

# HUNGERHILL ACADEMY TRUST



## FINANCIAL MANAGEMENT POLICY

# Contents

<b>INTRODUCTION.....</b>	<b>5</b>
<b>RESPONSIBILITIES.....</b>	<b>5</b>
Introduction.....	5
Governing Body.....	6
Finance and Resources Committee (Financial Function) .....	7
Role of the Headteacher.....	8
Specific Financial Tasks Delegated to the Headteacher.....	8
The Role of the Finance Director .....	9
The Role of the Departmental Budget Holders.....	10
<b>WHISTLEBLOWING POLICY .....</b>	<b>10</b>
Preamble .....	10
Introduction.....	10
When Might the Whistleblowing Policy Apply?.....	11
Procedure .....	12
How Will the Matter be Progressed?.....	12
Respecting Confidentiality .....	13
Conclusion .....	13
<b>REGISTER OF BUSINESS INTERESTS POLICY.....</b>	<b>14</b>
Receipt of Gifts, Hospitality, Entertainment and Other Services.....	14
Expenditure on Gifts, Hospitality, Entertainment and Favours.....	15
Private Use .....	15
Trading with connected parties .....	15
Novel / contentious transactions .....	16
<b>HUNGERHILL ACADEMY TRUST: REGISTER OF BUSINESS OR PECUNIARY INTERESTS</b>	<b>17</b>
<b>INTERNAL SECURITY.....</b>	<b>18</b>
<b>AUDIT .....</b>	<b>18</b>
Public Funds.....	18
<b>RISKS .....</b>	<b>19</b>
Risk Register .....	19
Business Continuity Plan.....	19
<b>INSURANCE .....</b>	<b>19</b>
<b>TAXATION.....</b>	<b>20</b>

<b>ACADEMY IMPROVEMENT PLAN AND BUDGETING.....</b>	<b>20</b>
Budgeting.....	20
<b>REPORTING FINANCIAL RESULTS .....</b>	<b>22</b>
Budget Monitoring Reports.....	22
<b>CASH FLOW .....</b>	<b>22</b>
<b>COMPUTERISED ACCOUNTING SYSTEM.....</b>	<b>22</b>
Transaction Processing.....	23
Reconciliations.....	23
<b>DELEGATED LIMITS .....</b>	<b>24</b>
Financial Notices to Improve.....	24
Staff Severance Payments .....	24
Asset Sales, Leases and Tenancy Agreements.....	25
Borrowing.....	25
Controls over Expenditure .....	25
<b>AUTHORISED SIGNATORIES LIST.....</b>	<b>26</b>
<b>PAYROLL .....</b>	<b>27</b>
Monthly Procedures.....	28
Failure to the Payroll System.....	29
<b>PURCHASING .....</b>	<b>29</b>
Approved Suppliers .....	29
Tendering.....	30
Quotations .....	31
Purchase Orders .....	32
The Ordering Process .....	33
Receipt of Goods.....	34
Purchase Invoices .....	34
Payment of Invoices .....	34
Cheque Payment.....	35
Credit Notes.....	35
Completeness of Supplier Balances .....	35
<b>PETTY CASH .....</b>	<b>35</b>
<b>INCOME.....</b>	<b>36</b>
Controls Over Incoming Funds.....	36
<b>BANK AND CASH.....</b>	<b>38</b>
Bank Facilities .....	38

Bank Reconciliations .....	39
Cash Banking .....	39
Credit Cards .....	39
<b>FIXED ASSETS .....</b>	<b>40</b>
Asset Register .....	40
Disposal of Assets .....	41
Losses .....	41
<b>LEASING .....</b>	<b>41</b>
<b>INVESTMENTS.....</b>	<b>42</b>
<b>FINANCIAL RECORDS.....</b>	<b>42</b>
<b>DETAILED PROCEDURES MANUAL.....</b>	<b>42</b>
<b>APPENDIX A: Membership of Governing Body</b>	
<b>APPENDIX B: Remit of Finance and Resources Committee</b>	
<b>APPENDIX C: Finance Director's Job Description</b>	
<b>APPENDIX D: Charging and Remissions Policy</b>	
<b>APPENDIX E: Debt Recovery Policy</b>	
<b>APPENDIX F: Flowcharts of finance processes</b>	

## INTRODUCTION

The purpose of this policy is to ensure that the academy maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State.

The academy must comply with the principles of financial control outlined in the guidance published by the Education and Skills Funding Agency in the Academies Financial Handbook (ESFA 2018). This policy expands on that and provides detailed information on the academy's accounting procedures. The policy should be read by all staff involved with financial systems. All members of the academy trust, all governors of the finance committee, Headteacher, Finance Director, HR Manager and the finance team have been provided with a copy of the Academies Financial Handbook (ESFA 2018) along with a copy of this policy.

All governors have been given access to

- Governance handbook.
- CC3: The essential trustee: what you need to know, what you need to do.

## RESPONSIBILITIES

### Introduction

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.

### Proper and regular use of public funds

In accordance with the Academies Financial Handbook, the academy must ensure that:

- Spending has been for the purpose intended.
- No trustee, governor, employee or related party has benefited personally from the use of funds.
- All trustees have completed the register of business interests and there are measures in place to manage any conflicts of interest.
- There are no payments to any trustee unless such payment is permitted by the articles and, where applicable, comply with the terms of any relevant agreement entered into with the Education Secretary.
- Their senior officers' payroll arrangements fully meet their tax obligations and comply with the Treasury's directions regarding the employment and contract arrangements of individuals on the avoidance of tax.
- There is probity in the use of public funds.
- A competitive tendering policy is in place and applied.

- There is no disposal of publicly funded assets without the Education Secretary's consent, where such consent is required.

## **Governing Body**

The Governing Body has overall responsibility to ensure the academy trust's funds are used only in accordance with the law. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the academy and the Secretary of State. (A copy of this is available on the academy website or from the Finance Director). Ultimately the Governing Body is responsible for the proper stewardship of the funds and for ensuring economy, efficiency and effectiveness in their use.

The members of the academy (are the subscribers to the Memorandum of Association – Mrs A Robinson, Mr R Young, Mr W G Peacock, Dr S.J. Newman and Mrs Redford-Hernandez). The members of the trust acknowledge they are aware of their responsibilities as set out in the Companies Act and include the duty to

- Ensure compliance with legal obligations.
- Report on the academy's activities.
- Fulfil the charitable object of the charity as set out in the articles of association.
- Comply with the rules of the charity, as set out in the articles of association.
- Act with integrity and avoid any personal conflicts of interest.
- Not to misuse charity funds or assets.
- Act prudently in the financial management of the charity, avoiding putting the assets, funds or reputation of the charity at risk.
- Exercise reasonable care and skill, using personal knowledge and experience to ensure the charity is well run and efficient.
- Act responsibly, obtaining advice from others, including professional advisers, where appropriate.
- Have the power to appoint trustees (also known as Company Directors or Governors)

As company directors, they also as set out in the Companies Act 2006:

- Exercise their powers only for a proper purpose
- Promote the academy's success
- Exercise independent judgement
- Exercise care, skill and diligence
- Avoid conflicts of interest
- Not accept benefits from third parties
- Declare interest in proposed transactions or arrangements

The following committee structure is in place at Hungerhill Academy Trust

- The Finance and Resources Committee (incorporating the Pay Committee)
- The Human Resources Committee
- The Teaching, Learning and Curriculum Committee
- The Standards and Achievement Committee
- The Student Support Committee

The membership of the Governing Body is detailed in Appendix A, it is noted the trust does not have any de facto trustees (shadow directors as defined in section 251(1) of the Companies Act 2006)

In the interests of transparency, the academy trust publishes on the website up-to-date details of its governance arrangements in a readily accessible format the following information:

- The structure and remit of the members, board of trustees, its committees and the full name of the chair of each
- For each member who has served at any point during the previous 12 months, their full names, date of appointment, date stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- For each trustee who has served at any point during the previous 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them (in accordance with the trust's articles), and relevant business and pecuniary interests including governance roles in other educational institutions. If the trust's accounting officer is not a trustee their relevant business and pecuniary interests must still be published.
- For each member and trustee, their attendance records at board and committee meetings over the last academic year
- For each local governor their attendance records at local governing body meetings over the last academic year

The academy notifies the ESFA of:

- The vacating or filling of the positions of chair of governors, accounting officer and chief financial officer
- The appointment of all members and trustees

within 14 days of the change via the ESFA's Information Exchange

### **The Finance and Resources Committee (Financial Function)**

The Governing Body has established a Finance and Resources Committee, which meets at least once a half- term, or more frequently if necessary. This committee is responsible for monitoring and making recommendations to the Governing Body on matters related to Finance. The Governing Body has:

- defined its terms of reference including the functions of an audit committee;
- prescribed the extent of its delegated authority;
- ensured it receives minutes of the committee's meetings.

The Governing Body reviews the Finance and Resources Committee's remit and membership annually – Appendix B. The membership of the committee and clerking arrangements are detailed in Appendix A

## **Role of the Headteacher (Accounting Officer)**

The Headteacher is personally responsible to the Parliament and the accounting officer of the ESFA as well as for assuring the Governing Body that there is a compliance with the Academies Financial Handbook, the funding agency and all relevant aspects of Company and Charitable Law:

- to fulfil the duties of the Accounting Officer according to the guidance in the Academies Financial Handbook (ESFA 2018);
- The Accounting Officer is personally responsible to the Governing Body for
  - ensuring regularity and probity;
  - keeping proper accounts;
  - prudent and economical administration;
  - avoidance of waste and extravagance; ensuring value for money;
  - efficient and effective use of available resources; and
  - the day to day organisation, staffing and management of the academy.
- The Accounting Officer must advise the Governing Body in writing if, at any time, in his or her opinion, any action or policy under consideration by the Governing Body is incompatible with the terms of the Academies Financial Handbook, Articles of Association or funding agreement. Similarly, the Accounting Officer must advise the ESFA's accounting officer in writing if the board appears to be failing to act where required to do so by the terms and conditions of the Academies Financial Handbook or the funding agreement.
- From time to time the ESFA issues a "Dear Accounting Officer" letter setting out their key responsibilities and highlighting any changes from previous years, this letter should be shared with the chief financial officer, trustees and other members of the senior leadership team.
- The Accounting Officer must also complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts.
- The Accounting Officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts. This replaces the separate value for money statement.
- The Accounting Officer must also adhere to the "seven principles of public life"
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership

## **Specific Financial Tasks Delegated to the Headteacher**

The Headteacher has delegated responsibility for:

---

March 2012 – APPROVED BY  
HAT GOVERNORS 21/2/12  
amended 10/5/12; 3/7/13;  
13/3/14; 22/9/14; 23/9/15;  
20/9/16; 4.7.17;  
19.9.17;24.9.18; 28.11.18

- leading and managing the academy development plan which is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increase teachers' effectiveness and secure improvement of the academy's performance;
- ensuring that the relevant DFE/ESFA financial regulations/standing orders or DFE/ESFA requirements are implemented;
- establishing and maintaining sound internal financial controls which are managed on a daily basis by the Headteacher and Finance Director;
- ensuring the effective implementation of current financial systems and procedures described in the financial procedures manual;
- ensuring that the funds delegated to the academy are in accordance with their legal entitlement;
- ensuring the compilation of draft budgets for the Governing Body and appropriate committees;
- ensuring the efficient and effective deployment of the academy's resources;
- ensuring the production of regular reconciled budget/financial reports to the Governing Body, DFE/ESFA and Companies House as appropriate.

### **The Role of the Finance Director (Chief Finance Officer)**

The Finance Director is responsible for the following financial duties:

- to fulfil the duties of the Chief Finance Officer according to the guidance in the Academies Financial Handbook (ESFA 2018). These are
  - the day to day management of financial issues;
  - the preparation, monitoring and management of the academy's budget;
  - the maintenance of effective systems of internal control, including providing technical advice;
  - ensuring that the annual accounts are properly prepared and presented and adequately supported by the underlying books and records of the academy.
  - liaison with the academy's auditors
- providing financial advice to the Headteacher and Governing Body;
- setting and monitoring the budget;
- ensuring the maintenance of the academy's accounting records;
- income generation and recording;
- reviewing and authorising monthly payroll information for accuracy and integrity of data;
- making purchases in accordance with 'best value' principles;
- developing relationships with partners and exploring opportunities for obtaining support to the academy;
- promoting relationships with the local community and potential donors;
- obtaining appropriate legal advice;
- management and monitoring of specific projects, e.g. capital projects;
- developing provision to promote 'best value';

- developing and updating policies as required;
- ensuring regular communication with the Independent Reviewer and auditors;
- lead officer for the Finance Committee.
- liaising with budget holders and providing regular reports;
- ensuring financial procedures are adhered to at all times;
- promoting 'best value' principles;
- management of petty cash;
- maintaining sample signature lists;
- ensuring pecuniary interests register is updated;

A copy of the Finance Director's job description is attached Appendix C

## **The Role of the Departmental Budget Holders**

- to manage the budget delegated;
- to ensure that all goods and services are procured in accordance with the Academies Financial Handbook (ESFA 2018);
- for ensuring economy, efficiency and effectiveness in the use of resources and for complying with the academy's finance procedures;
- To be responsible for the security of school property, avoiding loss or damage;

## **WHISTLEBLOWING POLICY**

### **Preamble**

The Second Report of the Committee on Standards in Public Life: Local Public Spending Bodies published by The Nolan Committee used the term "whistleblowing" to mean the confidential raising of problems or concerns within an organisation by a member of staff. This is not "leaking" information but refers to matters of impropriety e.g. a breach of law, academy procedures or ethics. Nor is whistleblowing the raising of a grievance within the academy (which would be dealt with under the staff grievance procedures).

