



ASHBY SCHOOL

Title of Policy	Financial Procedures Manual
Date of adoption	Autumn 2020
Originator	Andrew Burton
Date of review	Autumn 2021
Additional information	



Ashby School Financial Procedures Manual

Page

1.	Section 1 - Introduction
1.	Introduction
2.	Section 2 - Organisation
2.	The Governing Body
3.	The Finance & General Purposes Committee
3.	All Staff
3.	The Headteacher
4.	The Business Manager
4.	The Finance Officer
5.	The Finance Assistants
5.	Responsibility For Assurance Delivery
5.	Budget Holders
6.	Register of Interests
6.	Financial Notice to Improve (FNtI)
6.	Principles of Payments to trustees, governors, employees and related parties
7.	Audit Requirements
7.	Investigating Fraud and Irregularity
7.	Financial and Risk Management objectives and Policies
8.	Insurance Arrangements
8.	Section 3 – Accounting System
8.	System Access
8.	Back-up Procedures
9.	Transaction Processing
9.	Transaction Reports
9.	Reconciliations
9.	Section 4 – Financial Planning
9.	Development Plan
10.	Annual Budget – Financial Reporting Timetable
10.	Balancing the Budget
11.	Finalising the Budget
11.	Monitoring and Review
11.	Value for Money Statement
11.	Managing Surplus General Annual Grant (GAG) / Reserves Policy
12.	Section 5 - Payroll
12.	Staff Appointments
12.	Payroll Administration
12.	Payments
13.	Section 6 - Purchasing and Invoice Processing
13.	Routine Purchasing

14.	Procurement Thresholds
14.	Forms of Tenders
15.	Open Tender
15.	Restricted Tender
15.	Negotiated Tender
15.	Preparation of Tender
15.	Invitation to Tender
15.	Aspects to Consider (Financial/technical/suitability/other considerations)
16.	Tender Acceptance Procedures
16.	Tender Opening Procedures
16.	Evaluation Procedures
16.	Payment of Invoices
17.	Electronic Payments and Purchasing
17.	School charge card and internet orders
18.	Purchase of alcohol
18.	Purchases of "Apps" for ipads
18.	School Shop
18.	Cashless Catering
19.	Payment from Sponsors
19.	Trading with connected parties
20.	Section 7 - Income
20.	Fees and Charges and debt recovery
20.	Trips
20.	Lettings
21.	Custody
21.	Section 8 – Cash Management
21.	Bank Accounts
22.	Deposits
22.	Payments and withdrawals
22.	Administration
22.	Petty Cash Accounts
22.	Deposits/payments/withdrawals
22.	Authorisation of own expenses
23.	Administration
23.	Physical Security
23.	Cash Flow Forecasts
23.	Investments
23.	Section 9 – Fixed Assets
23.	Asset Register
24.	Security of assets
24.	Disposals
25.	Loan of Assets
25.	Sixth Form Asset Register and Inventory
25.	Register of Pecuniary Interests/Gifts and Hospitality/Whistle Blowing
25.	Document Retention.
25.	Section 10 – Financial Monitoring and Management
	Academies handbook limits content
	<i>Appendix 1 – Financial Reporting Timetable</i>
	<i>Appendix 2 - Signatories</i>

	<i>Appendix 3 – Procurement Thresholds</i>
	<i>Appendix 4 – Disposals, borrowing, severance, compensation, ex gratia payments Ad-hoc payments, gifts, trading with connected parties, general annual grant.</i>
	<i>Appendix 5 – Statement of Accounting Policies</i>
	<i>Appendix 6 – Schedule of Requirements (the 'musts')</i>

1.	Introduction
101.	The purpose of this manual is to ensure that the Academy maintains and develops systems of financial control which conform with the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
102.	The Academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This manual expands on that and provides detailed information on the Academy's accounting procedures and system manual should be read by all staff involved with financial systems.
103.	<p>All members of the Academy, staff, governors and trustees/governors are required to adhere to the Seven Principles of Public Life listed below.</p> <ul style="list-style-type: none"> • Selflessness Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends. • Integrity Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties. • Objectivity In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits. • Accountability Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office. • Openness Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands. • Honesty Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests. • Leadership Holders of public office should promote and support these principles by leadership and example.
104.	As academies are companies limited by guarantee with charitable status, the governors who sit on the governing body are the legal trustees/governors of the charity. This confers certain obligations upon the trustees/governors to protect the assets, property and good name of the charity. The legal requirements of trustees/governors are set out below.
105.	<p>Trustees (governors) have full responsibility for the charity and must:</p> <ul style="list-style-type: none"> • act together and in person and not delegate control of the charity to others. • act strictly in accordance with the Academy's governing documents. • act in the Academy's interests only and without regard to their own private interests. • manage the Academy's affairs prudently throughout the life of the Academy. • not derive any personal benefit or gain from the Academy of which they are trustees/governors; and • take proper professional advice on matters on which they are not themselves competent. • Discuss the annual letters from the ESFA and take action where appropriate to strengthen the Trust's systems.

	<ul style="list-style-type: none"> • Declare <u>all</u> Directorships/Partnerships/Sole Trader or significant control of an entity or same household or family. • Exercise reasonable care, skill and diligence. • Declare interests in proposed transactions or arrangements. • Avoid conflicts of interest • Exercise independent judgement • Promote the success of the Academy.
106.	<p>In managing the Academy's finances governors must:</p> <ul style="list-style-type: none"> • make sure that bank accounts, financial systems and financial records are operated by more than one person; • make sure that all the Academy's property is under the control of the trustees/governors; • keep full and accurate accounting records; and • prepare accruals accounts giving a true and fair view of the Academy's incoming resources and application of resources during the year and of its state of affairs at the year end.
107.	<p>In applying the Academy's income governors must spend it solely for the purposes set out in the Academy's governing documents and spend it with absolute fairness between persons qualified to benefit from the charity.</p>
108.	<p>Conduct of Governors Governors must not use public monies or official business for personal benefit and a register should be maintained to record hospitality and gifts received.</p>
109.	<p>The Treasury publication "Guidance on Codes of Practice for Board Members of Public Bodies" should be circulated to members of the governing body as best practice. Governors must understand their statutory duties as company directors as set out in the Companies Act 2006.</p>
110.	<p>Declarations of Business Interests It is vital that governors and staff act, and are seen to act, impartially and are therefore required to complete a declaration of their business interests. A register of people with significant control is also received.</p>
111.	<p>Payment to Governors It is illegal for governors to receive any remuneration for their work as trustees/governors, other than payment of all reasonable out of pocket travel, accommodation or other expenses. However, nothing prevents the payment of governors for the usual professional charges for business undertaken by any governor who is a solicitor, accountant or other person engaged in a profession.</p>
112.	<p>Governors' Meetings It is a requirement that Governors should meet at least once a term.</p>
113.	<p>Risk Management The Charity Commission requires trustees/governors to include a statement in their annual report confirming that all major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.</p>
2.	Organisation
201.	<p>The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:</p>

	The Governing Body
202.	The governing body has overall responsibility for the administration of the Academy's finances.
203.	The main responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and the DfE and in the Academy's scheme of government. The main responsibilities include:
	<ul style="list-style-type: none"> • approve a scheme of delegation of financial powers that maintains robust internal control arrangements; • ensuring that grant from the DfE is used only for the purposes intended; • ensuring that funds from sponsors are received according to the Academy's Funding Agreement, and are used only for the purposes intended; • approval of the annual budget; for the current year and ensure accurate budget forecast beyond the current year • appointment of the Headteacher and • appointment of the Business Manager, in conjunction with the Headteacher. • Notifying the ESFA within 14 days of its meeting if it is proposing to set a deficit budget for the current year.
	The Finance & General Purposes Committee
204.	The Finance & General Purposes Committee is a committee of the governing body. The Finance & General Purposes Committee meets at least once a term but more frequent meetings can be arranged if necessary.
205.	The main responsibilities of the Finance & General Purposes Committee are detailed in the Roles and Responsibilities including the terms of reference which have been authorised by the governing body. The main responsibilities include:
	<ul style="list-style-type: none"> • the initial review and authorisation of the annual budget; • the regular monitoring of actual expenditure and income against budget; this will include receiving management accounts on a monthly basis by the Chair of Governors/FGPC and six times a year by other Governors. • ensuring the annual accounts are produced in accordance with the requirements of the Companies Act and the DfE guidance issued to academies; • authorising the award of contracts detailed in <i>Appendix 3</i> in line with the procurement thresholds outlined in section 614 of this document. • approval of staffing budget to enable the Personnel Committee to authorise changes to the Academy personnel establishment. • reviewing the reports of the internal and external auditors on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body. • approve the audited statements of the private funds. • approve the disposal of the Academy's assets. • formulate and review the Academy's charging and letting policy. • write off debts up to the value set out in the DfE annual funding letter and <i>Appendix 4</i> • Carry out the functions of an audit and risk committee.
	All Staff
206.	All staff are responsible for complying with the Academy's financial regulations set out in this Financial Procedures Manual, and where applicable the Budget Holders Handbook.
207.	Additionally, all staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources.
208.	Certain staff within the Academy have specific financial responsibilities and these are detailed below:
	The Headteacher
209.	In line with ESFA guidelines the Headteacher fulfils the role of accounting officer of the Academy, and therefore within the framework of the Development Plan as approved by the

