



Fierté Multi Academy Trust

Accounting Procedures Policy 2018-2019

At the heart of our Trust are both the UNICEF Rights Respecting values and articles and Building Learning Power. Through these, we aim to put **children's rights** at the heart of our schools. We work together to embed children's rights in our ethos and culture; to improve well-being and develop every child's talents and abilities to their full potential. We aspire to give children a sense of pride and achievement in all that they undertake.

Approved: Finance Forum

Review Date: December 2019

Trust Academies:

Ankermoor Academy
Dosthill Academy
Glascote Academy
Violet Way Academy

Purpose

As a Trust all academies strive to be at the heart of their community, actively promoting community cohesion, sharing their facilities with other schools and the wider community whilst maintaining their own unique identities.

Pupils are encouraged to achieve their potential and the performance of pupils is carefully tracked and achievements celebrated, not only in academic subjects but across a much wider curriculum. It is the intention of the Trust to develop a curriculum that provides depth and breadth to its pupils' which particularly focuses on their local community, national and international links.

The Articles of Association identify the responsibilities and powers of the Academy Trust and its members. One such object is to "expend the funds of the Academy Trust in such a manner as they shall consider most beneficial for the achievement of the Object". In this case the Object means "to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum".

The purpose of this policy is to ensure that the trust maintains and develops systems of financial control which conforms to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE)

The trust will comply with the principals of financial control outlined in the ESFA Academies Financial Handbook. This document expands on that and provides detailed information on the academy's accounting procedures and system.

The trust also upholds the Nolan Principles see Appendix A

Organisation

The trust has defined the responsibilities of each person involved in the administration of the trust finances to avoid the duplication where practical or omission of functions and to provide a framework of accountability for trustees, governors and staff. The financial reporting structure is illustrated below:

The Trust Board

The academies financial handbook describes trustees as "Trustees are both charity trustees and company directors" having three core functions:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff;
- Overseeing and ensuring financial performance.

The trustees will apply the highest standards of governance and take full ownership of their duties. They will comply with the trust's charitable objects, with company and charity law, and with the funding agreement. (Academies Financial Handbook 2018).

Members

As charitable companies limited by guarantee every trust has members who have a similar role to the shareholders of a company limited by shares.

Members are:

- Subscribers to the trust's memorandum of association;
- May amend the articles subject to any restriction in the articles, funding agreement or company law;
- In certain circumstances appoint new members or remove existing members;
- Have the power to appoint or remove trustees in certain circumstances;
- By special resolution, issue direction to the trustees to take a specific action;
- Appoint auditors and receive the trust's audited accounts (subject to the Company's Act)
- Have power to change the name of the company and ultimately wind up the academy trust.

(Academies Financial Handbook 2018).

The Accounting Officer (AO)

The board will appoint a named individual, in writing, as its accounting officer, this will be the Chief Executive Officer. This person will be a fit and suitable person for the role.

The responsibilities of the AO specifically include financial matters and a personal responsibility to Parliament, and to the ESFA accounting officer, for financial resources under the trust's control. They will also assure Parliament, and the public, of high standards in the management of public funds with a focus on:

- Regularity,
- Probity
- Value for money
- The Nolan Principles (seven principles of public life)

A more detailed description of the role is found in the Academies Financial Handbook 2018

The Chief Financial Officer (CFO)

The trust will have a CFO appointed by the trust board to whom responsibility for the trust's detailed financial procedure is delegated. The CFO plays a both technical and leadership role.

The CFO main responsibilities are:

- Enforcing financial compliance across the organisation while guarding against fraud and delivering continuous improvement in financial control;
- Applying strong internal controls in all areas of financial management, risk management and asset control;
- Establishing budgets, financial targets and performance indicators to help assess delivery;
- Reporting performance of the organisation and its subsidiary to the board, the Treasury and other parties as required;
- Value management of long term commercial contracts;
- Ensuring that the organisation's capital projects are chosen after appropriate value for money analysis and evaluation using the Green Book (HM Treasury).

Financial Planning and Monitoring.

The board of trustees will approve a balanced budget and any significant changes to that budget, for financial years to 31st August, which can draw on unspent funds brought forward from previous years. The board will minute its approval.

To maintain robust financial oversight Fierté Multi Academy Trust has developed the following structure to support the effective and efficient use of resources and to maximise outcomes for young people.

The Finance and Audit Forum

The Finance and Audit Forum is part of the trust board. Meetings are held at least once a term but more frequent meetings are arranged if required.