### **Introduction**

The staff and governors of Hungerhill Academy Trust seek to run all aspects of academy business and activity with full regard for high standards of conduct and integrity. If members of academy staff, parents, governors or the academy's community at large become aware of activities which give cause for concern, Hungerhill Academy Trust has this Whistleblowing Policy; this acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the academy's disciplinary procedure.

Hungerhill Academy Trust is committed to tackling fraud and other forms of malpractice and treats these issues seriously. Hungerhill Academy Trust recognises that some concerns may be extremely sensitive and has therefore developed a system which allows for the confidential raising of concerns within the academy environment without fear of reprisals but also has recourse to an external party outside the management structure of the academy.

## When Might the Whistleblowing Policy Apply?

Individuals are encouraged to come forward in good faith with genuine concerns knowing they will be taken seriously. A whistle-blower should ask a few questions before taking action:

- is it, or do you believe it to be, illegal?
- is it, or do you believe it to be, against codes of practice issued by the academy, the DFE/ESFA or a professional body?
- does it contradict what the employee has been taught, or should have been taught?
- is it about an individual's behaviour or is it about general working practices?
- has the whistleblower witnessed the incident?

If any individual raises malicious unfounded concerns or attempts to make mischief, this will also be taken seriously and may constitute a disciplinary offence or require some other form of penalty appropriate to the circumstances.

All allegations should be capable of being dealt with through the disciplinary procedure and will be considered appropriately.

Where the alleged activity or behaviour cannot be dealt with under the scope of other procedures then consideration should be given to using this Whistleblowing Policy e.g.

- manipulation of accounting records and finances;
- inappropriate use of academy assets or funds;
- decision making for personal gain;
- any criminal activity;
- damage to the environment of the academy;
- dangerous practices;
- abuse of position;
- fraud and deceit or corrupt practices;
- serious breaches of academy procedures which may advantage a particular party (for example tampering with tender documentation, failure to register a personal interest);
- sexual, emotional or physical abuse of pupils or others;
- other unethical conduct.
- a Health and Safety risk, including risks to the public as well as pupils or other colleagues;

Anonymous allegations will only be considered if the issues raised are:

- very serious;
- the credibility of the allegation is considered to be high;
- the likelihood of confirming the allegation is high.

There are, however, circumstances under which complete confidentiality may be difficult for the governors to maintain. For example:

- If the matter leads to a legal procedure and evidence is required by the court.

- If the issue raised comes within the remit of another academy procedure and the whistle blower is asked to provide a signed statement as part of the evidence, thus revealing their identity.

## **Procedure**

Hungerhill Academy Trust encourages the whistleblower to raise the matter internally in the first instance with their line manager (or the Headteacher, if the line manager is the one under suspicion; the Chair of Governors if the Headteacher or a governor is under suspicion; the Headteacher, Independent Reviewer Academy Lead Officer from the DFE/ESFA if the Chair of Governors is under suspicion). This will allow them to right the wrong and give an explanation for the behaviour or activity. Advice and guidance on how matters of concern may be pursued can be obtained from: your line manager; Headteacher; Chair of Governors;

Alternatively the whistle-blower may request a private and confidential meeting in the first instance with the person who is causing concern. He/she may be accompanied by a representative of their choice if they so wish (e.g. Union representative or friend).

Concerns are better raised in writing. You are advised to set out background and history of your concerns, giving names, dates and places, where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing, you can telephone or arrange to meet an appropriate officer who will agree a written statement with you. If you are a member of a trade union you may find it helpful to take advice from them about putting your concerns in writing. You may ask your trade union representative to raise the matter on your behalf. The earlier you express your concern, the easier it is for the Governing Body to take action.

All matters will be treated in strict confidence and anonymity will be respected wherever possible. Written, dated and signed supporting evidence and statements should always be taken to any meetings if possible. When any meeting is arranged to discuss your concerns, you have the right, if you so wish, to be accompanied by a trade union representative or a work colleague who is not involved in the area of work to which the concern relates and who also who could not be called as witness.

Alternatively if the whistle-blower considers the matter too serious or sensitive to raise within the internal environment of the academy, the matter should be directed in the first instance to the Academy Lead Officer with the DFE/ESFA, although the DFE/ESFA will need to involve the appropriate governors.

The DFE/ESFA will have its own procedures for dealing with such matters and will ensure every effort to respect the confidentiality of the whistle-blower. The DFE/ESFA will ensure relevant officers are informed as appropriate and should advise the Governing Body of appropriate steps to take.

## **How Will the Matter be Progressed?**

The individual(s) in receipt of the information or allegation (the investigating officer(s)) will carry out a preliminary investigation. This will seek to establish the facts of the matter and assess whether the concern has foundation and can or should be resolved internally without the need for an investigation. The initial assessment may identify the need to involve third parties to provide further information, advice or assistance, for example involvement of other members of academy staff, the academy's IR and/or external auditors, legal or personnel advisors, the police or the Department for Education.

Records will be kept of work undertaken and actions taken throughout the investigation. The investigating officer(s), possibly in conjunction with the Chair of Governors or nominee, will consider

how best to report the findings and what corrective action needs to be considered. This may include some form of disciplinary action and/or third party referral such as the police.

Within ten working days of a concern being received, the Governing Body will write to you:

- Acknowledging that the concern has been received;
- Indicating how it proposes to deal with the matters;
- Giving an estimate of how long it will take to deal with the matter;
- Telling you whether any initial enquiries have been made; and
- Telling you whether further investigations will take place, and if not, why not.

Depending on the nature of the concern or allegation and whether or not the investigating officer considers there to be a case to answer, the disciplinary procedure may be applied. In such cases any disciplinary action will be considered by the dismissal committee and if appropriate the dismissal appeals committee of the Governing Body. Where a case is proven on the balance of probability the matter will be reported to the full Governing Body, the DFE/ESFA and, where appropriate the GTC.

The Governing Body accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcome of any investigations.

If the whistle-blower is dissatisfied with the conduct of the investigation or resolution of the matter or has genuine concerns that the matter has not been handled appropriately, the concerns may be raised with the Chair of Governors or, for financial impropriety, the academy's Independent Reviewer. If that fails to resolve matters then the employee should seek the assistance of "Public Concern at Work" <http://www.pcaw.co.uk>. For any concerns taken outside of the academy this policy will not apply and any employee raising issues on a wider basis, e.g. with the press, without following the procedure in this policy may be liable to disciplinary action.

Any person who is subject of an allegation should, at the appropriate times be given details of the allegation in order to respond. They will have the right to trade union representation.

## **Respecting Confidentiality**

Wherever possible Hungerhill Academy Trust seeks to respect the confidentiality and anonymity of the whistle-blower and will as far as possible protect him/her from reprisals. Hungerhill Academy Trust will not tolerate any attempt to harass or victimise the whistle-blower, or attempts to prevent concerns being raised, and will consider any necessary disciplinary or corrective action appropriate to the circumstances.

## **Conclusion**

Existing good practice within Hungerhill Academy Trust in terms of its systems of internal control, both financial and non-financial, and the external regulatory environment in which the academy operates, ensure that cases of suspected fraud or impropriety rarely occur. This Whistleblowing Policy is provided as a reference document to establish a framework within which issues can be raised confidentially internally and if necessary outside the management structure of the academy. This document is a public commitment that concerns are taken seriously and will be actioned. Any actions arising from allegations/investigation must be in accord with the academy's disciplinary procedure, which should cover all of the potential areas of concern.

At all times the information and advice given by the appropriate external HR agency should be utilised, particularly where dismissal or appeal to the Employment Tribunal is possible.

## **REGISTER OF BUSINESS INTERESTS POLICY**

The Governing Body and members of staff who can influence buying decisions recognise their responsibility to avoid any conflict between their business and personal interests and those of the academy.

The academy ensures there are no payments to any governor unless the payment is permitted by the articles of association and where applicable comply with the terms of any relevant agreement entered into with the Education Secretary.

The academy maintains a register of the business interests of each governor, member of staff, their relatives and other individuals who may exert influence. The register includes:

- interests with suppliers from which the academy may wish to buy goods or services;
- interests in the appointment, salary, promotion or conditions of service of members of staff.

The information in the register is taken into account whenever buying or staffing decisions are made. Any governor or member of staff who has an interest in a business tendering for a contract does not form part of the committee awarding the contract. Any governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Governors and members of staff are required to inform the academy of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate. Any governor or member of staff who is unwilling to declare their interests or complete a nil return is not permitted to influence a buying or staffing decision.

The minutes of the full Governing Body, Finance and Resources Committee, or any other committee which can influence a buying decision record a standard agenda point seeking updates to governors' business interests.

The only exception to the requirement to disclose a business interest is that if the interest is so distant or small that no ordinary right-thinking person would expect it to influence a person who might have dealings with the firm concerned. In such cases, it need not be disclosed. An example is a modest shareholding in a large public company even if the academy has or may have dealings with the company.

The register is compiled and maintained by the HR Manager in her locked office. It is freely available for inspection by governors, staff and parents, by contacting Mrs Elsom. Additionally the Academy also publishes on the academy website relevant business and pecuniary interest of trustees, members and staff.

In accordance with the Memorandum and Articles of Association, no payments are to be made to Governors.

### **Receipt of Gifts, Hospitality, Entertainment and Other Services**

Governors and members of staff involved in making buying decisions do not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. The academy maintains a register of gifts and favours offered and whether these were accepted or rejected.

Governors and members of staff are required to inform the academy of such offers as they arise. The register is compiled and maintained by the HR Manager.

### **Expenditure on Gifts, Hospitality, Entertainment and Favours**

The full Governing Body approves any expenditure on gifts, hospitality, ex-gratia payments and losses to be written off. The academy maintains a log of these. Such expenditure is only authorised if the Governing Body can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches. Modest hospitality is occasionally provided outside the workplace. The HR Manager maintains a register of the occasions when hospitality is provided, the number of people involved and the costs incurred.

### **Private Use**

The academy does not obtain goods or services for the private use of governors and members of staff. Governors and members of staff may not:

- hold any interest in any equipment or property held or used for the academy;
- acquire any interest in the disposal of academy equipment or property at the end of any contract between the academy and any third party.

### **Trading with connected parties**

The academy demonstrates it is even handed in its relationship with connected parties by ensuring that:

1. trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements
2. no member, trustee, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
3. there are no payments to any trustee by the trust unless such payments are permitted by the articles or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State. The trust considers these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
4. the Charity Commission's prior approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee

The board of trustees ALWAYS ensures the requirements for managing connected party transactions are applied across the trust. The chair of the board of trustees and the accounting officer ensure that their capacity to control and influence does not conflict with these requirements. They do so by managing any personal relationships with connected parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life (see "Role of Headteacher")

The trust will maintain records and makes disclosures in the annual accounts of any such transactions.

The academy pays no more than “cost” for goods and services provided to it by any member/trustee of the academy trust, any company, individual or organisation connected to a member/trustee or any individual or organisation either recognised by the Secretary of State as a sponsor or given the right under the articles of association exceeding £2500 cumulatively in any one financial year. Any element in excess of £2500 must be at no more than cost – including direct and proportionate and reasonable indirect costs. (evidence supporting charges do not exceed the cost of supply will be requested)

### **Novel / contentious transactions**

Any transaction which is outside the range of normal business activity or may be viewed as contentious will be referred to the ESFA for prior authorisation.

