



This review:	November 2018
Next review:	November 2020

Finance Regulations

To be reviewed every two years unless there is a significant change in procedures that requires alteration of these regulations.

This document should be read with reference to the Scheme of Delegation and the Record of Financial Responsibility (RFR) containing the summary of financial authorisation levels

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1. Introduction

- 1.1** The purpose of this document is to ensure that SENDAT maintains and develops robust systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE) and the Education & Skills Funding Agency (ESFA).
- 1.2** SENDAT must comply with the principles of financial control outlined in the academies guidance published by the ESFA. This document expands on that and provides detailed information on the school's accounting procedures. It is also a reference document for all staff connected with financial processes.

2. Organisation

- 2.1** SENDAT has defined the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors and staff.

The Board of Directors

- 2.2** The Board of Directors has overall responsibility for the trust's finances. The main responsibilities of the Board are prescribed in the Funding Agreement between the Academy Trust and the DfE and in the trust's scheme of governance. These include:
- Ensuring that grants from the ESFA are used only for the purposes intended;
 - Ensuring that funds are received according to the trust's Funding Agreement, and are used only for the purposes intended;
 - Approval of the annual budget;
 - Appointment of the Chief Executive Officer (CEO);
 - Appointment of the Chief Finance & Operations Officer (CFOO).

The Resources Committee

- 2.3** The Resources Committee is a committee of the Board of Directors. The Resources Committee meets at least once a term but more frequently if necessary.
- 2.4** The main responsibilities of the Resources Committee are detailed in written terms of reference and include:
- The role of the Audit Committee
 - The initial review and authorisation of the annual budget prior to final approval by the Full Board of Directors.
 - The regular monitoring of actual expenditure and income against budget.
 - Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985, Charity SORP and the ESFA guidance issued to academies.
 - Approving the scheme of delegation and the Record of Financial Responsibility.
 - Authorising changes to the trust's personnel establishment.
 - Considering and approving pay for the trust's personnel establishment
 - Reviewing the reports of the internal auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board of Directors

The CEO

- 2.5** Within the framework of the Trust Development Plan, as approved by the Board of Directors, the CEO has overall executive responsibility for the trust's activities including financial activities as the Accounting Officer. Much of the day to day financial responsibility has been delegated to the CFOO but the CEO still retains responsibility for:
- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Directors have agreed should be approved by them.
 - Authorising orders/contracts up to £25,000 in conjunction with the CFOO.
 - Signing cheques in conjunction with another authorised signatory.

The CFOO

2.6 The CFOO works in close collaboration with the CEO through whom he or she is responsible to the Directors. The CFOO also has direct access to the Directors via the Resources Committee. The main responsibilities of the CFOO are:

- Having an oversight of the day to day financial issues including the establishment and operation of a suitable accounting system.
- The management of the trust's financial position at a strategic and operational level
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the records of the trust.
- Overseeing the preparation of monthly management accounts.
- Authorising orders up to and equal to £2,000 as per the Record of Financial responsibility
- Authorising invoices for previously authorised orders/purchases.
- Signing cheques/authorising BACS payments in conjunction with the CEO or other authorised signatory as per the Record of Financial Responsibility.
- Ensuring forms and returns are sent to the ESFA in line with the timetable in the DFE/EFA guidance.
- Acting as Company Secretary with regard to the administration of the records at Companies House.

2.7 Finance Officer

The Finance Officer works in close collaboration with the CFOO and other members of the SLT.

The main responsibilities of the Finance Officer are:

- The day to day operational processing and management of the financial administration within the trust
- The maintenance and development of effective systems of internal control.
- Work in collaboration with the CFOO for the timely preparation of monthly management accounts and monthly management reports to budget holders.
- Monitoring budgetary expenditure in line with budget constraints.

Internal Audit

2.7 The internal auditor is appointed by the Board of Directors and provides Directors with an independent oversight of the trust's financial affairs. The main duties of internal audit is to provide the Board of Directors with independent assurance that:

- The financial responsibilities of the Board of Directors are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.