The main responsibilities of the Finance Forum and Audit are detailed in the written terms of reference which have been authorised by the trust board. The main responsibilities include:

- The initial review and authorisation of the annual budget.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies.
- Authorising changes to the academy personnel.
- Authorising the award of orders / contracts over £25,000.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports will also be reported to the trust board.

Headteachers / Principals

Headteachers / Principles work very closely with the CFO to ensure that monies are managed in line with the agreed budgets and school improvement plan. At all times this expenditure must follow the principles described by the ESFA.

The Central Trust Team (CTT)

The CTT work in close collaboration with the CEO, CFO, Headteachers / Principals and other Trust administration staff. The main financial responsibilities of the CTT are:

- The day-to-day management of financial matters including the operation of Xero, the trust's financial software system. This includes the raising of orders and processing invoices.
- The day-to-day management of other income and expenditure.
- The maintenance of effective systems of internal control.
- Day to day management of payroll and processing appointment, variation and termination forms.
- Checking staff contracts
- Agreeing and approving monthly payroll
- Maintaining all records

Local Trust Offices

Local academy offices will vary dependent on capacity and experience of local staff. In all cases the local offices work in close collaboration with the CTT and CFO. The main financial responsibilities of the local offices are:

- The day-to-day management of financial matters including the operation of Xero, the schools financial software system, in particular the recording of income.
- The maintenance of effective systems of internal control.
- Maintaining all records
- Supporting the day-to-day operation of the school administration needs

Catering Lead (CL)

The CL works in close collaboration with the CTT and CFO. The main financial responsibilities of the CL are:

- Responsibility for catering staff, equipment, goods and health and safety.
- The day-to-day management of staffing, organisation and financial matters relating to the smooth functioning of all trust catering provision.
- The maintenance of effective systems of internal control.

Data Processing Officer (DPO)

The DPO works in close collaboration with the CTT and the DELT. She is responsible for monitoring compliance with current data protection law, oversees the school's data protection processes and advises academies on best practice. She does not have any direct financial responsibilities but in the exercise of the following duties, she has some indirect contact with financial processes within the MAT:

- Develop an in-depth understanding of the school's processing operations, information systems, data security processes and needs, and administrative rules and procedures.
- Act as a contact point for individuals whose data is processed (for example, staff, pupils and parents), including:
 - Responding to subject access requests
 - Responding to other requests regarding individuals' rights over their data and how it is used
- Take a risk-based approach to data protection, including:
 - Prioritising the higher-risk areas of data protection and focusing mostly on these
- Advising the school if/when it should conduct an audit, which areas staff need training in, and what the DPO role should involve
- Report to the Executive Board and Trust Board on the school's data protection compliance and associated risks
- Maintain a record of the school's data processing activities
- Work closely with other departments and services to ensure GDPR compliance, such as HR, legal, IT and security

The Responsible Officer

The Responsible Office (RO) has been appointed by the board and provides trustees with an internal control review of the academy's financial affairs. The main duties of the RO are to provide the trust with assurance that:

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

The Responsible Officer provides a termly review to ensure that financial transactions have been properly processed and that controls are operating as laid down by the trust. A report of the findings from each visit is presented to the Finance and Audit Forum.

Accountancy Support

To ensure rigour and robust control of the trust's financial affairs the trust accountants provide half termly management reports to support the work of the CFO. This entails one day per half term working with CFO and reporting to CEO and ultimately trust board. Reports will include current balances, short term and 3 – 5 year expectations.

Other Staff

All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the trust's financial procedures.

Register of Business Interests and Persons of Significant Control

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all trustees, academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services. The register is open to public inspection. They are also regularly reminded of the need to uphold the Nolan principles.

The register includes all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parents or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the trust board, governing body or a committee. There is a standing agenda item at each Trust Board and Governing Body meeting to allow any declaration. Where an interest has been declared, trustees, governors and staff will not take part of any committee or other meeting.