## HUNGERHILL ACADEMY TRUST: REGISTER OF BUSINESS OR PECUNIARY INTERESTS

Name of Governor or Member of Staff: \_\_\_\_\_

Date of Appointment to Governing Body: \_\_\_\_\_

Date of Resignation/Retirement: \_\_\_\_\_

Name of Business	Nature of Business	Nature of Interest	Date of Appointment or Acquisition	Date of Cessation of Interest	Signature of Governor or Member of Staff

I certify that I have declared all beneficial interests which I or any person closely connected with me have with business or other organisations which may have dealings with the Trust. I have also declared all pecuniary interests.

### Record of Review

Date of review	Reviewed by	Signature		Date of review	Reviewed by	Signature

## INTERNAL SCRUTINY

The Governing Body has appointed auditors (a team from Smailes Goldie completely separate to the annual statutory audit team) to manage the risk review and checking of financial controls to provide assurance to the Governing Body on the following issues:

- the discharge of its financial responsibilities according to the requirements of the DFE/ESFA;
- the introduction and maintenance of sound internal financial controls;
- that financial considerations are taken fully into account in reaching decisions and in their execution.

The programme of checks carried out is agreed with the Governing Body. After each checking session, the auditor provides the Governing Body with a written report explaining any material control issues and remedial action required.

## AUDIT

### Public Funds

The academy adheres to the external audit regime as outlined in the Academies Financial Handbook (ESFA 2018) and as required by the latest Companies Act, to carry out an audit and certify that the accounts are “true and fair”. The auditors are engaged to carry out a “true and fair” audit and a regularity audit. A programme of termly checks to be carried out by the auditor is agreed by the full Governing Body. The programme for external audit is agreed with the external auditor approximately one month before the audit work is carried out.

External auditors (Smailes Goldie) have been appointed for a further one year by the Governing Body. A formal re-tendering process will take place every five years – next review due 2018.

The letter of engagement:

- Provides for the removal of the auditors before the expiry of their term of office in exceptional circumstances. Proposals to remove the auditors require a majority vote of the members of the trust board.
- Requires the auditors to state their reasons if they resign from office.

The board must notify the ESFA immediately of the removal or resignation of the auditors:

- In the case of removal, the trust board must notify the ESFA of the reasons for the removal.
- In the case of resignation, the auditors must copy to the ESFA a statement of their reasons.
- Any change in auditor at the expiry of their agreed term of office does not require notification to the ESFA

An accounting officer’s statement on governance, regularity, propriety and compliance is included in the academy’s annual report. A review of this statement is included within the external auditors’ remit and their opinion on this is addressed jointly to the academy and the ESFA.

The accounting officer also has a responsibility to advise the Governing Body and the ESFA of any instances of irregularity or impropriety, or non-compliance with the terms of the academy’s funding agreement.

# RISKS

## Risk Register

The Finance and Resources Committee annually assesses the risks arising from the academy's operations. The assessment includes the likelihood and materiality of each risk and the register shows how the risks are being managed or mitigated.

## Business Continuity Plan

The Finance and Resources Committee annually reviews the business continuity plan or with any significant changes to ensure the academy would continue to operate in the event of an emergency.

The academy is also aware of the risk of fraud, theft and/or irregularity occurring and as far as possible addresses this by having a series of internal control and a high level of segregation of duties. It is impossible to fully mitigate all risks but if any irregularities are suspected appropriate action is taken. The trust will notify the ESFA as soon as any instances exceeding £5,000 individually or £5,000 cumulatively in any academic year. Any systematic fraud regardless of value will be reported in accordance with the Academies Financial Handbook (EFA 2018).

# INSURANCE

Funds for insurance are delegated to the academy and it must demonstrate it can cover insurable interests under a policy arranged by the Governing Body, or by opting into the academies risk protection arrangements (RPA).

The Finance and Resources Committee reviews insurance arrangements annually. They ensure that the sums insured / covered are commensurate with risks and include cover for academy property when off the premises.

The main types of insurance cover which should be in place are:

- premises and contents. These should be insured at replacement cost against damage by subsidence, fire, lightning, explosion, storm, flood, riot, malicious damage, terrorism and similar risks;
- business interruption;
- Governing Body and employer liability. The currently recommended minimum level of cover for academies is £10m for each;
- any statutory motor transport insurance;
- loss of assets through fraud or dishonesty on the part of employees;
- personal accident; and
- fidelity insurance.

Details of all insurance policies held by the academy are kept in the office of the Finance Director.

The insurers are notified of all new risks, property and equipment and vehicles which require insurance or any other alteration affecting existing insurance on a timely basis.

The academy does not give any indemnity to a third party without the written consent of their insurers.

The academy immediately informs its insurers of all accidents, losses and other incidents, which may give rise to an insurance claim.

Claims under an insurance policy are authorised by the Head Teacher, Finance Director or the Site Manager prior to submission to the insurance company.

Any member of staff using their car for academy purposes amends their personal insurance for this. The mileage claim form is signed by the users to acknowledge that the insurance cover provision has been made.

The academy opted into the RPA from 1/3/15 and also has purchased separate policies to cover overseas travel and motor insurance for occupational business use.

## **TAXATION**

The academy abides by the procedures issued by the HMRC (Her Majesty's Revenue & Customs) in connection with VAT.

The academy keeps potential "trading" activities under review and considers whether to set up a subsidiary trading company.

## **Tax arrangements for senior employees**

Academies must ensure that their senior employees' payroll arrangements fully meet their tax obligations.

## **ACADEMY IMPROVEMENT PLAN AND BUDGETING**

### **Budgeting**

The Governing Body has a three-year academy development plan, which explains how it intends to use its resources to achieve its aims and objectives. The plan is costed for three years.

This takes account of:

- the educational priorities for the academy;
- likely demographic changes affecting pupils and staff;
- the building and repair maintenance programme;
- repair and renewal programmes for furniture, fittings and equipment.

The plan is an integral part of the academy's self-evaluation cycle and it is reviewed on an annual basis and updated in the light of new information and changed priorities.

The plan is constructed using the following processes:

- an estimation of income, based on the academy census, plus estimates for other allocations, lettings, community and other income;
- an estimation of staffing costs, based on a staff salary calculator taking account of known retirements, responsibility allowances, etc.
- an estimation of operational expenditure, based on known cost trends for utilities, supplies, service level agreements, etc.

- the identification of potential efficiency savings;
- the allocation of curriculum budgets to departments, using a transparent formula to allocate funds equitably in line with need and academy priorities;
- an annual review of the academy's self-evaluation priorities, which forms part of the OfSTED inspection requirements;
- the identification of ICT developments on the basis of priorities detailed in the ICT development plan;
- the identification of premises developments on the basis of priorities detailed in the premises development plan;
- planning the use of allocations from the LACSEG;
- verifying planned levels of unspent balances - ensuring the resulting annual surplus or deficit is in line with plans to recover from an overall deficit position, or build up unspent balances to fund future development plans.

The annual budget is derived from the academy development plan. The budgeting process starts at the beginning of the spring term each year. The Finance Director draws up a draft budget for the following financial year and this is submitted to the Finance and Resources Committee for their review, discussion and amendment if appropriate. The budget is then submitted to the full Governing Body for formal review and approval, before sending to the DFE/ESFA in a format specified by the ESFA and by a date notified by the ESFA, the Accounting Officer signs the form to assure the ESFA the academy is in sound financial health. The assumptions and calculations to produce the annual budget are clearly documented and retained in the relevant file. The budget is based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.

The total curriculum budget is allocated to departmental budget holders on an agreed formula. There should not be any overspends of the budget without the prior consent of the Headteacher. Carry forwards of any unspent balances are agreed with the Headteacher. A copy of this finance policy is provided electronically to all departmental budget holders.

The Governing Body may not set a deficit budget (Governors are allowed to draw on unspent funds brought forward from previous years) without approval from the Secretary of State (the ESFA must be notified within 14 days if the academy proposes setting a deficit revenue budget which it is unable to address after unspent funds from previous years are taken into account). The board must minute their approval.

The academy trust submits to the ESFA a copy of the "budget forecast" in a form specified by the ESFA by a date notified by them – currently 31<sup>st</sup> July.

The budget can only be amended for virements after it has been approved by the Governing Body and sent to the DFE/ESFA if there is a "significant" change.

The budget is regularly reviewed by the Headteacher and the Finance Director and changes proposed presented to the Finance and Resources Committee. Any revisions to the budget are approved by the Finance and Resources Committee, entered onto the school's finance system on a timely basis at not less than three monthly intervals. If an unplanned deficit occurs during the financial year, the academy notifies the DFE/ESFA as soon as it is aware of this.

The Finance and Resources Committee formally monitors the implementation of the academy's budget on behalf of the Governing Body, although the full board approves the initial budget and minutes this.

## REPORTING FINANCIAL RESULTS

The academy prepares accounts as specified in the Academies Financial Handbook (ESFA 2018). The audited company accounts are publicly accessible in line with the Statement of Recommended Practice (SORP) for Charities.

This includes monthly management accounts setting out financial performance and position, comprising budget variance reports and cash flow forecasts with sufficient information to manage cash, debtors and creditors, to help the Board maintain financial viability.

### Budget Monitoring Reports

The academy's budget monitoring reports display the following information in columnar format:

- the annual budget (approved by governors);
- the actual spend to date (accruals basis);
- the percentage of the budget spent to date;
- the percentage of the budget expected to be spent to date;
- end-of-year projections.

The Finance Director carries out monthly reviews of actual performance against budget and produces a schedule explaining variances and variances. The reasons behind these variances are investigated and documented; corrective action is taken as appropriate and recorded. The Headteacher and Chair of Governors review these reports monthly and the Finance and Resources Committee reviews these reports at each meeting.

Budget holders receive monthly reports showing budgeted expenditure, actual expenditure on an accruals basis and commitments.

## CASH FLOW

The Finance Director 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 are taken to invest the extra funds. Similarly plans are made to transfer funds from another bank account or to re-profile General Annual Grant to cover potential cash shortages.

## COMPUTERISED ACCOUNTING SYSTEM

A disaster recovery plan has been prepared in the event of loss of accounting facilities or financial data. This links in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

The academy's accounting system is computerised. Access to the system is restricted to the academy's employees and those authorised by the Headteacher, such as an outside IT support service. The system is accessed by passwords, which are changed routinely on a six-monthly basis. Passwords are only known by the relevant member of staff and the system manager (Finance Director). Staff should not give their password to any other person. To do so may result in disciplinary action. Passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. If an outside provider uses the computerised accounting system, they are given their own user id and password.

Software is installed on the academy's computer systems to detect viruses, spyware, and other malicious threats. Regular updates are used to ensure that the latest threats are detected. There is also a facility for cleaning up infected files.

Six-monthly reviews are carried out to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the academy are removed as soon as the staff member leaves.

The system is backed up daily by the ICT Manager. A full back up is stored both locally and externally through Microsoft Azure Cloud Storage as part of the school's disaster recovery plan  
A hard copy of the nominal ledger and audit trail is printed each month and stored separately from the accounting system.

The academy complies with the requirements of GDPR, the legislation for which came into effect in May, 2018. The Governing Body and the Headteacher is registered with the Data Protection Registrar.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and either initialled or signed. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements etc are retained in hard copy for six years, plus the current year, in a secure area.

## **Transaction processing**

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. All journal entries must be documented on the appropriate journal form, recorded in the journal book and authorised by the Finance Director before being input to the accounting system.

The Finance Director will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include

- the weekly audit trails;
- master file amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level.

## **Reconciliations**

The Finance Manager is responsible for ensuring that the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all other relevant accounts (such as catering), and suspense accounts; and
- bank balance per the nominal ledger to the bank statement.

The Finance Manager will sign all reconciliations as evidence of review.

## DELEGATED LIMITS

The academy trust may perform the following financial transactions up to the limits set out below:

- writing off debts and losses, including any uncollected fines:
- entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the academy trust);

The limits, subject to a maximum of £250,000 are:

- 1% of total annual income (i.e. grant income as disclosed in the last set of audited accounts) or £45,000, whichever is smaller, per single transaction. Grant income is based on the figure in the last set of audited accounts:
- Cumulatively:
  - 2.5% of total annual income in any one financial year per category of transaction if the academy has not submitted unqualified financial returns for the previous two financial years
  - 5% of total annual income in any one financial year per category of transaction as long as timely, unqualified financial returns for the previous two financial years have been submitted

For anything above these limits the academy must seek and obtain the explicit and prior approval of the Secretary of State.

### Financial Notices to Improve

It is noted where the ESFA has concerns about the financial management and or governance in the academy it may issue a Financial Notice to Improve (FNtI). Where there is actual financial failure it will issue a FNtL.

A FNtL sets out the actions required by the ESFA which the trust must take to address the underlying causes for concern. Should a FNtI be issued all the delegated authorities as per the ESFA handbook are revoked and all transactions require ESFA approval. If the terms of the FNtL are not complied with the academy will be in breach of the funding agreement.