2.8 The internal auditor appointed by the Resources Committee will undertake an agreed programme of reviews to ensure that financial transactions have been properly processed and meet the requirements of the Academies Financial Handbook and that of Charities SORP. An exception report highlighting areas of concern and improvement from each visit will be presented to the Resources Committee. The internal audit reports will be presented to the Full Board of Directors. This gives all Directors the opportunity to raise

questions regarding the financial administration and discharge their duty to ensure public money is being managed appropriately.

Other Staff

- 2.9** Other members of staff, primarily the Finance officer and Heads of School / budget holders, have some financial responsibility. All staff are responsible for the security of trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the trust's financial procedures.

Register of Pecuniary 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 Directors, members of the Trust and staff are required to declare any financial interests they have in companies or individuals from which the trust may purchase goods or services. The register is open to public inspection. Please see the Pecuniary Interest Policy. The register of business interests of all Directors and members of the academy trust will be published on the trust website and updated annually in line with the ESFA directive to do so.
- 2.11** 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 trust. 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 Director or a member of staff by that person.
- 2.12** The existence of a register of business interests does not, of course, detract from the duty of Directors and staff to declare interests whenever relevant to matters being discussed by the Board of Directors or a committee. Where an interest has been declared this should be recorded and minuted and those Directors and staff should not participate in that part of the committee or other meeting.

3. Accounting System

- 3.1** All the financial transactions of SENDAT must be recorded on the school accounting system PS Financials. The trust system is operated by the Finance Team.

System Access

- 3.2** Entry to the finance system is password restricted and the CFOO and the Finance Officer are responsible for ensuring only authorised personnel have access.
- 3.3** Access to the component parts of PS Financials can also be restricted and the CFOO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.4** The Senior Trust IT Technician is responsible for ensuring that there are effective back-up procedures for the system. Data is back up on a daily basis to a combination of cloud storage and a secure server stored at the Skills Centre on a separate area of the school site.
- 3.5** The CFOO should update the Business Continuity Plan regularly to ensure it adequately details the recovery procedures to deal with a loss of accounting facilities and/or financial data. This should link in with the annual assessment made by the Resources Committee of the major risks to which the school is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 3.6** All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document and detailed in the Record of Financial Responsibility. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections. Transfer to fixed assets journal entries once agreed must be actioned by the CFOO. Bank transactions are input and checked by the Finance Officer and reconciled by the CFOO.
- 3.7** Detailed information on the operation of PS Financials can be found in the user manuals in the help/documentation section of the PS Financials system.

Reconciliations

- 3.8** The CFOO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- Bank account transactions to PSF system
 - Payroll
 - All suspense accounts.
- 3.9** Any unusual or long outstanding unreconciled items must be brought to the attention of the CFOO. The CFOO will review and sign all reconciliations as evidence of the review. The CEO, as Accounting Officer may choose to also spot check and review these items periodically.
- 3.10** The Finance Officer and CFOO carry out thorough pre-payroll checks before payroll is run and then the CFOO carries out a reconciliation on a monthly basis to ensure the final payroll file matches the entries in the trust accounting system.

4. Financial Planning

- 4.1** SENDAT prepares both medium-term and short-term financial plans.
- 4.2** The medium-term financial plan should be prepared as part of the development planning process. The Trust Development Plan indicates how educational objectives are going to be achieved within the expected level of resources over the next three years for each of the schools within the trust.

- 4.3** The Trust Development Plan helps provide the framework for the annual budget. The budget is a detailed statement of the expected resources available to the trust and the planned use of those resources for the following year.
- 4.4** The development planning process and the budgetary process are described in more detail below.