	governing body has overall executive responsibility for the Academy's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager and Finance Officer but the Headteacher still retains responsibility for:
	<ul style="list-style-type: none"> • approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them.
	<ul style="list-style-type: none"> • authorising and signing contracts within the limits set out in <i>Appendix 3</i> in conjunction with the Business Manager.
	<ul style="list-style-type: none"> • signing cheques in conjunction with other authorised signatories.
	<ul style="list-style-type: none"> • Ensuring that public money is spent for the purposes intended by Parliament.
	<ul style="list-style-type: none"> • Circulating a copy of the annual "Dear Accounting Officer" letter to Governors and SLT.
	<ul style="list-style-type: none"> • Ensuring the requirements that expenditure and receipts are dealt with in accordance with Parliament's intentions and controls, including conduct, behaviour and corporate governance.
	<ul style="list-style-type: none"> • Ensuring value for money through the achievement of best possible educational and wider social outcomes through economics, efficient and effective resources.
	<ul style="list-style-type: none"> • Notifying the trustees/governors in writing when any policy under consideration by them is incompatible with the funding agreement and also advise them in writing if any actions appear to be contrary to terms of the Funding Agreement.
	<ul style="list-style-type: none"> • Completing and signing a statement on regularity, propriety and compliance each year.
	<ul style="list-style-type: none"> • Taking personal responsibility for assuring the Trustees/Governors that there is compliance with the Handbook/Funding Agreement and advising in writing any breaches of compliancy.
	The Business Manager
210.	The Business Manager works in close collaboration with the Headteacher through whom he is responsible to the governors. The Business Manager also has direct access to the governors via the Finance & General Purposes Committee. The main responsibilities Business Manager are:
	The management of the Academy's financial position at a strategic and operational level within the framework for financial control determined by the governing body.
	<ul style="list-style-type: none"> • Establishment and operation of a suitable accounting system.
	<ul style="list-style-type: none"> • The maintenance of effective systems of internal control.
	<ul style="list-style-type: none"> • Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy.
	<ul style="list-style-type: none"> • Authorising and signing contracts between the limits set out in <i>Appendix 3</i> in conjunction with the Headteacher.
	<ul style="list-style-type: none"> • Signing cheques in conjunction with other authorised signatories.
	<ul style="list-style-type: none"> • Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.
	•
	The Finance Officer
211.	The main responsibilities are as follows:-
	The preparation of monthly management accounts.
	<ul style="list-style-type: none"> • The day to day management of financial issues.
	<ul style="list-style-type: none"> • Authorising orders within the limits set out in <i>Appendix 3</i> in conjunction with budget holders.
	<ul style="list-style-type: none"> • To ensure budget holders comply with the regulations outlined in the Budget Holders Financial Procedures Manual.
	<ul style="list-style-type: none"> • Management of fixed asset register, ensuring that assets are correctly recorded and the approved depreciation rates and methods are applied for inclusion in end of year accounts.
	<ul style="list-style-type: none"> • Ensuring information regarding the current valuation of the Academy's land and building is provided to the external accountants for depreciation purposes.
	<ul style="list-style-type: none"> • Management of WisePay online payments system.

	<ul style="list-style-type: none"> Responding to financial queries in relation to Cashless Catering system.
	<ul style="list-style-type: none"> Acting as primary contact for external accountants and auditors.
	<ul style="list-style-type: none"> Production and preparation of financial data to enable completion of statutory returns, including Whole of Government Accounts return.
	<ul style="list-style-type: none"> Ensuring compliance, completion and submission of Financial Management and Governance Evaluation.
	<ul style="list-style-type: none"> Management of Academy's cash flow and acting as primary contact for the organisation's banking provider.
	<ul style="list-style-type: none"> Ensuring the Academy's financial statements are published on the website.
	<ul style="list-style-type: none"> Updating of ongoing Risk Register.
	The Finance Assistants
	To support the Finance Officer in the day to day processing of financial transactions in the Accounts Office, whilst complying with the Academy's Financial Procedures Manual.
	Responsibility for Assurance Delivery
212.	<p>Governors have appointed the LCC Internal Audit (IA) accountant to support the school in delivering assurance procedures, which provides governors with an independent oversight of the Academy's financial affairs. The main duties are to provide the governing body with independent assurance that:</p> <ul style="list-style-type: none"> The financial responsibilities of the governing body are being properly discharged; resources are being managed in an efficient, economical and effective manner; sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions.
213.	<p>The Internal Auditor will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Finance & General Purposes Committee-</p>
	Budget Holders
214.	<p>The main responsibilities are as follows:-</p> <p>A budget holder is an individual named on the financial management system against a cost centre. They are responsible for ensuring that both they and the staff they line-manage comply with the regulations outlined in this manual and the Budget Holders guidance.</p> <ul style="list-style-type: none"> It is a budget holder's responsibility to approve orders placed from their budgets and to check and monitor their monthly financial printouts for accuracy. Budget holders have delegated powers to place orders up to £1000 via the financial management system. Any orders in excess of this limit will be referred to the Headteacher or Business Manager for authorisation as described above.
219.	<p>It is a budget holder's responsibility to approve orders placed from their budgets and to check and monitor their monthly financial printouts for accuracy. All orders must be committed on the financial management system prior to placing the order with the supplier. Any orders in excess of this limit will be referred to the Headteacher or Business Manager for authorisation as described above.</p>
220.	<p>Due to the unique circumstances within which the boarding house catering function operates (eg. daily ordering of food), the Catering and Domestic Managers are permitted to place food orders using their internal commitment system.</p>
	Register of Interests

221.	<ul style="list-style-type: none"> • It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Academy Members, Trustees and Key Management are required to declare any financial interests.
222.	<ul style="list-style-type: none"> • An Interest is defined as any one of the following applying to the person, a close family member and/or any persons living at the same: <ul style="list-style-type: none"> ○ Being a director of a registered business ○ A partner in a register Partnership ○ The sole proprietor or a registered business (sole Trader) ○ employments with businesses that provide goods and services to the Trust ○ Employment where the person is a Key Management Personnel ○ Trusteeships and Governorships at other institutions and charities irrespective of whether there is a trading relationship with the Trust. • Close family includes parents, partners, children, dependents etc. • If in doubt the presumption should be drawn towards including the interest. • Key Management Personnel is defined as '<i>Those persons having authority and responsibility for planning, directing, and controlling the activities of the entity</i>'. • Relevant business and pecuniary interest of Trustees/Governors and Members, and the Accounting Officer must be published on the website, but there is discretion as to whether other individuals are published.
223.	<ul style="list-style-type: none"> • The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.
Financial Notice to Improve (FNtl)	
224.	<ul style="list-style-type: none"> • Where the ESFA has concerns about financial management and/or governance in an Academy trust, the ESFA may issue a Financial Notice to improve (FNtl) for example where there is a deficit, a projected deficit, cash flow problems, risk of insolvency or other financial difficulties (such as inappropriate use of public funds), or inadequate financial governance and management. This list is not exhaustive. Where there is actual financial failure requiring financial assistance the ESFA will normally issue an FNtl. An FNtl will set out the actions the ESFA requires the trust to take in order to address the underlying cause(s) of the ESFA's concerns about the financial management and/or governance of the trust. The Trustees/governors must comply with all the terms of a FNtl.
225. Principles of payment to trustees, governors, employees and related parties.	
	<ul style="list-style-type: none"> • Records must be maintained and sufficient disclosures must be made in the annual accounts to evidence that transactions with any related parties have been conducted in accordance with the high standards of accountability and transparency within the public sector.
	<ul style="list-style-type: none"> • No trustee, governor, employee or related party gains from their position by receiving payment under terms that are preferential to those that would be offered to an individual with no connection to the trust. In exceptional cases, where there is a clear and significant advantage to the trust, a trustee/governor may be paid for acting as a trustee/governor subject to prior Charity Commission approval.
	<ul style="list-style-type: none"> • All trustees/governors and senior employees must have completed the register of business interests kept by the trust and there are measures in place to manage any conflicts of interest.

	<ul style="list-style-type: none"> There are no payment(s) to any trustee/governor unless such payment(s) is/are permitted by the Articles and (where applicable) comply with the terms of any relevant agreement entered into with the Secretary of State. The latter includes situations where payments are made to other business entities who employ the trustee/governor, are owned by the trustee/governor, or in which the trustee/governor holds a controlling interest.
	<ul style="list-style-type: none"> There is a probity in the use of public funds.
	<ul style="list-style-type: none"> A competitive tendering policy is in place and applied.
	<ul style="list-style-type: none"> There is no disposal of publicly funded assets (subject to the thresholds set out in this handbook) without the ESFA approval.
	<ul style="list-style-type: none"> Any payment provided to related parties satisfies the “at cost” requirements.
	<ul style="list-style-type: none"> Any contract for the supply of goods or services by a related party exceeding £20,000 must be approved by the ESFA.
226.	Audit requirements
	<ul style="list-style-type: none"> Academy trusts are subject to audit and review to give assurance to Parliament and the public that public funds are being used for the purpose intended.
	<ul style="list-style-type: none"> The Academy trust is required by law to produce audited accounts, the members of the trust (or the board of trustees/governors as company directors, to the extent permitted under the Companies Act) must appoint statutory auditors who are registered under the requirements of the Companies Act, to conduct an audit and certify whether the accounts are “true and fair”.
	<ul style="list-style-type: none"> The contract for the audit must be in writing. This must take the form of a letter of engagement. The letter of engagement must only cover the external audit. If additional services are to be purchased, a separate letter of engagement must be obtained which must specify the precise requirements of the work and the fees to be charged.
	<ul style="list-style-type: none"> The letter of engagement must provide for the removal of auditors before the expiry of the term of office in exceptional circumstances, notwithstanding the other terms of the contract. Proposals to remove auditors must require a majority vote of the members. If the auditors resign, there must be a requirement for them to state their reasons.
	<ul style="list-style-type: none"> The board of trustees/governors must notify the ESFA immediately of the removal or resignation of auditors. In the case of removal, the trust board must notify the ESFA of the reasons for the removal. In the case of resignation, auditors must copy to the ESFA statement of their reasons.
	<ul style="list-style-type: none"> As the Trust operates a combined Finance and Audit Committee, staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions.
227.	Investigating fraud and irregularity
	The personal responsibilities of the Accounting Officer extend to the prevention of loss through fraud and irregularity. Trustees/governors are also responsible for preventing such losses of public funds, and this means that trusts must be aware of the risk of fraud and irregularity occurring within their organisation and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The Academy trust will ensure that appropriate action is taken where fraud and irregularity is suspected or identified.
228.	Financial and Risk Management Objectives and Policies.
	The Academy Trust practices through the Governing Body and the sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.
	The Governing Body accepts managed risk as an inevitable part of its operation but maintains an objective not to run unacceptable levels of risk in any area. The subjective

	nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.
	The risk register is reviewed termly and discussed as a standard agenda item at the Finance and General Purposes committee meeting.
	Principal Risks and Uncertainties
	The principal risks facing the Academy are included in the Risk Register and include: <ul style="list-style-type: none"> • Strategic and Reputational Risks • Operational Risks • Compliance Risks • Financial Risks Control measures are in place to manage the identified risks, the key risks include: <ul style="list-style-type: none"> • Loss of (or reduction in) funding • Not operating within its budget and running a deficit • Inappropriate or insufficient financial controls and systems • Funding of pension deficits under the Local Government Pension Scheme • Changing demography resulting in falling rolls • Loss of reputation.
	The key controls used by the Academy to reduce risk include: <ul style="list-style-type: none"> • Detailed terms of reference for all committees • Formal agendas for the Academy governing body and committees • Formal written policies covering all identified risks • Formal procedures for financial delegated powers • Clear authorisation and approval levels. • Whistle Blowing Policy – All staff have a responsibility to report issues of bad practice, possible fraud or corruption. There is a specific policy to advise how these concerns can be raised.
229.	Insurance Arrangements <ul style="list-style-type: none"> • The Academy subscribes to the Leicestershire Academies Insurance Scheme to ensure that all legal obligations are complied with. • Governors will consider opting into the Risk Protection Arrangement (RPA) as part of it's regular review of insurance arrangements.
	3. Accounting system
301.	All the financial transactions of the Academy, including main school and boarding must be recorded on the financial management system accounting system, to ensure compliance with statutory requirement for Academy accounting.
	The financial management system is operated by the Finance Department and consists of: <ul style="list-style-type: none"> • Journals • Nominal Ledger • Bank Transactions • Purchase Ledger • Sales Ledger
	System Access
302.	Entry to the financial management system is password restricted and the Finance Officer is responsible for implementing a system which ensures that passwords are changed at least termly.

303.	Access to the component parts of the financial management system can also be restricted and the Finance Officer is responsible for setting access levels for all members of staff using the system.
	Back-up Procedures
304.	The Network Services Department is responsible for ensuring that there are effective back up procedures for the financial management system. Data is backed up on the school's main network. A tape backup from the main network is taken daily (Monday to Friday), and weekly, using a rotational system of five tapes. Additionally a backup is taken at the end of each term. All backup tapes left in school are stored in a secure fireproof safe. A weekly backup tape is kept offsite. Weekly (every Friday) tapes are re-used every 8 weeks i.e. it is possible to restore data from 2 months back.
	Transaction Processing
305.	All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.
306.	Requests for transfers between cost centres must be supported by a written request. This evidence is retained by the Finance Office. Non-standard requests will be referred to the Business Manager for approval.
307.	Bank transactions are input by the Finance Assistant and the transactions are checked by the Finance Officer during the reconciliation of the bank statements.
309.	Detailed information on the operation of the financial management system can be found in the user manuals available under the Instructions section of the school intranet.
	Transaction Reports
310.	The Finance Officer will present system reports to the Business Manager for review to ensure that only regular transactions are posted to the accounting system.
	Reconciliations
311.	The Finance Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared: <ul style="list-style-type: none"> • sales ledger control account; • purchase ledger control account; • payroll control account; • all suspense accounts and • bank balance per the nominal ledger to the bank statement.
312.	Any unusual or long outstanding reconciling items must be brought to the attention of the Business Manager, who will review and sign all reconciliations as evidence of his review.
	4. Financial planning
401.	The Academy prepares both medium term and short-term financial plans.
402.	The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
403.	The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year.

404.	The development planning process and the budgetary process are described in more detail below.
	Development Plan
405.	The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans will be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
406.	The form and content of the development plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.
407.	Each year the SLT will produce a development plan to the governing body which takes into account : <ul style="list-style-type: none"> • 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" and • feedback into the next development plan – "what worked successfully and how can we improve?"
408.	The plan will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.
409.	The completed development plan will include detailed objectives for the coming academic year and consideration at SLT meetings will be given to objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
410.	For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an Academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.
	Annual Budget - Financial Reporting Timetable
411.	The Business Manager is responsible for preparing and obtaining approval for the annual budget. <ul style="list-style-type: none"> • The budget must be approved by the Headteacher, Finance & General Purposes Committee and the governing body – see Appendix 1. • The Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. • The annual budget will reflect the best estimate of the resources available to the Academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources. • The budgetary planning process will incorporate the following elements: <ul style="list-style-type: none"> • forecasts of the likely number of pupils to estimate the amount of DfE grant receivable; • review of other income sources available to the Academy to assess likely level of receipts;

	<ul style="list-style-type: none"> • review of past performance against budgets to promote an understanding of the Academy
	<ul style="list-style-type: none"> • cost base;
	<ul style="list-style-type: none"> • identification of potential efficiency savings and
	<ul style="list-style-type: none"> • review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
	Balancing the Budget
412.	<ul style="list-style-type: none"> • Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income will be explored and expenditure headings will 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 be revised until income and expenditure are in balance. • The ESFA have removed the limits for eligible Academy Trusts regarding the amount of GAG that can be carried forward. Governors will ensure that the allocated GAG funding will be used for the full benefit of current pupils. If there is a substantial surplus the Governors will ensure that there are clear plans for how this will be used to benefit the pupils, such as long term capital projects. • The thresholds for budget holders year end balances are outlined in the Finance Information and Procedures for Budget Holders Guidance.
	Finalising the Budget
414.	Once the different options and scenarios have been considered, a draft budget will be prepared by the Business Manager for approval by the Headteacher, the Finance & General Purposes Committee and the governing body. The budget will be made available to all staff, and budget holders will be notified of their budget allocations so that there is an awareness of the overall budgetary constraints.
	The budget should be accompanied by a statement of assumptions and a process of identifying and costing out future projects will produce a hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.
	Monitoring and Review
415.	Monthly reports will be prepared by the Finance Officer. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance & General Purposes Committee.
416.	Any potential overspend against the budget must in the first instance be discussed with the Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Business Manager.
417.	The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the Finance & General Purposes Committee.
418.	Value For Money
	The ESFA have removed the requirement on Accounting Officers to complete a separate Value for Money Statement, and incorporating Value for Money reporting as an additional

	element in the Governance statements. In addition the school resource management self-assessment toolkit will be required to be submitted to the DfE annually.
419.	Managing surplus General Annual Grant (GAG)
	<ul style="list-style-type: none"> It is important that grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The ESFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that Academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects. The DfE expects Academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the Trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils. Budget forecasts sent to the ESFA must declare any unspent funds expected to be carried forward at the end of the financial year. The ESFA will also verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

5.	Payroll
501.	The main elements of the payroll system are: <ul style="list-style-type: none"> staff appointments; payroll administration and payments.
502.	Staff Appointments The governing body has approved a staffing establishment for the Academy. Changes can only be made to this establishment by the Personnel Committee following approval of the budgetary provision by the Finance & General Purposes Committee.
503.	The Headteacher has authority to appoint staff within the authorised establishment except for Members of the Senior Leadership Team, including the Business Manager, whose appointments must follow consultation with the governors. The HR Officer maintains personnel files for all members of staff which include contracts of employment. All personnel changes will be notified, in writing, to the HR Officer.
504.	Payroll Administration The Academy payroll is administered by Leicestershire County Council. If in any event that payroll administration is brought in-house access to the system will be password controlled. Password control procedures and backup arrangements are described in section two of this manual.
505.	All staff are paid monthly through the LCC payroll package. A master file is created for each employee which records: <ul style="list-style-type: none"> salary; bank account details; taxation status; personal details and any deductions or allowances payable.
506.	New master files can only be created by the LCC Payroll Clerk following notification by the HR Officer of staffing changes including leavers, new appointments and contract changes, which are input on to the Academy's Bromcom system by the HR Officer. Any changes made are printed out each month prior to the payroll run and are authorised by the Business Manager for support staff, or Headteacher for teaching staff and support staff.
507.	Staff will be authorised to sign personnel documents, within the limits outlined in <i>Appendix 2</i>

508.	All staff absences are reported to the HR Officer, who inputs this data from a monthly absence return authorised by the Headteacher for submission to the LCC Payroll Clerk.
509.	Data input by the HR Officer for uplifting to the LCC payroll system will meet the prescribed payroll deadlines to ensure payment is made in the correct month.
510.	The Business Manager will receive a payroll printout in advance of payday to enable previously reported changes to be verified.
511.	Payments
	After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained from the system for review by the Finance Officer.
512.	All salary payments are made by BACS.
513.	The Business Manager will prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.
514.	The payroll system automatically calculates the deductions due from payroll to comply with current legislation, and ensures that all staff meet their tax obligations. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and cheques for these amounts should be prepared by the LCC Payroll Clerk.
515.	In the event that the Academy operates an in-house payroll function, the Business Manager should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
516.	After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The Finance Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
517.	On an annual basis the Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the employee's personnel file.
6.	Purchasing
601.	The Academy strives to achieve the best value for money from all its purchases in terms of quality, quantity and time at the best price possible. A large proportion of the Academy's purchases are paid for with public funds and therefore it needs to maintain the integrity of these funds by following the general principles of:
	<ul style="list-style-type: none"> • Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy;
	<ul style="list-style-type: none"> • Accountability, the Academy is publicly accountable for its expenditure and the conduct of its affairs;
	<ul style="list-style-type: none"> • Fairness, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

	<ul style="list-style-type: none"> Staff should always use registered companies, sole traders or partnership suppliers. Where this is not appropriate advice should be sought from the Finance Officer prior to engaging the individual.
602.	Routine Purchasing
	Budget holders will be informed of the budget available to them as soon as possible after the approval of the budget. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder shortly after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.
603.	Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Finance Officer.
604.	All orders must be made, or confirmed, in writing using an official order form, which is available on the school's intranet, or by email. Paper-based orders must bear the signature of the budget holder, and emailed orders must include evidence of authorisation from the budget holder. All orders must be then forwarded to the Finance Office where the Finance Officer will check to ensure adequate budgetary provision exists before authorising the order. Any orders over £1,000 must be authorised by the Business Manager or the Headteacher.
605.	Approved orders are entered on the financial management system, which allocates a unique reference number. The order is then communicated to the supplier.
606.	All deliveries for the main school are delivered to the Finance Office, where they are recorded. On receipt of the goods the faculty support assistant undertakes a detailed check of the goods received against the goods received note (GRN) and makes a record of any discrepancies. Discrepancies should be discussed with the supplier of the goods without delay.
607.	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 should be notified. The Finance Assistant will keep a central record of all goods returned to suppliers.
608.	All invoices should be sent to the Finance Office. Copies of the invoices are sent to budget holders for authorisation for payment. Before signing the invoice, the budget holder must ensure that all goods have been received and prices charged are correct. If this is the case they should sign the invoice and return to the Finance Office without delay for payment processing.
609.	An email system is in the process of being established that will eventually override the purple copy system that is currently in use.
610.	If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
611.	At regular intervals the Finance Assistant will contact budget holders regarding any unauthorised invoices, to ensure payment can be made within the prescribed credit terms.