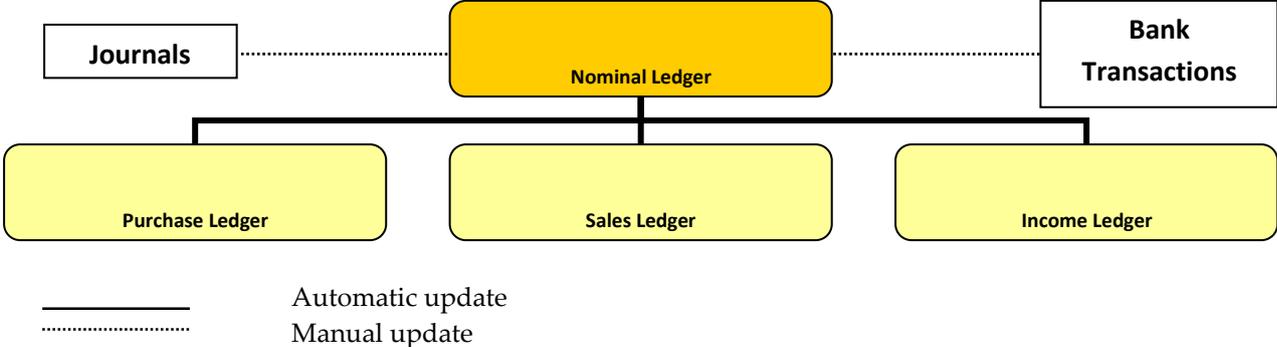
Executive Pay

The board of trustees will ensure that levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. The advice from ASCL supports the Trust board decisions along with the adoption of STPCD as follows "For the purposes of the SPTCD, a

headteacher is the person appointed to carry out the functions pursuant to section 35(3) or 36(3) of the Education Act 2002” This Trust chooses to adopt the STPCD and the pay policy.

Accounting system

All the financial transactions of the trust are recorded on the schools’ financial software system Xero. Xero is operated by the CFO, CTT, CL and local trust offices.



System Access

Entry to Xero is password restricted. The CFO has administrator access to passwords and can re-set if required.

Access to the component parts of the Xero is restricted and the CFO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The CFO is responsible overall for ensuring that there are effective back up procedures for the system. Data backed up and reports received regularly, Wave9 our ICT support consultants manage our systems. Xero is a web based finance package so data loss risk is low.

Transaction Processing

All transactions inputs are authorised in accordance with the procedures specified in this policy. Journal entries are only recorded by the CFO and accountants. Bank transactions are checked at bank reconciliation.

Payroll operation is outsourced and the trust has a service level agreement with Stoke City Council.

Detailed information on the operation of the Xero system can be found in the user manuals held in the local academy offices.

Financial planning

Curriculum based financial planning is the focus for budget setting. The CFO and Director of Excellence in Learning and Teaching (DELT) meet headteachers / principals termly to ensure this is embedded. These documents drive expenditure and identify priorities and enables the trust to prepare both medium term and short-term financial plans. The medium term is 3-5 years and the short term 12 months.

The plans indicates how the trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years. Budget planning used is "best estimate" based on current information and local and political agenda.

Trust Improvement Plan

The improvement plan is focussed on future aims and objective of the trust and how they are to be achieved, this includes matching the academy's objectives and targets to the resources expected to be available. Plans are kept relatively simple and flexible. They are the 'big picture' within which more detailed plans may be integrated.

Each year the CFO, DELT and Headteachers / Principals undertake an evaluation of the planning cycle and reports to the governing body. This review includes:

- A review of past activities, aims and objectives – "did we get it right?"
- Definition or redefinition of aims and objectives – "are the aims still relevant?"
- Development of the plan and associated budgets – "how do we go forward?"
- Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- Feedback into the next planning cycle – "what worked successfully and how can we improve?"

The completed improvement plan includes detailed objectives for the coming academic year and outlines objectives for longer term projects. The plan also includes estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

The CEO and Headteachers / Principals take overall responsibility for achieving the objectives set out in the Trust Improvement Plan. The CEO and Headteachers regularly monitor progress against objectives and updates the plan as appropriate. A report on progress is given to the Trust Board on a termly basis.

It is our aspiration to develop the Trust Improvement Plan further.

Annual Budget

The CFO is responsible for preparing and obtaining approval for the annual budget. The budget is approved by the Finance and Audit Forum and the Trust Board.

The approved budget will be submitted to the ESFA by 31st July each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and insures that the submission date is met.

The annual budget reflects the best estimate of the resources available to the academy for the forthcoming year and details how those resources are to be utilised. There is a link between the improvement plan objectives and the budget utilisation of resources.

The budgetary planning process incorporates the following elements.

- Forecasts of the likely number of pupils to estimate the amount of EFA grant receivable.
- Review of other income sources available to the academy to assess likely level of receipts.