Trust Development Plan

- 4.5** The Trust Development Plan is concerned with the future aims and objectives of the Trust and the individual schools within it and how those objectives are to be achieved; that includes matching the trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.6** The form and content of the Trust Development Plan are matters for the trust to decide but due regard should be given to the guidance to academies/Multi Academy Trusts and any annual guidance issued by the DFE/ESFA.
- 4.7** Each year the CEO will propose a planning cycle to the Board of Directors which allows for:
- A review of past activities, aims and objectives - "did we get it right?"
 - Definition or redefinition of aims and objectives – "are the aims still relevant?"
 - Development of the plan and associated budgets – "how do we go forward?"
 - Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course?"
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.8** The completed Trust Development Plan will include detailed objectives for the coming academic year and outline objectives for the following two years for all schools within the trust. The budget plan should be assessed to ensure that financial resources are available to meet each objective. Estimated costings for unusual or extra curriculum objectives should be detailed in the Trust Development Plan so that financial requirements can be incorporated into budgetary planning.
- 4.9** For each objective the lead responsibility for ensuring progress is made will be assigned to an appropriate member of staff who should monitor performance against the defined success criteria throughout the year and report to the Senior Leadership Team. The Senior Leadership Team will report to the Board of Directors if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 4.10** The CFOO is responsible for preparing the annual trust budget in conjunction with the CEO. The budget must be agreed by the CEO, Resources Committee and then presented to and approved by the Full Board of Directors.
- 4.11** The approved budget must be submitted to the ESFA as part of the Budget Forecast Return normally by the end of July. The CFOO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

- 4.12** The annual budget will reflect the best estimate of the resources available to each school for the forthcoming year and will detail how those resources are to be utilised. The budget should be constructed to ensure the objectives of the Trust Development Plan can be achieved.
- 4.13** The budgetary planning process will incorporate the following elements: Forecasts of the likely number of students to estimate the amount of ESFA and LA grants receivable.
- Review of other income sources available to the trust to assess likely level of receipts.
 - Review of past performance against budgets to promote an understanding of the trust cost base.
 - Identification of potential efficiency savings.
 - Review of the main expenditure headings in light of the Trust Development Plan objectives and the expected variations in cost e.g. pay increases, inflation and other expected changes.

Balancing the Budget

- 4.14** Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income at least matches expenditure. Due consideration of desired reserves level should be considered with view to long term plans.

Finalising the Budget

- 4.15** Once the different options and scenarios have been considered, a draft budget should be prepared by the CFOO for consideration by the CEO, the Resources Committee and for approval by the Board of Directors. Where appropriate the budget should be communicated to all Heads of School and staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 4.16** The budget should be accompanied by a commentary giving a detailed breakdown on each element of the budget. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

- 4.17** The preparation of monthly reports will be prepared by the CFOO and Finance Officer. The reports will detail actual income and expenditure against budget both for each school and at trust level budget holders and at a summary level at school and Trust level for the CEO and the Resources Committee.
- 4.18** Any potential overspend against the budget must in the first instance be discussed with the Finance Officer and/or the CFOO. The trust will not allow payments to be made against an overspent budget without the approval of the CFOO or CEO. Overspends are only allowed in exceptional circumstances and only then if funds are available to cover the amount from other areas of the budget.

- 4.19** The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from any contingency. Delegation arrangements and the Record of Financial Responsibility details authorisation limits.

5. Payroll

- 5.1** The main elements of the payroll system are:
- Staff appointments
 - Payroll administration
 - Payments.

Staff Appointments

- 5.2** The Board of Directors should approve the personnel establishment for SENDAT. Changes can only be made to this establishment with the express approval in the first instance of the Resources Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- 5.3** The CEO has authority to appoint staff within the authorised establishment except for Heads of School, Deputy Headteachers and the CFOO whose appointments must follow consultation with the Directors. The CFOO holds personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the PA to the CEO immediately.