612.	The Finance Assistant will then input details of invoices to be paid, and scan the invoice to the financial management system. At this point, the amount of VAT charged is double-checked for accuracy.									
613.	Any invoice with the net amount over £10,000 must be countersigned by one of the three Member governors. Cheques and BACS payments, where applicable, are generated on at least a weekly basis. The payments and associated paperwork must be authorised by two of the nominated cheque signatories. For payments over £20,000 a third signature from one of the three trustees/governors must also be sought.									
614.	Cheques and remittance advices will be dispatched to suppliers by the Finance Assistant who will then file the associated paperwork. BACS payments will be authorised on Bankline by the Finance Officer or Senior Accounts Assistant. Payments over £50k will need dual authorisation.									
615.	Procurement Thresholds – Orders and Contracts See <i>Appendix 3</i> for procurement thresholds delegated powers									
616.	Authorised signatures for operational leases are as below:-									
	<table border="1"> <thead> <tr> <th>Value</th> <th>Number of Signatories</th> <th>Signatures Required</th> </tr> </thead> <tbody> <tr> <td>Up to £20,000</td> <td>2</td> <td>Any two from: Headteacher Deputy Headteacher Assistant Headteacher Business Manager</td> </tr> <tr> <td>Over £20,000</td> <td>3</td> <td>Any two from above, plus any of the three Members of the Trust.</td> </tr> </tbody> </table>	Value	Number of Signatories	Signatures Required	Up to £20,000	2	Any two from: Headteacher Deputy Headteacher Assistant Headteacher Business Manager	Over £20,000	3	Any two from above, plus any of the three Members of the Trust.
Value	Number of Signatories	Signatures Required								
Up to £20,000	2	Any two from: Headteacher Deputy Headteacher Assistant Headteacher Business Manager								
Over £20,000	3	Any two from above, plus any of the three Members of the Trust.								
617.	Forms of Tenders									
	There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The form chosen must be agreed by the budget holder, Business Manager and the Headteacher.									
	<ul style="list-style-type: none"> • Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager how best to advertise for 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. 									
	<ul style="list-style-type: none"> • Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where: <ul style="list-style-type: none"> • there is a need to maintain a balance between the contract value and administrative costs, • a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements, • the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering. 									
	<ul style="list-style-type: none"> • Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances: <ul style="list-style-type: none"> • the above methods have resulted in either no or unacceptable tenders, • only one or very few suppliers are available, • extreme urgency exists, • additional deliveries by the existing supplier are justified. 									
618.	Preparation for Tender									
	Full consideration should be given to:									
	<ul style="list-style-type: none"> • objective of project • overall requirements 									

	<ul style="list-style-type: none"> • technical skills required
	<ul style="list-style-type: none"> • after sales service requirements
	<ul style="list-style-type: none"> • form of contract.
619.	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.
620.	Invitation to Tender
	If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.
	An invitation to tender should include the following:
	<ul style="list-style-type: none"> • introduction/background to the project;
	<ul style="list-style-type: none"> • scope and objectives of the project;
	<ul style="list-style-type: none"> • technical requirements;
	<ul style="list-style-type: none"> • implementation of the project;
	<ul style="list-style-type: none"> • terms and conditions of tender and
	<ul style="list-style-type: none"> • form of response.
621.	Aspects to Consider
	Financial
	<ul style="list-style-type: none"> • 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.
	<ul style="list-style-type: none"> • Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs, or specific payment terms
	<ul style="list-style-type: none"> • Is there scope for negotiation?
	Technical/Suitability
	<ul style="list-style-type: none"> • Qualifications of the contractor
	<ul style="list-style-type: none"> • Relevant experience of the contractor
	<ul style="list-style-type: none"> • Descriptions of technical and service facilities
	<ul style="list-style-type: none"> • Certificates of quality/conformity with standards
	<ul style="list-style-type: none"> • Quality control procedures
	<ul style="list-style-type: none"> • Details of previous sales and references from past customers.
	Other Considerations
	<ul style="list-style-type: none"> • Pre sales demonstrations
	<ul style="list-style-type: none"> • After sales service
	<ul style="list-style-type: none"> • 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.
622.	Tender Acceptance Procedures
	The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.
623.	Tender Opening Procedures
	All tenders submitted should be opened at the same time and the tender details should be recorded. The budget holder, Business Manager, Headteacher, and at least one trustee/governor should be present for the opening of all tenders. The extension to this is where an external consultant has been asked to tender on the school's behalf in order to meet an application deadline to the DfE for capital funding, or where it is not possible for a governor to attend in person eg lockdown.

624.	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 all people present at the tender opening.
625.	Evaluation Procedures
	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.
626.	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.
627.	Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance & General Purposes Committee highlighting the relevant issues and recommending a decision.
628.	Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
629.	The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.
	Payment of Invoices
630.	The Finance Officer shall be responsible for making all payments on behalf of the school using the Academy's accounting software package.
631.	All purchase invoices are handed immediately to the Finance Officer who initials the invoice for verification purposes (the invoice is then copied on purple paper and passed to the relevant budget holder for approval) or emailed to their secure Ashby School address or in the case of governors their nominated address.
632.	Where goods received are short or defective in some respect, and this still has not been rectified, this is clearly noted on the invoice so that payment is not made until either a credit note is received or the delivery put right.
633.	All invoices passed for payment must be properly certified and evidenced by the relevant budget holder – payments shall be made on original invoices only. Where only a copy exists the appropriate checks will be instigated to avoid duplicate payments. A note will be recorded on the photocopy that all checks have been completed. All invoices must comply with VAT regulations.
634.	Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered: <ul style="list-style-type: none"> • an official purchase order has been raised for the purchase, unless the invoice is a non-order invoice • the delivery note has been checked • it is of correct quantity, quality and price • it has not been previously paid • funds are available in the relevant budget • the VAT chargeability on qualifying expenditure is shown • goods and services have been received and checked to the order.
635.	<ul style="list-style-type: none"> • It is the policy of the school to pay all invoices by the due date and in accordance with the supplier's terms and conditions of supply. Early settlement of invoices is made where this is to the school's advantage. Invoices are not paid early as a matter of course.

636.	In the event of a complaint or dispute over an invoice, the Finance Officer will contact the supplier without delay and take all reasonable steps to resolve the matter quickly.
637.	The Business Manager carries out a check of all cheques presented for signature, by initialling the cheque details form. Selective checks are carried out by the Director of Sixth Form, Deputy Headteacher and the Headteacher, who are cheque signatories.
638.	<ul style="list-style-type: none"> • The following procedures are followed when a cheque is signed: • Cheque signatories will not be given cheques to sign without the presence of supporting documents to confirm the cheque request. • The cheque signatory does not solely sign a cheque relating to goods or services which he/she has authorised. • All cheques drawn are crossed as account payee only, to avoid the possibility of improper negotiation. • A list of bank account numbers and current cheque signatories will be kept in a secure location. • Cheque signatories must ensure that the supporting documents are attached and that the invoice has been authorised and evidenced either by a signature on the purple copy or email confirmation. • All documentation is filed by the Accounts Department in cheque payment number sequence. • Under no circumstances does any cheque signatory sign a blank cheque subject to a second signature. • Under no circumstances is payment made against a statement. <p>The Accounts Department will comply with the Payments of Debts Act 2000 and settle debts within 30 days, except where an authorised signature has been delayed due to school closure.</p>
Electronic Payments and Purchasing	
School Charge Card and Internet Orders	
639.	The school charge card must be used when making purchases on-line to avoid the need for staff to make purchases using their personal cards. The school does not accept liability for any loss incurred by an individual through personal use of their card
	No member of the trust will use the school credit card details over the telephone, only through appointed secure websites and terminals.
640.	Internet orders must be placed through the Finance Office that holds a school charge card for this purpose. The current limit on the charge card is £7,500.
641.	Internet orders will only to be placed with reputable companies, ideally whom the school has dealt with in the past. In addition, the Finance Officer should check the following before requesting the placing of an Internet order:
	the supplier details, for example the Internet website should make reference to the supplier's name and address. A UK Internet address does not always mean the firm is UK based;
	the supplier's terms and conditions on the web site should be checked;
	♦ it is recommended that transactions take place under UK jurisdiction where normal forms of redress are available to solve problems or disputes regarding faulty goods or non-delivery of goods;
	♦ there is a clear description of the goods or services to be purchased;
	♦ the prices including taxes;
	♦ delivery costs and arrangements are shown;
	♦ how long the price will stay valid;
	♦ how to make payment;
	♦ whether you have the right to cancel the order;
	♦ if it is a service being procured, how long is the commitment; and the contract in law should be between the school and the supplier and not between the individual and the supplier.