### Staff Severance Payments and Compensation Payments

Before making a staff severance payment above the contractual entitlement the academy trust must:

- Consider whether such a payment is in the interest of the academy, justified, based on a legal assessment of the chances of the academy successfully defending the case at tribunal
- If the settlement is justified the amount must be less than the legal assessment of what the relevant body e.g. an employment tribunal, is likely to award in the circumstances.

Before making a compensation payment the Governing Body must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. Such a payment should not be seen as a reward for failure such as poor performance or gross misconduct.

If the Governing Body is considering making a special staff severance payment or compensation payment above the non-contractual entitlement of £50,000 or more, prior approval is required from HM Treasury via the DFE/ESFA.

Ex-gratia payments will always be referred the ESFA for prior authorisation

## **Asset Sales, Leases and Tenancy Agreements**

In accordance with the Academies Financial Handbook (ESFA 2018). The academy trust must seek and obtain explicit and prior approval from the Secretary of State via the DFE/ESFA before:

- entering into any freehold land or buildings sales or purchases;
- Taking up a finance lease.
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven years or more.
- Granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of any term.

Academies may dispose of any other fixed asset without the approval of the Education Secretary, but must obtain value for money. This may involve a public sale where the asset has a residual value. An academy may take out and grant other types of lease without the Education Secretary's approval.

## **Borrowing**

The Governing Body must seek the Secretary of State's approval for:

- Short-term borrowing, including overdraft facilities;
- Medium / longer term loans, including finance leases, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies

The Secretary of State sometimes introduces limited schemes to meet broader policy objectives e.g. Condition Improvement Fund (CIF) for capital projects and the Salix scheme to support energy savings.

## **Controls Over Expenditure**

Budget holders are informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget is supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

Individual budget holders have the authority to authorise expenditure up to the limit of their capitation / delegated budget. Any purchase over £2,000 has to be authorised by the Headteacher or the Finance Director (in the absence of the Headteacher) subject to the expenditure previously being authorised in accordance with the following delegated limits.

<b>Item</b>	<b>Finance and Resources Committee</b>	<b>Headteacher</b>
<b>Procurement – Ordering and Payment of Goods and Services</b>	<b>Above £5,000</b>	<b>£5,000 or below*</b>
<b>Virements (internal transfers) between budget heads</b>	<b>Above £5,000</b>	<b>£5,000 or below</b>

\*Cheques in excess of £5,000 but which consist of several invoices for under £5,000 each can be issued without reference to the Finance and Resources Committee. A cheque for any amount previously agreed by the Governing Body can be issued.

In an emergency the Chair or Vice-Chair of Governors is able to authorise the procurement and payment of goods and services above the delegated limit; this will then go to the Finance and Resources Committee for ratification.

## **AUTHORISED SIGNATORIES LIST**

An authorised signatory list, including specimen signatures and covering all the key financial systems, is held in the Finance Director's office for reference purposes.

Certain member of the Leadership Group may sign official orders as long as the above limits have been observed – any order in excess of £2,000 must be authorised by either the Headteacher or the Finance Director in the absence of the Headteacher. In addition, if permission has been given by the Governors Finance and Resources Committee under a best value review for a project to proceed, an order may be authorised in excess of the £5,000 limit as long as supporting documentation is available and the overall value of the project has not been exceeded.

The following members of staff are authorised for the finance functions listed, this will be annually reviewed and approved by the finance committee:

<b>Name</b>	<b>Job Title</b>	<b>Function</b>
<b>H Redford-Hernandez</b>	<b>Headteacher</b>	<b>Authorising orders up to £2k. Any order in excess of £2k must be authorised by either the Headteacher or the Finance Director in the absence of the Headteacher</b>
<b>J Rivers</b>	<b>Deputy Head</b>	
<b>L Pond</b>	<b>Deputy Head</b>	
<b>P Allman</b>	<b>Assistant Head</b>	<b>Authorising payment of invoices/credit notes</b>

<b>S. Parker-Brown</b>  <b>R Wilcox</b>	<b>Assistant Head</b>  <b>Finance Director</b>	<b>Cheque Signatory – Delegated Budget Bank Account – as per bank mandate (which includes the names opposite, plus J. Bromilow, Data and Compliance Officer/ Strategic Lead for ICT).</b>
		<b>Petty cash claims</b>
		<b>Travel/ subsistence claims to be signed by either the Headteacher (teaching staff) or the Finance Director (associate staff)</b>
		<b>Travel/subsistence claims to be signed by either the Headteacher (teaching staff) or the Finance Director (associate staff). The Chair of Governors to approve claims made by the Head Teacher.</b>
		<b>Insurance claims</b>
		<b>Remissions claims (school visits)</b>

## PAYROLL

The Governing Body formally approves all appointments, terminations and salary levels. They have established procedures to:

- ensure personnel are competent, suitably qualified and trained to a level consistent with their responsibilities;
- provide clear statements of criteria for personnel selection;
- provide formal job descriptions;
- ensure that the cost of all appointments, re-gradings and any other changes in conditions of service of staff can be met within the resources available to the academy.

The Headteacher/Finance Director maintains a list of staff employed by the academy and their current salaries, which has been authorised by the Governing Body.

The Governing Body agreed to outsource the payroll service from September,2016.

The Payroll Bureau administers the payroll services. The Payroll Bureau is responsible for:

- making returns to HMRC and the dates by which these returns should be made;
- details of ownership of programs and data files;

- the control and accuracy of data;
- details of authorised signatories for payroll amendments;
- back up provisions;
- a schedule of reports for financial and personnel monitoring purposes;
- access for academy staff and auditors as required.

The payroll service processes the staff payroll only on the instructions of the Headteacher, the Finance Director or the HR Manager. These can be submitted via the payroll bureau HR Portal, in writing or by e-mail to the payroll provider. They do not process salary changes authorised by the person whose salary is changing. The Chair of Governors notifies any changes to the Headteacher's salary to the Finance Director.

Payments are made as follows:

- net payments to staff, by BACS, to employees of the academy;
- HMRC payments to HMRC;
- Teachers' Pensions payments and LGPS payments for associate staff pensions;
- overtime claims, as part of net payments to staff, through the payroll;
- expense payments, through the payroll.
- Childcare and union payments, through the payroll
- Attachment of earnings order payments and other statutory payments, where required, through the payroll

Access to personnel files is restricted to the Headteacher, Finance Director and HR Manager. The Headteacher, Finance Director, HR Manager and the Finance and Payroll Assistants have authorised access to payroll software and the Payroll Bureau's administration area of their online HR portal and associated documents. In addition, the HR Manager has access to the payroll software for the input of sickness data.

No individual is treated as 'self-employed' without the clearance of HMRC.

## Monthly Procedures

- The Finance and Payroll Assistant ensures that all payroll claim forms, such as claims for expenses and overtime have been validly incurred and appropriately authorised.
- The Finance and Payroll Assistant submits all such forms to the payroll bureau by the due date
- the Finance Director and Finance and Payroll Assistant check the payroll for accuracy and to help ensure only the staff of Hungerhill Academy Trust are to be paid. The Finance and Payroll Assistant checks the gross pay as per the payroll to the staff spreadsheet each month for accuracy and monitoring purposes. The Finance and Payroll Assistant/ Finance Director or HR Manager inform the payroll bureau of any errors identified.
- the Headteacher and Finance Director authorise the payroll payments sent to the bank.

- a monthly print-out of amounts paid to employees is retained by the academy and signed by the Headteacher, Finance Director and Finance and Payroll Assistants as evidence of the checking and authorisation procedure;

### **Failure to the Payroll System**

The monthly salary payments are transmitted to bank takes place at least 3 working days before the payment date. Therefore the academy should be aware of any difficulties at least 3 working days in advance, thus minimising risk.

The academy's bank has been consulted regarding a possible failure to the payroll system or the usual method of transmission. In the event that pay details could not be transmitted to the bank via the usual system, the payroll database would be emailed directly to the bank and the content checked via telephone. The bank would arrange payments directly.

In the event of total IT failure at the academy, payments would be discussed directly by telephone with the bank. Alternative IT facilities will be used in such an emergency.

An up to date copy of the Academy's payroll software system used until 31.8.16 is maintained by the Finance Director, the payroll software is backed up as per the normal IT back up procedures on page 23 in the section headed 'Computerised Accounting Systems'. From 1.9.16, RMBC maintain original payroll records off site. In addition, copies of all monthly reports are maintained on HAT systems.

## **PURCHASING**

The Governing Body makes their buying decisions in accordance with the principles of 'best value' probity and accountability. Hungerhill Academy Trust always considers price, quality and fitness for purpose when purchasing goods and services. Contracts are placed on a competitive basis and the reasons for selecting a supplier are minuted. Divisible contracts are prohibited.

The Health and Safety competence of contractors is assessed, taking into account the policies and procedures of the DFE/ESFA.

Only contractors registered with their professional or trade association are employed to carry out major work at the academy.

### **Approved Suppliers**

The finance office maintains a database of approved regular suppliers.

The finance office selects suppliers on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account. Consortia are used where they provide value for money.

Suppliers are selected from:

- business directories;
- trade journals;
- supplier catalogues and mailshots;
- information from other academies;
- information provided by the DFE/ESFA.

The listing of approved suppliers is reviewed and approved on an on-going basis by the Finance Director and on an annual basis by the Finance Committee.

## Tendering

All purchases with a value of £10,000 or more should require a minimum of three written quotes. Purchases in excess of £75,000 in value will be put out to formal open or restricted competitive tender. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by the finance office. The academy observes the Official Journal of the European Union (OJEU) procurement thresholds. Currently Supplies £172,514, Services £172,514 and Works £4,322,012.

Where required by the conditions attached to a specific grant from the DFE/ESFA, the department's approval must be obtained before the acceptance of a tender.

The following tendering procedures are followed:

- the budget holder prepares a specification, which is authorised by the Headteacher and sent to at least four suppliers;
- the invitations to tender include:
  - an introduction/background to the project;
  - the scope and objectives of the project;
  - any technical requirements;
  - implementation details for the project;
  - the terms and conditions of the tender;
  - the form and date of response to the academy.

Where appropriate, a European or British Standard or other quality guideline is sought. Reference is made to appropriate safety standards and fire and health and safety regulations.

- all replies are addressed to the Finance Director in a plain sealed envelope marked 'Tender';
- no supplier is allowed to amend their tender after the fixed date for receipt;
- all tenders are opened at the same time by staff authorised to do so. Two persons should be present for the opening of tenders as follows:
  - for contracts up to £25,000 – two of the budget holders, the Finance Director or Headteacher;
  - for contracts over £25,000 – either the Finance Director or the Headteacher plus a member of the Finance and Resources Committee.
- The following information is recorded:
  - the date and time of opening;
  - the names and signatures of those present;
  - the value of each tender;
  - details of suppliers who declined the invitation, or failed to submit a tender;
  - any omissions in the submission, e.g. documents, signatures, missing data;

- late tenders are rejected and retained unopened until the contract is awarded. They are then returned to the tenderer with an explanatory note;
- where contracts under seal provide for payments to be made in instalments, the Headteacher ensures a contract register is maintained which shows the state of the account on each contract together with related professional fees and other payments;
- the Finance and Resources Committee make the decision as to which tender to accept.
- the reasons for accepting a particular tender are in accordance with the academy's best value policy;
- the following points are considered when deciding which tender to accept:
  - suppliers;
    - qualifications, technical ability and experience;
    - pre-sales demonstrations;
    - after sales service;
    - quality procedures;
    - references from existing customers;
    - financial status;
    - professional indemnity insurance;
  - cost;
    - overall price;
    - unit price for parts of the product or service;
    - the possibility of 'hidden costs';
    - scope for negotiation.

## Quotations

Quotations are obtained as follows:

- Purchases up to £1,000 – catalogue price lists.
- Purchases of £1,000 to £9,999 – at least two written or verbal quotations, unless the supplier is part of a recognised procurement framework; local authority traded service or there is only one supplier capable of providing the level of service or goods required by the academy. Budget holders are recommended to retain evidence of quotes either attached to the requisition form or in a separate file. Notes should be retained of verbal quotes to demonstrate a focus on value for money.