Payroll Administration

- 5.4** The trust monthly payroll is administered by the CFOO and the PA to the CEO via the Schools' Choice Payroll facility. The total value of the elements of payroll transactions are entered into PSF by the finance office. Access to the system is password controlled. Password control procedures and backup arrangements are described in section 3.2 above.
- 5.5** All staff are paid monthly through Schools' Choice Payroll. A master file is created for each employee which records:
- Salary
 - Bank account details
 - Taxation status
 - Personal details
 - Any deductions or allowances payable
 - Any other payments such as travel and subsistence
- 5.6** New master files can only be created by the Director of Finance with the express approval of the CEO.
- 5.7** Each member of staff is responsible for ensuring the trust is informed of any absence and any additional/casual hours they have worked. The PA to the CEO and CFOO will ensure that SIMS Personnel, PS Financials and the Schools' Choice are kept up to date to ensure an accurate payroll run is achieved on a monthly basis. Discretionary and sickness/emergency

absence is recorded in SIMS Personnel by a member of the Business Support Team. The CEO will review and approve a report produced by the CFOO detailing the discretionary and sick absence for the month before it is recorded for payroll processing by Schools' Choice.

An additional hours claim form is used by each member of staff for all additional hours approved for the previous month. Once each claim has been approved for payment by the CFOO, the PA to the CEO will prepare a return which is authorised by the CEO before sending to payroll for processing. Authorised additional hours forms, staff discretionary and sick absence forms are retained by the finance office for future reference.

- 5.8** Claims for travel and subsistence are processed as applicable for all members of staff through payroll. Payments in cash are no longer made. Claim forms are authorised before processing in arrears through the payroll system. This ensures complete compliance with HMRC rules. The only exception being Governor travel and subsistence claims which will be paid by cheque or BACS.
- 5.9** Schools' Choice Payroll system will generate a pre payroll run file to allow the PA to the CEO and CFOO to check the accuracy before payments to staff. Each person's pay is checked for accuracy. Any discrepancies found are investigated and resolved. This pre payroll check is signed by the CFOO and countersigned by the CEO. Once authorised for payment by the CFOO the value of the payroll run will be recorded in PS Financials against the appropriate ledger codes by the CFOO and the total reconciled to the salary control accounts and to the next available bank statement. The CFOO will monitor the actuals against predicted using the budgetary estimates
- 5.10** All salary payments are made by BACS
- 5.11** On an annual basis the CFOO must inform each member of staff of their current grade and pay point in writing. This is normally processed in the autumn term.

Salary Payments

- 5.12** The CFOO will investigate any discrepancy and contact Payroll immediately.
- 5.13** All salary payments are made by BACS.
- 5.14** The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.

6. Purchasing

- 6.1** SENDAT wants to achieve the best value for money from all purchases. The trust wishes to obtain goods and services in the correct quality, quantity and time frame at the best price possible, as laid down in the Best Value Statement. A large proportion of purchases will be paid for with public funds and the trust needs to maintain the integrity of these funds by following the general principles of:

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

Routine Purchasing

Please refer to the Record of Financial Responsibility and the scheme of delegation for precise authorisation levels

- 6.2** Heads of School/Budget holders will be informed of the budget available to them before or at the start of the academic year. It is the responsibility of the Head of School/budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget can be supplied at any time on request.
- 6.3** Routine purchases up to £1,000 can be ordered by budget holders within their budget allocation limits. A quotation or price must always be obtained before any order is placed.
- 6.4** All orders must be made, or confirmed, in writing using an official SENDAT order form, stocks of which are held in the Business Support Office and Finance Office. Orders must bear the signature of the Head of School / budget holder and must be forwarded to the school Finance Office where the Finance Officer will check to ensure adequate budgetary provision exists before countersigning the order.
- 6.5** Countersigned orders are recorded in PSF by the Finance Officer; the system allocates a reference number and the order must then be presented to the CFOO with all accompanying documentation for authorisation on the PSF system. Once authorised, the Finance Officer will forward the order to the supplier. The order and associated documentation will be filed in the live orders file.
- 6.6** Appropriate arrangements must be made for the delivery of goods to the school. On receipt the Business Support Office, and or the Budget Holder, must ensure a detailed check of the goods received is made against the goods received/packing note (GRN) and a record made of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. The GRN should be initialled and dated by the person marking off the goods. The GRN must be given to the Finance Office to be matched with the original order and returned to the live order file/awaiting invoice. The Finance Officer will ensure the delivery is recorded on PSF.
- 6.7** If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office will coordinate this. The Finance Officer will keep a central record of all goods returned to suppliers. Any documentation/notes relating to Orders should be kept with the original order.
- 6.8** All invoices should be sent to the Finance Office and stamped with the date of receipt and invoicing control stamp. The invoice will be matched to the original order and packing note and stapled to the back of all the documentation. The Finance Officer will authorise the invoice for payment processing. All invoices will be recorded by the Finance Officer on PSF. The CFOO certifies all invoices for payment and processes the BACs run within PSF.