- Review of past performance against budgets to promote an understanding of the trust cost base.
- Identification of potential efficiency saving.
- Review of the main expenditure headings in light of the improvement plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income would be explored and expenditure headings will be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this will be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget is prepared by the CFO for approval by the Finance Forum and the Trust Board. The budget for departments is communicated to relevant staff with advice relating to overall budgetary constraints where applicable.

The budget is seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Half-termly reports are prepared by the CFO. The reports detail actual income and expenditure against budget. The report is at a summary level and discussed with the CFO and Headteachers / Principals.

Any potential overspend of the budget is in the first instance discussed with the CEO and Heateachers / Principals. This will be challenged by the Finance and Audit Forum

Payroll

The main elements of the payroll system are:

- Staff appointments, variation and terminations, pay statements
- Payroll administration
- Payments

Staff Appointments

The trust board has approved a staffing structure for the trust. Changes will only be made to this structure with approval of the Finance and Audit Forum and Personnel Committees who must ensure that adequate budgetary provision exists for any establishment changes.

The CEO, Headteachers / Principals and CFO have authority to appoint staff within the authorised establishment except for Deputy Principal / Headteacher, CFO and teaching staff whose appointments must follow consultation with the Board. The CTT and Local Trust Offices maintains personnel files for all members of staff which include contracts of employment. All personnel changes should be notified to the CTT Officer immediately.

Payroll Administration

The academy purchases payroll administration from Stoke City Council. They are responsible for the complete administration of payroll including ensuring all payments are made accurately and on time.

All academy offices have access to MyView and where appropriate local academy offices enter payroll information. Otherwise data is entered by the CTT.

The CTT and CFO authorise the payroll run.

Absences are recorded in Myview.

Staff complete additional hours claim forms where appropriate. These forms are approved by the Trust Administration Officer, Cook, or Line Managers. These forms entered into MyView by CTT or Local offices.

Payments

After SCC have processed the payroll but before payments are dispatched, a print of salary payments by individual and showing the amounts payable in total is sent to the CTT or CFO. Each payment is checked. The salary payment file is reviewed and authorised by the CFO. Authority is then given to SCC to release payments.

All salary payments are made by BACS

The payroll system automatically calculates the deductions due from payroll and complies with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the reports from SCC and paid direct to pensions and HMRC.

Checks take place each month to ensure additional hours are accurately reflected. The RO selects one employee from each academy at random each visit month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly.

Purchasing

The trust aims to achieve the best value for money from all purchases. To ensure rigour and robustness the principles of best value are followed. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;

Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs;

Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

All academies have an agreed amount for a resources budget and this is managed by the CTT and Local Offices. Local budget holders are not currently used.

Procurement Procedure

Please see Scheme of Financial Delegation. (SoFD)

Order over £5,001 but less than £10,000

At least three written quotations will be obtained for all single item or contract value between £5,001 and £10,000. These will be authorised in line with SoFD and details retained in the CTT.

The procedure for ordering catering provisions follows the format of a 3 yearly review of all prices from suppliers for main goods, for example, bread, milk, fresh produce and dried goods. Due to the fluctuations in the price of provisions the CL constantly reviews prices and does change suppliers, for example milk, when a better price can be obtained. This ensures, where and when practically possible, that best value is achieved.

Orders over £10,001

Please see Scheme of Financial Delegation.

All goods/services ordered with a value over £10,001 or for a series of contracts which in total exceed £10,001 must be subject to formal tendering procedures.

Purchases over £118,133 may fall under EU procurement rules which require advertising in the Official Journal of the European Union (OJEU).

Forms of Tenders

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The CFO will agree with the Finance Forum how best to advertise for suppliers' e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. However the Trust now use the CPC Framework alongside this process. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - There is a need to maintain a balance between the contract value and administrative costs;
 - A large number of suppliers would come forward or because the nature of the goods are such that only specific supplies can be expected to supply the academy's requirements.
 - The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contact may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - The above methods have resulted in either no or unacceptable tenders,
 - Only one or very few suppliers are available,
 - Extreme urgency exists,

- Additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

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

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

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

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this will be bore in mind when reaching a decision.
- Care will be taken to insure that the tender price is the total price and that there are no hidden or extra costs.
- Scope for negotiation will be considered.

Technical/Suitability

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

- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales services. Advice from an accountant or similarly qualified person to examine audited accounts etc. may be sought.

Tender Acceptance Procedures

The invitation to tender will state the date and time by which the completed tender document should be received by the academy. Tenders will be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes will be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline will not normally be accepted.

