



St Alban Catholic Academies Trust

Financial Regulations Handbook

September 2017

Version 1.3

THE FINANCIAL REGULATIONS

RELATING TO

THE ST ALBAN CATHOLIC ACADEMIES TRUST

**WERE APPROVED BY THE DIRECTORS
ON**

DATE 6th DECEMBER 2017

REVIEWED BY THE FINANCE COMMITTEE 14th NOVEMBER 2017

SIGNED BY MEMBER OF THE TRUST

NAME.....

PRESENTED TO THE BOARD OF DIRECTORS 6TH DECEMBER 2017

PRESENTED TO LOCAL GOVERNING BODY AT

.....SCHOOL

DATE.....

CONTENTS

1. GENERAL	1
2. ANTI-FRAUD AND ANTI CORRUPTION COMMITMENT.....	4
3. FINANCE COMMITTEE STRUCTURE	5
4. FINANCIAL PLANNING AND REVIEW	6
5. PURCHASING AND PAYMENT PROCEDURES	10
6. DAY-TO-DAY DELEGATION OF AUTHORITY	13
7. BANKING ARRANGEMENTS	18
8. INCOME	19
9. INTERNAL CONTROL	20
10. PETTY CASH	22
11. PAYROLL AND PERSONNEL PROCEDURES.....	23
12. LETTINGS POLICY.....	25
13. TENDERING PROCEDURE.....	26
14. GOVERNORS' ALLOWANCES	27
15 GOVERNORS WHISTLEBLOWING POLICY	27
16 AUDIT REQUIREMENTS	28

1. GENERAL

- 1.1 In accordance with the Financial Regulations for the St Alban Catholic Academies Trust, the Directors hereby recognise the need to lay down formally a policy for the overall management of each school's budget and the day-to-day management of the Trust's financial affairs.
- 1.2 The general conditions that follow are subject to annual review and consideration by the Directors.
- 1.3 The Directors confirm that failure to observe these conditions is considered a serious matter and may involve disciplinary procedures being taken against the individual concerned.
- 1.4 The Directors confirm that overall management of the Academies budget is delegated to the Finance Committee subject to exceptions contained in these regulations.
- 1.5 The Directors will appoint a CEO who will act as an Accounting Officer on behalf of St Alban Catholic Academies Trust.
- 1.6 The Directors must appoint a Chief Finance Officer to lead the finance department. The CFO may combine their specific financial responsibilities with a range of other support and leadership responsibilities in which the existence of a formal accountancy qualification may be less relevant. Key responsibilities for the CFO will include:
 - the preparation of the annual accounts;
 - the preparation and monitoring of the budget;
 - technical advice; and
 - liaison with auditors.

The CFO need not discharge all of these duties personally. The Trust will decide whether it is adequately served by employing staff or contractors with relevant skills and knowledge is needed at the relevant time (e.g. when the accounts are being prepared).

Finance staff of the school's will be appointed in liaison with the CFO, School Business Manager or Directors.

- 1.7 The St Alban Catholic Academies Trust has defined the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors, Local Governor Representatives and Staff.

Such management will include:

Financial Matters

- Recommendation to the Local Governing Body to have oversight of the annual budget plan for the forthcoming financial year in accordance with the Scheme of Delegation and rectify by the Directors.
- Ensure that grants from the ESFA are used only for the purposes intended.
- Keeping under review the Academies Trust and/or individual schools actual financial performance compared with the budgeted performance and to take remedial action as necessary. Such action will be reported to the CEO, Board of Directors and Local Governing Body. In all cases liaison must be maintained with other appropriate Committees.
- Consideration against any of the schools falling into financial crisis has been taken into account. Whilst all schools maintain separate bank accounts for administration purposes, the Trust acts in the best interests of all the schools. If a school is looking like they could fall into financial difficulties any of the other schools will financially support the school in the short term. The Trust will investigate the reasons for the potential cash shortfall and ensure that an action plan is put in place to secure the financial stability of each school in the long term
- Making decisions on financial requests from other Committees.
- Making decisions on expenditure within the Committee's delegated powers.
- Making decisions on virements within agreed budgets, within the Committee's delegated powers.
- Advising the Local Governing Body on the appropriateness, or otherwise, of virements to be made outside of the Committee's delegated powers.
- Ensuring the Register of Business Interests is kept up to date.
- Reviewing the various insurance schemes and options available to the Trust.
- Monitoring all spending within the Academy Trust i.e. Delegated Budget and School Fund.
- Receiving and commenting on the content of the audit report relating to the delegated budgets will be overseen by the Directors.
- The Financial Regulations and Scheme of Delegation will be reviewed annually by the Trust and any changes will be notified to each school.
- Reviewing annually the Terms of Reference.

- Agreeing and determining charges for the letting of the school premises.
- Making recommendations
 - a) on the appointment of the CEO/Internal Auditor in conjunction each Academy.
 - b) any comments received from the CEO who acts as the Accounting Officer regarding work carried out.

In the event of the Local Governing Body's not being appointed, the Directors will take responsibilities on financial matters.

- 1.8 The Trust confirms that day-to-day financial management of the school is delegated to the Headteacher subject to exceptions contained in these regulations.**(Please refer to the Trust's – Trust Decision Planner).**
- 1.9 Throughout these conditions, delegation to the Headteacher shall imply further delegation to a Senior Leader when the Headteacher is not on the school site. Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned reported to the Trust in writing and incorporated in these conditions.
- 1.10 Throughout this condition the responsibilities for a particular activity does not imply that it must be carried out by that person. It is accepted that the work may be delegated although this responsibility remains with the named person.
- 1.11 Any Trust Board member, Local Governor Representative or member of staff having direct or indirect involvement in a business, which is tendering for a contract, must declare his or her interest.
- 1.12 All Directors, Local Governor Representatives, any other members of the Governing Bodies of the St Alban Catholic Academies Trust and staff must complete the appropriate questionnaire to ensure that the Register of Business Interests is kept up to date.
- 1.13 The Directors, Local Governor Representatives, and appropriate Committees should meet at least once a term and conduct business only when the meeting is quorate that is, has enough people present to allow decisions to be made.
- 1.14 The Board of Directors, Finance Committee Local Governor Committees will appoint a clerk who is someone other than a Director, Local Governor Representative or Headteacher.

2. ANTI-FRAUD AND ANTI CORRUPTION COMMITMENT

- 2.1 The Trust must be aware of the risk of fraud and irregularity occurring within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls.

The Directors expects Local Governor Representatives and its school appointed staff to demonstrate the highest standards of honesty, probity, openness and integrity in the discharge of their functions. This includes the following:

- a) Compliance with appropriate legislation, Codes of Conduct, Delegation Scheme, Conditions of Services, standards of appropriate professional bodies, and any other standards, guidelines or instructions which are relevant to the particular service or activity.
- b) Providing a framework within which counter fraud arrangements will flourish.
- c) It also involves promoting an anti-fraud and anti-corruption culture within the school.

At the same time the school and the Trust Board, Local Governing Body expects that all external individuals and organisations that it deals with, (e.g. suppliers, contractors, partners, services providers, parents and members of the public etc.,) will act with honesty and integrity and without thought or actions involving fraud, corruption or financial impropriety. In such relationships, the principles outlined in the **Trusts Fraud & Anti-Corruption Policy** must be applied.

Where external third parties become aware of any fraud and corruption they should report their concerns promptly to the Academy and Trust. **Please refer to the Trusts Whistle-Blowing Policy.**

3. THE TRUSTS FINANCE STRUCTURE-

- 3.1 The membership of the Finance Committee will be agreed annually at the first meeting of the Board of Directors.
- 3.2 The Terms of Reference for the Finance Committee are reviewed annually by the Board of Directors.
- 3.3 The Finance Committee will meet at least termly, prior to the Board of Directors and Local Governing Body meetings. Additional meetings will be held as and when required, for example to review the end of year financial statements.
- 3.4 The quorum will be 50% members which the majority are Directors.
- 3.5 Minutes will be kept of all meetings. Copies of minutes will be kept in an appropriate file and circulated to all members of the Finance Committee and the Chief Finance Officer.
- 3.6 A Chairperson will be appointed by and from the members of the Finance Committee. In the absence of the Chairperson at any meeting, then the Committee will appoint one of the members present to act as Chairperson for that meeting.
- 3.7 The Board of Directors may decide to delegate part of its responsibilities for financial oversight to the Trusts Finance Committee. However, the full board of Directors must approve the budget. This approval must be documented in the minutes.

4. FINANCIAL PLANNING AND REVIEW

- 4.1 The Board of Directors must approve a balanced budget for the financial year from 1st September to 31 August, which may draw on unspent funds brought forward from previous years. The Trust will submit to the ESFA a copy of that final budget in a form specified by the ESFA by a date specified. The Directors must agree procedures so that any significant changes to the approved budget are notified to them, so that they may consider and decide whether to approve them. Similarly, significant changes to budget plans must be notified to the ESFA.
- 4.2 The school's overall budget plan will be prepared by the Headteacher in conjunction with the School Business Manager and reviewed by the Local Governing Body in advance of approval by the Trust Board of Directors. The budget will be prepared having regard to all known needs of the school, the School Development Plan (School Improvement Plan) and the Asset Management Plan. The Chief Finance Officer for the Trust will review and present all budgets to the Directors before they are submitted to the ESFA.
- 4.3 Records will be kept of all information used in preparing the budget to include:
- An up-to-date establishment listing.
 - A breakdown of Teaching and Support staff salaries.
 - Breakdown of Facilities spends.
 - Breakdown of other expenditure.
 - Breakdown of Income and evidence to support forecasts.
 - Requests for additional requirements.
 - Any planned/required building works with estimated costings.
 - Any planned/required ICT replacement/updates.
 - Spreadsheet to support the make-up of the budget plan.
- 4.4 The Indicative budget plan must be presented to the Local Governing Body. (It is the responsibility of the Headteacher to ensure this is done). The final budget plan will then be submitted to the Board of Directors by the end of June. After approval by the Directors a signed copy budget plan will be submitted to the ESFA by the 31st July. The final budget plan must be counter-signed by a member of the Board of Directors.
- 4.5 A copy of the signed budget plan is to be placed in the minute file and a further copy retained by the Headteacher.
- 4.6 The CFO will provide the Headteacher, as soon as possible, details of the out-turn statement showing spending against budgets for the previous financial year. Adjustment to the current year's budget figures will then be made as appropriate.
- 4.7 Reconciliation of the school's own financial records to the bank will be made monthly, **within 10 days of the month end**. The CFO/School Business Manager is responsible for ensuring this is undertaken.

- 4.8 The CFO/Headteacher/School Business Manager will be responsible for monitoring actual against expected expenditure within each budget line and presenting appropriate reports to the Finance/Local Governing Body Committee. Urgent budget problems will entail informing the Chairperson of the Trust's Finance Committee and the Chief Finance Officer immediately.
- 4.9 The Headteacher/School Business Manager will submit the appropriate system produced monitoring reports to the Finance Committee together with an explanation of significant variances and a projection of expenditure to year end.
- 4.10 The Trust must obtain approval from the Secretary of State (through the ESFA) before borrowing and entering into certain liabilities such as leaseholds, tenancies and indemnities.
- 4.11 The Headteacher within the framework of the St Alban Catholic Academies Trust Development Plan as approved by the Directors, has overall executive responsibility for the schools activities including financial activities. Much of the financial responsibility has been delegated to the School Business Manager but the Headteacher still retains responsibility for:
- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Directors and Local Governing Body have agreed should be approved by them;
 - authorising contracts in conjunction with the Chief Finance Officer and in conjunction with the limits in the Scheme of Delegation
 - signing cheques in conjunction with other authorised signatories.

4.12 **The Chief Finance Officer**

The Chief Finance Officer works in close collaboration with the Accounting Officer and individual school Headteachers through whom he or she is responsible to the Directors/Local Governor Representatives. The main responsibilities of the Chief Finance Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trusts financial position at a strategic and operational level within the framework for financial control determined by the Directors/ Local Governing Body;
- the maintenance of effective systems of internal control; ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the schools;
- the preparation of monthly management accounts;
- authorising orders in conjunction with budget holders and the limits of the Scheme of Delegation in **Section F – Authorisation Limits**;
- ensuring forms and returns are sent to the DfE/ESFA in line with the timetable in the DfE guidance.

- Monitors the Trusts VAT records and ensures VAT returns are completed timely and accurately.

4.12 **The Internal Auditor/Accounting Officer**

The Internal Auditor/ Accounting Officer is appointed by the Directors and provides Directors and Local Governor Representatives with an independent oversight of the Trust's financial affairs, systems, transactions and risks.

The main duties of the Internal Auditor/ Accounting Officer are to provide the Directors/Governing Body with independent assurance that:

- * the financial responsibilities of the Trust/schools are being properly discharged;
- * resources are being managed in an efficient, economical and effective manner;
- * sound systems of internal financial control and risk management processes are being maintained;
- * financial considerations are fully taken into account in reaching decisions.

The Internal Auditor/ Accounting Officer will be bought-in and be required to undertake a programme of reviews at least once a year 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 will be presented to the Finance Committee and the Directors. Detailed guidance on the programme to be checked by the Internal Auditor/ Accounting Officer is agreed with the Directors.

4.13 **Other Staff**

Other members of staff, primarily the Chief Finance Officer/School Business Managers/Finance Officers/Finance Assistants and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Trusts property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trusts financial procedures.

4.14 **Register of Interests**

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all Directors/Local Governor Representatives and school staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust/School may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the St Alban Catholic Academies Trust. The disclosures

should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a 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 Directors, Governor Representatives and Staff to declare interests whenever they are relevant to matters being discussed by the Directors/Local Governing Body or a Committee. Where an interest has been declared, Directors, Local Governor Representatives and Staff should not attend that part of any Committee or other meeting.

5. PURCHASING AND PAYMENT PROCEDURES

- 5.1 Budget-holders will be responsible for making the first request for the purchase of items or services from their own budgets.

This will be done by means of an Internal Request Form and sent to the Finance Office.

- 5.2 On receipt of the Internal Order Form the School Business Manager/Finance Officer will arrange for an official order to be raised for sending to the supplier/contractor. Reference will be made as appropriate to the procurement standards issued by the Trust, and after determining that the appropriate budget has sufficient funds to meet the order. Internal Order Forms will be numbered and kept on file.

- 5.3 Orders are to be authorised in line with the **Trusts Scheme of Delegation Section F – Authorisation Limits**. Paper copies of official orders will be kept on file. Where appropriate, a copy of the official order will be sent to the budget-holder.

- 5.4 All invoices received will be checked against the original order for accuracy (and delivery notes where appropriate) and entered on the Trust's financial system.

- 5.5 The cheque signatories are any two from the Trusts/schools mandate and in accordance of the regulations contained in the Scheme of Delegation. All cheques/BACS payments must be signed in appropriate timescale.

It is accepted that it is good practice for the person originating the cheque not to be one of the signatories on the cheque.

- 5.6 The School Business Manager/Finance Officer is designated to control cheques and must ensure that:

- where continuous cheque stationery is used, the approved format is complied with, as notified to the school from time to time by the School Business Manager.
- all cheques are securely stored.
- all cheques are entered correctly on the financial management system.
- spoiled cheques are marked as cancelled and retained.
- minimum re-order levels are established.
- a system of periodically ensuring that all cheques are properly accounted for, i.e. they are still in stock or have been used.

- 5.7 The following control must be applied for payment by BACS/Internet Banking:

- When setting up a new supplier on the Trusts Finance System; details for BACS/Internet payments **must** be verified by a second person.
- All BACS/Internet run reports **must** be signed by two of the account's authorised signatories.
- Cancelled BACS/Internet run report must be crossed through and kept.

- All BACS/Internet run reports must be supported by appropriately authorised documentation (see purchasing section).
 - There **must** be a clear separation of duties between the person maintaining supplier and invoice data on Trusts finance system (who can also load the BACS/Internet file) and the people to authorise and release the payment on BACS file/Internet file. The 1st tier authorisation to verify or reverse the payment on BACS file/Internet file **must** be a different person from the 2nd tier authorisation to release the payment.
 - There must be control over users' access rights. Set up users' with the appropriate access rights e.g. the user authorised to release payments has access to this area only.
 - Cards used for the two tiers to authorise and release the payment on BACS file/Internet file **must be kept secure and under no circumstances will the card and PIN be given out to another member of staff.**
 - The bank account **should not** be allowed to go overdrawn.
- 5.7 The School Business Manager must ensure that all prime records are retained for six financial years plus the current year and stored in a secure cabinet (or similar) in a secure and logical manner.
- 5.8 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise. If not, cheques will be issued in accordance with the trading terms of the individual contractor or supplier. Due regard must be taken of the Late Payments of Commercial Debts (Interest) Act 1998.
- 5.9 A copy of the computer-generated schedule of cheques will be retained within the Finance Department. Original invoices must be marked to ensure duplicate payments are not made, together with details of the cheque number, date sent etc. The Trust recognise that the best policy is for the cheque to be prepared by someone other than a cheque signatory.
- 5.10 Copy invoices are not to be paid until exhaustive checks have been made to confirm that payment has not previously been made. References back to the original order are to be made in every case. Confirmation that such checks have been made is to be by endorsing the invoice **"invoice not previously passed for payment"** and signing.
- 5.11 Under no circumstances are payments to be paid against statements.
- 5.12 Where appropriate, adequate checks are to be made that the contractors employed for buildings work – maintenance and repairs etc – have Public Liability Insurance Cover. It is the responsibility of the Chief Finance Officer to ensure that this is complied with.
- 5.13 Any order or purchase which is estimated to exceed our authorisation levels, for the supply of goods, materials or services will be subject to competitive quotations.

Documentary evidence of the various quotations must be obtained and attached to the purchase order.

- 5.14 School procurement cards can be used for purchasing online. Procurement cards should only be held by authorised card holders and should be retained on the school premises at all times.

Controls around the use of the card are as follows:

- The card is issued in the school name but is for the use of a specified member of staff;
- The card is signed by the cardholder and they have also read and signed a copy of the procedures for use of the card;
- Monthly purchasing limits and single transaction limits are prescribed;
- Cardholders are restricted to a standard set of Merchant Category Groups which will give schools control over purchases made by staff;
- A log is maintained by the cardholder of all purchases made (**Appendix 2**)
- All card receipts and VAT receipts must be retained.

Transactions will only be carried out by the card holder and under no circumstances is the card and pin number given out to another member of staff. Private use of the card is strictly prohibited

At the end of the month a statement for each cardholder is sent to the school for the attention of the Finance Office. This will be reconciled to the receipts held by the school and will then be independently reviewed by the Finance Department (**please note: this should not be the card holder**).

Any discrepancies will be reported to the member of staff with responsibility for the reviewing of transactions immediately for investigation, where appropriate this should then be reported to the Headteacher.

Monthly statements should be checked and all documents supporting the payments should be retained with the statement.

- 5.15 All schools will fall under the central VAT registration and will therefore apply the relevant VAT codes to each financial transaction in accordance with the VAT manual and guidelines.

6. DAY-TO-DAY DELEGATION OF AUTHORITY

Attached to this document is a Scheme of Delegation that outlines the delegation and authorising levels of the day to day procedures.

6.1 Mileage Allowances and Subsistence Claims

The rates payable for reimbursement of casual car mileage will be paid in accordance with the Inland Revenue guidelines.

All expense claims are to be authorised by the Headteacher or budget holder. The Chairperson of Governors Committee or the CFO will sign the Headteacher's claim form.

All expenses claims should be paid through the Academies payroll system

It is the Headteacher's responsibility to ensure that appropriate dispensation has been obtained from HMRC, in line with the ESFA guidelines and the **Trusts Travel and Subsistence Policy**.

6.2 Inventory/Asset Register

- (a) Directors recognise the need to maintain an inventory of equipment in each school in order to:-
 - (i) ensure proper physical control of equipment;
 - (ii) provide a basis for insurance cover and claims if equipment is damaged or destroyed, eg by fire; and
 - (iii) provide an up-to-date record of the equipment available for teaching purposes.
- (b) All items of equipment satisfying the conditions below will be both visibly and invisibly marked with the name and postcode of the School. As and when they are received entries will be made in the inventory for:-
 - (i) items valued at £2000 or more at the time of purchase, either individually or as a set;
 - (ii) attractive and portable items of any value;
 - (iii) items especially considered by the Headteacher as being worth including.
- (c) It is the responsibility of the School Business Manager to ensure that an inventory is maintained.
- (d) The inventory will be checked annually by the School Business Manager and certified correct. All discrepancies are to be notified to the Headteacher and CFO immediately.

- (e) All disposals should be recorded promptly, showing the method of disposal and the authority for such action.
- (f) A separate “Register of Items removed from the School site” shall be kept for all items loaned to members of staff and pupils, and all items taken off site for any reason shall be entered. In the event of any items not being on site when the inventory is checked, reference shall be made to this register in the first instance.

6.3 Acquisition and disposal of fixed assets

- (a) The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:
 - acquiring a freehold on land and building;
 - disposing of a freehold of land or buildings; and
 - disposing of heritage assets beyond any limits set out in the trust’s funding agreement in respect of the disposal of assets generally.
- (b) The Trust may dispose of any other fixed asset without the approval of the Secretary of State.
- (c) The Trust must ensure that any disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

6.4 Staff Appointments

- (a) The Headteacher is authorised to appoint staff within their school, with the exception of finance staff appointments which are made in consultation with CFO, subject to establishment and budget in accordance with the Trust Decision Planner and Safer Recruitment Procedures.
- (b)** All new appointments are to be notified to the pay provider by their required means. This form is to be completed by Human Resources administrator and only authorised in accordance with the Schools Delegated Personnel Powers Register.**(Appendix 1)**
- (c) Amendments to an employee’s terms of employment are to be notified to the pay provider by their required means. This form is to be completed by Human Resources and authorised in accordance with the Schools Delegated Personnel Powers register.
- (d) Terminations of employment are to be notified to the pay provider by their required means. This form is to be completed by Human Resources and only authorised in accordance with the Schools Delegated Personnel Powers Register.

- (e) With regard to staff overtime and so on, the Headteacher ensure that it has been accounted for in the schools budget in conjunction with the School Business Manager when authorising this expenditure.
- (f) It is the responsibility of Human Resources administrator to ensure that the school's management information system is updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the system is correct and will avoid distortion of financial information.
- (g) Any payroll transactions relating to the Headteacher should be authorised only by the Chair of the Trust Board or CFO.

6.4 Supply Staff

- (a) All supply staff will be appointed by the Headteacher or Senior Leader.
- (b) It is the responsibility of the individual member of staff to notify the School Business Manager of the hours worked in the particular payment period.
- (c) The hours claimed, payment rate and appropriate ledger code will be entered on the relevant forms as appropriate by the Finance Officer, signed in accordance with the Schools Delegated Personnel Powers register and forwarded to the payroll provider. At the same time the appropriate commitment for the costs incurred will be entered on to Academy finance system. It is the responsibility of the Finance Officer to ensure this is done.

6.5 Financial Records and Data Security

Data Protection

The Trust is registered under the Data Protection Act (date registered **September 2015**) and to comply with this Act, the Trust will do its best to ensure that:

- * people are informed as to why data is being collected.
- * information is treated sensitively and carefully.
- * information is used and disclosed only for the purpose for which it was collected.
- * information is kept accurate and up to date.
- * information is only held for as long as it is necessary for the purpose.
- * individuals are allowed access to information held on them
(In accordance with approved procedures).
- * appropriate security measures are taken to prevent unauthorised or unlawful processing, disclosure, loss or alteration of information.
- * information is transferred only to countries that have adequate levels of data protection laws.

Financial Records

Financial records will be retained for six years plus the current financial year. The CFO and School Business Manager are responsible for ensuring that accounting records are held securely and for the necessary time period.

Access Controls

All staff **must** have their own unique passwords, which should be changed on a regular basis (at least termly).

Where a member of staff leaves the School, the System Administrator will immediately remove the access rights of that member of staff to all information systems.

The School's Financial Management System is currently protected by Sophos anti-virus software. This package is automatically updated as new updates are released via an online connection.

Unauthorised or illegal software must not be used on the school's computers. All staff are required to sign an IT contract detailing what can or can't be used on the school laptops. Any additional software to be installed must be compliant with school and trust policies, approved and installed by the IT support team, no users should install or attempt to install or change any settings themselves.

Internet Access

All staff with a computer have access to the Internet. They are required to sign an Acceptable Use Policy to acknowledge that they will abide by Trust and school Internet/E-Safety and other relevant policies. In addition to this all pupils/parents are given a pupil agreement form at the start of their time at the school, which includes internet use.

Computer Back-up

In the event of an emergency it will be necessary to restore data to the computer system as soon as possible. It is essential therefore that back-ups are made on a daily basis. It is the responsibility of the IT support team to ensure that this is done. For security reasons all back-ups will be stored securely off-site preferably with a third party off site data centre. All financial data is backed up by the current finance software provider (PSF Accounting Package and FPS Budget Software Package).

6.6 Keyholders

(a) Buildings

Keys for all buildings and rooms within the Trust individual schools will be held by the appropriate designated Senior Leader and/or site staff. A 'Keys Register' which will be maintained by the School Business Manager.

(b) School Safe(s)

Keys for the Schools safe(s) will be held by those designated by the Headteacher. Keys will be kept in their possession at all times and taken off the whole school

site when not on duty. Where only one key is in use, due regard to security is to be made when considering the location of the spare.

6.8 **Leasing Policy and Arrangements**

- (a) Leasing agreements will only be made where the financial arrangements are such that they benefit the School and the CFO/or Directors have given their approval.
- (b) All leasing agreements are to be referred to the Directors of the Finance Committee.
- (c) Once approval has been given, leasing agreements are to be signed by the Accounting Officer on behalf of the Directors/Local Governor Representatives.
- (d) The CFO will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals.
- (e) The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:
 - Taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing.
 - Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than seven years; and
 - Granting a leasehold interest, including a tenancy agreement, on land or buildings to another party.

7. BANKING ARRANGEMENTS

- 7.1 All banking arrangements will be made with the full approval of the Board of Directors by means of a special resolution made at a meeting of the Trust Board of Directors, and in accordance with the requirements of the ESFA.
- 7.2 The Trust's bank accounts must be informed that the individual school accounts must never become overdrawn.
- 7.3 The Finance Committee have agreed that where the cash flow position is such that the bank account might become overdrawn, then the CFO has the authority to request from the ESFA an early advance of the monthly budget allocation. Confirmation that such a request has been made must be notified to the Accounting Officer, the Chair of the Trusts Finance Committee at the next meeting, together with an explanation as to the reasons why and the additional cost to the Trust/school in terms of interest charged.
- 7.4 Directors will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be considered and maintained, in addition to the normal current account.
- 7.5 Surplus balances will, as far as possible, be transferred to a high interest or deposit account that the Trust may have.
- 7.6 Direct Debits and Credits will only be made with the authorisation of any two signatories from the either the Trusts or Schools bank mandate.
- 7.7 Use of charge cards and/or credit cards will be allowed in accordance with The Trust regulations. All charge cards should be held in a safe and signed for if being used off site. Accounts must be reconciled and balanced to receipts on a monthly basis.

8. INCOME

- 8.1 When appropriate, all income received should be recorded immediately on the Trusts Accounting Software.
- 8.2 All income shall be acknowledged by the collector to the payer, this will be by a receipt. A receipt should always be issued for income in accordance with the Scheme of Delegation.
- 8.3 When a receipt is issued a copy will be given to the payer and the duplicate copy kept at the school.
- 8.4 All monies received must be banked intact as soon as is practicable ideally once a week.
- 8.5 All cheques banked must be entered on the bank paying-in slip.
- 8.6 For normal day-to-day transactions, the Finance Officer/Assistant will be responsible for receiving income and banking of income.
- 8.7 The CFO/School Business Manager or another named person shall periodically check that all the monies due to the school have been collected and banked. For example, cross-checking the Daily Collection Record to the copy bank paying-in slip and relevant reconciliation entry.
- 8.8 As part of the reconciliation procedures, the CFO/School Business Manager will ensure that the monthly budget allocations to the Bank Account are made on time by the ESFA , and all other relevant agencies.
- 8.9 The CFO/School Business Manager is responsible for ensuring that all other allocations of money due to the Trust/School are made on time by the ESFA and all other relevant agencies.
- 8.10 Personal cheques will not be cashed from money received and due to the Trust/School.
- 8.11 The CFO will ensure that all VAT on income is treated in accordance to the VAT manual.

9. INTERNAL CONTROL

- 9.1 The School Business Manager/Finance Officer is responsible for carrying out the monthly bank statement reconciliation within 10 days of month end. All discrepancies are to be reported to the CFO and Bank and investigated immediately.
- 9.2 The CFO is responsible for ensuring the completion of the monthly VAT returns in the prescribed format and forwarding them to the DfE if requested.
- 9.3 The CFO/Accounting Officer will be responsible for periodically checking and signing to confirm the checks have been made for both the Delegated Budget:-
- (a) Bank account reconciliations
 - (b) System reconciliation
 - (c) VAT returns
 - (d) Petty cash reconciliations
 - (e) The appropriateness of payment arrangements in the context of maximising cash flow
 - (f) The use and authorisation arrangements of Direct Debits/Credits
- 9.4 The CFO is responsible for regularly checking and signing to confirm the checks have been made of payments to monitor that:-
- (a) Transactions have been properly authorised
 - (b) No payments have been made which could be classified as fee payments to individuals
 - (c) Where appropriate, the requirements of the Construction Industry Tax Deduction Scheme have been complied with
 - (d) HMRC self-employment checks under IR35 have been undertaken
- 9.5 Directors should provide their Internal Auditors/Accounting Officer with a schedule of financial responsibilities on appointment; and agree a pattern of working to assure Directors that all appropriate internal controls are in place and being adhered to. The St Alban Catholic Academies Trust nominated Internal Auditors/Accounting Officer will perform these duties on behalf of each School and report their findings to the Trusts Finance Committee and Local Governing Body.
- 9.6 The following reports should be produced within 10 working days of the end of the month:-
- Income and expenditure report
 - Cash flow report
 - Profiled report
- 9.7 The Trust must have in place sound internal control and risk management processes.
- 9.8 The Trust must have regard, in its internal control framework, to:
- co-ordinating the planning and budgeting processes;

- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties;
 - preparation of timely monthly management accounts, including income and expenditure reports on an accruals basis, cash flow forecasts and balance sheets as appropriate;
 - ensure that delegated financial authorities are respected;
 - selection, planning and oversight of any capital projects;
 - the propriety and regularity of financial transactions;
 - the management and oversight of assets;
 - the risk of fraud and theft; and
 - ensuring efficiency and value for money in the organisation's activities.
- 9.9 Must make a contingency and business continuity plan setting out what the Trust would do to ensure the continued operation of the Trust or affected school.
- 9.10 Must assess the risks arising from the Trust's operations.
- 9.11 Must have in place a process for independent checking of financial controls, systems, transactions and risks.
- 9.12 Must ensure the Trust has adequate insurance cover.
- 9.13 Must notify the Secretary of State, via the ESFA, of any instances of fraud or theft where the value exceeds any sum notified by the ESFA.
- 9.14 Must maintain proper accounting records and accounts.

10. PETTY CASH

- 10.1 Minor items of expenditure can be paid or reimbursed to staff through the School's own petty cash system.
- 10.2 Expenditure paid through petty cash must not exceed the agreed limit in any one transaction. Requests for amounts above this limit can only be authorised by either the CFO or School Business Manager with a written narrative.
- 10.3 All payments made must be supported by an appropriate VAT voucher signed by the member of staff receiving the cash.
- 10.4 All petty cash will be kept in a locked box in the safe and the School Business Manager will have overall responsibility for its security.
- 10.5 The amount of petty cash held in each school must be kept to a minimum and should never exceed the agreed limit at any one time. The maximum amount of cash held in the School at any time must never exceed the insured limit for the safe as set by the Trust's insurance cover.
- 10.6 The Schools Finance Officer will be responsible for the monthly reconciliation of the petty cash at the end of the month and entry onto the Trust's Accounting Software. Receipts less payments plus cash in hand should equal the imprest after taking into account the cash brought forward from the previous month.
- 10.7 Any special arrangements for obtaining petty cash must be notified to the Directors of the St Alban Catholic Academies Trust.

11. PAYROLL AND PERSONNEL PROCEDURES

- 11.1 All staff appointments and amendments are to be made in accordance with the arrangements laid down in within the Trusts Safer Recruitment Policy, Pay Policy and the Trusts Decision Planner.
- 11.2 No employee may authorise alterations concerning their own contractual and pay conditions.
- 11.3 All monthly payroll data is to be reconciled by the School Business Manager to agree Salary, Income Tax, National Insurance, Superannuation and any other deductions. Payroll reconciliation must be completed within 5 working days of the payroll data being received.
- 11.4 Each month the School Business Manager or Finance Officer for each school will agree and reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 11.5 Each month, a sample check will be made from the personnel records maintained by the school to the payments actually made by the Payroll Bureau.
It is expected that over the course of a year, every member of staff would have had his/her salary payment checked at least once. It is the responsibility of the CFO to ensure this is carried out in each school.
- 11.6 Copies of all individual notifications to the Payroll Bureau will be filed in the personal file of the staff member concerned.
- 11.7 Any contract for the services of a Payroll Bureau will be reviewed regularly to ensure that the Trust is getting value for money and that the Payroll Bureau is giving adequate service.
- 11.8 The CFO is responsible for ensuring that the School Business Manager undertakes as a minimum an annual check to confirm that gross pay agrees with contracts of employment and provide a report for the Trust Finance Committee.
- 11.9 The Internal Auditor/Accounting Officer will carry out periodic spot checks on the payroll documentation.
- 11.10 The CFO/Headteacher is responsible for ensuring that monthly management checks are carried out to ensure that all the internal control mechanisms shown above are in place and are being adhered to.
- 11.11 The Trust must ensure that senior officers' payroll arrangements fully meet tax obligation and comply with HM Treasury's guidance regarding employment and contract arrangements of individuals on the avoidance of tax
- 11.12 When the Trust is considering paying special staff severance payments to employees outside of normal statutory or contractual requirements when leaving employment

whether they resign are dismissed or reach an agreed termination of contract, the following issues will be considered:

- Consider the proposed payment to be in the interests of the trust.
- Whether such a payment is justified, based on a legal assessment of the chances of the Trust/School successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.
- If the settlement is justified, the trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

11.13 Special staff severance payment will not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an Employment Tribunal Claim. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

11.14 Compensation Payments are different to severance payments. Compensation payments are made to provide redress for personal injuries, traffic accidents, damage to property etc. Before making a compensation payment, we 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. We would also consider routinely whether particular cases reveal concerns about the soundness of control systems, and whether they have been respected as expected. We would also take any necessary steps to put failings right.

11.15 The Trust will approve individual special staff severance payments and compensation payments provided any non-statutory/non-contractual element is per limit in the Scheme of Delegation. Where the special staff severance payment or compensation payment exceed the statutory/contractual entitlement is more than the Scheme of Delegation limits, prior approval will be sought from HM Treasury (HMT), via the ESFA, for the non-statutory/non-contractual element.

12. LETTINGS POLICY

12.1 General

Directors/Local Governor Representatives recognise the position of the School in the local community and that encouragement should be given to the use of the School by outside organisations. In recognition of this the following internal regulations are applicable as per the **Trusts Letting Policy**.

12.2 Application Form

All hirers will complete the appropriate lettings application form. Day-to-day approval of requests for hire will be the responsibility of the School Business Manager after reference to the current scale of charges. Abatement of charges can only be made by the CFO.

12.3 Bookings

All requests for hire will be logged in the lettings or office diary by the School Business Manager or Finance Officer. Payment will be required in advance for all one-off lettings and where the hirer is not known to the individual School. In other instances it may be appropriate to require a deposit to be paid. All such deposits will be banked immediately, and where a deposit is subsequently required to be returned to the hirer, then the refund should be made by means of a cheque.

12.4 Payments

See **Section 8** for full details of income procedures. Invoices will be raised to all hirers for use of the School premises and a copy retained in the Finance Department. The School Business Manager is responsible for ensuring all invoices are raised in a timely manner by Finance Staff.

The CFO shall periodically ensure at termly intervals that all invoices are properly accounted for and that all monies due to the Trust/School have been collected.

12.5 Debt Management

The following timetable shall apply where payment is not received:-

- | | |
|---|--------------------------|
| (a) 3 weeks after original invoice issued | - first reminder letter |
| (b) 2 weeks after first reminder letter | - second reminder letter |
| (c) 2 weeks after second reminder letter | - referral to CFO |

See Section 6.3 for "writing off" of bad debts.

13 TENDERING PROCEDURE

- 13.1 Approval of contracts will be in accordance with the limits laid down in the scheme of delegation and will only be made following the Trusts Tendering Procedure
- 13.2 Invitation to submit quotations will be made by appropriate means, ie invitation to tender, advertising etc.
- 13.3 Details specified in 13.1 will include the nature and purpose of the contract, where further details can be obtained and the last date and time on which tenders can be received, normally not less than fourteen days after the invitation is published.
- 13.4 All tenders received must be in a plain sealed envelope bearing only the words "tender" and the subject to which the tender refers.
- 13.5 All tenders will be opened at the same time and details of contractor, quotation and any other details recorded at the time of opening.
- 13.6 Tenders will be opened by any two representatives as per the Scheme of Delegation. Tenders received after the closing date and time will not be considered.
- 13.7 No contractor will be allowed to amend the tender after the date and time fixed for receipt of tenders. However, if genuine and obvious errors are found in tenders, contractors will be allowed to withdraw, confirm or amend the tender as appropriate.
- 13.8 In accepting any tender, Directors will analyse and compare all possible options to make sure value for money is obtained. This might mean accepting a tender which is not necessarily the lowest. Where a tender other than the lowest is accepted, the reasons for its acceptance must be documented, and reported to the Directors.
- 13.9 Acceptance of any tender will be confirmed to the contractor in writing and no work should be started until this has been done.
- 13.10 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning directly or indirectly, to any other person or contractor, any portion of the contract without the written permission of the Directors.
- 13.11 All ongoing contracts will be reviewed and renegotiated at regular intervals.
- 13.12 Directors, Local Governor Representatives and Academy staff should declare their personal interests whether pecuniary or non-pecuniary in any proposal to call for tenders for supply of goods, materials or services.

14. GOVERNORS' ALLOWANCES

The Trust must ensure there are no payments to any Director/Local Governor Representative unless such payment is permitted by the Articles of Association and comply with the terms of any relevant agreement with the Secretary of State.

Section 36(5) of the Education Reform Act 1988 enables governing bodies to decide whether they wish to pay travelling and subsistence allowances from the School budget to individual members of the Directors/Governing Body. The policy of the Directors in respect of payment of allowances will be reported to DfE as part of the Annual Accounts.

- 14.1 Directors have agreed that subsistence and travelling expenses may be paid to all Directors/Governors. Reimbursement of actual expenditure by an individual on, for example, postage or telephone calls will also be allowed.

NB – Actual expenditure only can be claimed up to the maximum stated above, and must be supported with receipts, whatever the expenditure.

Each individual making a claim for expenses must use the special form provided. The claims will be processed in the Academy office. All records of claims and payments must be kept together.

- 14.2 All records and papers relating to payment of individuals expenses will be retained in the Academy for six financial years plus the current year in a secure and logical manner.

15 WHISTLEBLOWING POLICY

The Trusts **Whistleblowing Policy** is maintained separately to this document.

16 AUDIT REQUIREMENTS

- Must approve a set of accounting policies.
- Must produce audited company accounts in line with the 'Statement of Recommended Practice' (SORP) for charities.
- Must appoint a statutory auditor, registered under the requirements of the Companies Act 2006 to certify whether the accounts are true and fair.
- Must put the audit contract in writing as a letter of engagement.
- Must provide in the audit contract for the removal of the auditors before the expiry of the term.
- Must notify the ESFA immediately for the removal or resignation of auditors, and reasons.
- Must publish the accounts and provide a copy to anyone who requests it.
- Must submit the audited account to the ESFA by 31 December each year.
- Must include a statement on regularity, propriety and compliance, signed by the Trust's Accounting Officer, in the annual report that accompanies the accounts.
- Must include a review of the accounting officer's statement on regularity, propriety and compliance within the external auditor's remit.
- Must establish an audit committee, or a committee which fulfils the functions of an audit committee, dependent upon the size of the trust.
- Must have the relevant committee review the risks to internal financial control at the academy trust and agree a programme of work that will address those risks.
- Must give the NAO's officials and contractor's reasonable help with their enquiries and provide such information and explanation as is reasonable and necessary.
- Must provide the ESFA with access to all books, records, information, explanations assets and premises to assist the ESFA from time to time with its audits.
- Must retain all records necessary to verify its position in relation to the handbook and the funding agreement, six years after the end of the period to which funding relates.
- Must provide the ESFA or its agents with information of sufficient quality, necessary to meet funding requirements as and when required.

- Must notify the ESFA's chief executive in writing of the vacating or filling of the positions of Chair of Directors, Head Teacher as Accounting Officer and Chief Finance Officer.
- Must be aware of the risk of fraud and irregularity and, as far as is possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls.

All forms relating to these financial regulations will be held in a procedures file at each School and updated to reflect changes to the financial regulations.

Glossary of Terms

OJEU	Official Journal of the European Union
DfE	Department for Education
ESFA	Education & Skills Funding Agency
NAO	National Audit Office
AO	Accounting Officer
CFO	Chief Finance Officer