- 6.9** Heads of School/Budget Holders will be contacted if there is a significant discrepancy between order and invoice price. This will be resolved before payment is made.
- 6.10** The Finance Officer will input details of payments to be made to the purchase ledger and generate the cheques and/or the BACS payments required. The cheques/BACS and all associated paperwork (the original order; packing note and invoice should be presented with the cheque/BACS run) must be authorised by two of the nominated signatories for cheques and one of the nominated signatories for BACS payments. The BACS file should be uploaded and authorised on Lloyds Link by the CFOO.
- 6.12** BACS email remittances and Cheques will be dispatched to suppliers by the Finance Officer. The complete authorised paperwork for a purchase is then filed in the appropriate dead order file in purchase order invoice number order. The BACs run report is signed by the CEO and filed separately in date order.

Purchase Cards

- 6.13** SENDAT does not have a debit card. The CEO, CFOO and Finance Officer of SENDAT each have a purchase card which is used predominantly for online purchases but within specific limits as defined by the Record of Financial Responsibility. This method of purchasing carries less risk to the trust than a debit card as there is no direct access to the school bank account.
- Any use of the purchase card must be accompanied by a printed receipt and details of the items purchased. The Finance Officer receives the purchase card statement and matches the purchase supporting paperwork to the statement and enters the transactions into the trust finance system. Once a month the bank debits the school bank account with the total of all the purchases made. This is reconciled to the bank statement and the finance system by the CFOO.
- The Responsible Officer is asked to countersign the statements detailing these purchases to ensure there are no contentious transactions.

Orders over £2,000 but less than £25,000

- 6.14** Within this range ideally three written quotations should be obtained for all purchases over £10,000 to identify the best source of the goods/services. However it is recognised by Directors that sometimes quotes are difficult to obtain. Therefore it has been agreed that reasonable endeavours should be made to obtain at least two quotes but should only one quote be available then approval from the Chair of Resources or the Chair of the Board of Directors should be obtained. Written details of quotations obtained should be prepared and retained by Finance Officer for audit purposes. Telephone quotations are acceptable if evidence is available and emailed. Confirmation of quotes must be received before a purchase decision is made. Evidence of quotations should be kept with the purchasing paperwork.

Orders over £25,000

- 6.15** All goods/services ordered with a value over £25,000 need to have specific Resources Committee approval unless the purchase/contract is already approved via the budget plan

or approved at a previous meeting of the committee or Board of Directors. Purchases over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to tendering procedures. Purchases over £164,176 for goods and services, and £4,104,394 for works (correct as from Jan 2017), may fall under EU procurement rules which require advertising in the Official Journal of the European Union.

Forms of Tenders

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

Open Tender: This is where all potential suppliers are invited to tender. The CFOO should decide how best to proceed with the compilation of a tender pack and how to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds

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

- There is a need to maintain a balance between the contract value and administrative costs,
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to meet the trust'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 preferred suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few appropriate suppliers are available,
- The nature of the project benefits from early contractor involvement
- Extreme urgency exists,
- Additional deliveries by the existing supplier are justified.
- Best value has been achieved by another means. Eg: Government or Local Government approved contractor

Preparation for Tender

6.17 Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract.

6.18 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

6.19 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.

6.20 An invitation to tender should include the following:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Terms and conditions of tender and
- Form of response.