642.	The Headteacher will be the registered cardholder.
643.	The Senior Finance Assistant (or in their absence the Finance Officer), will administer all charge card transactions after approval by the Finance Officer, and will ensure that no one faculty will utilise all funds available at the exclusion of other budget holders. The Business Manager will review and counter-sign all orders in excess of £1k. All transactions are checked by the Finance Officer on reconciliation of the monthly charge card statement. The school charge card must be used when making purchases on-line to avoid the need for staff to make purchases using their personal cards. The school does not accept liability for any loss incurred by an individual through personal use of their card
644.	The Business Manager carries out a monthly check of the charge card statement. No details will be given out over the telephone but only through secure websites or terminals.
645.	Purchase of alcohol – funds must not be used to purchase alcohol for consumption, except where it is to be used for religious ceremonies.
	Purchases of 'Apps' for i-pads
646.	The school has recently made significant investment in wireless technology, in particular I-pads. For staff in possession of a school I-pad, purchase of 'apps' must be made using the credit provided on their school Apple account. This credit must not be used for personal purchases and personal funds must not be used for school purchases.
	School Shop
647.	Items available in the school shop will be made available on-line via WisePay.
648.	The school cash till will be programmed to comply with the regulations and advice laid down by the VAT Liaison Officer.
	Cashless Catering
649.	The Governors have approved the use of a school cashless catering system in all dining outlets. The current system is Transact.
650.	There are three cash kiosks, one in A Block, B Block and one C block, which are emptied at the end of each working day by the Catering Manager or Assistant Catering Manager, plus one other member of staff.
651.	Cash is reconciled with the Transact report and prepared for banking by G4S.
652.	Catering staff are authorised, as required, to process cashless transactions from the appropriate tills. The Finance Assistant is to reconcile the Control Account and Transact monthly. The Year Room or catering manager are authorised to allocate a temporary overdraft facility, on the Transact system.
	Sponsorship Payments
656.	Payment from Sponsors - The Academy trust will ensure that in the event of any sponsorship, all goods and services are properly procured and present value for money.
	Trading with Connected Parties

657.	<p>Trading with Connected Parties</p> <ul style="list-style-type: none"> • The Trust must pay no more than “cost” for goods or services provided to it by the following persons: <ol style="list-style-type: none"> 1. Any individual or organisation connected to a Member or Trustee/governor including a relative (close member or someone in the same household) 2. An individual or organisation carrying on business in partnership with the Member, Trustee/governor or relative of the Trustee/governor, a company in which a member or relative holds more than 20 percent of the share capital or voting power. 3. An organisation which is controlled by a Member/Trustee/governor or relative. 4. Those given the right under the Articles of Association to appoint Members or Trustees/Governors. 5. Any individual or organisation recognised by the Secretary of State as a sponsor of the Academy. • The “at cost” applies to contracts for goods and services exceeding £2,500 cumulatively in any one financial year. • The “at cost” requirements does not apply to employees unless they are also one of the parties described above. <p>Any agreement with connected parties to supply goods and services must be properly procured and supported by a Statement of Assurance that their charges do not exceed “cost” which must not include an element of profit, and evidence to demonstrate that this is the case.</p>
7. Income	
701.	The main sources of income for the Academy are the grants from the DfE. The receipt of these sums is monitored directly by the Finance Officer who is responsible for ensuring that all grants due to the Academy are collected and classified correctly as restricted or unrestricted.
702.	<p>The Academy also obtains income from:</p> <p>students, mainly for trips, catering and material sales</p> <ul style="list-style-type: none"> • the public, mainly for lettings of the Academy’s facilities
703.	<ul style="list-style-type: none"> • The Finance Officer will ensure that restricted income is used for its intended purposes.
Fees and Charges	
	The Academy trust should normally set fees for its chargeable services at full cost, but it may include an additional rate of return, when in a commercial environment.
	The Academy has a separate Debtors and Debt Recovery Policy which covers the processes in place to ensure debt collection is maximised.
Trips	
704.	The trip leader must complete a Trips Finance Record to ensure that the trip is self-financing before taking place, and a copy of this form must be passed to the Accounts Office prior to correspondence being sent to parents. The trip should be costed to ensure that any surplus does not exceed the recommended audit level of £7.50 per pupil, and does not run at a loss.
705.	Students should make payment to the relevant faculty support assistant, or via the online payments facility, WisePay. Where payment is made by cash or cheque, the faculty support assistant must issue a receipt to the student.

	All payments received by the Finance office will be recorded on the wisePAY system, against the appropriate student and trip.
706.	The Finance Assistant should maintain an up to date record for each student using the appropriate software. The trip leader is responsible for chasing the outstanding amounts.
707.	After the trip has taken place, the account is finalised, and any balance exceeding £7.50 per pupil will be reimbursed to the parents. Any balance below £7.50 per pupil will be transferred to a Trip Assistance account to subsidise students with financial difficulties. The Assistant Headteacher will approve requests for such funds.
708.	Trip contingencies should only be used for the intended purpose, eg. to cover emergencies. Unspent contingencies should be accounted for as above.
709.	Detailed procedures for planning and running trips can be found on the Academy's intranet site.
710.	Governors have authorised the use of a Caxton Mastercard for trip leaders to manage overseas currencies. The cash limit per member of staff is £500.00.
	Lettings
711.	The Estates Manager is responsible for maintaining records of bookings of facilities, for ensuring that the hirer has signed the hirers agreement form and provided evidence of DBS check details prior to the commencement of the letting.
712.	The Estates Manager is responsible for identifying the sums due from each organisation. Payment for lettings will be required at the end of each half-term period.
713.	Details of organisations using the facilities should be sent by the Estates Manager to the Finance Assistant who will produce a sales invoice from the financial management system accounting system. Details of payments made and outstanding accounts will be forwarded to the Estates Manager fortnightly and the Estates Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.
714.	No debts should be written off without the express approval of the Finance and General Purposes Committee (the DfE's prior approval is also required if debts to be written off are above the value set out in <i>Appendix 4</i>).
715.	Organisations using the facilities should be instructed to send all payments to the Finance Office.
716.	The Estates Manager will verify that the hirer holds public liability insurance and where this is not held the appropriate charge is made to subscribe to the Academy's hirers' liability insurance.
	The Head teacher must approve all new lettings prior to the use of the school facilities
	Custody
717.	Official, pre-numbered Academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in one of the Academy's safes prior to banking. Banking should take place every week or more frequently if the sums collected exceed the £5000 insurance limit on the safe. Staff must inform the Finance Officer if the £5000 limit is likely to be exceeded.
718.	Monies collected must be banked in their entirety in the appropriate bank account. The Finance Assistant is responsible for preparing reconciliations between the sums receipted,

	the sums deposited at the bank and the sums posted to the accounting system. Regular bank account reconciliations by the Finance Officer ensure the accuracy of the amount deposited.	
8. Cash Management		
Bank Accounts		
801.	The opening of all accounts must be authorised by the Finance and General Purposes Committee who must set out, in a formal memorandum provided by the bank, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.	
Deposits		
802.	Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include: <ul style="list-style-type: none"> • the amount of the deposit and • a reference, such as the number of the receipt or the name of the debtor. 	
Payments and withdrawals		
803.	All cheques and other instruments authorising withdrawal from Academy bank accounts must be signed in accordance with the following rules:	
Value	Number of signatories	Signatures required
Up to £10,000	2	Any two from: <ul style="list-style-type: none"> - Headteacher - Senior Assistant Headteacher - Assistant Headteacher - Business Manager
Over £10,000	3	Any two from above, plus any of the three members of the Trust

	Authorised signatories must not sign a cheque relating to goods or services for which they have solely authorised the expenditure.
Administration	
804.	The Finance Officer must ensure bank statements are received regularly and that reconciliations are performed in a timely way. Reconciliation procedures must ensure that: <ul style="list-style-type: none"> • all bank accounts are reconciled to the Academy's cash book on financial management system; • reconciliations are subject to an independent monthly review carried out by the Business Manager. • adjustments arising will be dealt with promptly.
805.	Petty Cash Accounts The Academy maintains a maximum cash balance of £550. The cash is administered by the Finance staff and is kept in the Finance office safe.
807.	Authorisation if own expenses :

	<ul style="list-style-type: none"> Where a budget holder is claiming expenses or petty cash from a budget that they have authority for, the line manager of this staff member must countersign the claim or petty cash.
808.	In the event an expense receipt is lost, the staff member will complete an Expenses Exemption form which should be signed by the staff member, Business Manager or Headteacher.
809.	Deposits
	The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.
810.	Payments and Withdrawals
	In the interests of security, petty cash payments will be limited to £50. Higher value payments will be made by cheque directly from the main bank account as a cash book payment. In exceptional circumstances payments above this limit can be authorised by the Headteacher/Business Manager.
811.	Administration
	The Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation.
812.	Physical Security
	Petty cash should be held in a locking cash box which is put in the safe overnight.
813.	Cash Flow Forecasts
	The Finance Officer is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile expenditure to cover potential cash shortages.
	Investments
814.	Recommendations for investments will be presented to the Finance and General Purposes Committee and then only made in accordance with the procedures minuted at the meeting.
815.	All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.
816.	The investments policy will be reviewed annually to assure that security of funds takes precedence over revenue maximisation.
9.	Fixed assets
901.	Asset register
	All items purchased with a value over the Academy's capitalisation limit must be entered in an asset register. The capitalisation limit will be set by the Finance and General Purposes Committee. For the current year this limit is set at £1000.
902.	Additionally all tangible purchases over £50 must be recorded on the Academy's inventory register for insurance purposes.
	The asset register should include the following information:

