2 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.
- K3 Objectivity – Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- K4 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.
- K5 Openness – Holder 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 doing so.
- K6 Honestly – Holders of public office should be truthful.

- K7 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.

This information can be made available in a range of formats and languages, including Braille and large print. If this would be useful to you or someone you know, please contact your Directorate HR Unit.

A signed version of this document is available from the school office.

Version Control

Version	Date Approved	Changes	Reasons for Alterations
2	07.10.2015	Finance Officer replaced with Bursar throughout E1 - Annual RO audit and Risk Management and Risk Management audit E51 - TRAV4 replaced with T&E100	Staffing Change
3	13.07.2016	E24 – removal of £20 limit	Audit Recommendation
4	19.07.2017	Change from SAP finance software to HCSS E9 b Add SBM H29 Intangible Fixed Assets added Capitalisation limit increased to £1,000	FRS102
5	July 2018	Changed 'Business Manager' to 'Bursar' following a change on staff	Staffing Change
6	Oct 2020	Changed 'Bursar' to 'Business Manager/s' following staff changes	Staffing change
7	Dec 2020	Changed additional bursars to business managers Punctuation changes Renumbered correctly in appendix 1	Staffing change Justification and capitals Incorrect previously M Booth
8	Mar 21	Added 'Review – annually by Directors"	Staff instruction Accessibility
9	Mar 22	Change made to H12, disposal of assets thresholds added	Audit recommendation
10	July 23	No changes	Accessibility
11	September 23	Updated policy wording	Accessibility
12	July 24	Updated payroll systems	Audit requirement
13	March 25	Changes in line with the Academy Handbook and updated procurement legislation	Legality

Appendix 1

Non-order invoicing – examples (see E9)

Flowchart for considering when to use non-order invoices in HCSS:

- 1 Is there a fixed-term contract with the supplier? If no, raise an order. If yes, go to question 2.
- 2 Do the terms of the contract need an instruction to access the particular goods or service wanted? If yes, raise an order. If no, an order is not needed and you can pay the invoice using the non-order route in the account's payable module.

Examples

- 1 Boiler servicing and maintenance contract:
 - a The Academy has a fixed-term contract to service and repair the boiler. The contract includes a yearly service including labour but not parts. As this is a fixed-term contract, go to question 2
 - b Each year the school updates the schedule for the boilers and sends it to the company instructing the supply for that year's servicing. Because of this, you need to raise an order
 - c If parts are needed to carry out repairs, the company will probably ask for approval to go ahead and fix the boiler. You will need to raise an additional order for the parts
- 2 Supply of bottled water:
 - a The Academy has a contract for bottled water. This is a fixed-term contract, so go to question 2
 - b The terms of the contract mean's you need to give an instruction to the company which supplies water and so you need to raise an order
- 3 Supply of photocopiers and copying charges:
 - a The Academy has a contract for photocopiers which includes yearly fixed leasing costs of the copiers and variable copying charges based on usage. This is a fixed-term contract, so go to question 2
 - b The terms of the contract mean there is no further requirement for you to instruct the company to supply this service. Because of this, you do not need to raise an order

.Appendix 2

Anti-money-laundering strategy

- 1 Money laundering is the term used for a number of offences involving receiving the proceeds of crime or terrorism funds.
- 2 Any member of staff could be caught under the money laundering provisions, if they suspect money laundering and either become involved with it in some way or do nothing about it. This strategy sets out how any concerns should be raised.
- 3 While the risk to us of breaking the law is low, it is important that all employees know their responsibilities as serious legal action may be taken for breaking the legislation. The main requirement is to promptly report any suspected money laundering activity to the CEO /CFO / MLRO.
- 4 Any employee who suspects money laundering must report this promptly to the CEO / CFO / money laundering reporting officer (MLRO).
- 5 You must not reveal your suspicions to the person suspected of money laundering. You must not discuss the matter with anyone else or add a note on the file that a report has been made to the CEO / CFO / MLRO in case this results in the suspect becoming aware of the situation.

Examples

- 1 You must not accept a cash payment if it is more than £2,000 (cash is defined as notes, coins or traveller's cheques in any currency).
- 2 You must not accept payment for childcare by way of childcare vouchers and later refund the parent for unused childcare by cash or cheque.
- 3 If you receive a donation over £2,000 you need to make sure that you know who has made the donation and that the person or organisation is bona fide. Be particularly careful if the donor expects you to pay them for some goods or services out of the donation.

Glossary

BACS	Banker's Automated Clearing Services, electronic transfer of money
DfE	Department for Education
EU	European Union
HMRC	Her Majesty's Revenue & Customs, the tax collection agency for the UK
HR	Human Resources
ICT	Information and Communication Technologies
MLRO	Money Laundering Reporting Officer
OJEU	Official Journal of the European Union
PQQ	Pre-Qualification Questionnaire
PSBO	Public Sector Buying Organisation
PTA	Parent Teacher Association, a fundraising organisation for the school
HCSS	The County Council's finance system
SCC	Staffordshire County Council
SLN	Staffordshire Learning Net, the intranet for schools in Staffordshire
TUPE	Transfer of Undertaking Protection of Employment Regulations
VAT	Value Added Tax