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**FINANCE POLICY &**

**PROCEDURE MANUAL**

**2023/24**

Reviewed: December 2023

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1. **Introduction**
	1. The purpose of this manual is to ensure that the school 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 the school’s funding agreement with the Department for Education (DfE) / Education and Skills Funding Agency (ESFA).

The duties and obligations of the Academy are set out in The Academy Trust Handbook 2023. The handbook together with the finding agreement describes the financial relationship between the ESFA and the academy. The handbook covers all of the requirements under the financial accountability system for the academy.

Edge Academy’s Financial Policies and Procedures manual expands on the ESFA guidance and provides detailed information on the Academy’s accounting policies and systems. The manual should be read by all employees involved with financial systems.

1. **Organisation**
	1. Edge Academy is a single academy trust. The academy has defined the responsibilities

 of each person involved in the administration of school finances to avoid the duplication

 or omission of functions and provide a framework of accountability for trustees and

 staff. The financial reporting structure is described below:

**The Board of Trustees**

* 1. The Board of Trustees has overall responsibility for the administration of the school’s

 finances. The main responsibilities of Board of Trustees are prescribed in the Funding

 Agreement between the academy and the DfE.

 The board has delegated functions to the following committees:

* Finance, Staffing and Safety Committee
* Audit Committee (within Finance, Staffing and Safety Committee)
* Outcomes and Curriculum Committee
* Personnel (Staffing) Committee

 As and when required the following committees shall be convened:

* Pupil Discipline Committee
* Complaints Committee
* Appeals Committee
* Head Teacher/Principal Appraisal Committee
* Selection Panel (Principal and deputy)

In the event of Urgency Powers being invoked by the Chair of Trustees, this will be recorded in writing, advised to the next meeting of the Governing Body.

2.3 **Finance, Staffing and Safety Committee (Finance, Procurement & Pay)**

The committee has responsibility delegated by the board of trustees to:

Finance

* Review/approve all policies relevant to finance and roles of the committee.
* Approve the annual budget and recommend it to the board of trustees for ratification.
* Approve the budget forecast return outturn (BFRO) and present it to the board of trustees for ratification.
* Approve the three-year budget forecast return (BFR3Y) and present it to the board of trustees for ratification.
* Receive and review monthly management accounts (Management accounts must be shared with the chair of trustees every month and with the other trustees six times a year).
* Ensure appropriate action is taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
* 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.
* Ensure that any investment risks are properly managed.
* Approve expenditure and virements of sums over £10,000 sums below that amount are delegated to the Principal.
* Assess the financial progress towards achieving the objectives in the academy improvement plan.
* Review and approve a written scheme of delegation of financial powers that maintains robust internal controls.

Procurement:

* Ensure that spending has been for the purpose intended and there is probity in the use of public funds.
* Ensure spending decisions represent value for money.
* Ensure internal delegation levels exist and are applied.
* Ensure a competitive tendering policy is in place and applied, and where necessary Official Journal of the European Union (OJEU) procurement thresholds is observed.
* Ensure professional advice is obtained where appropriate.
* Ensure requirements for managing related party transactions are applied across the trust.
* Ensure that ‘at cost’ requirements are adhered to.
* Review of leases and contracts.
* Obtain quotations with a view to placing contracts/orders, once the relevant committee has drawn up a specification.

Staff Pay:

* Undertake functions in relation to appraisal and pay progression as determined in the pay policy
* ensure that 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. The board must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable.

2.4 **Audit Committee (within Finance, Staffing and Safety Committee)**

The committee has responsibility delegated by the board of trustees to:

* Agree and direct a programme of work annually to deliver internal scrutiny that provides coverage across the 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.
* Review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year (*furthermore, the risk register must be reviewed by the full board at least once per year*).
* Review the fixed asset register.
* 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.
* Report to the board on the adequacy of the trust’s financial and other controls and management of risk *(This must include controls around non-financial risks as well financial ones).*

2.5 **The Accounting Officer**

The Principal is the designated Accounting Officer and as such is personally

responsible to Parliament and the ESFA’s accounting officer for the financial resources

under the school’s control. The Accounting Officer must be able to give assurance of

high standards of probity in the management of public funds and adhere to the “Seven

Principles of Public Life” as set out in The Acadamies Financial Handbook.

