



BORDESLEY MULTI ACADEMY TRUST

FINANCE POLICY

Scheme of Delegation:

- 1 Powers and Duties Reserved for the Board of Trustees**
- 2 Powers and Duties Delegated to the Finance & Site Committee**
- 3 Financial Powers and Duties Delegated to Headteachers**
- 4 Financial Powers and Duties Delegated to Business Managers**
- 5 Financial Powers and Duties Delegated to Other Staff**
- 6 Summary of Financial Authorisation Levels**

Procedures:

- 7 Financial Planning**
- 8 Budget Monitoring**
- 9 Purchasing**
- 10 Financial Controls**
- 11 Income**
- 12 Banking**
- 13 Payroll**
- 14 Petty Cash**
- 15 Tax**
- 16 Voluntary Funds**
- 17 Assets and Security**
- 18 Insurance**
- 19 Data Security**

Appendices:

- A Best Value Statement**
- B Tendering Procedure**



BORDESLEY MULTI ACADEMY TRUST

INTRODUCTION

The schools within the Bordesley Multi Academy Trust comprise of Holyoakes Field First School, Birchensale Middle School and Trinity High School & Sixth Form Centre.

For the purpose of this document:

- a) The Bordesley Multi Academy Trust is referred to as The Trust;
- b) School refers to all Schools within the Trust;
- c) Pupils or Students refers to all pupils or students being educated or on site at any one of the schools within the Trust

A copy of this policy will be available on the Bordesley MAT website. Also, a link from each school's website will direct you to this policy.

Full details of financial delegated authorities are in the separate Scheme of Delegation and Financial Authorities document.

1 Powers and Duties Reserved for the Board of Trustees

The Board of Trustees is collectively responsible for the overall direction of the Multi Academy Trust (MAT) and its strategic leadership. This involves determining the guiding principles within which the MAT operates and making decisions to support this, for example, how much autonomy will be given to the individual schools in the Trust. The Board of Trustees, represented by the Chief Executive Officer (CEO), is required to submit the Trust's annual budget plan by 31 July each year, which includes the budget plans for individual schools within the MAT.

The Board of Trustees have agreed the following powers and duties will be delegated.

1 Powers and Duties Reserved for Local Governing Bodies

Local Governing Body (LGB) is collectively responsible for the overall direction of the school and its strategic management. This involves determining the guiding principles within which the school operates and making decisions to support this, for example, how to spend the school's budget.

The LGB has a strategic role to realise its mission as an independent state funded academy within Bordesley MAT and has responsibility for setting educational and financial priorities, for oversight of sound financial management and for ensuring the budget is managed effectively. It is also responsible for ensuring the school meets all its statutory obligations and, through the Headteacher, Chief Finance Officer (CFO) and Chief Executive Officer (CEO) supports the MAT in complying with the ESFA's financial regulations or standing orders.

The LGB will:

- Comply with the Scheme of Financial Delegation and Authorities at all times
- Review the Auditors' Report/Management Letter and take any follow up action required
- Take the appropriate action to report any suspected irregularity affecting resources

2 Powers and Duties Delegated to the Finance & Site Committee

The Finance & Site Committee will:

- Comply with the Scheme of Financial Delegation and Authorities at all times
- Review the Auditors' Report/Management Letter and take any follow up action required
- Take the appropriate action to report any suspected irregularity affecting resources
- Consider budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the LGB
- Report to the LGB all significant financial matters and any actual or potential overspending
- Ensure that arrangements for insurance are in place and adequate
- Review the reports of the Responsible Officer on the effectiveness of the financial procedures and control. These reports must also be reported to the Governing Body.

3 Financial Powers and Duties Delegated to the Headteacher

The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the Academy, the implementation of all policies approved by the Board of Trustees and Governing Body and for the direction of teaching and the curriculum.

The Headteacher will:

- Comply with the Scheme of Financial Delegation and Authorities at all times
- Review income and expenditure reports and highlight actual or potential overspending to the Finance & Site Committee
- Ensure the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations set out in this policy and any other applicable documentation/guidance
- Ensure all contracts and agreements conform to the Financial Regulations
- Ensure that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc under his/her control.
- Ensure that adequate operational controls are in place and that the principles of internal control are maintained
- Ensure that full, accurate and up to date records are maintained in order to provide financial and statistical information
- Ensure that all records and documents are available for audit by the appointed external auditors and by the Responsible Officer

4 Financial Powers and Duties Delegated to the Chief Financial Officer

The CFO will:

- Comply with the Scheme of Financial Delegation and Authorities at all times
- Liaise with individual school Business Managers to ensure consistency and compliance across the MAT
- Ensure all ESFA/DfE returns are submitted within the required deadlines
- Provide individual school Business Managers with the relevant information to enable them to carry out the required budget monitoring

With regard to specific MAT business the CFO will:

- Monitor income and expenditure and prepare monthly financial management reports for consideration by the Chair of Trustees/CEO/Finance & Site Committee
- Maintain a register of formal contracts entered into, amounts paid and certificates of completion

- Ensure that quotes are obtained and retained for goods, works and services in accordance with this policy or statutory guidance
- Ensure that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons
- Ensure the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments
- Notify the payroll provider of any matters affecting payments to employees
- Ensure that Business Managers are provided with the information to enable them to check the monthly payroll and follow up and report any anomalies to the Headteacher/CFO as appropriate
- Ensure that all income is accurately accounted for, is promptly collected and banked intact
- Maintain proper records of accounts, including month and year end procedures; carry out (at least) monthly bank reconciliations

5 Financial Powers and Duties Delegated to the Business Manager

The Business Manager will:

- Comply with the Scheme of Financial Delegation and Authorities at all times
- Monitor income and expenditure and prepare monthly financial management reports for consideration by the Headteacher/LGB/Finance & Site Committee/CFO & CEO as required
- Maintain a register of formal contracts entered into, amounts paid and certificates of completion
- Ensure that quotes are obtained and retained for goods, works and services in accordance with this policy or statutory guidance
- Ensure that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons
- Ensure the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments
- Notify the payroll provider of any matters affecting payments to employees
- Ensure that the monthly payroll is checked; investigate and follow up any anomalies and report to the Headteacher/CFO as appropriate
- Ensure that all income is accurately accounted for, is promptly collected and banked intact
- Maintain proper records of accounts, including month and year end procedures; carry out (at least) monthly bank reconciliations
- Notify the Finance & Site Committee of any eventuality that could affect the Academy's insurance arrangements
- Implement and maintain a permanent and continuous register of all items of furniture, equipment, vehicles and plant
- In association with other staff, maintain the standards of control for such systems in operation within the Academy to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act (in conjunction with the ICT staff).

5a Financial Powers and Duties Delegated to the Finance Administrator and Finance Assistant

The Finance Administrator/Finance Assistant will:

- Comply with the Scheme of Financial Delegation and Authorities and the Finance Policy at all times
- Issue regular (at least half termly) monitoring reports to budget holders and other appropriate colleagues and advise the Business Manager or any actual or potential overspend
- Post all known financial commitments and ensure that, as far as possible, all expenditure is via purchase orders
- Ensure that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons

- Ensure the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments
- Ensure that all income is accurately accounted for, is promptly collected and banked intact
- Ensure trade debtors are monitored on a monthly basis and that debts are chased in accordance with agreed procedures.

Note, the specific personnel carrying out the duties above will vary from school to school, but provision must be made to ensure that all the above duties are carried out by a named individual.

6 Financial Powers and Duties Delegated to Other Staff

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

Any member of staff with financial responsibility will:

- Comply with the Scheme of Financial Delegation and Authorities and the Finance Policy at all times
- Monitor budget expenditure; check budget reports against their delegated budget; report any errors, irregularities or overspend to the Finance Administrator/Business Manager

The following members of staff, in addition to the Headteacher and Business Manager, are authorised to open tenders in the presence of another authorised person:

- *Deputy Headteacher*
- *Assistant Headteacher*

The following members of staff are authorised to receive and check goods:

- Budget Holders
- Administrators (administration/support staff) nominated by the Budget Holder

Payroll

Only the Headteacher and Business Manager (or Deputy or Assistant Headteacher in conjunction with the Business Manager in the Headteacher's absence) can authorise paid overtime.

7 Summary of Financial Authorisation Levels

DELEGATED DUTY	VALUE	DELEGATED AUTHORITY	METHOD
Ordering Goods and Services (excluding salary payments)	Up to £1,000	Budget Holder	Selection from bank of preferred suppliers unless otherwise agreed with Headteacher / Business Manager
	£1,001 - £5,000	Business Manager	Minimum of three quotes
	£5,001 - £20,000	Headteacher	Minimum of three written quotes based on written specification obtained
	£20,001 - £40,000	Headteacher plus Chief Financial Officer	Minimum of three written quotes based on written specification obtained
	£40,001 - £100,000	Finance & Site Committee	Minimum of four formal tenders, based on written specification (see Tendering Procedure)
	Over £100,000	Board of Trustees (with recommendation from Finance & Site Committee)	Minimum of four formal tenders based on written specifications / OJEU guidelines if applicable (see Tendering Procedure)
			Where any of the above criteria are not followed the reasons should be noted and authorised by the next level of approver
	Authority to accept other than the lowest quotation	Next level of approver	Reasons to be noted or minuted (depending on value)
Signatories for cheques	Any	Two signatories from bank mandate	
Virement of budget sums between budget headings	Up to £10,000	Business Manager with reporting to CFO	
	£10,001 - £40,000	CFO with reporting to Finance & Site Committee	
	£40,001 - £100,000	Chief Executive Officer with reporting to Finance & Site Committee	
	Over £100,000	Finance & Site Committee with reporting to Board of Trustees	
Disposal of assets	Up to £1,000	Budget Holder	Reporting to Business Manager
	£1,001 - £5,000	Business Manager	Reporting to Headteacher

	£5,001 - £20,000	Headteacher	Reporting to Chief Financial Officer
	£20,001 - £40,000	Headteacher plus Chief Financial Officer	Reporting to Finance & Site Committee
	£40,001 - £100,000	Finance & Site Committee	Reporting to Board of Trustees
	Over £100,000	Board of Trustees	In accordance with ESFA guidance
			NB ESFA guidance to be checked for disposal of all assets over £20,000
Write-off of bad debts	Up to £100	Business Manager	Reporting to Headteacher
	£101 - £1,000	Chief Financial Officer	Reporting to Finance & Site Committee
	£1,001 - £10,000	Finance & Site Committee	Reporting to Board of Trustees
	Over £10,000	Board of Trustees	In accordance with ESFA guidance
			All of the above only after following procedure for recovery of debts
Purchase or sale of any freehold property	Any	Board of Trustees	In accordance with ESFA guidance ESFA approval required
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	Board of Trustees	In accordance with ESFA guidance ESFA approval required
Raising invoices to collect income	Up to £5,000	Finance Assistant	
	£5,001 - £10,000	Business Manager	
	£10,001 - £20,000	Headteacher	
	£20,001 - £40,000	Chief Financial Officer	
	£40,001 - £100,000	Finance & Site Committee	
	Over £100,000	Board of Trustees	

PROCEDURES

8 Financial Planning

The Trustees, CEO, CFO, Headteachers and LGBs have a clear view of how they intend to use the MAT and school resources in future years to achieve their educational priorities.

- 8.1 Each school has a School Development Plan (SDP), which includes a statement of its educational goals to guide the planning process.
- 8.2 The SDP states the school's educational priorities in sufficient detail to provide the basis for constructing budget plans for the next financial year.
- 8.3 Any new initiatives are carefully appraised in relation to all likely costs and benefits and their financial sustainability before being approved by the LGB/appropriate authority.
- 8.4 The SDP states intended expenditure on any significant changes from the previous financial year.
- 8.5 A formal timetable and procedures are drawn up for constructing the SDP and budget to ensure that the trustees/governors have time to consider all relevant factors.
- 8.6 There is a clear, identifiable link between the school's annual budget and its Development Plan (SDP).
- 8.7 Following receipt of the draft annual funding letter from the ESFA in March, an indicative working budget is approved by the Trust Finance & Site Committee. The indicative budget will take account of the agreed staffing structure, known inflationary and incremental staff increases and known staffing changes for the budget period. It should cover in detail the next financial year, based on realistic estimates of all expected expenditure and income
- 8.8 The approved budget is submitted to the ESFA by 31 July for the forthcoming academic year (1 September 20XX to 31 August 20YY).
- 8.9 The Trustees/Governors ensure that the main elements of the school budgets are periodically reviewed so that historic spending patterns are not unhelpfully perpetuated.
- 8.10 Where possible the budget is "profiled" to take account of seasonal/monthly fluctuations in income/expenditure.
- 8.11 Any budget surpluses are earmarked for specific future needs to ensure that students benefit from a planned approach to spending that does not deprive them of resources in a given year. The Trustees/Governors will comply with DfE/ESFA regulations in regard to surplus balances and/or deficits.

9 Budget Monitoring

The Headteacher and Trustees/Governors regularly monitor income and expenditure against agreed budgets and maintain financial control by reviewing the current position and taking remedial action where necessary.

- 9.1 The CFO and Business Manager produce regular budget monitoring reports for income and expenditure, including sums committed but not yet paid and outturn forecasts, against the approved budget. The approved budget is the original budget approved by Trustees/Governors as reported to the ESFA, plus any subsequent amendments, such amendments having been reported to and agreed by the Finance & Site Committee.
- 9.2 The SBM/CFO will provide reports to the Chair of Trustees and Finance & Site Committee in accordance with the agreed timetable and minimum reporting requirements. The Headteacher/Business Manager will attend the Finance & Site Committee meetings as required and provide a commentary on the reports addressing any significant variances against the budget and, where necessary, remedial action plans including virements.
- 9.3 The Headteacher monitors expenditure on the initiatives set out in the School Development Plan.
- 9.4 Where budget elements have been devolved, departmental budget holders receive and review reports half-termy (or on request) comparing the amount spent or committed to date against their budgets. The Headteacher and Business Manager monitor these reports periodically and take action where necessary.

- 9.5** The Headteacher/Business Manager produce regular cash flow forecasts for all funds to ensure that the school does not go overdrawn.

10 Purchasing

The Schools achieve the best value for money they can from all purchases, whether goods or services as detailed in the Best Value Statement, Appendix A. In this context, value for money is about getting the right quality at the best available price. This often means looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance. Where possible, goods and services are sourced locally.

- 10.1** The schools always consider price, quality and fitness for purpose when purchasing goods or services.
- 10.2** Prior approval from the appropriate authority is obtained for all expenditure in accordance with the Financial Scheme of Delegation.
- 10.3** Competitive quotations/tenders are to be obtained wherever possible as detailed elsewhere in this document, unless it is impracticable to do so. In such circumstances, the reasons for not doing so should be reported to the appropriate authority.
- 10.4** Where a quotation other than the lowest is accepted, the reasons for this decision are reported to the appropriate authority and included in the minutes of the relevant meeting.
- 10.5** Any purchases put out to tender must be done so in accordance with the procedures set out in Appendix B (Tendering Procedure).
- 10.6** Contract specifications (e.g. for cleaning, and grounds maintenance) should define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.
- 10.7** Schools should not enter into any financial agreement with capital implications without the approval of the CFO/DfE and/or the ESFA as appropriate. If a lease arrangement is entered into, this should represent good value for money and be an 'operating' lease, not a finance lease. The Secretary of State's permission is required for all lease agreements in excess of 3 years.
- 10.8** Official, pre-numbered orders are used for goods and services as far as is reasonably practicable. Verbal orders are kept to a minimum, but if required for reasons of urgency or emergency, they must be confirmed by a written order.
- 10.9** Orders are used only for goods and services provided to the schools. Individuals must not use official orders to obtain goods or services for their or others' private use.
- 10.10** All orders must be either signed or approved electronically on the school finance system as per the Scheme of Financial Delegation.
- 10.11** The signatory/authoriser of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.
- 10.12** When an order is placed, the estimated cost is committed against the appropriate budget allocation so that it features in subsequent budget monitoring.
- 10.13** The schools check goods and services on receipt to ensure they match the order and the invoice is marked accordingly before being passed for payment. Except in extraordinary circumstances, the person who signs to confirm that the goods have been received is not the person who authorises the invoice for payment.
- 10.14** Payment is made within time limits specified in law for the payment of debts and only when a proper (original) invoice has been received, checked, coded and certified for payment. Supplier payment terms and conditions should be complied with.
- 10.15** The schools maintain a list of staff authorised to certify invoices for payment.
- 10.16** All paid invoices are marked appropriately and are securely stored.
- 10.17** Where purchases are made using the school debit card, a detailed order must be submitted which has been signed by the budget holder. The order should be accompanied by evidence (eg price comparisons) that this method of purchase demonstrates "best value".

11 Financial Controls

The Trustees/Governors have systems and internal financial controls in place to protect the MAT's/school's resources from loss or fraud, to safeguard staff and governors and to ensure that information provided about how the budget is being spent is accurate and timely.

- 11.1** The Trustees/Governors ensure that the Scheme of Financial Delegation and Finance Policy are reviewed annually and that all appropriate staff are familiar with, and abide by, these documents.
- 11.2** The Headteacher ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing. Staff, Trustee and Governor competencies are reviewed regularly and inform the recruitment process.
- 11.3** The Headteacher ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one acts as a check on the work of the other and all checks are fully documented.
- 11.4** The schools maintain proper accounting records and retain all documents relating to financial transactions for at least the period recommended i.e. 6 years plus the current year and will provide auditors/ Responsible Officers with any documentation and explanations they consider necessary.
- 11.5** There is a clear audit trail, with all financial transactions being traceable from original documentation to accounting records, and vice versa
- 11.6** Any alterations to original documents such as cheques, debtor accounts and orders should be discouraged. Amendments should be made by cancelling the original document and reissuing.
- 11.7** All accounting records are securely retained when not in use and only authorised staff are permitted access.
- 11.8** The Headteacher ensures that all expenditure from sources of earmarked funding/grants is accounted for separately and transparently and that the funding is used for its intended purpose e.g. Capital Grant, Pupil Premium Funding.
- 11.9** The Headteacher shall immediately inform the CEO who will in turn inform the ESFA/auditor of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting cash, stores or other property of the School.
- 11.11** The school debit cards are kept securely at all times. Purchases made on this card are accompanied by a signed order/supporting paperwork and its use is limited to occasions when this method secures best value.
- 11.12** Direct debits can be used for regular (eg monthly) payments. The Business Manager checks and reconciles these each month.

12 Income

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

- 12.1** The Governing Body has established a Charges & Remissions Policy for School Activities and has put in place procedures for recouping any income due from staff in relation to private photocopying, private telephone calls etc.
- 12.2** Proper records are kept of all income due.
- 12.3** All lettings are authorised by the Headteacher/Business Manager within a framework determined by the Governing Body and are recorded in a diary or register (see Lettings Policy).
- 12.4** Lettings invoices/income are processed by the Lettings Administrator and monitored by the Business Manager on a regular basis.
- 12.5** Where invoices are required, they are issued within 30 days.
- 12.6** The school always raises official receipts and maintains adequate formal documentation for all income collected and paid into the delegated budget. If necessary, a copy of the receipt can be issued. Receipts are securely stored in order.
- 12.7** Cash and cheques are locked away to safeguard against loss or theft.
- 12.8** Collections are paid into the appropriate bank account promptly and in full. Bank paying-in slips show clearly the split between cash and cheques and list each cheque individually. The receipt

number(s) should also be referenced in the paying in book/sheets when income is banked to provide an effective audit trail between income received and banked.

- 12.9** Income collections are banked intact and must not be used for the encashment of personal cheques or for making payments.
- 12.10** The Business Manager reconciles at least monthly the sums collected with the sums deposited at the bank.
- 12.11** The school has procedures for chasing any invoices which have not been paid within 30 days.
- 12.12** Debts are written off only in accordance with the Scheme of Financial Delegation.
- 12.13** The Business Manager ensures that machines taking money are emptied daily and the cash counted by two people.
- 12.14** The Headteacher ensures that transfers of school money between staff are recorded and signed for.
- 12.15** The school operates in accordance with the Academies Financial Handbook/ESFA guidance and in accordance with HMRC with regards to how VAT on income should be accounted for.

13 Banking

The Headteacher, Trustees and Governors ensure that bank accounts are properly administered and controlled.

- 13.1** The schools obtain bank statements at least monthly and these are reconciled with their accounting records. Any discrepancies are investigated.
- 13.2** All bank reconciliations are signed by the person performing the reconciliation. They are also made available for Responsible Officer review and subject to external audit.
- 13.3** All funds surplus to immediate requirements are invested to optimal effect as approved by the Trustees/Governors.
- 13.4** Individuals should not use their private bank accounts for any payments or receipts related to the school's budget or use the school's accounts for payment of their personal expenditure or income.
- 13.5** The school's bankers have been advised that schools are not allowed to go overdrawn or negotiate overdraft facilities.
- 13.6** The schools should not enter into any loan agreements without the prior approval of the DfE/ESFA.
- 13.7** School procedures stipulate that all cheques must bear the signatures of two signatories as per the Scheme of Financial Delegation. There should be at least three signatories on the bank mandate and at least two of these should be members of the Senior Leadership Team.
- 13.8** School procedures ensure that supporting vouchers are made available to cheque signatories to safeguard against inappropriate expenditure.
- 13.9** School procedures stipulate that all cheques drawn on the account(s) are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.
- 13.10** School procedures stipulate that original signatures only are used and cheques should not be pre-signed.
- 13.11** Cheque books are held securely when not in use.
- 13.12** The Business Manager maintains a list of all bank and building society accounts held and the signatories for each. Signatories are reviewed as the need arises (change of personnel etc).

14 Payroll

The schools currently purchase payroll services from Liberata (previously Worcestershire County Council) under a Service Level Agreement. This arrangement is reviewed bi-annually as part of the review of SLAs. The CEO, Headteacher and Personnel Committee review and agree annually the schools staffing structures in line with the SDPs.

- 14.1** The Trustees have established procedures, a 'Whole School Pay Policy', for the administration of personnel activities, including appointments, terminations and promotions.
- 14.2** The Headteacher ensures that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.

- 14.3** The Headteacher ensures that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.
- 14.4** The school provided the names of certifying officers to the payroll provider.
- 14.5** The Headteacher ensures that only authorised employees have access to personnel files and that arrangements for staff to gain access to their own records are in place.
- 14.6** All payroll transactions are processed through the payroll system
- 14.7** The Headteacher maintains a list of staff employed on the SIMS Personnel system or similar database. Procedures are in place to ensure that this list is updated promptly to reflect new starters and leavers, and that contract information is correct and current
- 14.8** The Business Manager obtains monthly reports on payroll transactions and checks them against the school's documentation on staffing and pay to ensure that they match. Any discrepancies are promptly investigated.

15 Petty Cash

The Headteacher and Trustees/Governors have proper controls in place to ensure that petty cash is secure and its use appropriate.

- 15.1** The Trustees/Governors have set out in writing an appropriate level for the amount of petty cash to be held which represents a balance between convenience and the risk of holding cash on the premises. The maximum petty cash "float" is currently £500 but at high demand times, this can be increased by prior authorisation of the Headteacher.
- 15.2** The Headteacher ensures that the petty cash fund is held securely and that only authorised employees have access to it. This is stored in accordance with insurance conditions.
- 15.3** Payment from the petty cash fund is limited to minor items, individual claim limit £20, which have been approved in advance by an authorised member of staff. Reimbursements to staff over this limit are processed directly into their bank account via BACS.
- 15.4** All expenditure from the fund must be supported by receipts, identifying any VAT paid. It is signed for by the recipient and countersigned by an authorised member of staff – usually the budget holder.
- 15.5** Proper records are kept of amounts paid into and taken out of the fund.
- 15.6** The amount in the petty cash fund is periodically checked against the accounting records and reviewed by an independent member of staff.
- 15.7** Personal cheques are not encashed from the petty cash fund.

16 Tax

The Headteacher ensures that the school complies with Value Added Tax (VAT) and other tax regulations i.e. Income Tax and Construction Industry Scheme (CIS).

- 16.1** The Headteacher ensures that all relevant finance and administrative staff are aware of VAT, Income Tax and the CIS regulations.
- 16.2** As far as is reasonably practicable, only proper VAT invoices are paid, as the school will not be reimbursed in the absence of such documentation.
- 16.3** The schools follow ESFA/HMRC/Auditor guidance with regard to accounting for VAT.
- 16.4** The schools make payments to contractors and subcontractors only in accordance with the Construction Industry Scheme (CIS).
- 16.5** The schools ensure that any payments to individuals for services such as consultancy, teaching or instructing are made either via the payroll or on production of an official VAT invoice.

17 Voluntary Funds

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

- 17.1 The Headteacher ensures that voluntary funds are identified as such and accounted for separately from the school's delegated budget.
- 17.2 The governing body has considered the appropriateness of registering voluntary funds with the Charity Commission and has decided not to register.
- 17.3 The Finance & Site Committee oversees the funds and this is reflected in the terms of reference of the Finance & Site Committee.
- 17.4 Voluntary funds are audited with the main school accounts at the end of each financial year.
- 17.5 The Headteacher ensures that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds and the funds are operated in accordance with recognised good practice.
- 17.6 Any income which properly relates to the school's delegated budget should not be credited to a voluntary fund.

18 Assets and Security

Assets are kept securely and recorded in an inventory.

- 18.1 Up-to-date inventories are maintained of all items of equipment with a purchase or replacement value exceeding £100 or agreed lower value items which are portable and particularly attractive. Such items are identified as school property with a security marking wherever possible.
- 18.2 Whenever school property, for example musical instruments or computers, is taken off the school site it is duly authorised.
- 18.3 The Business Manager arranges for stock checks on an annual basis. Appropriate purchases over £50 are added to the stock register and existing stock records are checked against actuals.
- 18.4 The governing body authorises all write-offs and disposals of surplus stocks and equipment in accordance with the Scheme of Financial Delegation.
- 18.6 Safes are kept locked and the keys removed and held away from the school premises.
- 18.7 The Governors maintain an Asset Management and Suitability & Condition Survey for the use, maintenance and development of the school buildings.

19 Insurance

All schools in the MAT purchase insurance from the DfE via the Risk Protection Arrangement (RPA). Where necessary separate arrangements are in place for items not covered under the RPA such as minibuses and engineering.

- 19.1 The schools review all risks annually to ensure that the sums insured are commensurate with the risks.
- 19.2 The schools will notify the insurers and other agent as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.
- 19.3 The schools do not give any indemnity to a third party without the written consent of the insurers or other agent as appropriate.
- 19.4 The schools will immediately inform the insurers or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.
- 19.5 Insurance arrangements cover the use of school property, for example musical instruments or computers, when off the premises. Staff are advised that equipment is not insured if left unattended in a car.
- 19.6 Details of all risks insured and the level of cover provided is available on request.

20 Data Security

The schools rely on computers to process and record personal, financial and other management data. Most of the controls in this section cover access to data held on computers. Reference should also be made to the Schools' ICT Policy & Acceptable Use Policies.

- 20.1** Computer systems used for school management are protected by password security to ensure that only authorised employees have access. Passwords are changed regularly and updated for staff changes.
- 20.2** The Headteacher/Network Manager/ICT Technician ensures that data is backed up regularly and that all back-ups are securely held in a fireproof location, preferably off-site.
- 20.3** The Headteacher/Business Manager will establish a recovery plan to ensure continuity of financial administration in the case of emergency.
- 20.4** The Headteacher ensures that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software is used.
- 20.5** The LGB ensures that the Information Commissioner is notified in accordance with the General Data Protection Regulation 2018 and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with this legislation.

Policy Agreed: 28 January 2020

Policy Review Date: September 2020

BEST VALUE STATEMENT

We, the Trustees of Bordesley Multi Academy Trust, are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in the school and will:

- Regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement.
- Monitor outcomes and **compare** performance with similar schools and within the schools.
- **Consult** appropriate stakeholders before major decisions are made.
- Promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the schools are using their resources effectively to meet the needs of the students.

On Behalf of the Trustees:

Signed: Chair of Trustees _____

Signed: Chief Executive Officer/Headteacher _____

Signed: Chair of Finance & Site Committee _____

Agreed by Finance & Site Committee

Date:

2020

TENDERING PROCEDURE

This procedure is intended to ensure that tenders and quotations obtained by the schools are invited and processed in accordance with the Scheme of Financial Delegation and Finance Policy. It is intended as far as possible to separate the functions of invitation and selection and protect staff involved.

1. Selection of Tenderers

Tenderers will normally be invited from an approved list provided by PR Associates, Place Partnership (formerly Worcestershire County Council) or a consultant engaged to work on specific project. Where services are required from specialists and no category exists on an Approved List, Tenderers should be determined by the Governing Body or appropriate committee in accordance with the Scheme of Financial Delegation.

Tenderers must always be selected by at least two people.

The minimum number of Tenderers required will be as set out in the Scheme of Financial Delegation, namely:

For the supply of goods or services:-

- £1,001 - £5,000: a minimum of three quotes. These quotes may be sought verbally but must be documented in writing. Catalogue prices may be used.
- £5,001 - £20,000: a minimum of three written quotes must be obtained based on written specifications and retained. To be approved by the Headteacher
- £20,001 - £40,000: at least 3 formal tenders or written quotations must be obtained based on written specifications and retained. To be approved by the CFO and Headteacher
- Over £40,000: at least 4 formal tenders must be obtained. Specialist assistance/project management services would normally be engaged and the Trust Finance & Site Committee should review the tendering procedures on an individual basis to satisfy themselves that the process is compliant with the procedures set out below and appropriate legislation, including the Official Journal of European Communities (OJEU) guidelines.

*Unsuccessful tenders/quotes must be retained for a minimum of one year following completion of the contract. Successful tenders/quotes and supporting documentation showing the decision making process are retained for six years following completion of the contract.

2. Emergency Works

Competition may be waived where contractors need to be engaged, or materials purchased to carry out immediate remedial works in an emergency. Any action taken must be reported to the appropriate authority at the earliest opportunity.

3. Tender Invitation

All tenders shall be invited for return by a specific date and time (the opening date). Tenderers should be asked to annotate the return envelope as a tender submission.

4. Contractors Own Conditions

In cases where a Contract is let using the Contractor's own conditions, typically accepting a quotation, the responsible member of staff MUST satisfy him/herself that the Conditions are acceptable and do not disfavour the school.

5. Return of Tenders

a) Receipt of Tenders/Quotations

- All tenders/quotations shall be returned to the Headteacher or his/her representative or appointed consultant in the return envelope provided.
- The date and time of receipt of each Tender shall be endorsed in ink on the unopened envelope/package. The time of receipt shall be recorded in the tender opening register as well as the tenderers details and the value of the tender in both words and numbers.
- The unopened documents shall be retained in locked safe storage until the time appointed for their opening.

b) Opening of Tenders/Quotations

- Tenders over £0,000 shall be opened by the Headteacher or his/her representative/consultant in the presence of a second person and if appropriate a person technically qualified depending on the nature of the tender (e.g. architect, ICT expert). Each individual present at the time that tenders are opened must sign the tender opening register.
- Every Tender received shall be endorsed with the date of opening and initialed by the persons undertaking the opening.
- A record is to be maintained for 6 years to show for each Contract:
 - The Value of each Tender Returned
 - Names and numbers of firms from whom Tenders have been received
 - Date that Tenders were opened
 - Signature of Persons present at the Opening (not to be less than 2)
 - The time and date recorded on the Tender envelopes as being the time Tenders were received by the school.

c) Selection of Tenders

- The Tender selected will be that which satisfies all the criteria and which represents best value. Where a tender other than the lowest is accepted, the reasons for this decision is reported to and approved by the appropriate committee in accordance with the Scheme of Financial Delegation and included in the minutes of the relevant meeting. The decision should be based on a consensus of those present.

d) Late Tenders/Quotations

- Where tenders are received late they shall be accepted only if it is clear that the tenderer dispatched the documents in reasonable time and that through no fault of his they were delayed.
- Under no circumstances will tenders, which are received after the opening of competitor tenders, be accepted.
- The details shall be recorded in the tender opening register.

6. Re-Tenders

- Where a contract/order is not awarded following the pre-described tender process (for example because all submissions exceed the pre-agreed expenditure budget), the contract can be re-tendered to the three most competitive tenderers with a schedule of reductions.
- Where this is the case, the requirement is only to record the (re)tenders received by the deadline. There is no requirement to record late or non-returns.

7. Orders

A purchase order should be raised with the appointed contractor or the appointed project management consultant. Where this is not the case, the reasons for this should be documented (eg. funding for the project may be received by the school in instalments and raising a purchase order would therefore not be possible on the finance system)

Following the acceptance of a tender by the appropriate authority, the Headteacher is authorised to sign the purchase order and subsequent invoices. In the event of the long- term absence of the Headteacher, the Deputy Headteacher may authorise the purchase order and report this to the Chair of the appropriate Committee.

8. Payment

Payment will be made when the work or supply is satisfactorily complete.

Contractors usually make an “interim claim”. It is however, the Contract Administrator’s responsibility to value the work. Interim Certificates must be issued in accordance with the Contract Conditions.

Where the contract includes a lump sum payment this must only be made when the work is properly completed and proper final account rendered.

In all cases no payments are to be made in advance.

Any retention amounts are to be set out in the Contract Conditions

9. Quotations

Quotations shall be dealt with in a similar manner as described above for tenders except that no Governor presence is required at opening.