Tender Opening Procedures

All tenders submitted will be opened at the same time and the tender details will be recorded. Persons responsible are identified in the SoFD

A separate record will be established to record the names of the firms' submitted tenders and the amount tendered. The record will be signed by those people present at the tender opening.

Tendering Procedures

The evaluation process will involve at least two people. Those involved will disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision will take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records will be kept of all criteria used for evaluation

Where required by the conditions attached to a specific grant from the DfE, the department's approval will be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

Financial Transactions

As Xero allows document upload, all transactions will be supported by documentation evidence, eg invoices, delivery notes, income notifications, ESFA documents etc. All transactions in Xero must contain adequate information to allow the transactions to be clearly identified. This supports CTT, CFO and audit team in ensuring accuracy of income and expenditure.

Ordering Process

- Official order forms will be used whenever possible.
- Printouts from websites will act as official orders if: the email address is a work email, the printout has been signed by the person ordering the goods and then authorised by the academy headteacher, or other authorised person e.g. CFO.

- The order will then be entered into Xero or in some cases orders raised via web based purchasing systems, e.g. Banner and Findel.
- The order may be entered by suitably trained local academy staff in some cases. In other cases this will be by the CTT.
- The goods will be received by the local academy and the delivery note checked for accuracy. Any discrepancy must be notified to the supplier immediately.
- The delivery note must be scanned and uploaded to Xero where possible by the local academy or the CTT.
- Invoices must be checked at the local academy to ensure accuracy and then processed in one a several ways:
 - Local academy upload to receipt bank
 - Local academy enter into Xero
 - Invoice passed to CTT for processing
- Invoices must be cleared using one of the above by Friday of each week. Invoices must not be held until the following week.

Catering Purchases

It has been agreed due to the volume of orders and goods, that catering will not raise purchase orders but instead keep daily records of goods ordered, goods received and invoices. All invoices will be approved by the CL.

CTT will pay all invoices each week, (during term time) via BACS

Income Process

The main sources of income for the trust are the grants from the ESFA. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the trust are collected.

The trust also obtains income from:

- Pupils, dinner money, trips
- The public and external organisations, mainly for sports lettings.

All income will be supported by documentation evidence.

General Annual Grants

The CTT will enter payment advice notifications into Xero when received and checked against payment schedule supplied by ESFA.

Capital Grants

The CTT will enter payment advice notifications into Xero when received and checked against payment schedule supplied by ESFA.

Dinner money

The academy offices are responsible for maintaining records of dinner money. This income will be recorded by various methods, eg parent pay, dinner records, spread sheets. Income must be counted and where possible, checked by a second person.

Nursery and wrap around care

This income will be invoiced where possible using Xero or Parenta.

Lettings

The academy offices are responsible for maintaining records of lettings and for identifying the sums due from each organisation. Payments should usually be made in advance for the use of facilities.

The academy offices will establish a sales ledger account and produce a sales invoice from the Xero accounting system. This includes details of where and how to pay the invoice. Details of payments made and outstanding accounts will be reviewed by the CFO each month. The academy offices or the CFO are responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts will be written off without the express approval of the trust finance board (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Trips

A person will be appointed for trips to take responsibility for the collection of sums due. This is usually the local Administration Officer or the Administration Assistant. The lead person will prepare a record for each pupil intending to go on the trip showing the amount due. This procedure currently only relates to high cost trips such as residentials. Day trips are not rigorously monitored as payment by parents is voluntary.

The local Administration Officer or Office Manager will maintain an up to date record of residential trips for each pupil showing the amount paid and the amount outstanding. The Administration Officer or Office Manager is responsible for chasing any outstanding amounts.

Other income

All other income will be recoded in Xero with adequate documentation to ensure the amounts can be identified and allocated to relevant nominal ledger codes

All cash income must be paid into the bank at least weekly. Arrangements will be agreed with local academies to support this.

Bank reconciliation

Weekly bank reconciliation will be undertaken by CTT. Any discrepancy must be reported to the CFO immediately.

The CFO will check balances weekly

Custody

Trust receipts can be issued for all cash and cheques received where no other formal documentation exists. As a generality receipts are not issued for small amounts of monies. Amounts over £20 will be receipted. All cash and cheques are kept in the school office safe prior to banking. Banking takes place every week, sometimes daily if required to ensure sums held do not exceed the £3,000 insurance limit on the office safe.

Monies collected will be banked in their entirety in the appropriate bank account. Where petty cash is required this will be paid into the system and then reallocated to petty cash. The CTT is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations will be undertaken on receipt of the monthly bank statement by the CTT.