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

Tender Acceptance Procedures

6.21 The invitation to tender should state the date and time by which the completed tender document should be received by SENDAT. 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

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

- For contracts up to £50,000 - two of the budget holders, the CFOO or the CEO;

- For contracts over £50,000 – either the CFOO or the CEO plus a member of the Resources Committee.

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

Tendering Procedures

6.24 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.

6.25 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.

6.26 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Resources Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should also be reported to the Resources Committee.

6.27 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.

6.28 The accepted tender should be the one that is agreed to be the most advantageous to the trust. All parties should then be informed of the decision.

7 Income

7.1 The two main sources of income for the trust are recurrent grants from the ESFA and from the Local Authority for High Tariff Needs Top Up Funding and specific commissioned places. The receipt of these sums is monitored directly by the CFOO and Finance Officer. The CFOO is responsible for ensuring that all grants due to SENDAT are collected.

7.2 The trust also obtains income from:

- Students, mainly for trips, uniform sales and catering
- The public, mainly for Conference Centre lettings.

Educational Visits

7.3 A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be forwarded to the Finance Officer.

7.4 Students should make payments at the Business Support Office. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

- 7.5** The Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

Lettings

- 7.7** The SENDAT Admin Manager ensures adequate records are kept relating to the booking of facilities and liaising with the Finance Officer to identify the sums due from each organisation. Payments must be made in advance for the use of facilities as per the details in the Lettings Policy.
- 7.8** Details of organisations using the facilities should be given to the Finance Officer who will establish a lettings record and produce a sales invoice. Details of payments made and any outstanding accounts will be monitored by the Finance Officer and any issues brought to the attention of the CFOO. The Finance Officer is responsible for chasing outstanding debts.
- 7.9** Organisations using facilities should be instructed to send all payments to the Finance Office.

Custody

- 7.10** Academy receipts should be issued for cash and cheques received over £5.00 where no other formal documentation exists. Individual receipts are not issued for dinner monies or food studies payments unless requested. All cash and cheques received should be recorded on a weekly income spreadsheet. All cash and cheques must be kept in the school safe prior to banking. Banking should take place if the sums collected are close to or in danger of exceeding the £10,000 insurance limit on the trust safe.
- 7.11** Monies collected must be banked in their entirety in the trust bank account/s. Monies should be banked regularly. The Finance Officer is responsible for ensuring reconciliations are carried out between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the CFOO.

8 Cash Management

Bank Accounts

- 8.1** The opening of all accounts must be authorised by the Resources Committee who must set out, in the scheme of delegation and the Record of Financial Responsibility, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

- 8.2** All bank stationery such as cheques, paying in books must be kept in the safe. They may be kept in a locked drawer during the working day but returned to the safe at the end of every day.

Deposits

- 8.3** Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- The amount of the deposit and
 - A reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

- 8.4** All cheques and other instruments authorising withdrawal from school bank accounts must bear the signatures of two authorised signatories. Please refer to the Record of Financial Responsibility for named signatories
- 8.5** This provision applies to all accounts, public or private, operated by or on behalf of the Board of Directors of SENDAT.
- 8.6** In the interests of security and to minimise administration, petty cash payments will be limited to £20. Reimbursements over £10 are made by BACS directly from the main bank account.
- 8.7** The trust does not allow staff to cash personal cheques.

Administration

- 8.8** The CFOO must ensure bank statements are received regularly and that reconciliations are performed in a regular and timely fashion. Reconciliation procedures must ensure that:
- All bank accounts are reconciled to the academy's cash book;
 - Reconciliations are prepared by the Finance Officer;
 - Reconciliations complete with the bank statement are carried out by the CFOO
 - Adjustments arising are dealt with promptly.

Petty Cash Accounts

- 8.9** The academy maintains a maximum cash balance of £350. The cash is administered by the Finance Officer and is kept in the school safe.

Deposits

- 8.10** The only deposits to petty cash should be from cheques cashed specifically for that purpose although a cheque made payable to SENDAT can be used to reimburse petty cash from monies received from providing school meals or other income. The receipt should be recorded in the accounting system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Administration

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

Physical Security

8.12 Petty cash should be held in a locking cash box which is kept in the safe.

Cash Flow Forecasts

8.13 The CFOO is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds if circumstances appropriate to do so in line with the Reserves and Investment Policy. The CFOO should carry out a risk assessment and obtain Director approval before investing academy funds in high interest accounts as these often have limited access and other caveats. Similarly plans should be made to transfer funds from another bank account or to re-profile planned expenditure to cover potential cash shortages.

Investments

8.14 Investments must be made only in accordance with the Reserves and Investment Policy approved by the Board of Directors.

8.15 All investments must be recorded in sufficient detail to identify the investment and predicted or confirmed return on that investment. The information required will normally be the date of purchase, the cost and a description of the investment.

9 Assets

Fixed Asset Register

9.1 Appropriate items purchased with a value over SENDAT capitalisation limit must be entered in the fixed asset register (See Fixed Asset Policy). The asset register should include the following information:

- Asset description
- Asset number
- Date of acquisition
- Asset cost
- Source of funding
- Expected useful economic life
- Depreciation
- Current book value
- Equipment Inventory

9.2 The Equipment Inventory records the valuable, desirable equipment within the school above a de minimis value of £100 (NB: electronic items are all recorded irrespective of

value). The inventory is recorded on the school network and is backed up as part of the school back up routine. By keeping an inventory the school helps:

- Ensure that staff take responsibility for the safe custody of equipment;
- Enable independent checks on the safe custody of equipment, as a deterrent against theft or misuse;
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets and equipment

- 9.3** Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 9.4** All electronic items identified in the equipment inventory should be permanently and visibly marked as the trust's property. There should be an annual count reconciliation by the person maintaining the register. A spot check should be carried out by someone independent of the count. The maintenance of the register and annual check are currently the responsibility of the IT Network Team. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Board of Directors. Inventories of trust property should be kept up to date and reviewed regularly. Where items are used by the trust but do not belong to it this should be noted (eg Photocopiers).

Disposals

- 9.5** Items which are to be disposed of by sale or destruction must be authorised for disposal by the CEO and, where significant and appropriate, should be sold following a fair method (see Policy Redundant/Disposal of Equipment Policy). The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset categorised as Land, Buildings or Heritage assets. For current rules see the Academies Finance Handbook.
- 9.6** Disposal of equipment to staff is not encouraged, as it may be more difficult to provide evidence that 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 needs to ensure licences for software programmes had been legally transferred to a new owner.

Loan of Assets

- 9.7** Items of SENDAT property must not be removed from school premises without the authority of the SLT. A record of the loan must be recorded in the Equipment Loan book held in each school office and signed back in school when it is returned.
- 9.8** If equipment items 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.

10 Annual Accounts

Year end adjustments

10.1 The threshold for year end adjustments (accruals & pre payments) has been agreed with auditors to be £1000. The CFOO and the Finance Officer have the discretion to adjust below £1000 in value if there is clear justification to do so.

10.2 All year end adjustments will be recorded with appropriate supporting documentation in the audit file in readiness for external audit scrutiny

Working papers

10.3 The Finance Officer and the CFOO will work collaboratively to complete the electronic working papers to support and inform the compilation of the year end accounts. All supporting documentation will be collated into the audit file for that year.

Financial statements and supporting documents

10.4 The trust employs the services of external auditors to compile the financial accounting statements. The CFOO is responsible for the over sight of and liaison with the external audit and ensuring the auditors receive all the practical help they need in order to complete the audit to appropriate standard.

10.5 The CFOO is responsible for collating all the elements of the Directors report for the annual accounts and will work collaboratively with the Chair of Directors, Chair of Resources and the Accounting officer to ensure all the requisite reports and statements are completed in a timely manner.

Company Secretary

10.6 The CFOO acts as company secretary ensuring all returns are completed in a timely manner and the register of directors is kept up to date