	<ul style="list-style-type: none"> • asset description
	<ul style="list-style-type: none"> • asset number
	<ul style="list-style-type: none"> • serial number
	<ul style="list-style-type: none"> • date of acquisition
	<ul style="list-style-type: none"> • asset cost
	<ul style="list-style-type: none"> • sources)
	<ul style="list-style-type: none"> • expected useful economic life
	<ul style="list-style-type: none"> • depreciation
	<ul style="list-style-type: none"> • current book value
	<ul style="list-style-type: none"> • location
	<ul style="list-style-type: none"> • name of member of staff responsible for the asset
	<ul style="list-style-type: none"> •
903.	<p>The Asset Register helps:</p> <p>ensure that staff take responsibility for the safe custody of assets;</p> <ul style="list-style-type: none"> • enable independent checks on the safe custody of assets, as a deterrent against theft or misuse; • to manage the effective utilisation of assets and to plan for their replacement; • help the external auditors to draw conclusions on the annual accounts and the Academy's financial system • support insurance claims in the event of fire, theft, vandalism or other disasters. •
	<p>Security of assets</p>
904.	<p>Equipment must be secured by means of physical and other security devices. All the items in the register should be barcode labelled as the Academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of Academy property should be kept up to date and reviewed regularly. Where items are used by the Academy but do not belong to it this should be noted.</p>
	<p>Disposals</p>
905.	<p>Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and, where significant, should be sold following competitive tender. The Academy can donate to a charity any asset up to a maximum value of £1,000 for a single item.</p>
906.	<p>The Finance and General Purposes Committee are provided with an annual report detailing disposed assets.</p>
907.	<p>Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner.</p>
908.	<p>The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested then the Academy must repay to the DfE a proportion of the sale proceeds.</p>
909.	<p>All disposals of land must be agreed in advance with the Secretary of State.</p>
	<p>Loan of Assets</p>
910.	<p>Academy property taken off site should only be used for Academy related purposes. Items must not be removed from Academy premises without the authority of the Head of Department / Faculty, who must record the loan and subsequent return of the item to the Academy.</p>
911.	<p>If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Academy's auditors.</p>

	Sixth Form Centre Asset Register and Inventory
912.	The Director of Sixth Form is responsible for maintaining an inventory of all items purchased for the Sixth Form Centre above the £50 threshold outlined above. The inventory must be regularly updated in respect of purchases and disposals and an annual check undertaken to ensure all items have been recorded correctly. Following the annual check the updated checking document must be signed by the Director of Sixth Form and sent back to the Julie Farmer for recording on the central database.
	Register of Pecuniary Interests/Gifts and Hospitality
913.	The Governing Body will receive a register of Pecuniary Interests for Governors on an annual basis.
914.	Meetings of the Governors Finance and General Purposes Committee will provide any opportunity to declare interests and this will be minuted accordingly.
915.	Governors' Committee terms of reference require Governors to declare any interests. Such an opportunity will be provided at meetings and fully minuted.
916.	The Headteacher will receive a Register of Pecuniary Interests for members of staff on an annual basis.
917.	<ul style="list-style-type: none"> • Staff and Governors should turn down any gifts or hospitality offered by a supplier or potential supplier unless the gift is of negligible value eg pocket diary. All gifts in excess of £10 must be reported to the Finance Officer for inclusion on the register. • When giving gifts the Trust will ensure that the value of the gift is reasonable, and has due regard to propriety and regularity, such instances will be approved by the Headteacher up to £100 and by the Finance and General Purposes committee in excess of £100. <p>All gift received must be declared to the Finance Officer for an entry to be made in the Gift Register regardless of value.</p> <ul style="list-style-type: none"> •
918.	The LCC Whistle Blowing Policy is held in school and staff and Governors are made aware of its contents through the school intranet and website.
	Document Retention
919.	The Headteacher shall ensure that documents are retained for periods in accordance with the requirements of the District Auditor, the Inland Revenue and Customs and Excise. For accounting records the retention period is 6 years.
920.	Interview, recruitment and associated documents will be retained for 1 year.
921.	Personnel files will be retained for 7 years.
	10. Financial Monitoring and Management
1001	The Academies Financial Handbook sets out specific limits in relation to the following areas: <ul style="list-style-type: none"> • Disposal of Assets • Liabilities and write-offs • Staff severance • Compensation • Borrowing • Leases • Fraud and irregularity

	Their treatment and the delegated authorities of the Academy can be found in <i>Appendix 4</i> .

Ashby School Financial Cycle

(Appendix 1)

Date	Event	Action	Reason / Benefit
March	ESFA publishes final funding allocations for forthcoming year commencing 1 st Sept	Start compiling Budget Projections document for presentation at Summer Finance Governors meeting, and approval at Summer Full Governors	Provide assurance to governors and ESFA that the academy will be in good financial health for the year.
April	Internal Audit visit	The I.A. report will need to be presented at Summer Finance Governors	
30 th April	Receipt of EOYC from Teachers' Pensions by this date	Forward to Payroll for completion	
May / June	Governors Finance Meeting	Present Budget Projections document Present Internal Audit report	
31 st May	Deadline for Unaudited TP EOYC	Completed unaudited EOYC to be submitted to TP (submitted by Payroll)	
31 st May	Deadline for filing previous year's accounts with Companies House.	Previous year's accounts to be filed (in accordance with nine months after year end rule).	

19th May	BFRO Return	Submit Budget Forecast Outturn Return to ESFA	
June	Full Governors Meeting	Approval of Budget Projections document	
July		Additional work on EOYC by Payroll. Returned back to School to forward to Auditors.	
31 st July	Deadline for Budget Projections	Submit BFR return and 3 year budget to be EFSA	
August	Interim Audit	3-day on-site preparative visit by MacIntyre Hudson to collect information ahead of autumn visit.	
31 st August	Financial Year End		
September		Process all transactions relating to goods/services prior to 31 st August, to ensure closure of account in timely manner	
30 th September	Deadline for Audited TP EOYC	Completed audited EOYC to be submitted (by MacIntyre Hudson)	
September/October	Preparation of Statutory Accounts and External Audit by MacIntyre Hudson	One week on-site, followed by subsequent off-site work	Statutory requirement under the Companies Act 2006 and Charity Commission's Statement of Recommended Practice
December	Extraordinary Finance Committee meeting	Review draft financial statements and audit points.	
December	Full Governors Meeting / AGM	Approve Financial Statements.	

December /January		Compile Accounts Return (by MacIntyre Hudson) using information in approved Financial Statements by 22 nd January.	Support a number of Treasury and departmental requirements, including the preparation of consolidated accounts and benchmarking data.
31 st December	Deadline for filing Financial Statements with ESFA.	Filing of Governors report and annual accounts for the period ending 31 August.	
31 st January	Deadline for Submission of Accounts Return	MacIntyre Hudson send on our behalf. Needs to be signed by Accounting Officer and External Auditor.	
31 st January	Deadline for publishing accounts on School website.	Publish copy on School website	

SIGNATORIES

	Headteacher	Deputy Headteacher	Business Manager	Cover Manager	Director of Professional Development	Catering Manager	Estates Manager	Exams Officer/ Assistant	Chair of Governors
Contract Changes - Headteacher			Initial						Sign
Contract Changes – Teaching Staff	Sign	Sign	initial						
Contract Changes – Support Staff	Sign		Sign						
Supply Staff Timesheets	Sign	Sign		Sign	Sign				
Premises Staff Timesheets	Sign		Sign				Sign		
Catering Staff Timesheets	Sign		Sign			Initial			
Invigilator Timesheets	Sign		Sign					Initial	
Cleaning Staff Timesheets	Sign		Sign				Initial		

Procurement Thresholds

	Orders and contracts less than £1000	Orders and contracts £1000 to £6500	Orders and contracts £6501 to £50000	Orders and contracts exceeding £50000	Orders and contracts exceeding EC Procurement Threshold*
Budget allocation approval	As part of the I&E broad headings	As part of the I&E broad headings	As part of the I&E broad headings. Additional specific approval at F&GPC meeting	As part of the I&E broad headings. Additional specific approval at F&GPC meeting	As part of the I&E broad headings. Additional specific approval at F&GPC meeting
Order initiated by	Budget Holder	Budget Holder	Budget Holder	Budget Holder	Budget Holder
Order authorised on financial management system	Finance Officer	Business Manager or Headteacher	Business Manager or Headteacher	Business Manager or Headteacher	Business Manager or Headteacher
Best Value achieved by	Benchmarking with approved suppliers by budget holder and Accounts Office	Benchmarking with approved suppliers by budget holder and Accounts Office	Obtaining 3 written quotes	Formal tendering process. Tenders to be opened in presence of at least one trustee/governor	Advertised in the Official Journal of the European Union (OJEU)
Governors Finance and General Purposes Committee approval	N/A	N/A	Where time permits approval should be sought at F&GPC meeting. However if time does not allow, eg. between meetings, approval of 2 from the following:- <ul style="list-style-type: none"> Any member of the 3 Members of the Trust Chair of the F&GPC. Vice Chair of Governors To be sought via email, and then reported to the F&GPC.	Tenders to be approved at F&GPC meeting. However if time does not allow, eg. between meetings, approval of the majority of members to be sought via email and then reported to the F&GPC.	At F&GPC meeting
Occasions where 3 quotes are not practicable or cheapest quote is not the most suitable option	N/A	N/A	Where time permits approval should be sought at F&GPC meeting. However if time does not allow, eg. between meetings, approval of 2 from the following:- <ul style="list-style-type: none"> Any member of the 3 Members of the Trust Chair of the F&GPC. Vice Chair of Governors To be sought via email and then reported to the F&GPC	N/A	N/A
CIF Applications	Due to the timescales associated with the CIF application process and the technical nature of the information needed for the application form the school will engage an external consultant to oversee the bid submission and procurement process including the compilation of the tender specifications and invitation to				

tender. In this scenario the consultant will be authorised to open the tenders and carry out an evaluation for the purposes of compiling the funding bid. If the school is subsequently successful with the application and the work is commissioned, governors will receive the evaluation information, approve the tender and authorise the works to be completed. The consultant will also be authorised to open the tenders in the event that governor presence is not possible (eg lockdown).

*EC thresholds from 1st January 2016 (excluding VAT) are: Goods and services: £181,302; Construction and civil engineering works: £4,551,413 (updated from OJFC website 3.8.19)

(Appendix 4)

Disposals, Borrowing, Compensation and Ad-hoc payments.