Exceptions to this are:

- Utility services
- Telephones and postage
- Examination costs
- Insurance costs if part of procurement framework

- Buy back services authorised by the Governor Finance and Resources Committee {to include: music service; Doncaster Schools Catering; Adult meal recharges, window cleaning}
- Annual renewal of membership to professional associations required to run the school
- Annual renewal of software licences
- Annual renewal of subscriptions
- Costs of monthly childcare vouchers and DBS checks
- Costs associated with contracts / leases entered into for set period of time {to include legionella monitoring}
- Professional fees {including additional accountant and legal advice; consultancy and advice for software required to run the school}
- Pensions
- Photocopier / printing recharges
- Periodicals / newspapers etc.
- School uniform
- Book clubs
- Transport
- Costs associated with one day school visits.
- Costs of vouchers and rewards as part of the pupil behavioural management system
- Alternative curriculum providers for pupils
- Flowers / decorations for school events

The academy keeps a record of suppliers who have been contacted but who have declined to provide a quotation.

## **Purchase Orders**

Official orders are issued for all goods and services

Exceptions to this are:

- Utility services
- Telephones and postage
- Examination costs
- Insurance costs if part of procurement framework
- Buy back services authorised by the Governor Finance and Resources Committee {to include: music service; Doncaster Schools Catering; Adult meal recharges, window cleaning}
- Annual renewal of membership to professional associations required to run the school

- Annual renewal of software licences
- Annual renewal of subscriptions
- Costs of monthly childcare vouchers and CRB checks
- Costs associated with contracts / leases entered into for set period of time {to include legionella monitoring
- Professional fees {including additional accountant and legal advice; consultancy and advice for software required to run the school}
- Pensions
- Photocopier / printing recharges
- Periodicals / newspapers etc.
- School uniform
- Book clubs
- Transport
- Costs associated with one day school visits.
- Costs of vouchers and rewards as part of the pupil behavioural management system
- Alternative curriculum providers for pupils
- Flowers / decorations for school events
- Payments to charities
- Payments to parents

Official orders are uniquely identifiable. Computerised, pre-numbered orders are used for all goods and services and all orders are placed through the finance office. An emergency manual order book is kept in a secure place.

Orders are only made by telephone in exceptional circumstances and then confirmed in writing. A copy of any spoiled order is retained on the computer, and marked as such. Official academy orders are not generated for the private use of individuals.

## **The Ordering Process**

- the budget holder completing and signing the requisition ensures that the order specifies the nature and quantity of the works, goods or services required and any relevant contract or agreed prices to facilitate accurate checking of deliveries, invoices and entering payment on the financial management system.
- the budget holder sends the requisition to the finance office where checks are made that the budget holder has sufficient funds for the purchase;
- the Finance Assistant generates an official computer order;
- the Headteacher or Finance Director approves and signs the official order before it is despatched;
- the Finance Assistant distributes the copy orders as follows:
  - original copy (official order) is retained in the finance office;

- scanned copies of the signed official order are emailed to the supplier and the budget holder
- the computer accounts software records all orders placed that have not yet been invoiced. The finance office provides a list of orders to the relevant budget holders on request;
- cancelled orders are marked as such, with the reason for cancellation, and retained in the finance office.

## Receipt of Goods

- All goods received are delivered to the budget holder who carries out a prima facie check to ensure that the delivery is complete, deliveries are checked against the original order and the delivery note is signed and returned to the finance office for retention;
- if the delivery is only partly fulfilling an order, the budget holder notifies the finance office which maintains a record of this;
- the finance office follows up any shortages or defective items with the supplier;
- the finance office records shortages or defective items in a central goods returned file.

## Purchase Invoices

- Invoices are matched to the appropriate copy order and delivery note by the Finance Manager; this is checked for accuracy of quality, price, calculations and VAT.
- An appropriately completed coding slip is attached and entered onto the finance system (purchase ledger) as an unapproved invoice, the invoice is then passed to the budget holder for authorisation;
- the copy order is marked with the details of the invoice and date passed for payment.
- All invoices, once processed by the Finance Assistants are passed to the Finance Manager for a further check on accuracy before cheques are raised.
- They are then certified by the Finance Manager who checks the VAT, addressee, factually correct and valid expenditure coded appropriately and accurately completed by all parties.
- There is segregation of duties between the raising of orders and the authorising of payments.
- The payment details are entered into the financial record against the order commitment by the Finance Assistant. This is not the same person that signed the order, or the same person that checked the receipt of goods and services.

## Payment of Invoices

The finance office reviews the creditors' ledger regularly and selects invoices for payment.

It is the policy of the academy to pay all invoices by the due date and to take advantage of any discounts available for early settlement where this is to the academy's advantage.

Invoices are paid within 30 days unless they are disputed.

Payment is made when the finance office has made the following checks:

- the purchase is recorded on the purchase ledger;
- the purchase represents valid academy expenditure;
- goods or services were ordered using the academy's ordering policy;
- goods or services have been received and checked to the order and delivery note;
- payment has not already been made;
- prices agree with quotations, tenders, contracts or catalogue prices;
- the arithmetic on the invoice is correct;
- the invoice has been correctly coded;
- discounts have been taken where applicable;
- VAT is properly accounted for and not claimed on pro-forma invoices.

Checks include, VAT coding, Nominal coding, invoice accuracy and processing accuracy, the Finance Manager signs each invoice to confirm the above checks have been carried out. All cheques issued are checked to the invoice by the Finance Director for accuracy and completeness

## **Cheque Payment**

All supporting documentation is passed to the cheque signatories together with the cheque for signing. All cheques are authorised by two members of staff approved by the Governing Body. The member(s) of staff are as listed in this finance policy.

The cheque signatories sign the cheque run report as a record to show that they were signing for valid academy expenditure and that the relevant pre-checking process had been carried out by the finance office.

## **Credit Notes**

Credit notes are attached to the relevant invoices when they are received and processed in the same way as invoices.

## **Completeness of Supplier Balances**

Invoices and credit notes are posted to the computer accounts software system as soon as the academy receives them, unless they are in dispute.

The finance office reconciles individual supplier balances to supplier statements, where available, on a monthly basis.

## **PETTY CASH**

Petty cash is used for the purchase of minor items, which have been budgeted for. The petty cash float has a maximum balance of £200. The float is only reimbursed from the main bank account. The petty cash tin is held in the safe.

Payments from petty cash are only made on production of a VAT invoice or till receipt or other proof that payment has been made and cannot exceed £35 in value. Petty cash payments are subject to the same authorisation procedures as purchases from the main bank accounts. The Finance Manager is responsible for the petty cash; acceptance of the petty cash float is evidenced by signature. The Finance Assistant checks the expenditure and prepares the vouchers for payment. When a claim for reimbursement is submitted, details of expenditure, coding and VAT are entered onto the voucher. The Finance Director authorises the vouchers for payment. The person receiving reimbursement signs for the amount received.

The petty cash float is reconciled on a monthly basis by the Finance Manager and a claim for reimbursement submitted. The petty cash float is reconciled by the Finance Director at the time of the claim. The total claim plus balance of cash in hand (plus any receipts paid but not on the claim) is checked to the petty cash float. The total claim is signed as evidence of the reconciliation. The Finance Director also initials each voucher as confirmation of the correct processing of VAT.

The completed claim form is submitted to the Finance Director along with an aide memoir confirming all appropriate checks have been made. The claim is authorised by the Finance Director and the reimbursement cheque is signed in accordance with the bank mandate.

The Finance Director ensures that, whenever there is a change of responsible member of staff, the petty cash is balanced and the cash holding agreed before being passed on to the new responsible member of staff whose acceptance is evidenced by their signatures.

The Finance Director carries out a surprise count of petty cash at least once a year.

In no circumstances are:

- personal cheques cashed through petty cash;
- staff loans paid through petty cash.
- no payroll or expense claims are paid from the petty cash
- the use of personal credit or debit cards by members of staff to make purchases permitted.
- personal loyalty cards are to be used

## **INCOME**

The Governing Body has overall responsibility for ensuring that all income due to the academy is properly accounted for. Day-to-day responsibility for this is delegated to the Finance Director. Income, including valuations for donated services and gifts in kind, is accounted for in accordance with the requirements set out in the Academies Financial Handbook.

Receipts are given for all amounts of non-grant income, including transfers between staff.

### **Controls Over Incoming Funds**

#### *Postal Receipts*

All incoming cheques and cash are recorded immediately and entries verified by someone other than the person who has made the entry.

#### *Fund-Raising Events*

Records are maintained for each fund-raising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred.

For all events for which there is ticket income or gate money, reasonableness checks are carried out to ensure the takings equate to the number of tickets issued multiplied by the price per ticket.

Similar records are maintained for sponsored events.

#### *Letting of Academy Facilities*

All lettings are subject to a letting agreement, setting out the terms and conditions of the academy letting, including the agreed charge.

The Governing Body, on the recommendation of the Finance and Resources Committee, approves letting rates.

- All hiring of academy equipment and facilities is recorded on the letting planner kept by the Finance Assistant and in a lettings diary;
- the lettings diary and the letting planner are reviewed by the Finance Manager on a monthly basis to ensure that all lettings have been invoiced;
- when a letting is booked the hirer completes a hire form;
- the finance office generates sales invoices from the computer;
- wherever possible income is collected in advance of the letting in any event all monies are received at the end of each term;
- one member of the finance office collects the cash and banks all receipts intact;
- the academy ensures that relevant insurance is in place for each letting.

#### *Academy Music Fees*

Letters are sent to parents requesting payment for a contribution towards the cost. The amount of the final cost to be paid by parents will be determined by the Finance and Resources Committee.

All monies received for music are paid to the finance office which collects the cash. The finance office is responsible for keeping adequate records of income on a class list.

All receipts are banked intact.

#### *Academy Trips*

Letters are sent to parents requesting payment for voluntary contributions.

All monies received for trips are paid to the finance office which collects the cash. The finance office is responsible for keeping adequate records of income and expenditure on a class list.

All receipts are banked intact.

The finance office prepares a final income and expenditure account for each trip which has taken place, and reports these to the Finance Director who ensure that money collected and expended for each trip is in accordance with the academy's charging policy.

Please refer to the charging and remissions policy for academy activities at Appendix D.

#### *Catering income*

From 6<sup>th</sup> November 2018, the academy is taking and recording receipts for schools meals. Payment can be made using the following methods:

- Cash, into revaluation units which take cash and record the value against the student's catering account.

- Online, payments being made by the school's Pay Portal and uploaded to the catering account system by an online link
- Cheque – recorded by the Catering Manager on the central catering account software

Supporting records are generated by the catering account system and these are checked by the finance department for accuracy, and recorded on the accounting system.

Reminders for recovery of overdrawn catering balances are monitored weekly and texts sent to parents as a reminder in the first instance. The Debt recovery policy is followed, if so required. The Governing Body, on the recommendation of the Finance and Resources Committee, approves the charges for catering.

### *Bad Debts*

The academy chases all money due to it, which has not been paid within 30 days of an invoice being issued, by telephone and letter, depending on how much time has elapsed since the money was due to be paid.

If a debt remains unrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid despite having taken all reasonable action to effect recovery, the Finance Director will submit a report to the Finance and Resources Committee for a decision to be made:

- a) to write off the debt
- b) to refer the matter on for legal action to be taken.

Bad debts are only written off when the academy has followed all possible procedures to ensure their recovery.

Please refer to the Debt Recovery Policy at Appendix E.

The DFE/ESFA's prior approval is obtained if debts to be written off are above the value set out in the annual funding letter.

## **BANK AND CASH**

### **Bank Facilities**

Only the members of Hungerhill Academy Trust Board can authorise the opening or closing of bank accounts.

The academy ensures that all transactions on its bank accounts comply with DFE/ESFA regulations and with relevant, current accounting instructions and procedures issued by the DFE/ESFA.

The academy does not overdraw its bank account or arrange with its bankers for overdrafts, loans or any other form of credit or deferred purchases. The bank has been informed that the academy is not allowed to borrow funds and that no account should be allowed to become overdrawn. The academy does not offer any security to the bank. All funds surplus to immediate requirements are invested in accordance with the Governing Body's investment policy.

Invoices paid out of the account are in the name of the Authority or the school.

No cash dispensers are used to ensure all transactions are properly accounted for.

All cheque payments from the bank accounts require two authorised cheque signatories. Supporting vouchers are made available at the time of signing. There are seven cheque signatories, who are all in senior positions. The Finance Director maintains an approved list of signatories (including specimen signatures). Cheques are not pre signed.

All cheques drawn are crossed 'account payee only'. All chequebooks and other stationery are kept in a locked safe or cabinet. All bank statements are filed sequentially.

Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure. The Authorised signatories do not have access to blank cheques or prepare cheques for signature and cheques are not pre-signed.

Any cheque, which requires cancellation is clearly marked "CANCELLED" and if the cheque is not to be reissued is retained in the batch with the counterfoils.

If a cheque is lost or misplaced an immediate stop payment is placed and the invoice taken from the original batch, amending the cheque run report and associated records and is re-issued in the next cheque run.

The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds are subject to the same level of control.

## **Bank Reconciliations**

The Finance Director carries out a daily bank reconciliation of items passing through the bank account and monthly full bank reconciliation between the bank statements and the accounting records, and investigates any discrepancies immediately. The Headteacher reviews the bank reconciliation, signing them as evidence of review.

Cheques remaining unrepresented for a period in excess of one year are to be stopped at the bank and the required accounting adjustments made to the Academy's accounting system.

## **Cash Banking**

Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash is banked intact, without delay and recorded on paying-in slips. Bank paying-in slips show the split of cash and cheques and reference cheques to the related debt. Cheques are identifiable by reference to the receipt numbers and names of the drawers and cash by reference to receipt numbers.

The finance office banks all cash and cheques. Where unusually high levels of cash are received these are banked on the day of receipt wherever possible. Unbanked receipts are kept in a safe to safeguard against loss or theft. In no circumstances do cash holdings on the academy premises exceed the insured limit.

On a daily basis, catering cash takings from revaluation units are counted by kitchen staff and agreed to supporting records from the catering account software system, in line with the DMBC Catering service level agreement. The catering software cash receipts' reports are signed to confirm the checks performed. Banking is arranged by DMBC Catering, also as part of the service level agreement. Copies of the cash receipts report and completed paying in slip are passed to the finance department who then check the daily banking is recorded correctly on the bank statements. Any discrepancies are investigated.

## **Online bank receipts**

The Academy Trust has a Pay Portal where parents can make direct bank payments for catering, trips, and other items. Details of items available for payment are uploaded onto the portal and the accounts software updated. The gateway supplier for direct bank receipts is WorldPay, and we receive notification of payments from them. These are then downloaded by the Finance Manager onto the Oasis accounts software, and checked for receipt into the bank account. The bank records are updated and the bank reconciled on a monthly basis. Records are maintained to monitor control over catering and trip debtors etc.

## **Credit Cards**

The following procedures apply for the use of a credit card system:

- the academy's card will be charged to the academy budget account, before interest accrues, and can only be used for specific business purposes (no personal expenditure is allowed);
- authorised users are established as approved by the Finance and Resources Committee, they currently are
  - Helen Redford-Hernandez – Headteacher
  - Rachel Wilcox – Finance Director
    - Jeanette Allman – Finance Manager
    - Victoria Kenny – Administration Manager responsible for CPD and
    - Martin Hacking – Head of PE for overseas visits;
- the card must be retained in a locked box in a locked drawer in the Finance Director's desk and released only by Finance Director or Finance Manager, in her absence. Details of the date of release must be entered in the records book for the card and authorised by the Finance Director;
- on return of the card, details of the purchases are committed to the relevant accounts using the credit card ordering system.
- sales vouchers, invoices and requisition forms are checked by the Finance Manager against the amounts entered and reconciled with the credit card statements;
- the expenses are posted to the relevant accounts via a dummy cheque run;
- the balance on the card is to be paid in full each month by direct debit.

## **FIXED ASSETS**

### **Asset Register**

The Finance Director, Site Manager and ICT Manager maintain the asset registers. The academy includes details of all assets with a cost greater than £1,000, and 'attractive' items below that value, in the asset register. The register records:

- asset description;
- asset number;
- serial number if known;
- date of acquisition;
- asset cost;

- source of funding (% of original cost funded from DFE/ESFA grant and % funded from other sources);
- expected useful economic life;
- depreciation;
- current book value;
- location where relevant;
- name of member of staff responsible for the asset.

Items used by the academy but owned by others are included, with a note of ownership. Leased items are identified as such with the termination date of the lease.

The Finance Director checks that the asset register has been maintained annually. Any discrepancies are investigated and reported to the Headteacher who informs the Governing Body of the loss and any known reason for this. The insurers are notified as appropriate.

Any assets removed from the academy site are recorded in a loan book.

The length of time the asset will be off site is recorded together with the appropriate authority. The appropriate authority is the HR Manager. The finance office checks that assets will be insured before they are removed from the academy. No assets are removed from the academy for a period of time, which would unreasonably deny the academy use of those assets.

All assets are security marked.

## **Disposal of Assets**

All disposals and write-offs of assets are authorised by the Headteacher. Items no longer required are sold when their estimated residual value exceeds £1,000. If the residual value is less than this the academy may agree to donate such assets to a charity. When disposing of assets the academy will ensure it maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

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.

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/ESFA a proportion of the sale proceeds.

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

The following records are kept for disposals:

- the item disposed of and reason why;
- the date of disposal;
- the method of disposal;
- the proceeds of sale or how disposed of if scrapped;
- the person authorising the disposal.

No item is sold, leased or hired to a third party without the approval of the Headteacher.

## **Losses**

All losses are reported to the finance office. The finance office informs the police if the loss is a result of burglary or theft and the insurance company is informed at the same time. Action is taken immediately to prevent further loss.

The finance office maintains a record of losses and insurance monies received. The Governing Body is informed of all losses.

## **LEASING**

There are two types of lease:

- operating lease (doesn't represent borrowing)
- finance lease (is a form of borrowing)

The Governing Body is responsible for approving all operating leases except for some transactions relating to land and buildings which require the approval of the ESFA (please refer to "Asset Sales, Leases and Tenancy Agreements"). The Governing Body is also responsible for ensuring that finance leases are not entered into.

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing-off, donating, re-leasing, subletting or any other form of disposal.

## **INVESTMENTS**

Investments are made only in accordance with written procedures approved by the Governing Body which must ensure the investment risk is properly managed.

Investments are 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.

## **FINANCIAL RECORDS**

All records are kept securely in the finance archives for a period of 6 years plus the current year, after which time they are destroyed by the Finance Manager under dual control. A record of all documents destroyed is maintained by the Finance Manager, and retained in the finance office.

## **DETAILED PROCEDURES MANUAL**

There are also individual procedure manuals for the Finance Manager and the Finance Assistants. These are maintained in a file accessible by all finance staff. Flowcharts have also been prepared for most financial tasks.

**MEMBERSHIP OF GOVERNING BODY**

Mrs A. Robinson – Chair  
Mrs H. Redford-Hernandez  
Mrs T.E. Ladley  
Mr N. Burne  
Mr R. Young  
Mr W. G. Peacock  
Miss N. Crowder  
Dr S.J. Newman  
Miss H. M. D'Rozario  
Mr S. A. France  
Mr K. Fitton  
Mr D. T. Fell

**MEMBERSHIP OF FINANCE AND RESOURCES COMMITTEE**

Mrs H. Redford-Hernandez  
Mr N. Burne  
Mr R. Young  
Mrs A. Robinson  
Mrs T. Ladley  
Mr W. G. Peacock  
Dr S. J. Newman  
Mr K. Fitton

**Company Secretary – Mrs R. Wilcox**

**Clerk – Mrs C. Keogan**

**APPENDIX B  
HUNGERHILL SCHOOL GOVERNING BODY**

## **COMMITTEES AND REMITS**

### **Purpose**

To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

Major issues will be referred to the full Governing Body for ratification.

### **Terms of Reference**

Subject to the requirements of legislation the committee is authorised:

1 To consider the academy's indicative funding, notified annually by the DfES, and to assess its implications for the academy, in consultation with the headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.

2 To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.

3 To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the headteacher, with the stated and agreed aims and objectives of the academy.

4 To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.

5 To liaise with and receive reports from the staffing/remuneration and curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.

6 To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfES, drawing any matters of concern to the attention of the Governing Body.

7 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

8 To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements

9 To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings.

10 To recommend to the full Governing Body the appointment or reappointment of the auditors of the academy.

## THE FINANCE AND RESOURCES COMMITTEE (QUORUM 3)

### Key areas:

Budget  
Financial Planning  
Health and Safety  
Finance Management  
Site Management

**Chair: Andrea Robinson**  
**Vice-Chair: Dr S J Newman**  
**Clerk: Carole Keogan**

### Remit:

#### In the area of finance

- a) To set and approve the budget on behalf of the Governing Body, ensuring that the budget reflects the school's priorities educational objectives outlined in the School Improvement Plan (SIP), in consultation with the Headteacher.
- b) To establish and maintain an up to date medium-term financial plan (3 year budget projection) in consultation with the Headteacher, that reflects the SIP. This will include forecasting the likely future pupil rolls and income levels.
- c) To monitor the budgeted income and expenditure, to ensure planned expenditure for the year does not exceed the available resources and report any significant variances to the Governing Body.
- d) To monitor and approve in year budget revisions to the annual budget set.
- e) To consider the policy for balances in accordance with the EFA guidelines. Including regularly reviewing the level of the school balance and the spending plan for the balance.
- f) To explore different expenditure options and assess expenditure bids.
- g) To ensure that the school operates within the Education Funding Agency Academies Financial Handbook and other regulatory guidelines and provide financial information as required to the EFA.
- h) To evaluate the effectiveness of financial decisions and refer specific problems to the Governing Body/relevant committee.
- i) To monitor expenditure of all the school's voluntary/private funds.
- j) To approve the spending decisions where there is a balance on the school's voluntary/private funds.
- k) To review and respond to reports by the Responsible Officer on the effectiveness of the financial procedures and controls.
- l) To approve the ordering of all goods and services, and the payment of all accounts in excess of the degree of financial delegation given to the Headteacher.

- m) To annually review fee policy, including lettings charges, remissions and expenses policies.
- n) To ensure that the school obtains value for money when purchasing goods and services from all suppliers including the Local Authority and outside contractors. This includes considering and approving the Local Authority traded services buy back decisions.
- o) To consider the evidence and annually approve the best value statement.
- p) To make decisions on expenditure following recommendations from other committees.
- q) To ensure that the school's financial performance is compared at least annually to similar schools, reasons for differences examined and action taken where necessary (including local financial analysis pack and national benchmarking data).
- r) To consider the Statement of Internal Control and evidence supplied, for the nominated representative to sign.
- s) To evaluate the soundness and effectiveness of the school's financial management systems against the Financial Management and Governance Evaluation (FMGE).
- t) To ensure that accounts are properly finalised at year-end in accordance with the Academies Accounts Direction and other statutory legislation.
- u) To ensure that the financial procedures are documented and regularly reviewed.
- v) Consider and approve the authorised signatories.
- w) To authorise the Headteacher to enter into contracts and the payment of accounts up to £5,000.

**In the area of audit:**

- a) To advise the Board on the adequacy and effectiveness of the Academy's systems of Internal control and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
- b) To advise the Board on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the Responsible Officer.
- c) To advise the Board on the scope and objectives of the work of the RO and the financial statements auditor.
- d) To consider and advise the Board on the audit strategy and annual internal audit plans.
- e) To monitor, within an agreed timescale, the implementation of agreed recommendations relating to RO reports and the financial statements auditor's management letter.
- f) To consider and advise the Board on any alleged fraud and irregularity in the Academy's financial and other control systems and to ensure that all allegations of fraud and irregularity are properly followed up.
- g) To monitor the Academy's risk management plan and advise the Board on its adequacy and effectiveness.

**In the area of sites and premises:**

- a) To ensure that the premises are regularly inspected.

- b) To decide upon priorities for expenditure within budget constraints.
- c) To monitor and follow up, as required, the repair and maintenance work carried out.

**In the area of health and safety:**

- a) To deal with health and safety issues, exercising responsibility as defined in the LA Safety Policy and to include road safety problems.

**FINANCE DIRECTOR'S JOB DESCRIPTION**

- To contribute to the achievement of the educational vision of Hungerhill School (Academy) through efficient and effective strategic planning and management of the school's financial resources.
- To promote the highest standard of financial probity and value for money within the Academy.

**DUTIES AND RESPONSIBILITIES**

**Strategic Priorities:**

- To support the strategic decision making of the Headteacher and Governing Body by providing accurate and timely financial analysis and forward planning
- To develop and maintain a strategic financial plan to identify trends and requirements of the School Development Plan (SDP) and to support future budget planning
- To evaluate information and consult with the Headteacher to provide a realistic and balanced budget for approval by the Governing Body

**Specific Duties and Responsibilities:  
Finance Resource Management and Reporting**

- To prepare financial reports for presentation to the Headteacher and the Governing Body within an agreed timeline
- To prepare appropriate monthly budget monitoring reports for all budget holders
- To ensure the timely production and issue of financial reports and returns and periodic cashflow requests as required
- To identify and inform the Headteacher and Governors of the causes of significant variance and take prompt and corrective action
- To attend specific meetings as appropriate, for example, to prepare and present at the Governors Finance and Resources Committee
- To be responsible for the provision of a comprehensive payroll service for all school staff including pension contributions and all other deductions
- To oversee communications with Payroll Services, Teachers Pensions and Local Government Pension Scheme and other service providers to ensure all aspects of employer and employee contributions and deductions are full and accurately addressed
- To oversee the preparation of all monies and collection of fees and other duties.
- To ensure the Academy receives value for money.