 The Accounting Officer will ensure financial procedures achieve:

* regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust’s funding agreement and the Academy Trust Handbook, and compliance with the trust’s internal procedures. This includes spending public money for the purposes intended by parliament;
* propriety - the requirement that expenditure and receipts should be dealt with in accordance with parliament’s intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance
* value for money – achieving the best possible educational and wider societal outcomes, within the trust’s objects, through the economic efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

 The Accounting officer is accountable to the governing body for:-

* Ensuring that all school property is under the control of the trustees, and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers;
* Ensuring bank accounts, financial systems and financial records are operated by more than one person;
* Keeping full and proper accounting records;
* Preparing accrual accounts, giving a true and fair view of the school’s use of resources, in accordance with existing accounting standards

 The Principal retains responsibilities for:-

* Approving new staff appointments within the authorised establishment
* Authorising payroll payments and amendments
* Approving contracts up to the amount stated in the Scheme of Delegation reporting these decisions to the Finance Committee
* Signing cheques detailed in the scheme of delegation
* Debit Card Holder
* On-Line Banking and BACS Authorisation

The accounting officer must advise the board of trustees in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the Handbook or Funding Agreement. Similarly, the accounting officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the Handbook or Funding Agreement. Where the board of trustees is minded to proceed, despite the advice of the accounting officer, the accounting officer must consider the reasons the board gives for its decision. If, after considering the reasons given by the board, the accounting officer still considers that the action proposed by the board is in breach of the Handbook or Funding Agreement, the accounting officer must advise the ESFA’s accounting officer of the position in writing

**Chief Financial Officer (CFO)**

The Vice Principal operates as the Chief Financial Officer (CFO) and works in close collaboration with the Principal. The CFO has direct access to trustees via the Audit Committee, Finance, Staffing and Safety Committee and the Board of Trustees. The main responsibilities of the CFO are:

* The management of the school’s financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
* The maintenance of effective systems of financial control;
* Submitting grant applications, reports and returns to the DfE, ESFA, The Teachers Pension Agency, HMRC and other agencies;
* Ensuring that the annual accounts are properly presented and adequately supported;
* Overseeing the preparation of monthly consolidated management accounts for review by the Finance, Staffing and Safety Committee.
* Virement decisions within approved budgets; within Committees delegated powers;
* Authorising orders, payments and the award of contracts within agreed limits;
* Reviewing and signing off bank reconciliations on a monthly basis;
* Monitoring the monthly budget reports and acting on overspends or risk, escalating to the Accounting Officer as appropriate.
* Review of the VAT return prepared by the Business Manager.
* Ensuring all transactions is in accordance with the Academy Trust Handbook seeking authority for items from the ESFA where appropriate.
* Completion and submission of the School resource management self-assessment tool checklist to the ESFA annually.

**Business Manager**

2.6 The Business Manager works in close collaboration with the Principal through whom he or she is responsible to the Board of Trustees. The main responsibilities of the

 Business Manager are:

* Day to day operation of financial procedures and systems
* Receipt of cash
* Banking
* Order and invoice processing
* Payments – including cheque, debit card transactions and BACS
* Monthly reconciliation of bank, payroll and control accounts
* Maintenance of financial systems and records

**Vice Principal**

2.8 The Vice Principal will assume the financial responsibilities if the Principal

 is absent.

 The Vice Principal is also authorised to perform the following financial duties:

* Signing cheques
* Authorising purchase orders within approved budget limits
* Debit Card Holder
* On-Line Banking and BACS Authorisation
* Approval of HR and payroll adjustments

 **Other Staff**

* 1. All staff are responsible for the security of school property, for avoiding loss or damage,

 for ensuring economy and efficiency in the use of resources and for conformity with the

 requirements of the school’s financial procedures.

 **Register of Interests**

2.10 It is important for anyone involved in spending public money to demonstrate that they

 do not benefit personally from the decisions they make. To avoid any misunderstanding

 that might arise all governors and staff are required to declare any financial interests

 they have in companies or individuals from whom the school may purchase goods or

 services. The register is open to public inspection.

 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 school. 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.

 The existence of a register of business interests does not, of course, detract from the

 duties of trustees and staff to declare interests whenever they are relevant to

 matters being discussed by the Board of Trustees or a committee. Where an interest

 has been declared, trustees and staff should not attend that part of any committee or

 other meeting.

 It is the role of the Clerk to Governors to ensure the Register of Business Interests

 is kept up to date.

 **Gifts & Hospitality Policy**

* 1. Gifts of alcohol are not permitted to be purchased.

To accept gifts should be the exception. Small thank-you gifts of token value such as a box of chocolates, not over £20 in value may be accepted. For transparency, the Principal should be notified of any gift accepted.

Gifts should be refused if it is believed that the giver has an ulterior motive and should never be accepted from anyone who is, or may be in the future, tendering for a contract, seeking employment or is in dispute with the academy.

Where purchases include a free gift this should be given to the Business Manager or Principal to be used for school business.

Acceptance of hospitality that is part of an official conference, seminar or curriculum event related to work is acceptable.

Acceptance of other hospitality must be approved in advance by the Principal and in the case of the Principal by the Chair of Finance, Staffing and Safety committee.

The Principal should be consulted if there is any doubt about the acceptability of any gift or hospitality.

* 1. **Internal Scrutiny**

The Academy Trust must have a programme of internal scrutiny to provide independent assurance to the Board that its financial and non-financial controls and risk management procedures are operating effectively.

Internal scrutiny must:

* Be independent and objective – for example it must not be performed by the trust’s own accounting officer, chief financial officer or other members of the senior leadership or 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 and risk 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 and risk committee by the person(s) or organisation(s) carrying out the programme of work, incorporating:

A report of the work to each audit and risk committee meeting, including recommendations where appropriate to enhance financial and non-financial controls and risk management

An annual summary report to the audit and risk committee for each year ended 31st 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 and risk committee is responsible for overseeing the internal scrutiny, the

findings must also be made available to all trustees promptly.

The trust must submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the ESFA by 31st December each year when it submits its audited annual accounts.

1. **Financial Planning**

3.1 The Academy Trust prepares and monitors budgets and financial plans to ensure

 ongoing financial health, in accordance with the Academy Trust Handbook.

Procedures outlined in the Handbook include:

* The Board of Trustees must approve a balanced budget for financial years

 ending 31st August;

* A Budget Forecast Return Outturn and a 3-year Budget Forecast Return must be submitted by specified deadlines each year. These must be approved by Trustees;
* Budget forecasts must be compiled accurately and be based upon realistic assumptions;
* Management Accounts must be prepared each month setting out financial performance and position and including variance reports and cash flow forecasts;
* Management accounts must be shared with the Chair of Trustees every month

and with other Trustees six times a year to consider and ensure that appropriate action is being taken to maintain financial viability.

* Take an integrated approach to curriculum and financial planning to give confidence about planning the best curriculum and delivery of educational priorities with the funding available.

 **Annual Budget**

3.2 The Principal is responsible for preparing and obtaining approval for

 the annual budget. The budget must be approved by the Board of Trustees.

 The approved budget must be submitted to the ESFA by designated deadline each

 year and the Principal is responsible for establishing a timetable which

 allows sufficient time for the approval process and ensures that the submission

 date is met.

 The annual budget will reflect the best estimate of the resources available to the

 school for the forthcoming year and will detail how those resources are to be

 utilised. There should be a clear link between the budget and the school improvement plan.

 The budgetary planning process will incorporate the following elements:

* forecasts of the likely number of pupils to estimate the amount of grant receivable;
* review of other income sources available to the school;
* review of past performance against budgets to promote an understanding of the school cost base;
* identification of potential efficiency savings and
* review of the main expenditure headings in light of the key objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

 The budget should be accompanied by a statement of assumptions and hierarchy of

 Priorities. The budget should be seen as a working document which may need revising

 throughout the year as circumstances change.

1. **Accounting System**
	1. All the financial transactions of the school must be recorded on the Iris Financials

 accounting system. The Iris Financials system is operated by the Business Manager and consists of:

* Journals
* Nominal Ledger
* Bank Transactions
* Purchase Ledger
* Sales Ledger

**System Access**

* 1. Entry to the Iris system is password restricted and users are expected to change

 Their passwords not less than termly.

 The Business Manager, as the only finance member of staff, is the principle user of the

 System and has full access.

 **Transaction Processing**

* 1. 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. Detailed information on the operation of the Iris Financials system can be found in the user manual.

 **Reconciliations**

* 1. The Business Manager is responsible for ensuring the following reconciliations are

 performed each month, and that any reconciling or balancing amounts are cleared:

* VAT control account:
* Sales ledger control account;
* Purchase ledger control account;
* Payroll control account;
* Bank accounts, including a review of unreconciled items.

Any unusual or long outstanding reconciling items will be reviewed and by the Business Manager.

 The Business Manager is responsible for preparing BACS payment runs and these are authorised by the CFO or Principal.

 Where cheques are raised these are signed in accordance with the bank mandate, requiring at least two signatures.

**Management Accounts**

* 1. The Business Manager is responsible for producing monthly Management Accounts

 for review by the CFO. The Management Accounts will be reviewed by the Principal and

 shared with the Chair of the Board of Trustees every month and with other trustees at

 least six times a year.

 Reports will show income and expenditure against budget and will provide sufficient information to enable trustees to assess the financial viability of the academy.

The accounts should be timely and highlight 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. All budget virements must be authorised by the Principal in accordance with the limits set out in the scheme of delegations.

1. **Payroll**

 The main elements of the payroll system are:

* staff appointments;
* payroll administration and
* payments.

5.1 **Staff Appointments**

 The Board of Trustees has approved a personnel establishment for the school and any

 changes can only be made with the approval of the board who must ensure

 that adequate budgetary provision exists for any establishment changes.

The Principal has authority to appoint staff within the authorised establishment. The Board of Trustees are responsible for the appointment of the Principal and other senior leadership roles. The Business Manager ensures personnel files are maintained for all members of staff which include contracts of employment and so all personnel changes must be notified to the Business Manager immediately.

5.2  **Payroll Administration**

 The school payroll is administered by the LA Payroll Services and HR support is provided

 by Birmingham City Council HR and Payroll Team.

All staff members are paid monthly by BACS payments and a master file for each

employee is held in the Oracle portal and includes:

* salary;
* bank account details;
* taxation status;
* personal details and
* any deductions or allowances payable.

New appointment details or adjustments can only be created by the Business Manager and any amendments made must be authorised by the Principal or Vice Principal.

Staff changes, new starters, leavers and absences are authorised by the Principal or Vice Principal.

5.3 **Payments**

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 received for verification by the Principal.

The Business Manager 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, which should be approved by the Principal.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation, including tax, National Insurance and pensions contributions. The amounts payable are summarised on the gross to net report and BACS payments for these amounts are automatically processed by them.

After the payroll has been processed the Business Manager will make postings to the relevant nominal cost centres and maintain a reconciliation showing the cumulative expenditure on salaries, NI, teachers pension contributions and non-teaching staff pension contributions.

1. **Purchasing**
	1. The school wants to achieve the best value for money for all purchases and thus aim to

 obtain goods in the correct quality, quantity and time at the best price possible.

 A large proportion of purchases will be paid for with public funds and the school needs to

 maintain the integrity of these funds by following the general principles of:

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

 **Routine Purchasing**

* 1. The Principal and deputy are the designated budget holders for school

 funds. The budget holders are responsible for managing the budget to ensure that the

 funds available are not overspent.

 The budget holders approval must be obtained before placing an order for goods or

services. In the case of regular daily/weekly orders the budget holder may give

authorisation for up to one month ahead subject to pre-agreed financial limits.

 It is the responsibility of staff placing orders to ensure that value for money is obtained

and compliance with the scheme of delegations and financial controls. The Business Manger should be consulted to establish if there is a preferred supplier for the goods or service in question.

 A quote or price must always be obtained before placing orders.

 All orders must be placed using either an internal requisition form or other

 documentation detailing order details, signed by the Principal or Vice Principal.

 For Purchase Order requisitions, an official order will be produced from the financial

 accounting system by the Business Manager and issued to the supplier.

 In circumstances where the supplier requires an alternative method of payment, the

 budget holder may authorise the use of the school debit card subject to prior approval

 obtained using the appropriate internal requisition form.

 **Receipt of Goods**

* 1. Employees placing orders must make appropriate arrangements for the delivery of

 goods to the school and upon receipt, undertake a detailed check of the goods received

 against the original order and the goods received note [GRN]. Any discrepancies

 between the goods delivered and the GRN must be discussed with the supplier of the

 goods without delay. Agreed delivery notes should be signed, dated and returned to the

 Business Manager.

 If any goods need to be returned to the supplier because they are not as ordered or are

 of sub-standard quality, the Business Manager should be notified; and they will organise

 goods for collection and keep a central record of all goods returned to suppliers.

 **Debit Cards**

* 1. School debit cards will be in the school name and issued to the Principal, Vice

 Principal and Business Manager.

 The safe keeping and use of school debit cards is the responsibility of the card holder.

 When not in use the debit cards shall be stored in the school safe.

 The Principal, Vice Principal or Business Manager shall approve the transfer of funds

 from the main school account to the debit card account. The amount held in the debit

 card account shall not exceed £1500.00 unless it is anticipated that a greater amount

 shall be required for a specific purchase that will clear the account within 14 days.

**7. Invoices and Payment**

7.1 All invoices will be reviewed by the Business Manager to ensure they include the following:

* order number;
* details of goods or services supplied:
* authorised by an appropriate member of staff who is able to confirm receipt of the goods or service:
* date:
* full name and address of the supplier and VAT number where appropriate
* VAT treated correctly

To ensure an appropriate separation of duties invoices should, wherever possible, be signed by a member of staff who is able to confirm receipt of the goods/services other than the Business Manager, Principal or Vice Principal who are responsible for the approval and payment of invoices.

 The Business Manager will attach the signed delivery note to the invoice where this is

 available and then enter the details onto the financial system. Any anomalies between

 the invoice amounts and the original order will be reported to the budget holder to

 investigate.

 Invoices are authorised for payment on the finance system by the Business Manager

 in his/her absence a nominated deputy approved by the Principal.

 The Business Manager will prepare a BACS payment for invoices that have been

 approved. The BACS payment will then be approved by the Principal or Vice

 Principal – ensuring that two individuals have been involved in the BACS transaction.

 Cheques must be signed and authorised by 2 nominated signatories.

The remittance advice for payments will be dispatched to suppliers and supporting records will be retained.

**8. Scheme of Delegations**

 **Orders under £10,000**

8.1 Approval of Purchase Orders under £10,000 is delegated to the Principal. The Principal may authorise budget holders to approve purchases within approved budget limits.

 Two quotations should be obtained for orders between £5,000 and £10,000. Approval shall be obtained from the Principal for all purchases between £5,000 and £10,000 where single source action is proposed. A record of the approval shall be retained for audit purposes (Appendix 1).

 **Orders between £10,000 and £49,999**

* 1. At least three quotations should be obtained for all orders between £10,000 and £29,999

 to identify the best source of the goods/services and retained with the orders for audit

 purposes. The Chair of Finance, Staffing and Safety Committee shall approve orders

 between £10,000 and £49,999.

 Approval shall be obtained from the Chair of Finance, Staffing and Safety Committee for all purchases over £10,000 where single source action is proposed and for all cumulative spend over £25,000 to a single source. A record of the approval shall be retained for audit purposes (Appendix 1).

 **Orders over £50,000**

8.3 All goods/services ordered with a value over £50,000 will be subject to formal tendering

 procedures and the authorising the award of those contracts by the Board of Trustees.

 Where appropriate EU procurement rules which require advertising in the Official

 Journal of the European Union [OJEU] shall be followed. Guidance on the OJEU

 thresholds is available at [www.gov.uk](http://www.gov.uk)

 **Virement between Budgets**

8.4 Approval of virements under £10,000 is delegated to the Principal.

 Virements over £10,000 must be approved by the Chair of the Finance, Staffing and

 Safety committee.

9 **Forms of Tenders**

9.1 Tenders may take one of three forms: open, restricted and negotiated. The

 circumstances in which each procedure should be used are as follows:

* **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 supplier’s 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**

9.2 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.

 **Invitation to Tender**

9 3 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.

 **Aspects to Consider**

9.3.1  ***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.
* Scope for negotiation

9.3.2 ***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.

9.3.3 ***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**

9.4 The invitation to tender should state the date and time by which the completed tender

 document should be received by the school. 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**

9.5 All tenders submitted should be opened at the same time and the tender details

 recorded. The persons that should be present for the opening of tenders as follows:

* For contracts up to £49,999 the Principal and the Business Manager
* For contracts over £50,000 the Principal, the Business Manager and a member of the Board of Trustees. .

 A separate record should be established to record the names of the firms submitting

 tenders and the amount tendered; and this must be signed by the people present at

 the tender opening.

 **Tendering Procedures**

9.6 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.

 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 a report should be

 prepared for the Finance Committee highlighting the relevant issues and

 recommending a decision.

 Where required by the conditions attached to a specific grant from the ESFA 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 to the

 academy or occasionally from a specialist provider. All parties should then be informed

 of the decision.

**10 Income**

10.1 The two principle sources of income for the school are grant from the ESFA and

 Commissioner Top-Up payments from other schools.

 The receipt of all income is monitored directly by the Business Manager who is

 responsible for ensuring that all grants and other income due to the academy is

 collected and accounted for accurately.

 The school may also obtain income from:

* parents for lunches, transport and after school activities in accordance with the charging policy;
* partners for sponsorship
* Lettings

 **Lettings**

* 1. The Business Manager is responsible for maintaining records of bookings

 identifying the sums due from each organisation. Invoices will be raised and issued as

 appropriate. A record of all invoices raised will be kept in the invoice (receipts) file.

The Business Manager is responsible for regular review of outstanding invoices and monitoring collection of sums due to the school and escalating any matters relating to non-payment.

 **Custody**

* 1. All cash and cheques are kept in the office safe prior to banking and banking should

 take place every 2 weeks or more frequently if the sums collected exceed the insurance

 limit.

 Monies collected must be banked in their entirety in the appropriate bank account. The

 will be posted onto Iris Financials by the Business Manager. Amounts banked will be

 reconciled by the Business Manager during the bank reconciliation process.

1. **Cash Management**

##  Bank Accounts

11.1 The opening of all accounts must be authorised by the Board of Trustees and the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements should be recorded.

 The academy shall manage its cash position robustly to avoid becoming overdrawn. The Finance, Staffing and Safety Committee shall monitor the cash position and approve a reserves policy.

## Deposits

11.2 Particulars of all deposits are recorded and include:

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

## Payments and withdrawals

11.3 All cheques and other instruments authorising payments and withdrawals from academy bank accounts up to the value of £100,000 must bear any 2 signatures one of which must be the Principal or Vice Principal. Above this limit and up to £300,000 would also require the approval of the Chair of Finance, Staffing and Safety Committee except for monthly salary payments.

This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees of the academy. Authorised signatories must not authorise a payment relating to goods or services for which they are being reimbursed.

## Administration

## The Business Manager must ensure bank statements are reconciled at least monthly.

##  Reconciliation procedures must ensure that:

* all bank accounts are reconciled to the academy’s finance system;
* adjustments arising are dealt with promptly.

## Reconciliations must be seen and countersigned by the Principal on a monthly basis.

## Petty Cash Account

* 1. The school does not hold a petty cash fund.

## 12. Cash Flow Forecasts

12.1 The Business Manager is responsible for preparing cash flow forecasts with to ensure that the school 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.

**13** **Investments**

13.1 Reinvestment of funds already invested can be done so by the Principal if funds are not

 required for the duration of the investment period.

New investments are made once approval of the Board of Trustees is obtained.

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.

**14**  **Fixed Assets**

## 14.1 Asset register

All items purchased with a value over the academy’s capitalisation limit of £500 must be entered in an asset register. The asset register should include the following information:

* asset description
* asset number
* serial number
* date of acquisition
* asset cost
* useful economic life
* depreciation
* current book value
* location
* name of staff member 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.

## Security of assets

14,2 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 school’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 governing body. Inventories of school property should be kept up to date

and reviewed regularly. Where items are used by the school but do not belong to it this

should be noted.

## Disposals

 Items which are to be disposed of by sale or destruction must be authorised for disposal

 by the Board of Trustees and, where significant, should be sold following competitive

 tender.

 The school 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 school obtained value for money in any sale or scrapping of equipment. In addition,

 there are complications with the disposal of computer equipment, as the school would

 need to ensure licences for software programmes have been legally transferred to a new

 owner.

 The school is expected to reinvest the proceeds from all asset sales for which capital

 grant was paid in other school assets. If the sale proceeds are not reinvested then the

 school must repay to the ESFA/DfE a proportion of the sale proceeds.

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

##  Loan of Assets

* 1. Items of school property must not be removed from school premises without the

 authority of the Principal. A record of the loan must be recorded in a loan book and

 booked back into the school 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

 school’s auditors.

* 1. **Capitalisation & Depreciation**

Assets costing £500 or more shall be capitalised as tangible fixed assets and carried in the accounts at original 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 the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use the asset, the related grants are credited to the restricted asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is charged on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

* Freehold Buildings – straight line over 50 years
* Fittings and Equipment – 33% of reducing balance
* Computer hardware – 33% straight line

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 the recoverable amounts are recognised as impairments. Impairment loses are recognised in the Statement of Financial Activities.

15 **Fraud Policy**

15.1 The academy is committed to ensuring committed to ensuring that it acts with integrity

 and has high standards of personal conduct. Everyone involved with the Trust has a

 responsibility in respect of recognising a potential fraud, preventing and detecting fraud.

 The academy also recognises the role of others in alerting them to areas where there is

 suspicion of fraud.

The Trust must notify the ESFA, as soon as is operationally practical based on its particular circumstances, of any instances of fraud or theft exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

* full details of the event(s) with dates
* the financial value of the loss
* measures taken by the Trust to prevent recurrence
* whether the matter was referred to the police (and why if not) and
* whether insurance cover or the risk protection arrangements have offset any loss.

The ESFA will not tolerate fraud. It reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity, in any academy Trust, either as the result of a formal notification from the Trust itself or as the result of other information received. The ESFA may involve other authorities, including the police as appropriate. The ESFA will publish reports about its investigations and about financial management and governance reviews at academy Trusts in line with its own policy on publishing information. The ESFA also publishes guidance on reducing the risk of financial irregularities. Trusts should refer to this information, and to the findings from ESFA’s investigation reports as part of its risk management approach.

It is the duty of all staff and Members/Trustees to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the Audit & Risk Committee, internal and external auditors on the adequacy of the measures taken by the Trust to ensure financial compliance.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Nene Education Trust, its staff or Members/Trustees/Governors.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

* **Theft** – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
* **Fraud** – the intentional distortion of financial statements or other records by persons internal and external to the Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
* **Bribery and corruption** (Gifts & Hospitality – see separate policy) – involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
* **Failure to observe,** or breaches of, Scheme of Delegation and Financial Regulations;
* **Failure to observe,** or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potential significant financial consequences.

If in any doubt about whether a matter is an irregularity or not, staff must refer to the Chief Executive Officer.

Any change in policy requires the approval of the Board of Trustees.

**16 WHISTLEBLOWING POLICY**

The Board of Trustees is committed to the highest possible standard of operation, probity and accountability. In line with that commitment, employees and others with serious concerns about any aspect of the academy’s work are encouraged to come forward and voice those concerns. The academy will ensure that all concerns raised are responded to in a fair manner. The whistleblowing policy makes it clear that employees can do so without fear of reprisals; it is intended to encourage and enable employees to raise serious concerns within the academy rather than overlooking a problem or alerting anyone external to the academy. It is recognised that cases may have to proceed on a confidential basis.

The Whistleblowing Policy is communicated to all employees upon induction and is available through the staff portal and is published on the website.

December 2023

Review Date: December 2024

**SINGLE SOURCE JUSTIFICATION Appendix 1**

This form must be completed for all purchases of goods or services over £5,000 (or lower if determined by the procurement policy) where single source action is proposed. It should be retained for audit purposes to justify the decision not to comply with the procedures laid down in the Purchasing Manual.

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Requisition No | Project Name | Funding Source |
|  |  |  |  |

**Contact Information**

|  |  |  |
| --- | --- | --- |
| Name | E-mail Address | Phone No/Ext No |
|  |  |  |

**Contractor/Vendor Information**

|  |  |
| --- | --- |
| Contractor/Vendor Name | Address |
|  |  |
| Contact Name | **Contractor/**Vendor Reference |
|  |  |
| Telephone No | Fax Number | E-mail Address | Web Address |
|  |  |  |  |

**Description of Goods/Services**

|  |
| --- |
|  |
| Estimated Value | £ (excluding VAT) |

**Type of Purchase – Mark with X as appropriate**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| One Off |  | Repeat Buy |  | Repair |  |  |
| Other (please specify) |  |

**Justification – Mark with X as appropriate**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sole Supplier |  | Only source with tooling/artwork |  | Urgent Order |  | Only Approved Source |  |
| Standard Site Equipment |  | Repair of Original Manufacture |  | Other (please specify) | Extension for 1 year |

**Sole Source Considerations** (Mark with X the one the best qualifies)

|  |  |  |
| --- | --- | --- |
| A |  | Exclusive Rights – item under patent or copyright held by a single vendor and item possesses functions or capabilities critical to use |
| B |  | Exclusive Design – item possesses a unique function or capability critical in the use of the item and not available from any other sources |
| C |  | Replacement Equipment – the purchase is for equipment associated with use of existing equipment where compatibility is essential for integrity of results |
| D |  | Replacement Parts – the purchase is for replacement parts needed for repair of existing equipment where compatibility with equipment from original manufacturer is paramount. |
| E |  | Replacement Accessories – The purchase is for accessories sought for enhancement of existing equipment where compatibility with equipment from original manufacturer is paramount. |
| F |  | Technical Service – the purchase is for technical services associated with the assembly, installation or servicing of equipment of a highly technical or specialised nature |
| G |  | Continuation of Prior Work – additional item, service or work required, but not known to have been needed when the original order was placed with the vendor |
| H |  | Educational Service – the purchase is for educational services associated with specialised student training. |
| I |  | Other |

**Detailed Justification For Not Bidding** (please be precise in explanation)

|  |
| --- |
|   |

**Single sourcing recommended by** (Buyer with appropriate level of purchasing authority)

|  |  |  |
| --- | --- | --- |
| **Print Name** | **Signature** | **Date** |

**Supported by** (appropriate budget holder)

|  |  |  |
| --- | --- | --- |
| **Print Name** | **Signature** | **Date** |

**Supported by Principal (£5k - £10k) / Chair of Finance Committee (Over £10k)**

|  |  |  |
| --- | --- | --- |
| **Print Name** | **Signature** | **Date** |

**To be completed by Chair of Finance Committee**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Justification accepted |  |  | Justification challenged |  |
| Justification accepted after challenge |  |  | Justification withdrawn |  |

|  |
| --- |
| **Reasons for challenge:** |

|  |  |
| --- | --- |
| **Signed by Principal/ Chair of Finance Committee**  | **Date:** |

 **Approval for Cumulative Purchases over £25,000**

For all purchases of goods or services where the cumulative spend is over £25,000, where single source action is proposed, this section must also be signed off by the Chair of Finance Committee.

|  |  |
| --- | --- |
| **Signed by Chair of Finance Committee**  | **Date:** |