Category	Description	Delegated Authority
Acquisition and disposal of land and buildings heritage assets	Academy trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions: <ul style="list-style-type: none"> Acquiring a freehold on land or buildings. Disposing of a freehold on land or buildings. Disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards. 	<ul style="list-style-type: none"> Approval must be sought in writing from the Secretary of State via the ESFA.
Disposal of Other Assets	Assets no longer needed for conduct of business.	<ul style="list-style-type: none"> Can be donated to a charity for up to a maximum value of £1,000 per single item. The AT must ensure that any disposal achieves the best price possible where the assets have a residual value.
Liabilities and write-offs including entering into guarantees, letters of comfort or indemnities.	<ul style="list-style-type: none"> Where debts and liabilities have been deemed to be irrecoverable. Before accepting any liabilities, the Trust should secure value for money by appraising the proposal and ensure that the value is within its delegated authority. 	<p>The delegated limits subject to a maximum of £250,000, are:</p> <ul style="list-style-type: none"> Limit of 1% of total annual income or £45,000, whichever is smaller, per single transaction. Limit of cumulatively 2.5% of total annual income in any one financial year per category of transaction for any AT's, that have not submitted timely, unqualified financial returns for the previous two financial years. Limit of cumulatively 5% of total annual income in any one financial year per category of transaction for any AT's that

		<ul style="list-style-type: none"> have submitted timely, unqualified financial returns for the previous two financial years. Beyond these limits ESFA approval must be obtained. The AT should disclose figures for transactions in each category as a note to their annual accounts. In addition a separate disclosure is received in the annual accounts of each transaction above £5,000. The FGPC will be responsible for writing off debts in excess of £250. The Headteacher will be authorised to write-off debts below £250. 												
Staff Severance	Where a payment above the contractual entitlement is considered when leaving public employment.	<ul style="list-style-type: none"> Only where there is no reasonable possibility, based on legal assessment of winning a case at tribunal, including gross misconduct and poor performance. Payment must be less than the forecast potential settlement as defined by the legal assessment. Special severance payments should not be made where they could be seen as reward for failure. If payment is above the entitlement of £50,000 prior approval must be sought from H.M. Treasury via the ESFA. This applies whether it is a statutory/contractual payment or a non-statutory/non contractual payment Staff severance payments of any value must be disclosed in total, and individually in the audited accounts. AT's must ensure confidentiality clauses do not prevent an individual's right to make disclosures in the public interest. 												
Compensation Payments	Made to provide redress for loss of injury.	<ul style="list-style-type: none"> Must be based on careful appraisal of the facts including legal advice, and that value for money will be achieved. If payment is above the contractual estimate of £50,000 prior approval must be sought from H.M. Treasury via the ESFA. 												
Examples Staff Severance and Thresholds		<table border="1"> <thead> <tr> <th>Statutory/contractual payment</th> <th>Non-statutory/non-contractual payment</th> <th>ESFA prior approval required?</th> </tr> </thead> <tbody> <tr> <td>£30,000 +</td> <td>£30,000</td> <td>No</td> </tr> <tr> <td>£60,000 +</td> <td>£30,000</td> <td>No</td> </tr> <tr> <td>£30,000 +</td> <td>£50,000</td> <td>Yes – for £50,000</td> </tr> </tbody> </table>	Statutory/contractual payment	Non-statutory/non-contractual payment	ESFA prior approval required?	£30,000 +	£30,000	No	£60,000 +	£30,000	No	£30,000 +	£50,000	Yes – for £50,000
Statutory/contractual payment	Non-statutory/non-contractual payment	ESFA prior approval required?												
£30,000 +	£30,000	No												
£60,000 +	£30,000	No												
£30,000 +	£50,000	Yes – for £50,000												
Borrowing	Borrowing can only be in accordance with the funding agreement guidance.	<ul style="list-style-type: none"> ESFA prior approval is required, for short term and long term borrowing including overdraft facilities and long term finance leases. 												

		<ul style="list-style-type: none"> • The ESFA general position is that permission for borrowing will only be granted in exceptional circumstances. • Credit cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.
Leases	Leases can only be entered into in accordance with the funding agreement guidance.	<ul style="list-style-type: none"> • Finance leases involve borrowing and therefore require ESFA approval. • Operating leases do not involve borrowing and therefore do not require ESFA approval. • Taking up a finance lease on any class of asset for any duration from another party, would represent borrowing, and would require ESFA approval. • Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than seven years; and would require ESFA approval. • Granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of any duration requires ESFA approval.
Fraud and Irregularity	Instances of fraud or theft against the Academy whether by employees, governors or third parties.	<ul style="list-style-type: none"> • Above £5,000, must be reported to the ESFA. • Any conduct of unusual or systematic fraud, regardless of value, must be reported.
Tenancy Agreements	Granting of or taking up a new tenancy agreement.	<ul style="list-style-type: none"> • The AT must seek and obtain explicit and prior approval from the Secretary of State, via the ESFA before granting any tenancy agreement, regardless of length, and prior to taking up any leasehold or tenancy agreement for more than three years.
Novel, Contentious and Repercussive Transactions	<ul style="list-style-type: none"> • Novel payments are those which the Academy has no experience or outside the range of business activities. • Contentious payments are those which give rise to criticism by parliaments, the public or media. • Repercussive transactions are those which are likely to cause pressure on other Trusts to take a similar approach and hence have wider implications. 	<ul style="list-style-type: none"> • There is no specific advice available regarding the payments, but the AT should use its judgement as to when to seek advice from the ESFA. • If a decision is taken for a payment this must be referred to the ESFA for explicit prior authorisation.
Gifts	Staff and Governors should turn down any gifts or hospitality offered by a supplier unless it is of negligible value (eg pocket diary).	<ul style="list-style-type: none"> • The Accounting Officer is able to make discretionary non-cash gifts to the value of £100 which will be reported to the Finance and General Purposes Committee. • All gifts from the AT exceeding £100 will require approval from the Finance and General Purposes Committee.

	When giving gifts the Trust will ensure that the value of the gift and has due regard to propriety and regulation.	<ul style="list-style-type: none"> All gifts exceeding £5,000 must be reported to the ESFA through the annual accounts.
Ex-gratia payments	Example include payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy.	<ul style="list-style-type: none"> Ex-gratia payments must be referred to the ESFA for authorisation.
Disclosure of Payments	All payments in connection with the above list.	<ul style="list-style-type: none"> The AT must disclose aggregate payments in its annual account with a separate disclosure for single transactions over £5,000.
Trading with connected parties	Connected parties include any member or trustee of the Academy, their relatives/close family members. Also an individual, organisation or company in which a member or relative is employed.	<ul style="list-style-type: none"> The trust must pay no more than “cost” for goods or services provided to it. The “at cost” requirements applies to contracts from a connected party exceeding £2500 cumulatively in any one financial year. Any element where above £2,500 must be as no more than cost. Any contract for the supply of goods or services by a related party exceeding £20,000 must be approved by the ESFA.
General Annual Grant	GAG carry forward Pooling by MATs	<ul style="list-style-type: none"> The Trust must report all contacts and other agreements with related parties to the EFSA in advance of the contract agreement commencing using the online form. No limits if trust is eligible A MAT has freedom to amalgamate a proportion of GAG to form a central fund. There are no limits if trust is eligible.

Ashby School

Statement of Accounting Policies

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016-2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ashby School meets the definition of a public benefit entity under FRS 102.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trusts ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy trust has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital Grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is sufficient probability of receipt and can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy trust's policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probably that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy's apportioned charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as

to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy trust's depreciation policy

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

Asset Group	Depreciation Method
Freehold Buildings	2% (50yrs) Straight Line
Long Leasehold Property	2% (50yrs) Straight Line
Long Leasehold Land	125 years over the life of the lease
Furniture and Equipment	10% (10 yrs) Straight line with nil residual value
Computer Equipment and Software	33% (3 yrs) Straight line with nil residual value
Motor Vehicles/Minibuses	20% (5yrs) Straight line with nil residual value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities as appropriate.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold shop and catering stock is valued at the lower of cost or net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those

amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Taxation

The Academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes) and the assets are held separately from those of the Academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of the quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currently to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency of the Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency of the Department for Education.

Financial Instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of the tangible fixed assets, and note 1.6 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the periods liability at 31 August 2016. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Personal responsibilities

- Apply highest standards of conduct and ensure robust governance, comply with charitable objects, with **duties as company directors**, with charity law and the funding agreement [1.12 and 1.13]

Structures

- Ensure the board of trustees **meets at least three times a year**, and conducts business only when quorate [2.3]
- Approve a written **scheme of delegation** of financial powers [2.4]

Relationships

- **Manage conflicts of interest**, be even-handed with **related parties**, and ensure goods or services provided by them are at **no more than cost**, beyond the limits in this handbook [5.34 to 5.58]
- **Money and oversight**
- Ensure the board approves a **balanced budget** for the financial year and minutes their approval [2.10]
- Share **management accounts** with the chair of trustees monthly, with the other trustees six times a year, and consider when the board meets, taking action to maintain financial viability [2.19 and 2.20]
- Ensure decisions about **executive pay** follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable [2.30 and 2.31]
- Appoint an **audit and risk committee** (either dedicated or combined with another committee) to advise on the adequacy of the trust's controls and risks [1.17 and 3.6 to 3.14]

Accountability and audit

- **Submit audited accounts** to ESFA by 31 December [4.4]
- Ensure an appropriate, reasonable and timely response to **findings by auditors**, taking opportunities to strengthen financial management and control [4.16]

Roles and responsibilities

- Adhere to **The 7 principles of public life**
- Have the **skills, knowledge and experience** to run the trust [1.1]
- Have at least three **members**, although the Department's strong preference is for five [1.3]
- Not have **members** as employees, nor have members occupy staff roles on an unpaid voluntary basis [1.4]
- Ensure **regularity, propriety and value for money** [1.14, 1.28 and 2.7]
- Trustees to take ownership of financial sustainability and ability to operate as a **going concern** [1.14]
- Ensure **committees** contain a majority of trustees [1.18]
- Not have **de facto trustees** or **shadow directors** [1.19]

- Include a review of the trust's **governance structure** and board composition in the governance statement when producing audited accounts for the first time [1.21]
- Appoint a senior executive leader (should be **principal or chief executive**) [1.25]
- Appoint an **accounting officer** (the senior executive leader) with responsibility for **regularity, propriety and value for money** and for **assuring the board** about compliance with the funding agreement and handbook [1.26 to 1.35]
- Demonstrate in the governance statement how the trust has secured **value for money** [1.32]
- Include a **statement on regularity, propriety and compliance**, signed by the accounting officer, in the audited accounts [1.32 and 4.13]
- Appoint a **chief financial officer** to lead the finance department [1.36]
- Have appropriately qualified and/or experienced **finance staff** [1.37]
- Appoint a **clerk to the board** [1.40]

Main financial requirements

- Maintain robust **oversight** of the trust [2.1]
- Take responsibility for **financial affairs**, stewardship of assets and use resources efficiently [2.2]
- Describe in the governance statement how the board has maintained **effective oversight** if meeting less than six times a year [2.3]
- Have **sound internal control**, risk management and assurance processes [2.6]
- Establish a **control framework** that includes:
 - ensuring **delegated financial authorities** are complied with, and **segregation of duties** maintained
 - co-ordinating the **planning and budgeting process**
 - discipline in financial management, including managing **debtors, creditors, cash flow and monthly bank reconciliations**
 - planning and oversight of **capital projects**
 - management and oversight of **assets** including maintenance of a fixed asset register
 - **regularity, propriety and value for money**
 - reducing **fraud** and theft
 - independent checking of controls, systems, transactions and risks
 - a competitive tendering policy [2.7 and 2.28]
- Prepare and monitor **financial plans** to ensure the trust remains a **going concern** and ensure rigour and scrutiny in budget management [2.8 and 2.9]
- Ensure **budget forecasts** are accurate, based on realistic assumptions and reflective of lessons learned from previous years [2.11]

- Submit a **budget forecast return outturn** and 3-year **budget forecast return** to ESFA [2.15 and 2.16]
- Notify ESFA within 14 days if proposing a **deficit revenue budget** for the current financial year which it cannot address after taking into account unspent funds from previous years, as this would be non-compliant with the funding agreement and this handbook [2.17]
- Prepare **management accounts every month** and take appropriate action. Measure **key financial performance indicators** regularly and analyse in annual trustees' report [2.18, 2.21 and 2.22]
- Manage **cash position** robustly and avoid becoming overdrawn [2.24]
- Have a cautious approach to **investments** in line with the handbook principles [2.25]
- Show that public funds have been **used as intended** by Parliament [2.27]
- Publish on trust's website the number of employees whose **benefits exceeded £100k**, in £10k bandings [2.32]
- Ensure senior employees' **payroll arrangements** meet HM Treasury's tax requirements [2.34]
- Not use trust's funds to purchase **alcohol** for consumption, except where it is to be used in religious services [2.35]
- Charge for **boarding provision** in line with this handbook [2.37]
- **Manage risks**, including contingency and business continuity planning and maintain a risk register. Board to retain oversight of risk and review risk register at least annually. [2.38 and 2.39]
- Have adequate **insurance** or be a member of DfE's risk protection arrangement [2.40]
- Implement reasonable risk management **audit recommendations** [2.42]
- Have published procedures for **whistleblowing** and respond properly and fairly [2.43 to 2.48]
- Be **transparent** with governance arrangements [2.49]
- Publish the trust's **governance arrangements** in its governance statement and in a **readily accessible form** on its website [2.50]
- Provide ESFA or its agents with **information** of sufficient quality to meet funding requirements [2.51]
- Notify DfE via Get information about schools within 14 days of changes in information about members, trustees, local governors, chair of trustees, chairs of local governing bodies, accounting officer and chief financial officer [2.53 to 2.57]

Internal scrutiny

- **Check financial and non-financial controls and risks** [3.1 to 3.5]
- Oversee controls and risks at **constituent academies** [3.13]
- Ensure **information submitted** to DfE and ESFA affecting funding is accurate and compliant [3.14]

- Ensure checks are conducted by someone **independent**, suitably **qualified and experienced** [3.15 to 3.21]
- Provide **internal scrutiny reports** to the audit and risk committee and make the **findings** available to all trustees promptly [3.15 and 3.16]
- Confirm in the governance statement which **internal scrutiny** option has been applied and why [3.22]
- Provide **annual summary** of internal scrutiny to ESFA by 31 December, and provide other internal scrutiny reports on request [3.23]

Annual accounts and external audit

- **Produce audited accounts, publish** on the trust's website by 31 January and file with Companies House [4.1 to 4.4]
- **Appoint an external auditor** in writing, for the annual accounts [4.5 and 4.6]
- Put any **additional services** from the external auditor in a separate letter of engagement [4.6]
- Provide in the audit contract for the **removal of external auditors** [4.7]
- Notify ESFA immediately of the **removal or resignation of external auditors**, and the reasons [4.8]
- Prepare information, at DfE's request, for the **sector annual report and accounts** [4.9 and 4.10]
- Include a **review of the accounting officer's statement on regularity, propriety and compliance** within the external auditor's remit, and address the **auditor's conclusions on regularity** jointly to the trust and ESFA [4.15]
- **Audit and risk committee** to review the external auditor's plan, annual accounts, audit findings, management response and effectiveness of the external auditor and produce annual report of conclusions [4.17]

Delegated authorities

- Obtain ESFA's prior approval for transactions **beyond the trust's delegated** limits [5.1]
- Make **financial disclosures** in the annual accounts in line with this handbook [5.2 and 5.3]
- Refer **novel, contentious and/or repercussive transactions** to ESFA for approval [5.5]
- For **staff severance payments**, consider the following before committing:
 - whether the proposed payment is in the **trust's interests**
 - whether payment is **justified and value for money**, based on a legal assessment
 - review the **level of settlement**, which **must** be less than the legal assessment of what the relevant body (e.g. employment tribunal) is likely to award [5.8]

- Obtain ESFA's approval for the **non-contractual/non-statutory element** of a **staff severance payment** of **£50,000** or more (gross, before deductions) [5.10]
- Not accept a settlement for a **staff severance payment** unless satisfying the conditions in this handbook [5.11]
- Ensure **confidentiality clauses** do not prevent an individual's right to make **disclosures in the public interest** [5.12]
- For **compensation payments**, base on appraisal, including legal advice, ensuring value for money [5.13]
- Obtain ESFA's approval for **non-contractual/non-statutory compensation payments** of **£50,000** or more [5.14]
- Obtain ESFA's approval for **ex gratia payments** [5.17]
- Obtain ESFA's approval for **writing off debts and losses, guarantees, letters of comfort and indemnities** beyond limits in this handbook [5.18 and 5.19]
- Obtain ESFA's approval, before **acquiring and disposing of fixed assets** beyond limits in this handbook and ensure **disposal** achieves **best price** [5.22 and 5.23]
- Obtain ESFA's approval for **leases** beyond limits in this handbook [5.25 to 5.27]
- Not **pool PFI** funding across a trust with multiple academies [5.29]
- Consider the funding needs of individual academies if **pooling GAG**, and have an appeals mechanism [5.30]
- Ensure **gifts** by the trust have the decision documented, and have regard to propriety and regularity [5.31]
- Obtain ESFA's approval before **borrowing**, including finance leases and overdrafts, and only use credit cards for business expenditure [5.32]
- Ensure no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for **personal gain** [5.35]
- Ensure **no payments to trustees** unless permitted by the articles and comply with the terms of any agreement with the Secretary of State [5.35]
- Obtain Charity Commission approval for **paying a trustee for acting as a trustee** [5.35]
- Ensure the board chair and the accounting officer manage their relationships with related parties to **avoid real and perceived conflicts of interest** [5.37]
- Recognise that **related party transactions** may attract **public scrutiny** and require sufficient disclosure in annual accounts to support **accountability and transparency** [5.38 and 5.39]
- **Report all contracts and other agreements with related parties** to ESFA in advance [5.40]
- Obtain ESFA **approval for contracts and other agreements with related parties** beyond limits in this handbook [5.41 to 5.43]

- Capture in an up to date **register of interests** the relevant business and pecuniary interests of **members, trustees, local governors** and **senior employees** [5.44] and interests of other individuals as described in 5.45
- **Publish relevant business and pecuniary interests** of members, trustees, local governors and accounting officers [2.50 and 5.47]

The regulator and intervention

- Arrange for **letters to trusts’ accounting officers** from ESFA’s accounting officer about the accountability framework to be discussed by the board and, where appropriate, strengthen the trust’s systems [6.2]
- Provide ESFA with **access** to books, records, information, explanations, assets, premises and staff to assist with its audits [6.4]
- **Retain records** for at least six years after the period to which funding relates [6.5]
- Send ESFA a **financial management and governance self-assessment** for new academy trusts, or constituent academies joining an existing trust [6.6]
- Submit **school resource management self-assessment tool** to ESFA annually [6.8]
- Be aware of the risk of **fraud, theft and irregularity** and address with proportionate controls and appropriate action [6.10]
- Notify ESFA of **fraud or theft** over £5,000, individually or cumulatively, or of any value where unusual or systematic [6.11]
- Comply with a **Financial Notice to Improve** [6.15 and 6.17]
- Publish the **FNtl** on the trust’s website until it is lifted [6.16]
- **Waive delegated authorities** and obtain ESFA approval of certain transactions described in this handbook if the trust has an FNtl [6.18]
- Cooperate with **NAO** and provide help, information and explanation [6.26]

Approved by	Signed	Date
G Staniforth (Headteacher)
E Blunt (Chair of Governors)
A Davies (Chair of Finance)