## **Accounting and Governance**

- To prepare the annual accounts for the Academy in line with the statutory financial reporting requirements
- To meet the financial regulations of Academies, to develop and implement appropriate financial systems and work with budget holders to ensure compliance
- To maintain systems and procedures that ensure financial transactions are recorded and reported accurately. To devise appropriate accounting procedures to ensure the effective operation of financial controls within the Academy
- To prepare and maintain the Academy risks register. To prepare a statement of internal controls annually or as required
- To ensure the Academy meets all its financial obligations
- To advise the Headteacher and Governors on external and internal audit arrangements as required by financial regulations and funding bodies
- To liaise with auditors and facilitate all audit arrangements, implement audit requirements as they affect all financial activities at the Academy
- To make the necessary arrangements for insurance cover for the Academy and Governors and oversee all communications with the Insurance and Insurance Brokers
- To ensure that tax obligations are discharged correctly and effectively
- To act as Company Secretary for the Brighter Futures Learning Partnership Trust which includes:
  - providing direct support for the Trust Board including Headteacher and lead Governor:
  - providing advice for partner schools
  - liaising with external partners
  - managing the Trust limited company functions

## **As leader of the Finance Team to:**

- Oversee and co-ordinate the financial work of the finance team and make arrangements for the appropriate training and development
- To line manage the staff in the finance department
- To be responsible for implementing the appraisal policy for the finance team.
- Work with the Headteacher on the recruitment and selection of finance staff
- Ensure school policies are fully implemented across the finance team

## **Income Generation**

- To liaise with funding agencies to secure where possible additional funding for the Academy
- To identify potential funding opportunities, agencies, government initiatives etc and to ensure income generation from both diverse and obvious sources.

**Additional Duties**

- To play a full part in the life the school community, to support the school ethos and to encourage staff and students to follow this example
- To actively promote school policies
- To continue professional development as agreed
- To actively engage in the appraisal and professional development process
- To undertake other appropriate duties as determined by the Headteacher

**HUNGERHILL ACADEMY TRUST**

**CHARGING AND REMISSIONS POLICY FOR SCHOOL ACTIVITIES**

Introduction:

The Board of Governors of Hungerhill Academy Trust recognises the valuable contribution that a wide range of additional activities including clubs, trips and residential experiences can make towards pupils' personal and social education. It aims to promote and provide such activities both as part of a broad and balanced curriculum for the pupils of the school and as additional optional activities.

1. CHARGING FOR SCHOOL ACTIVITIES

With one or two exceptions the 1988 Education Reform Act does not allow parents to be charged for the following activities:

- (i) those taking place during school hours
- (ii) those taking place outside school hours if they are needed to fulfil any requirements specified in the syllabus for a prescribed public examination or specifically to fulfil statutory duties relating to the National Curriculum or Religious Education.

The policy of the school's Board of Governors with regard to charging is as follows:

- a) Parents must pay for the board and lodging element of residential trips during school time, subject to the remissions policy contained in Section 3 of these guidelines.
- b) Parents will be charged in full for the costs of residential or other visits held out of school time, which are regarded as "optional extras". When such visits are provided as a required part of the syllabus for a prescribed public examination, or required in relation to the National Curriculum or religious education, then only the board and lodging element may be passed onto parents subject to the remissions policy in Section 3.
- c) The cost of examination fees, where the examination preparation has not been carried out at school is to be charged to parents.
- d) Where, in the opinion of the Head and Governing Body, there are educational reasons for not entering a pupil for a particular examination, should the parent still wish to enter the pupil, then the fees are to be recovered.
- e) Examination fees may be recovered where the pupil fails to take the final examination, without good reason.
- f) Charges may be made for teaching either an individual pupil, or pupils in a group of up to four, to play a musical instrument, if the teaching is not an essential part of either the National Curriculum or a public examination syllabus being followed by the pupil.
- g) Parents may only be charged for, or asked to supply ingredients or materials for craft or home economics lessons when they have indicated, in advance, that they wish to own the finished product.

h) Parents may be asked to reimburse the school the cost of library resources when the librarian has exhausted all avenues to recover the resources from the pupil. Any request to pay for resources to enable the school to purchase replacements will only be made as a last resort.

## 2. VOLUNTARY CONTRIBUTIONS

The cost of activities taking place in school time, where charges may not be made, may be provided through voluntary contributions from parents. Please note that nothing in this policy statement precludes the Governing Body from inviting parents to make voluntary contributions towards the cost of activities. In the past many activities have only been made possible by inviting parents to make contributions, and the Governors hope that parents will continue to give their full support by contributing voluntarily to similar activities in the future.

Where voluntary contributions are invited no pupil is left out of an activity because his or her parents cannot or will not make a contribution of any kind.

Voluntary contributions are sought from parents in receipt of Income Support or Family Credit in line with the remission policy.

## 3. REMISSION OF CHARGES

The policy of the Board of Governors is as follows:

a) Costs payable by parents for the board and lodging element of residential trips held during school time, or outside school hours in accordance with paragraph i b) of these guidelines, to be remitted where parents are in receipt of Income Support, free school meals, Income based Jobseeker's Allowance, Support under part VI of the Immigration & Asylum Act 1999, Child Tax Credit (provided the claimant does not also receive Working Tax Credit AND whose annual income as assessed by the Inland Revenue does not exceed the prescribed amount), Guarantee element of State Pension Credit.

## NOTES

Charges are, by definition, only those costs which the Act allows to be charged to parents, and which the Academy Trust, with the regulations, has decided should be passed on to parents. The Academy Trust has decided to charge parents for certain activities, as indicated in Section 1, but the remission policy applies only to the board and lodging element of residential trips which qualify. No other charges are subject to the remissions policy.

## 4. ACTIVITIES ARRANGED BY A THIRD PARTY

Activities arranged by an outside organisation may charge parents. Such an arrangement would not need to meet the academy policies on charging or remissions.

Where such visits would entail approval of leave of absence for pupils and teaching/associate staff involved full details will be submitted, to the Governing Body, for approval.

## 5. OTHER ACTIVITIES CHARGED TO THIRD PARTIES

The school may charge for the hire of school facilities. Charges are reviewed annually by the Governors' Finance and Resources Committee to ensure the delegated budget is not subsidising the cost of running facilities for third party use. Charges are notified to hirers in advance of booking the facilities and a lettings agreement and application form are completed before use of the facilities is allowed.

Users are invoiced wherever possible in advance of using the facilities and in accordance with VAT rules and regulations

### DEBT RECOVERY POLICY

Wherever possible, income due will be collected before or at the time of relevant sale or service provided. If this is not possible, a debtor's account (invoice) will be issued. All debts will be recorded and non-payment will be followed up by issuing reminders as follow:

1st reminder	-	30 days from date of account or in the case of lettings before the first letting commences.
2nd reminder	-	60 days from date of account
Final reminder	-	75 days from date of account

The final reminder will be sent recorded delivery and will threaten legal action if the account is not settled within 14 days.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures;

- Those up to the value of £100 to be approved by the Headteacher and reported to the next meeting of the Governing Body as irrecoverable.
- Those exceeding £100 should be referred to Services Financial Management Team, who will arrange for a sundry debtor account to be raised. It wouldn't be cost effective to raise a debtor account for less than £100.
- Where a sundry debtor account has been raised, or the value is greater than £100, the request to write of the bad debt should be referred to the Corporate Director, Financial Services. The school will keep a record of all sums written off. All decisions to write off bad debts will be recorded in the minutes of the Finance and Resources Committee

#### Returned Cheques

In the case of returned cheques, the drawer will be contacted and instructed to pay in cash the amount of the cheque and any charges that the school has incurred.

**Hungerhill Academy Trust**

**Finance department procedural charts - detail of abbreviations used**

**FD = Finance director**  
**FM = Finance manager**  
**FA = Finance assistant**  
**PA = Payroll assistant**  
**HRM = HR Manager**

**HUNGERHILL ACADEMY TRUST: FINANCE DEPARTMENT PROCESSES**  
**MONEY COLLECTION THROUGH TO BANKING:**  
**TRIP AND OTHER SIMILAR PAYMENTS:**  
**Setting up of trip record on Oasis accounts software system**

On receipt of notification from a member of staff that a school trip is being planned:

The member of Staff sends a copy of the trip letter and a list of attendees to the FM. The FM sends a copy of the spreadsheet and trip letter to the FA.

On occasions it is necessary for new nominal codes to be created to enable the transactions to be processed, if so the FD creates the appropriate nominal codes and adds them to OASIS, the chart of accounts, management reports and budget spreadsheets. FA sets up the trip as a pay type on Oasis and adds the relevant students. FA passes the letter, Aide Memoire and list of students to FM. FM then checks Aide Memoire against Excel export from Oasis for accuracy against organiser's list. FM uploads trip to Pay Portal. The FA creates a file with the trip details, copy letters/lists and details any anomalies.



**Receipt and processing of the money received.**

At this stage, the trip has been set up on Oasis and the spreadsheet set up by the FA.

Pupil brings in trip payment to the finance office & hands it to the FA for processing.

Notification of direct bank receipts are received from WorldPay. The FM then imports the information onto Oasis and informs the FA so she can updated her trip records.

They enter each payment received onto a spreadsheet for the particular trip and complete a blue 'Income voucher' for each trip as necessary.

The blue income voucher and cash/ cheques are passed on to another FA to maintain segregation of duties.



The other FA then completes the following:

Each blue income voucher and money is checked in respect of the breakdown of cash and cheques, against the pupil recorded on the spreadsheet.

The income voucher is then signed off and recorded in the banking book.

Each individual payment is input on Oasis against the relevant pupil number in a 'Non-Invoiced Payments Batch'.



**Banking:**

Every Thursday the banking book is ruled off and totalled up by the FA.

The trip money is counted and a bank paying in slip completed.

March 2012 – APPROVED BY  
HAT GOVERNORS 21/2/12  
amended 10/5/12; 3/7/13;  
13/3/14; 22/9/14; 23/9/15;  
20/9/16; 4.7.17; 19.9.17;  
24.9.18; 28.11.18

The banking book, paying in book and breakdown is passed on to the FA2 for checking.



FA2 counts the cash and cheques and agrees the totals to the breakdown, paying in slip and banking book.

Both are signed off by the FA2. Everything is passed back to the FA to prepare to take it to the bank.



Once the banking has been checked two members of finance staff take it to the bank at Ten Pound Walk, Doncaster.

On return from the bank the Oasis Non Invoiced payments batch and Nominal Income batch is closed and reports printed off in duplicate.

A receipt for each amount received is printed off which is then placed in the relevant class register in reception for form tutors to distribute to the pupils concerned.

The banking book, reports and income vouchers with documentation attached are passed on to the FM for checking.



The FM checks the reports against the slips and signs the reports and completes the banking aide memoire.



Everything is passed to the FM who performs the following checks:

Check the income voucher is completed correctly

Check the total from the trip spreadsheet agrees to the voucher total

Tick off each pupil receipt to the Oasis report

Agree the totals per the fees ledger report to the cash book and sign the Oasis report

Agree the totals to the paying in slip

Pass one signed copy of the Oasis fees payments batch report to the FD

File the remaining copy in the finance office.

## HUNGERHILL ACADEMY TRUST

### RECEIPT AND RECORDING OF OTHER SOURCES OF INCOME:

This relates to any other form of income (other than trip money) received via the post or members of staff. This could be, for example, cash from non-uniform days, income from student placements, lettings income.

If a cheque is received in the post a green income voucher is completed by the FA.  
If a member of staff brings in money (i.e. from ticket sales, fund raising etc.) they are asked to complete and sign a green income voucher.



The income voucher is passed on to the FA for checking.  
The breakdown of cash and cheques is checked on each income voucher.  
The income voucher is then signed off and recorded in the banking book.  
The pay in is input on Oasis against the relevant Nominal Ledger income code in a Nominal Receipt batch.  
Every Thursday the banking book is ruled off and totalled up.  
The nominal/other money is counted and a bank paying in slip completed.  
The banking book, paying in book and breakdown is passed on to the FA2 for checking.



The cash and cheques are checked against the breakdown by the FA2. If there are any anomalies, these are addressed. If all is correct the paying in book is countersigned by the FA2 and the banking book is signed off.  
Everything is passed back to the FA to take to the Bank with the FM.  
Once the banking has been checked two members of finance staff take it to the bank at Ten Pound Walk, Doncaster.  
On return from the bank the Nominal Receipt batch is closed and a report printed off in duplicate by the FA.  
The banking book, reports and income vouchers with documentation are passed on to the FM for checking.



The FM checks the banking book, the reports and the income vouchers and signs the report.  
The Aide Memoire is signed off after performing the following checks:



Check the income voucher is completed correctly.

Ensure the voucher total agrees to supporting documentation and to the totals posted onto the Oasis report, also checking VAT treatment.

Check and highlight the nominal coding on the Oasis report.

Agree the weekly cash book total to the bank paying in slip.

Pass one signed copy of the Oasis nominal bank receipts batch report to the FD.

File the remaining copy in the finance office.

**HUNGERHILL ACADEMY TRUST: FINANCE DEPARTMENT PROCESSES  
PURCHASE ORDERS THROUGH TO PAYMENT OF INVOICE:  
PURCHASE ORDERS:**

Manual order received from budget holder and input onto Oasis accounts software system by the Finance Assistant (FA). Each Oasis order is printed off.



On a daily basis (unless urgent) the file of printed orders is passed to the FD for authorising.



When the signed orders are received back, the FA carries out the following:

- the order is scanned by the FA. A scanned copy is e-mailed to the supplier then the hard copy is filed in the committed orders file in finance.
- the budget holder is also then e-mailed a scanned copy.

**INVOICES:**

When an invoice is received either in the post, by email or with delivery of the goods, the FA scans and saves the invoice electronically. A coloured 'Creditors Certification and Coding Slip' is attached and passed on to the FM for coding (this being the Nominal Ledger coding).



The FM checks the invoice against the order numbers on Oasis. Order, invoice numbers, date and the expenditure code and amounts are entered on the coding slip.

Note: Utility and rates invoices do not have order numbers.



These coded invoices are then input daily onto Oasis as an 'Unapproved Invoices' batch by the FA2.



The FA2 writes the transaction number on the coding slip, files the transaction list in the folder, then distributes the invoices to the respective member of staff for checking and approving for payment. They then approve the invoice by signing the 'Goods received or work done' box and return them to the Finance Office.

Once invoices are returned, they are put into folders by the FM, according to due date of payment. Invoice batches are processed for payment a week before payment is due. Generally one invoice batch is paid each week, unless there are special payment requests. When a batch of invoices is ready for payment, it is passed by the FM to the FA1.



An approvals batch is opened by the FA1 on Oasis. All order and non-order invoices are processed using the codes created in the 'Unapproved Invoices' batch. For 'order' invoices, the order paperwork is removed from the committed orders file and updated with the details of the invoice & payment. The completed orders are filed away, incomplete ones are filed back in the committed orders file.



The FA1 prints the PL Approvals report and checks each invoice against the report, checking that amounts and VAT are correct, and that the expenditure codes are correct. The FA1 signs the "cheque issued" box on the coloured 'Creditors Certification and Coding Slip'. The FA1 closes the Approvals batch & prints the 'Closed' Report. The FA1 opens a 'payments/remittances batch' on Oasis and selects the cheque book to be used on Oasis, the invoices for payment and then remits the batch to print the cheques. A remittance transaction report is also printed after the cheques. Cheque numbers which relate to the invoices are written on the corresponding coloured coding slips. The invoice batch details are written on the front of the batch folder and in the invoice batch book. The completed batch together with Oasis reports, cheques and book are passed to the FM.



The FM performs the following checks:

For each purchase invoice presented for payment, check:

- Nominal ledger coding for accuracy
- Net amount from invoice to the Approved Invoices Closed batch report
- VAT amount from invoice to the Approved Invoices Closed batch report
- Input VAT code analysis checked
- VAT analysis for VAT return purposes noted on Oasis report
- Invoice is addressed to 'Hungerhill Academy Trust'
- Payee noted on the cheque is correct and the amount of the cheque agrees with the invoice
- Cheque is being sent to the correct address
- In addition, sign and date the 'Certified' box on each coding slip.
- Enter batch totals on bank records.

Sign and date the Approved Invoices Closed Batch report. Pass to FD:

---

March 2012 – APPROVED BY  
HAT GOVERNORS 21/2/12  
amended 10/5/12; 3/7/13;  
13/3/14; 22/9/14; 23/9/15;  
20/9/16; 4.7.17; 19.9.17;  
24.9.18; 28.11.18

Who completes a separate Aide Memoire of final checks including signing cheques, noting relevant items for the accounts etc before obtaining second signature on each cheque and passing back to FA for posting.

## **HUNGERHILL ACADEMY TRUST FINANCE DEPARTMENT PROCESSES**

### **PETTY CASH CLAIMS PROCESSING**

This relates to cash expenditure by staff for incidental items.

Members of staff bring receipts to FA2 who asks for an explanation of the expenditure to enable the cost to be allocated correctly in the nominal ledger. The receipts are checked to ensure they comply with School financial policy and for VAT.

A blue petty cash voucher is written out detailing expenditure codes, amounts, VAT breakdown etc. The receipts are attached to the blue voucher.

This documentation is then passed to the FM for coding checks.



The FD checks the VAT analysis and authorises the voucher for payment before returning the signed voucher and attached receipts to the FA2.



The FA2 writes the details of the expenditure into the petty cash book and allocates the next petty cash voucher number to the blue voucher.

The FA takes the correct amount of reimbursement cash from the petty cash tin and attaches it to the blue voucher.

The FA then emails members of staff to alert them to collect the reimbursement.

The staff member signs the blue petty cash voucher when collecting the reimbursement to acknowledge its safe receipt.

The FA balances the cash left in the petty cash tin.

Monthly – the FA collates the vouchers, enters the petty cash expenditure onto Oasis, closes the batch, prints & signs the petty cash nominal report produced.

The FA passes the batch, vouchers with accompanying documentation, book and tin to the FM for checking.



The FM performs the following checks:

- VAT coding on Oasis checked for accuracy
- Vouchers details agreed to petty cash book and Oasis report produced
- Petty cash counted and agreed to balance per petty cash book
- Batch and book signed as confirmation of checks

The vouchers and Oasis report are passed to the FD.



March 2012 – APPROVED BY  
HAT GOVERNORS 21/2/12  
amended 10/5/12; 3/7/13;  
13/3/14; 22/9/14; 23/9/15;  
20/9/16; 4.7.17; 19.9.17;  
24.9.18; 28.11.18

The FD completes the aide memoire which is retained with the batch, writes a cheque, updates OASIS with the details of the cheque and completes a "bank transfer".

The FD updates the bank reconciliation (cash flow), prints reports relating to the petty cash batch and files the batch paperwork before passing the cheque to the FA for encashment.



The FA writes the cheque details into the Petty Cash book and takes the cheque to the School kitchen to be cashed to replenish petty cash to a balance of £200.00

### **CATERING RECEIPTS PROCESSES**

**Cash revaluation unit receipts and any cheques** are counted and agreed to cash taking reports, and paying in slip completed. Reports signed as evidence of checks. Daily totals entered onto cash book and accounts system. Amounts then agreed to bank.

#### **Online (Pay Portal) receipts**

Worldpay (merchant) reports produced which lists payments made. Each payment agreed to accounts system imports, on a daily basis. Total receipts entered onto cash book on a daily basis. Receipts from Worldpay reports agreed to bank statement.

#### **Meals taken**

Reports produced by catering system. Reports checked for reasonableness. Entries made onto accounts system to record value of meals taken, and VAT accounted for. Invoices raised for meals by DMBC Catering to be checked to catering records and recorded on accounts system in normal way for purchase invoices.

HUNGERHILL ACADEMY TRUST: FINANCE DEPARTMENT PROCESSES  
PAYROLL PROCESSING:

- The PA collects working papers throughout the month including: additional hour, overtime, supply, 1 to 1, exam invigilation, expenses, mileage claim forms; details of leave of absences, sickness, maternity leave and pay and paternity leave and pay, and jury service; documentation for new starters and leavers; changes to contracts, names, addresses and bank details; and tax code amendments. [PA][nb. The claim period for additional hours, overtime, supply, 1 to 1, expenses, and mileage is from the 16<sup>th</sup> of the month to the 15<sup>th</sup> of the following month inclusive, and must be received by HAT Payroll by the 20<sup>th</sup> of the month to guarantee payment in the next month's pay].
- Sort above papers to be processed. Send timesheets to the **Headteacher (H)** for authorisation. [PA]
- Email relevant people to gather information required to process that month's payroll. [PA]
- Process Additional hours, Overtime, Exam Invigilation, Supply and 1 to 1 claims forms, calculating payments to be made and entering details of all claims on relevant Additional Hour Monitoring spreadsheets divided up by department. Exam Invigilation claims are checked to the Invigilation spreadsheet provided by the Exams Officer. 1 to 1 claims are photocopied and a copy is kept for monitoring purposes and amounts claimed for 1 to 1 are also kept on a separate spreadsheet for monitoring purposes. [PA]
- Create file for new starters and then add them to details for payroll bureau, including personal, address, bank, tax and job details. [PA]
- **FD** checks for tax code amendments (P6s) and student loan notices coming through from HMRC and passes them on to the PA who updates the payroll bureau with the new details.
- Update payroll bureau with changes to names, titles, addresses and changes to bank details. [PA]
- Check mileage and expenses claims. Update Expenses spreadsheet with expenses claim details with regard to being able to reclaim VAT and forward to **FD**. [PA]
- The **HRM** provides the **PA** with letters for changes to contracts.
- Check anyone due maternity, update their maternity spreadsheets and inform the payroll bureau as required. [PA]
- If there has been strike action the **HRM** collects details of who has been on strike and passes this information on to the **PA**. The **PA** then calculates and creates a spreadsheet to show what deductions should be made and forwards these amounts to the payroll bureau. The spreadsheet is forwarded to the **FD** for use when sending annual returns to pension authorities.
- For anyone who is leaving, the **HRM** provides the **PA** with relevant documentation such as a letter of resignation. The payroll bureau produces the P45 and this is copied for the file and sent to the employee.
- At the end of the month the **HRM** updates the payroll bureau with details of who has been off sick and informs the **PA** The payroll bureau provides SSP1 forms to those employees for whom SSP has been withheld along with their payslips.
- Collate all information, record and forward onto payroll bureau service for processing (PA)
- Payslips are distributed. [PA]
- **PA** checks the payroll bureau reports to the Basic Salary Spreadsheet and any discrepancies are raised with the **FA**. All values are checked for reasonableness



- The payroll bureau issues a first draft of the payroll report for the month. The PA checks from the HAT monthly file of payroll changes to the report and notifies the bureau of any discrepancies and changes required, liaising with the FD. Calculations are checked for accuracy.
- The FD checks the draft payroll bureau report totals for reasonableness.



- The payroll bureau produces a final spreadsheet of all employees and a breakdown of the pay for the month, as well as supporting balancing reports etc
- The **payroll bureau** then transmits the BACS report to Barclays-Net. The Headteacher and FD sign off relevant banking reports after checking them to the bureau's back up reports.
- The **FM** pays the invoice for childcare voucher fees and informs the **PA** that this has been done.



- The **FD** updates the VAT return for the month if required.



- The FD analyses and balances the payroll bureau reports as required for accounts purposes, to allow the correct ledger codes on the accounts software to be updated.
- 



- The **FD** inputs the Payroll figures on to OASIS and inputs OASIS with details of BACs payments.
- The **FD** updates the bank reconciliation report and monitors the bank account to ensure payments are correctly processed and posted on time.

**IN ADDITION:**

**Periodic Duties for Payroll:**

- Projects as and when they arise such as Pay and Review [, **PA, FD**]
- Administering strikes, checking attendance, making deductions and informing pension authorities if not covered by the payroll bureau. [**HRM, PA, , FD**]
- Answering pay and job queries from employees in the transitional period to the payroll bureau providing this service in full. [**PA, , FD**]
- Answering queries from SYPA and TP as and when required. [**PA, , FD**]
- Completing forms such as retirement applications and re-employments certificates for pension authorities. [**PA, FD**]
- Answering queries from HMRC as and when required and forwarding relevant information to them. [**PA, , FD**]
- Providing information to organisations such as Mortgage companies for employees. [**PA, ,FD, HRM**]

**Annual Duties:**

- Making necessary changes to increments for Support Staff (normally in April) and for Teaching staff (normally in September) or backdated and backpay paid if required. Informing payroll bureau as required[FD]
- Year-end duties as required, and liaising with payroll bureau in this respect as required (PA)
- Changing pension rates and bandings as required. [PA, FD]
- Changing Unison and GMB rates and bands or reviewing bands as instructed. [PA, FD]Completing annual returns of information to Teachers' Pensions and SYPA if so required. [FD, HRM]

This document has been prepared with reference to the model policy provided by CeFM , The Academies Financial Handbook 2016. Copies of the Academies Financial Handbook 2016 and the recommended reference documents there within are available from the Finance Director.