Cash Management

Bank Accounts

The opening of all accounts are authorised by the trust finance forum. Mandates are held in the Violet Way office and signatories recorded. 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 and the CTT and CFO are the agreed authorisers for these transactions.

Deposits

Particulars of any deposits are entered into a paying-in book with a counter foil that is stamped on receipt by the bank where possible. The details include:

- The amount of the deposit.
- A reference is written on the reverse of the counter foil, such as the number of the transaction or the name of the debtor.

Due to the larger amounts of cash deposits it has been agreed with the bank that these deposits will be made via bank transaction banks and deposited in the deposit collection point at the bank. These deposits are checked by the bank later the same day and should any discrepancies occur the bank will contact the academy immediately.

Weekly bank reconciliations will always ensure accuracy.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts bear the signatures of two of the following authorised signatories:

- CEO
- CFO

- Authorised personnel within the central team for BACS
- Headteacher at Violet Way
- Deputy Headteacher at Violet Way

Administration

The CFO ensures that bank statements are received regularly and reconciliations are performed on a weekly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the trust's cash book
- Reconciliations are subject to an independent review carried out by the Finance Forum
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

The trust maintains a maximum cash balance of £1200. This is administered by the Administration Assistants at local academy's and is kept in the school office safe. The remaining £300 is administered by the Cook and Assistant Cook and is kept in a safe in the school kitchen.

Deposits

The deposits to petty cash will be transferred via the schools financial software and will be a cash transfer.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £100. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.

Administration

The local Administration Assistant, Cook or Assistant cook are responsible for entering all transactions into the petty cash records on a regular basis; regular as well as unannounced cash counts should be undertaken by the CFO to ensure that the cash balance reconciles to supporting documentation.

Physical Security

Petty cash is kept and put in the safe overnight.

Cash Flow Forecasts

The CFO 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 will be taken to invest the extra funds. Similarly plans will be made to transfer funds from another bank account or to re-profile budgets to cover potential cash shortages.

Investments

The trust currently holds 2 bank accounts, current and deposit. The reserves policy describes the process for reserve balances.

The CFO regularly monitors cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. The CFO will identify funds surplus to immediate cash requirements and transfer these to the deposit account.

Asset register

All items purchased with a value over the trust's capitalisation limit of £1000 are be entered in an asset register

The asset register includes the following information.

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding
- Depreciation
- Current book value
- Location

The Asset Register helps:

- Ensure that staff take responsibility for the safe custody of assets.
- Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse.
- To manage the effective utilisation of assets and to plan for their replacement.
- Help the external auditors to draw conclusions on the annual accounts and the academy's financial system.
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

However ICT equipment represents a large proportion of the academy's expenditure and Trustees made the decision to include the following items that are owned (not part of an operating lease) into an ICT register, it is not an asset register unless is over £1000 in value:

- Laptops / tablets
- Ipads
- IWB's
- PC's

This register is maintained by ICT coordinator at Dosthill

Security of assets

Items in the register will be permanently and visibly marked as the trust's property and there will be an annual count by the Site Technician. Discrepancies between the physical count and the amount recorded in the register will be investigated promptly and, where significant, reported to the governing body. Inventories of trust property will be kept up to date and reviewed regularly.

This needs allocating to individuals

Operating Leases, Contracts, and Service Level Agreements (SLA's).

Academies do not require the ESFA approval for operating leases. Operating leases will only be considered if value for money is proved. Leases can only be entered into by the CFO and CEO. In all cases the trust will seek the advice of their accountants in the first instance.

Academies must not enter into any contract. Contracts can only be approved and signed by the Executive team. The same applies to SLA's.

Insurance

Insurance is provided by the RPA for each academy and M&E insurance by Arthur J Gallagher and is agreed on an annual basis.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Chair of Trust Board, and where significant, should be sold following competitive tender. The academy will seek the approval of the DfES in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the 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 will 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 will repay to the DfE a proportion of the sale proceeds.

All disposals of land are prohibited within the Land Transfer Document.

Loan of Assets

Items of academy property will not be removed from academy premises without the authority of the CFO. A record of the loan will be recorded in a loan book and booked back into the academy when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

Signed:



Chair of Finance Forum

Fierté Multi Academy Trust

Accounting Procedures Policy 2018-2019

Name:

Role:

I confirm I have received and read the Accounting Procedures Policy 2018 – 2019

Signed

Date: