



# Financial Management and Administration Policy

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**Date of next review - Summer Term 2016**



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## **1 PURPOSE**

The purpose of this policy is to ensure that the schools within the Mercia Learning Trust maintain and develop systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust is a charitable organisation and has to comply with Charities law and the Charities statement of recommended practice. The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook, guidance published by the DfE. This policy expands on this and provides detailed information on the Trust's accounting procedures and should be read by all staff involved with financial systems.

## **2 ORGANISATIONAL STRUCTURE**

A clear management structure exists to effectively manage the Trust. The structure consists of three levels; the Board of Trustees, the Local Governing Body (LGB) and the Senior Leadership Team (SLT). The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Trust is responsible for strategic direction and planning, approving the academies budgets, monitoring individual academy performance and making major decisions about the direction of the Trust. The local governing bodies are responsible for setting individual school policy and approving the school development plan, local capital expenditure and staff appointments, excluding the Headteacher.

The Senior Leadership Teams comprise the Headteacher, Deputy Headteacher, Assistant Headteachers and Business Manager. They control each academy at an executive level implementing the policies laid down by the Trust and LGB's. As a group, the senior leadership team is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

### **2.1 Risk Management**

The Trust has assessed the major risks it is exposed to, in particular those related to the specific teaching and other operational areas of the Trust and its finances. These are outlined in the Risk Management Policy. The Trust/Governors have implemented a number of systems to assess the risks that the school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Systems are in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of the schools grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover alongside controls. The Trust has an effective system of internal financial controls.

### **2.2 The Risk and Control Framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- Regular reviews by the Finance committee/LGB of each school of reports which indicate financial performance against the forecasts of expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has appointed a Responsible Officer to perform internal audits. Their role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. There is also a separate audit committee for the Board of Trustees who are provided with copies of all internal audit reports.

### **3 FINANCIAL RESPONSIBILITIES**

#### **3.1 Board of Trustees**

The Board of Trustees has overall responsibility for the administration of the Trust's finances as prescribed in the Funding Agreement between the Trust and the DfE.

The Board of Trustees ensure financial and contractual probity and regularity by:

- Setting the budget and funding model for the Trust
- Monitoring, reviewing and challenging spending and ensuring there are no overspends
- Ensuring proper financial and contractual systems and controls are in place, including for obtaining best value for money and managing risk
- Setting Trust-wide procurement policies, including for audit and solicitors
- Approving the annual accounts and monitoring their preparation

The Executive Headteacher of the Trust is the Accounting Officer and has overall responsibility for the Trust's activities including financial activities.

#### **3.2 Local Governing Body**

Working within the framework established by the Board of Trustees, the key responsibilities of each LGB in respect of its academy school is to ensure financial and contractual probity and regularity by:

- Ensuring the academy works within the budget and funding model set by the Trust
- Monitoring, reviewing and challenging spending and ensuring there are no overspends
- Ensure the academy works within the Trust's disciplines for proper financial and contractual systems and controls, including for value for money, risk management and procurement
- Ensure the academy gives accurate and timely support to the Board's process for preparing and approving annual accounts

#### **3.3 The Finance Committee**

At the Secondary Phase each LGB delegates responsibility for the financial administration of the school budget to its Finance Committee. The Finance Committee is a committee of the Governing Body and has authority to make decisions on behalf of the full Governing Body to enable it to fulfil the responsibilities shown above. Decisions or recommendations will be reported to the full Governing Body. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary.

At the Primary Phase responsibilities are not delegated and it is the Local Governing Body that has the authority to make decisions.

Responsibilities of the Local Governing Body (Primary Phase) and Finance Committee (Secondary Phase) include:

- To formally review and authorise the annual budget, ensuring the budget reflects the school's prioritised education objectives as detailed in the School Improvement Plan and seeks to achieve best value
- To ensure that grants from the DfE are used only for the purposes intended
- Regularly monitor actual expenditure and income against budget, ensuring that planned expenditure does not exceed the available resources
- To monitor the amount of each budget allocation in the light of known activity and to take decisions on the virement of funds between budget headings, having taken advice of the Headteacher and in the interests of the school achieving its overall aims and objectives
- Authorising the award of contracts over £10,000
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full LGB
- To ensure that there are written descriptions of financial systems and procedures which are kept up to date and that all appropriate staff are trained in their use. To ensure there are clearly defined purchasing guidelines, delegation of authority and segregation of duties

- To identify and manage risks

### 3.4 Reporting Arrangements

The Finance Committee/LGB will receive:

- 1) A report on the annual school budget forecast and the proposed spending plan, which should explain:
  - The basis for the planned level of unspent balances / or recovery of deficits
  - The basis of income and expenditure estimates
- 2) Termly budget monitoring reports showing:
  - Income and expenditure, including sums committed but not yet paid for, against the school's approved budget
  - An explanation of major variances
  - Details of corrective action taken or recommendations
  - A forecast of the expected year-end position

### 3.5 The Headteacher

The Headteacher is responsible to the Finance Committee/LGB for:

- Ensuring the school complies with this policy
- Ensuring that sound systems of internal control and financial administration are in place which enable the proper processing of the school's transactions and activities; and arrangements are made to maintain control in the absence of key staff
- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them
- Preparing estimates of expenditure and income sufficiently in advance of each financial year to allow for consideration and approval by the Governing Body
- Providing timely, reliable and meaningful written reports on a quarterly basis to the LGB on spending compared with the approved budget. Reports should include documented explanations of major variances and details of management action or recommendations
- Ensuring that where parts of the budget are delegated to a departmental level, the responsibility for controlling these budgets is matched by the level of accountability (i.e. budget holders are accountable only for items they can directly control)
- Reporting to the LGB any proposals for policy changes which significantly affect the school's expenditure or income budgets
- Maintaining and updating on an annual basis a Register of Business and Pecuniary Interests for both governors and members of staff on behalf of the LGB

### 3.6 Delegated Authority

The Headteacher has full discretion in the use of funds allocated to supply staffing and for all non-staffing headings up to the value of £10,000 for an individual item or service. Sums in excess of this will require sanction from the Finance Committee/LGB and either the Mercia Learning Trust Executive Headteacher or the Mercia Learning Trust Chair. See Appendix 4 for Purchases and Purchasing levels.

The Headteacher in consultation with the Leadership Team may nominate members of staff as budget holders for curriculum areas of the budget and may allow them to spend funds in these areas as sanctioned by the Headteacher and Leadership Team. See appendix 1 for a list of budget holders.

### 3.7 The Trust Business Manager

The Trust Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Trust Business Manager also has direct access to the governors via the Finance Committee/LGB.

The main responsibilities of the Trust Business Manager are:

- Facilitating smooth financial working arrangements across the Trust including the establishment of a suitable accounting system and oversight of its operation with effective systems of internal control
- The day to day management of financial issues
- Assisting the Headteacher in providing termly reports of actual income and expenditure as compared to the approved budget
- Ensuring budget forecasts and other returns are sent to the DfE in line with the timetable in the DfE guidance
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the School
- Authorising payments in conjunction with the Headteacher and/or other authorised signatory

### **3.8 The Responsible Officer**

The Responsible Officer (RO) is appointed by the Board of Trustees to provide an independent oversight of the Trust's financial affairs.

The RO provides independent assurance to the Trust's Audit Committee that:

- The financial responsibilities of the Board of Trustees 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

### **3.9 Other Staff**

The LGB and Headteacher of each of the schools in the Trust appoint staff with clear financial responsibilities. All staff are responsible for the security of School property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the School's financial procedures.

### **3.10 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 School Governors and staff are required to declare any financial interests they have in companies or individuals from whom the School may purchase goods or services. The register is open to public inspection. The register should include all business interests such as directorships, significant share holdings or other appointments of influence within a business or organisation that may have dealings with the School. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where that person could exert influence over a governor or a member of staff.

Staff and Governors are required to complete a pecuniary interest form at least annually. Where individual circumstances change during the year, staff and governors should make a new declaration.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, the Chair will decide whether the individual should abstain from the discussion.

## **4 TERMS OF REFERENCE FOR THE FINANCE COMMITTEE/LGB**

### **4.1 Terms of reference**

Subject to the requirements of current legislation and the policies adopted under the Funding Agreement, the Finance Committee (secondary phase) and LGB (primary phase) is authorised:

- To consider the Trust's indicative funding notified annually by the DfE and to assess its implications in advance of the financial year
- To consider, amend and recommend acceptance of the Trust's budget for the forthcoming financial year to the LGB
- To monitor and review delegated expenditure, ensure compliance with the overall strategic financial plan for the Trust with the financial regulations of the DfE drawing any matters of concern including where they relate to any actual or potential overspend and all significant financial matters to the attention of the LGB
- To keep under review this policy and make recommendations to the Trust Business Manager any appropriate revisions.

### **4.2 Purchasing, Prospective Orders and Contracts**

- To consider and make recommendations to the LGB regarding prospective orders and contracts in excess of £25,000
- To authorise the award of orders and contracts to a value between £10,000 and £25,000
- To determine on an annual basis the nature and level of services from external providers and the Local Authority, having regard to performance and value for money criteria
- To ensure value for money in relation to the purchase of any goods and services in accordance with Financial Regulations
- To consider financial benchmarking information and discuss any issues raised
- To formulate, review and approve the following policies in accordance with the policy review cycle:
  1. Financial Management and Administration Policy
  2. Risk Management Policy
  3. Educational Visit Risk Management
- To consider and respond on behalf of the LGB to any consultation papers that fall within the remit of the Committee
- To encourage the attendance of members on relevant governor training courses to increase their knowledge as appropriate

Please see Appendix 4 for purchases and purchasing levels.

### **4.3 Gifts in Kind and Donated Supplies & Services**

- Any gift in kind should be recorded. If the value is over £20 then the gift must be declined.
- To recommend to the LGB whether to write off debts
- To authorise the opening or closing of Bank Accounts. The authorisation of signatories to be added or removed from the school's bank accounts is delegated by the LGB jointly to the Headteacher and the Trust Business Manager

### **4.4 Insurances**

- To ensure that arrangements for insurance cover are in place and adequate

### **4.5 Security of Assets**

- To receive reports on the audit of assets that are required to be in the asset register and on the loss of any such asset
- Where the Secretary of State's consent is not required, authorise the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a current market value between £3,000 and £20,000

#### **4.6 Reserves Policy**

To ensure the level of reserves will:

- Ensure fluctuations in income (e.g. Reduction in Core Funding for Key Stages 3 and 4 and Sixth Form Funding due to the School Funding Reforms) or unexpected expenditure (e.g. Curriculum changes) are managed effectively
- Enable a robust programme for the renewal and replacement of school assets, particularly ICT to be developed and maintained

In achieving this, the Governors will be mindful that existing students are not disadvantaged through the retention of excessive reserves.

#### **4.7 Membership**

- Not less than four governors including the Headteacher
- The quorum should be 3 or more members of the committee

## **5 ACCOUNTING SYSTEMS, ACCESS AND TRANSACTION PROCESSING**

### **5.1 Accounting system**

All the financial transactions of the Trust must be recorded on the Trust's agreed accounting system.

### **5.2 System Access**

Entry to the Civica Resource system is password restricted and the Trust Business Manager is responsible for implementing a system which ensures that passwords are changed at least every 3 months. Access to the component parts of the Civica Resource system can also be restricted and the Trust Business Manager is responsible for setting access levels for all members of staff using the system.

### **5.3 Back-up Procedures**

The Trust Business Manager is responsible for ensuring that there are effective back up procedures for the system. Data is backed up daily to a server that is hosted off the school site and is part of the managed service contract. The Trust Business Manager should be involved in the preparation of the disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

### **5.4 Transaction Processing**

Detailed information on the operation of the Civica Resource system can be found in the user manuals held in the Finance Office.

### **5.5 Transaction Reports**

The report obtained and reviewed will include a summary of expenditure and income against budget at budget holder level.

These reports will be distributed to budget holders on a monthly basis and the Trust Business Manager will review a random selection each month with a view to:

- Monitoring expenditure
- Reviewing transactions and investigating any irregularities

### **5.6 Reconciliations**

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

- VAT Control Account
- Sales Ledger Control Account
- Purchase Ledger Control Account
- Cash Book
- Bank Balance per the nominal ledger to the bank statement
- Credit Card per the nominal ledger to the bank statement
- Petty Cash per the nominal
- Salaries Control Account

Any unusual or long outstanding reconciling items must be brought to the attention of the Trust Business Manager. The Trust Business Manager will review and discuss with the Headteacher before signing all reconciliations as evidence of the review and where feasible the Trust Business Manager and the Headteacher will formulate an action plan for resolution.

## **6 BUDGETARY PLANNING AND CONTROL**

### **6.1 Financial Planning**

The Trust prepares both medium-term and short-term financial plans. The medium term financial plan is prepared as part of the Improvement Planning process. The School Improvement Plan 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.

The School Improvement Plan provides a framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

The School Improvement Planning process and the budgetary process are described in more detail below.

### **6.2 The School Improvement Plan**

The School Improvement Plan is concerned with the future aims and objectives of the School and how they are to be achieved; that include matching the School's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

Each year the Headteacher will propose a planning cycle and timetable to the Governing Body that allows for:

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

The timetable will specify the deadlines for the completion of each of the key stages described above. The Headteacher will assign lead responsibility for the completion of each of the stages. The completed Improvement Plan will include detailed objectives for the coming academic year and outline objectives for the following two years. Where feasible, the plan should also include the estimated resource costs, both capital and revenue associated with each objective and success criteria against which achievement can be measured.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the Senior Leadership Team. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **6.3 Trust's Budget Forecast**

The Trust Business Manager and Executive Headteacher have oversight of the preparation of the annual Trust's Budget Forecast and for obtaining approval from the Board of Trustees. The Headteacher, Finance Committee and the LGB also approve the Forecast.

The approved Trust's Budget Forecast must be submitted to the DfE by 31<sup>st</sup> July each year and the Trust Business Manager is responsible for establishing a timetable that allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the School Improvement Plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of DfE grant receivable
- Review of other income sources available to the Trust to assess likely level of receipts
- Identification of potential efficiency savings
- 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

#### **6.4 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 should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. The Headteacher and Business Manager will be responsible for producing suggestions to balance the budget. 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 may be held back as a contingency or alternatively allocated to areas of need.

#### **6.5 Finalising the Budget**

Once the different options and scenarios have been considered, a draft budget should be prepared for approval by the Headteacher, the Finance Committee and the LGB. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document that may need revising throughout the year as circumstances change.

#### **6.6 Monitoring and Review**

The Headteacher should ensure that the process of monitoring actual expenditure against budget is a continuous one. The Headteacher and Senior Leadership team will nominate members of staff to be budget holders for specific curriculum and non-curriculum spend. A list of budget holders can be found at Appendix 1. A note detailing the responsibilities of budget holders, the amount of their budget and the method for calculating their budget, will be issued at the beginning of each financial year once the budget has been finalised.

Day to day responsibility for monitoring and control lies with each budget holder, who must obtain written approval of the Headteacher if they wish to exceed their budget allocation. Monthly reports will be prepared. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance Committee/LGB. The accounting system will not allow payments to be made against an overspent budget without the approval of the Trust Business Manager.

The Finance Officer/Manager will be responsible for co-ordinating the day to day monitoring process and the position will be reviewed monthly by the Trust Business Manager, Headteacher and the Senior Leadership Team. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If budgets overspend its forecast it may be appropriate to vire money from another budget or from the contingency. Virements in excess of £20,000 must have approval from the Finance committee/LGB.

The Headteacher will present to the Finance Committee/LGB on termly basis details of the Trust's actual and committed spending compared with the budget, with explanations of variances and a forecast of the year end position.

## EDUCATION FUNDING AGENCY [EFA] ANNUAL FINANCIAL REPORTING TIMETABLE

| <b>Return Name</b>   | <b>Content</b>   | <b>Reason/Benefit</b>   | <b>Due Date</b>  |
|--|--|---|--|
| Academies Budget Forecast 2015 to 2016   | Budget projections   | Provide assurance to governors and EFA that the Trust will be in good financial health for the year               | By 31 <sup>st</sup> July 2015  |
| Audited Financial Statements/Auditor's Management Letter and Value for Money Statement as of 31 <sup>st</sup> Aug 2015 | Governors report and annual accounts for the period ending 31 <sup>st</sup> August | Statutory requirement under the Companies Act 2006 and the Charity Commission's Statement of Recommended Practice | By 31 <sup>st</sup> December 2015 (on website by the following 31 <sup>st</sup> May) |
| Accounts Return as of 31 <sup>st</sup> Aug 2014  | Summary income and expenditure account and balance sheet information               | Provide data in a consistent form to allow monitoring of financial health and benchmarking                        | By 31 <sup>st</sup> January 2015   |

## **7 PAYROLL ADMINISTRATION**

The main elements of the payroll system are:

### **7.1 Staff Appointments**

The Headteacher has authority to appoint staff within the levels delegated by the Board of Trustees. The Headteacher maintains personnel files for all members of staff that include contracts of employment. The Trust Business Manager has oversight of all personnel changes to contracts.

### **7.2 Payroll Administration**

Capita administers the Trusts payroll. The Trust Business Manager in accordance with payroll processing key dates notifies any amendments to payroll to the provider.

### **7.3 Payments**

After the payroll has been processed, a print of salary payments by individual should be obtained from the provider. The print must be reviewed and authorised by the Trust Business Manager and Executive Headteacher.

The payroll provider calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay totals produced by the payroll provider.

The Trust Business manager should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly. After the payroll has been processed the nominal ledger will be updated. On an annual basis the Trust Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel files.

## **8 INCOME**

### **8.1 Income**

The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored by the Trust Business Manager who is responsible for ensuring that all grants due to the Trust are collected. The Trust also receives income from other schools for services provided and some income from students (mainly trips and visits).

### **8.2 Trips**

A lead person must be appointed for each trip to take responsibility for the collection of sums due. The finance office must prepare a record for each student intending to go on the trip showing the amount due. Students should make payments to the finance office. The finance office should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead person on a monthly basis and the lead person is responsible for chasing the outstanding amounts.

### **8.3 Custody**

Official pre-numbered Trust receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the school safe prior to banking. Banking should take place every two weeks or more frequently if the sums collected exceed the £5,000 insurance limit on the school safe.

## **9 CHARGING AND REMISSIONS**

The LGB via the Finance Committee will establish a charging and remissions policy for the supply of goods and services by the Trust. A copy of this policy is shown at Appendix 3.

The Headteacher is responsible to the LGB for accounting for all income due and cash collected as set out in the Charging and Remissions policy. The Finance Committee/LGB will review this policy annually.

Where invoices are required they should be issued promptly by the Finance Office and if possible the Trust should obtain money in advance of supplying goods and or services to improve the cash flow of the School and avoid the time and cost of administering debts.

Receipts and banking should be cross-referenced to debtors by the finance staff.

Bad debts over £50 should only be written off with the approval of the Finance Committee/LGB. However, the cancellation of an invoice for reasons other than bad debts (e.g. error) is permitted with the approval of the Headteacher or Trust Business Manager.

Pre-numbered receipts should be issued by the finance staff for all income collected unless formal records are maintained. Where a receipt is not given there should be a signature of discharge whenever cash changes hands. All receipts, vouchers and other income records should be securely retained. Personal cheques should not be cashed.

The accounting and debtor records should be properly and promptly updated and all income and VAT due to the Trust identified. Cash collected should be receipted and banked as soon as reasonably possible. Cash held on site should be kept to a minimum and in a secure place e.g. the safe.

Cash income should be kept separate from petty cash.

Staff and Governors should not use their personal bank monies for any payment or receipt relating to the Trust's budget.

## **10 BANKING ARRANGEMENTS**

### **10.1 Cash Management**

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Assistant 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 must be prepared promptly after banking and must be reviewed and certified by the Finance Officer/Manager.

### **10.2 Bank Accounts**

The opening of all accounts must be authorised by the LGB who must set out in a formal memorandum the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **10.3 Deposits**

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book.

The details should include:

- The amount of the deposit
- A reference such as the number of the receipt or the name of the debtor

### **10.4 Payments and withdrawals**

All cheques authorising withdrawal from School bank accounts must bear two authorised signatures and three where the expenditure is £5,000 and above. Authorised signatories are the Trust Business Manager, the Headteacher, Deputy Headteachers and Assistant Headteachers.

Where batches of faster payments are electronically prepared, transfers will be approved as follows:

- Batch total is less than £5,000 = two authorised signatories
- Batch total is more than £5,000 = three authorised signatories (one of these must be the Headteacher if an individual payment within the batch is more than £5,000)

This provision applies to all accounts, public or private, operated by or on behalf of the School.

### **10.5 Administration**

The Trust Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that all bank accounts are reconciled to the School's cashbook;

- Reconciliations are prepared by the Finance Officer/Manager
- Reconciliations are subject to an independent monthly review carried out by the Trust Business Manager
- Adjustments arising are dealt with promptly

### **10.6 Credit Cards**

Credit cards are used as an alternative method of paying for goods when there are no viable alternatives. The cards are held securely in the school safe and are for use by the Headteacher, Trust Business Manager, Finance Officer or Finance Assistant within an agreed credit limit. Credit cards are not released for use by other staff. See Appendix 5 for a list of card holders.

### **10.7 Petty Cash Accounts**

The Headteacher is authorised to decide who holds by the Trust and what amounts of petty cash. The person holding the cash must sign to accept responsibility for it and the Headteacher will be responsible

for the total amount held. The Headteacher should ensure that the cash sums held are covered by insurance and for security reasons do not exceed £1,000.

Petty cash floats should be reconciled on a monthly basis by the Finance Officer/Manager.

Staff authorised to hold petty cash are responsible for:

- Obtaining proper vouchers and receipts for all cash payments made
- Obtaining receipts which identify any VAT paid to support the reclaiming of VAT
- Ensuring the safe custody of the cash
- Producing the cash on demand to the Headteacher, Trust Business Manager, auditor or other authorised person
- No payment will be refunded without a receipt unless authorised by the Headteacher

The use of petty cash should be limited to minor items for which there is no proper authority and provision in the budget. Petty cash should not be used for paying regular suppliers or for the purchase of items in excess of £50. Where items exceed this and it is not practicable to issue an official order, prior approval from the Headteacher is required.

### **10.8 Deposits**

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

### **10.9 Payments and Withdrawals**

In the interests of security, petty cash payments will be limited to £50. Higher value payments should be made by cheque or BACS directly from the main bank account as a cashbook payment. On no occasion will the school make loans of money to staff or pupils.

### **10.10 Administration**

The Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer/Manager to ensure that the cash balance reconciles to supporting documentation.

### **10.11 Physical Security**

Petty cash is stored in a locking cash box, which is put in the safe overnight.

### **10.12 Cash Flow Forecasts**

The Trust Business Manager is responsible for ensuring cash flow forecasts are prepared to ensure that the School has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer monies from invested funds.

### **10.13 Investments**

Investments must be made only in accordance with written procedures approved by the Finance Committee via the LGB.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **11 ASSET CAPITALISATION/DEPRECIATION/SECURITY**

### **11.1 Tangible Fixed Assets and Depreciation**

All assets costing more than £1,000 are capitalised. Where a number of items of a lower value are purchased together then consideration by the Chair of Governors or the Finance Committee/LGB Chair will be given as to whether such items are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants either from the government or from the private sector they are included in the Balance Sheet at cost and depreciated over their expected useful economic life.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the costs of those assets less their estimated residual value over their expected useful lives on the following basis:

- Long term leasehold property – straight line over 60 years
- Motor Vehicles/Fixtures and Fittings/Computer Equipment - Straight line over 36 months

### **11.2 Asset register**

All items purchased with a value over the School's capitalisation limit must be entered in an asset register. The asset register should include the following information:

- Asset description
- Asset number
- Date of acquisition
- Asset cost
- Source of funding
- Depreciation
- Location

The Asset Register helps:

- Ensures staff take responsibility for the safe custody of assets
- Enables 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 School's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters

### **11.3 Security of assets**

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the School's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and where significant reported to the Governing Body. Inventories of School property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

### **11.4 Disposals**

Items that are to be disposed of by sale or destruction must be authorised for disposal by the Trust Business Manager and where significant should be sold following competitive tender. The Trust must

seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment not on the asset register to staff is not encouraged as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition there are complications with the disposal of computer equipment as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.

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

### **11.5 Loan of Assets**

Items of Trust property must not be removed from Trust premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in 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 Trust's auditors.

**Appendix 1**  
**Department Budget Holders**

| <b><u>Department</u></b>                         | <b><u>King Egbert School</u></b> | <b><u>Newfield Secondary School</u></b> | <b><u>Totley Primary School</u></b> |
|--|----------------------------------|---|-------------------------------------|
| Additional Student Support                       | Charlotte Chance                 | Jodi Green                              | N/A                                 |
| Admin/Office                                     | Fran Hutton/Helen Wedge          | Sue Johnson                             | Christ Stewart                      |
| AQA Baccalaureate                                | Christine Stott                  | N/A                                     | N/A                                 |
| Art  | Sam Cawthorne                    | Otis Marriott                           | N/A                                 |
| Breakfast Club                                   | N/A                              | N/A                                     | Chris Stewart                       |
| Buildings  | Charlotte Chance                 | Charlotte Chance/Tim Eldridge           | Chris Stewart                       |
| Business Enterprise                              | Charlotte Chance                 | N/A                                     | N/A                                 |
| Business Studies                                 | Steve Clarke                     | Mel Morison                             | N/A                                 |
| Careers Budget                                   | Charlotte Chance                 | Jodi Green                              | N/A                                 |
| Catering   | N/A                              | N/A                                     | Chris Stewart                       |
| Closing The Gap Project                          | Charlotte Chance                 | N/A                                     | N/A                                 |
| Computing  | Caroline Wheelhouse              | N/A                                     | N/A                                 |
| Cooking Grant                                    | N/A                              | N/A                                     | Chris Stewart                       |
| Core Maths Local & Wider Delivery                | Charlotte Chance                 | N/A                                     | N/A                                 |
| Curriculum Activities/Clubs                      | Charlotte Chance                 | Charlotte Chance/Tim Eldridge           | Chris Stewart                       |
| Curriculum Contingency                           | N/A                              | Charlotte Chance/Tim Eldridge           | Chris Stewart                       |
| Display  | Lucy Smith                       | N/A                                     | N/A                                 |
| Drama  | Anthony Chipp                    | Jon Bellfield                           | N/A                                 |
| DT   | Stephen Akers                    | Sam Littlewood/Stephen Akers            | N/A                                 |
| EAL inc Travel & Tourism                         | N/A                              | Jess Stevenson                          | N/A                                 |
| English  | Ruth Hollingsworth               | Eve Mathews                             | N/A                                 |
| Escafeld Teaching School Alliance                | Charlotte Chance                 | N/A                                     | N/A                                 |
| Ethics   | N/A                              | Lisa McCalla                            | N/A                                 |
| Exams/Assessment                                 | Tracey Payne                     | Jo Dickenson                            | Chris Stewart                       |
| Extended School Activities                       | Kate West/Janine Dos Remedios    | Jess Stevenson                          | N/A                                 |
| Finance  | Charlotte Chance                 | N/A                                     | N/A                                 |
| Food Technology                                  | Stephen Akers                    | Sam Littlewood/Stephen Akers            | N/A                                 |
| Foundation Stage 2                               | N/A                              | N/A                                     | Chris Stewart                       |
| General Arts                                     | N/A                              | N/A                                     | Chris Stewart                       |
| General School Education Supplies & Services     | Charlotte Chance                 | Charlotte Chance/Tim Eldridge           | Chris Stewart                       |
| General School Non-Education Supplies & Services | Charlotte Chance                 | Charlotte Chance/Tim Eldridge           | Chris Stewart                       |
| Geography  | Nick Hinchcliffe                 | Kaye Elvin                              | N/A                                 |
| Guest Students                                   | Charlotte Chance                 | N/A                                     | N/A                                 |
| Health and Social Care                           | Sarah Ahmed                      | Elle Jenkinson                          | N/A                                 |

|                              |                                |                               |               |
|------------------------------|--------------------------------|-------------------------------|---------------|
| History                      | Graham Wraith                  | Wendy Mitchell                | N/A           |
| Hospitality/Gratuity         | Charlotte Chance               | Charlotte Chance/Tim Eldridge | Chris Stewart |
| ICT Supplies and Equipment   | Charlotte Chance               | Charlotte Chance/Tim Eldridge | Chris Stewart |
| Information Technology       | Caroline Wheelhouse            | Mel Morison                   | N/A           |
| Insurance B+C                | Charlotte Chance               | Charlotte Chance/Tim Eldridge | Chris Stewart |
| Integrated Resource Unit     | Mathew Hesmondhalgh            | N/A                           | N/A           |
| Lakes/PHSCE                  | Sarah Wittams-Howarth          | Lisa McCalla                  | N/A           |
| Languages                    | Kevin Lowes                    | Gail Wright                   | Chris Stewart |
| Library                      | Peter Collins                  | Charlotte Birch               | N/A           |
| Literacy                     | Judith Smith                   | N/A                           | Chris Stewart |
| Lottery Grant Expenditure    | Paul Fennell                   | N/A                           | N/A           |
| Managed Student Moves        | Charlotte Chance               | Dean Webster                  | N/A           |
| Maths                        | Hossein Yazdi                  | Paul Thornely                 | Chris Stewart |
| Media Studies                | Isabel Barnes                  | Ted Faulkner                  | N/A           |
| Minibus                      | Mike Lowe                      | Charlotte Chance/Tim Eldridge | N/A           |
| Music                        | Sam Turner                     | Jon Bellfield                 | N/A           |
| Non-Curriculum Activities    | Stephen Akers                  | Charlotte Chance/Tim Eldridge | N/A           |
| Off Site Provision           | Gavin Walker                   | Dean Webster                  | N/A           |
| Pastoral                     | Emma Anderson                  | N/A                           | N/A           |
| PE                           | Pat Howse                      | Helen Raynes                  | Chris Stewart |
| Photography                  | N/A                            | Ted Faulkner                  | N/A           |
| Playground Leaders           | N/A                            | N/A                           | Chris Stewart |
| Psychology                   | Alison Trezise                 | N/A                           | N/A           |
| Pupil Premium Support        | N/A                            | N/A                           | Chris Stewart |
| Reprographics                | Linda Helliwell                | Andrea Hughes                 | Chris Stewart |
| Roof                         | N/A                            | N/A                           | Chris Stewart |
| School Council               | N/A                            | N/A                           | Chris Stewart |
| School Supplies & Printing   | Charlotte Chance               | Charlotte Bowyer              | Chris Stewart |
| Science                      | Matt Sharkey/Louise Kilcommons | Terri Houghton                | Chris Stewart |
| School Direct Expenditure    | Charlotte Chance               | N/A                           | N/A           |
| School Trips                 | Karen Allen                    | N/A                           | Chris Stewart |
| Sixth Form                   | Rebecca McCairns               | N/A                           | N/A           |
| Skills for Middle Leadership | Jackie Arundale                | N/A                           | N/A           |
| Sociology                    | Claire Bourne                  | Lisa McCalla                  | N/A           |
| Special Needs                | Judith Smith                   | May Callaghan                 | N/A           |
| Staff Development            | Jackie Arundale                | Charlotte Bowyer              | Chris Stewart |
| Staffing Costs               | Charlotte Chance               | Charlotte Chance/Tim Eldridge | Chris Stewart |
| Supply Expenditure           | Tracey Payne                   | Jo Dickenson                  | Chris Stewart |
| Vertical Form Groups         | Stephen Akers                  | N/A                           | N/A           |
| Work Placements - BTEC       | Charlotte Chance               | N/A                           | N/A           |

|                   |     |     |               |
|-------------------|-----|-----|---------------|
| Year 2 and Year 2 | N/A | N/A | Chris Stewart |
| Year 4 and Year 4 | N/A | N/A | Chris Stewart |
| Year 5 and Year 6 | N/A | N/A | Chris Stewart |

## Appendix 2 Value for Money Statement

Academy Trust Name: Mercia Learning Trust  
Academy Trust Company Number: 08119703  
Year Ended 31 August 2014

I accept that as accounting officer of MERCIA LEARNING TRUST I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trusts use of its resources has provided good value for money during the academic year.

### **Educational Standards**

As part of the Mercia Learning Trust the schools pool expertise and resources, think more strategically and work more confidently and imaginatively providing collectively a higher quality of education than could be achieved individually.

Our mission is to provide an outstanding education for pupils. We are passionate that all our pupils should see their time at school as happy and fulfilling with their potential developed to the utmost. Our approach is founded on partnership working, binding together our school, parents and their communities.

At all Mercia Learning Trust schools our pupils benefit from:

- A fully inclusive approach, maximising the attainment and achievement of every pupil
- A broad and balanced curriculum, with high quality teaching that responds to individual needs
- Promotion of resilience and self-reliance in our learners, thus enabling them to meet the challenges and opportunities of the changing world
- Support to develop and maintain positive wellbeing in all aspects of life
- High standards of orderly behaviour rooted in strong moral values
- Continual investment in the professional development of all our staff, as the foundation of our offer to pupils

The Trust is exceptionally proud of their achievements so far:

At Totley Primary School attainment at KS1 continues to improve and is well above national standards. Outcomes at Key Stage 2 remain significantly above national standards in all subjects. All pupils reached the national standard (Level 4) in the KS2 SATs while a significant number of pupils achieved higher. Progress was also above average with a high number of pupils making 3 levels progress from their KS1 starting points (expected progress is 2 levels).

Newfield School was inspected in November 2012, with an overall judgement of 'Requires Improvement'. Partnership working has led to rapid improvement in the leadership, management and the quality of teaching. These improvements (validated by the school's attached HMI, various external consultant advisors and the School Improvement Partner) led to significantly improved outcomes in 2014, which were the best in the history of the school.

King Ecgbert School was inspected by OFSTED in May 2013. The Ofsted judgement was OUTSTANDING for Overall Effectiveness along with Leadership and Management, Teaching and Achievement. Our in school quality assurance validated by our school improvement partner (SIP) supports this judgment continues to be accurate. Hence the school remains outstanding.

In April 2014 King Ecgbert School was designated as a Teaching School and has formed Escafeld Teaching School Alliance (ETSA) with Tapton School. Nationally, there are around 500 teaching schools which are central to the agenda of a self-improving school led system. As part of our TSA work we are developing a range of courses to support leadership development across schools in Sheffield, leading research into effective practice, training Specialist Leaders in Education (SLE) to work in other schools,

providing school to school support and training over 60 new teachers. This work will continue to grow and develop as ETSA becomes established.

King Egbert School was also successful in a bid to pilot a new mathematics qualification at Post 16. Core maths is an AS level qualification aimed at students who do not continue with mathematics to A level. It is studied over two years in the sixth form and emphasises higher level practical applications of maths. It will be very useful for many degree programmes and workplace applications. As a result of our reputation for high quality mathematics provision and our quick start to the programme we have also been asked to coordinate the pilot work on core maths across the region, working with schools and colleges across South and West Yorkshire. We are funded for two years work on this project.

The Mercia Learning Trust will continue to have rising standards through improvements in progress and learning as top priority. This will ensure progression routes for our students at 16+ and 18+ whether into employment or into further/higher education and the avoidance of young people becoming classed NEET (not in education, employment or training).

The Mercia Learning Trust has ambitions to support even more young people and communities by establishing new academies. Currently, the trust is also providing school improvement support at Valley Park Community Primary School.

### **Finance, Governance and Oversight**

Financial governance includes strong oversight by the Board of Trustees and is underpinned by regular Responsible Officer audits and recently strengthened by the introduction of an independent audit committee.

The Trust has established a central finance and support service with an accounting software system that enables complete transparency of each schools financial performance and the ability to deliver consolidated reporting on behalf of the whole Trust. The individual school's financial position is reported to local governing bodies and respective finance committees twice a term with consolidated reports being scrutinised and challenged at Director level once a term.

The Trust has developed a central budget to fund central services including HR, health and safety, accountancy services, financial software and legal costs. Through this centralised and coordinated approach we have been able to deliver huge savings on the central costs compared to individual standalone schools and ongoing we will seek to exploit further opportunities. Economies of scale have also enabled the Trust to negotiate insurance, ICT, photocopier and educational psychology contracts that achieve better value for money.

The risk registers are reviewed on an ongoing basis to ensure that risks are identified, monitored and mitigated. In light of the increasing staffing costs particularly pension contributions, staff expenditure is a key risk and we continue to monitor this regularly. As a Trust we are able to employ staff across schools, this allows us to deploy staff more effectively: sharing best practice, providing developmental opportunities and creating savings on supply staff. Alongside the Executive Headteacher, a Deputy Headteacher, Business Manager and other Subject Leaders currently work across the Trust. Shared training opportunities across the Trust also create efficiencies. We also deploy high quality staff across the Family of Schools, currently including a SENCO and ESCO. Additional income and efficiencies are also achieved via the Teaching School and Core Maths initiatives.

We continue to source additional funding opportunities and have received EFA Capital Maintenance Funding for a new roof at Totley Primary School of £153,395 and £10,000 from Awards for All to support KES vulnerable students with outdoor learning.

In the year ahead we will continue to build on the solid foundation already created in order to deliver even better value for money.

**Name:** Mrs Lesley Bowes  
**Academy Trust Accounting Officer**  
**Date:** 19 Dec 2014

## Appendix 3

### Charging and Remissions Policy

#### **PRIMARY & SECONDARY PHASE**

This policy has been drawn up to conform to the charging arrangements as set out in the Education Act 1996.

The Governing Body recognises that the Act prohibits charges for school activities which take place within school hours and/or are part of the school curriculum. This Policy reinforces that principle, whilst setting out those school activities for which a charge may be made or a voluntary contribution requested and those circumstances in which charges may be remitted.

#### **Educational Activities Taking Place during School Hours**

- Education provided during school hours will be free of charge. School Hours are as published by the school in its prospectus and on its website, any “twilight sessions” used to deliver the school curriculum excluding the midday break
- No charge will be made for books, materials or equipment deemed necessary to meet the requirements of the school curriculum. However, materials which result in a finished product may be charged for
- Voluntary contributions may be requested to enable the School to run extra activities including visits which are educationally desirable. The School will make it clear in its communication to parents that these contributions are voluntary and that no student will be treated differently according to whether or not the parent/carer has contributed. It will also be made clear that if insufficient funds are received to cover the cost of the activity, it may be cancelled
- Where a non-school or LEA organisation arranges an activity to take place during school hours and parents/carers give their consent to their child taking part in the activity, such an organisation may make a charge

#### **Educational Activities Taking Place Outside School Hours**

A charge may be made for activities which take place wholly or mainly outside school hours except where the activity is required either:

- As part of the syllabus of a prescribed public examination
- To fulfil statutory requirements of the national curriculum or of religious education in which case no charge may be made other than for board and lodging on a residential visit

For all other activities outside school hours the charge will be set to cover the cost of such items as:

- Transport/travel Costs
- Board and lodging
- Entrance Fees
- Insurance Costs
- Any materials required for the activity
- Incidental Expenses
- Costs incurred as a result of teaching and support staff supervising the activity

The charge should not subsidise any other student participating. Any remission of charges for individual students would be met from the School Fund. A student’s participation in the activity is dependent on the agreement of their parent/carer to meet the cost of the activity and this agreement will be a pre-requisite to the student’s inclusion.

#### **Musical Instrument Tuition**

Charges will not be made for class musical tuition during school hours or out of school hours where it forms part of the syllabus for a prescribed public examination or is required as part of the national

curriculum. A charge will, however, be made for teaching a student to play a musical instrument either individually or in a group.

Where a charge is made for musical instrument tuition, the parent/carer will be invoiced direct by the provider of the tuition in advance of the lessons and the 'contract' underlying that activity will be between the provider concerned and the parent.

### **Loss or Damage to School Property**

Loss of, damage to or breakage of school property, e.g. books, windows, furniture, scientific equipment etc will be charged for if caused by negligence or deliberate act. The charge will be the cost of replacement or repair, or such lower cost as the Headteacher may decide.

Similarly a charge will be levied in respect of wilful damage, neglect or loss of property belonging to a third party where the cost has been recharged to the School.

### **Transport**

Parents/carers may be required to meet the cost of transport from home to an activity sanctioned but not provided by the School e.g. travel to Work Experience.

### **Other Charges**

The School may levy a charge for miscellaneous services up to the cost of providing such services, e.g. for providing a copy of an Ofsted Report.

### **Voluntary Contributions to the School Fund and Capital Projects**

Parents/carers will be invited to make a financial contribution to the School Fund which will be used to:

- Acquire educational resources and fixed assets which would otherwise be unaffordable from the School's main budget
- May be used to subsidise a student participating in an activity outside school hours where that student's parent/carer is experiencing severe financial hardship

From time to time an appeal may be launched by the Governing Body in order to help finance a particular capital project. It will be made clear in all correspondence to parents/carers inviting contributions to School Fund or to individual appeals that such contributions are wholly voluntary.

### **Remission of Charges**

Parents/carers may apply to the School for remission of charges in whole or part towards the charges for activities or the purchase of uniform items.

To qualify for help, parents/carers must contact the Headteacher or their child's Head of Year and if requested, proof of their income or benefit may be required. A decision will be made based on individual circumstances as to what level of support the School can offer or which items of uniform will be provided free of charge.

In the case of any uniform subsidy the student must at least have more than one term of compulsory education or be starting at the School the following term.

Arrangements for payments will be made with the parent/carer and the school's uniform supplier.

## **SECONDARY PHASE**

### **Lockers**

A returnable deposit of £5.00 will be charged for a school locker key and a 'rental charge' may also be levied. It will be made clear that lockers are not compulsory and that lockers will be provided on a first

come first served basis and by application only. Lockers must be re-applied for at the beginning of each school year.

### **Entry for Public Examinations**

No charge will be made for a student's first entry to a prescribed public examination for which the student has been prepared at the school, whether during or outside school hours.

A charge could however, be made for

- Re-sit examinations
- Re-marks and clerical checks requested by the student
- Requests for scripts
- An examination for which the student has not been prepared by the school
- Where the student fails without good reason [in the judgement of the Governing Body] to meet the requirement of any public examination e.g. by non-attendance and where the school originally paid the entry fee
- Where without good reason a student's attendance on the course falls below 90%

The charge will comprise the fee levied by the Examinations Board, plus an administration fee to be retained by the school.

## Appendix 4

### Mercia Learning Trust – Purchases and Purchasing Levels

The Academy wants to achieve best value for money on all purchases. This means we need to order the correct quantity, quality and achieve the best price possible. A large proportion of purchases will be paid for by public funds so we must be able to demonstrate the following general principles:

- **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

A copy of the Trust's Value for Money Statement can be found at Appendix 2.

#### **Orders**

All orders on behalf of the Trust will be processed by the Finance Office. A school order form should be completed and should be signed by the budget holder. Verbal and/or written quotes will be obtained by the Finance Office and detailed on the order form. All deliveries are checked and any discrepancies are dealt with by the Finance Office.

#### **Orders up to £250**

Local knowledge, price lists etc. should be used to obtain the best price.

#### **Orders between £250 - £2,500**

Three quotes should be obtained which can either be verbal, written or printed from the internet. Details of the quotes should be recorded on the order form and any written quotes attached.

#### **Orders between £2,500 - £25,000**

Three written quotes should be obtained and attached to the order. The Trust Business Manager and the local Headteacher must approve the order and if the lowest quote is not accepted, details of why the supplier has been chosen should be detailed on the order form.

#### **Orders over £25,000**

All orders over £25,000 value would be subject to formal tendering procedures. Procurement rules may apply and guidance can be found in the Academies Financial Handbook. For all such purchases Governing Body approval would be required. All paperwork should be retained and passed onto the Trust Business Manager who will arrange for the LGB (Primary Phase)/Finance Committee (Secondary Phase) and the MLT Executive Headteacher/Chair to review and approve the documentation. Once approved the finance office will place the order retaining the paperwork for audit purposes – this paperwork should include a written statement explaining the reason for the provider chosen. The approval process should also be documented and retained with the paperwork.

#### **Exceptions**

Some orders may be unique and 3 quotes may not be appropriate e.g. CAPITA product, bespoke Science or DT Equipment. In instances where no real choice exists then the paperwork should reflect this in order to satisfy the audit trail.

All orders for goods and services should be issued in writing on official stationery i.e. RESOURCE generated orders for expenditure from the Academy bank account where this is feasible and practical.

All invoices should be sent to the Finance Office. The invoice will be processed on the finance system (Resource 32000) and stamped with a grid against which the following can be evidenced:

- Goods received & invoice checked
- Invoice processed
- Invoice authorised
- Invoice certified
- Department/nominal charged
- Date paid

For segregation of duties, invoices are processed by the finance team and sent to the relevant member of staff to confirm they have received the goods and checked the invoice. The finance team then approves the invoice on Resource 32000. Once the invoice becomes payable a senior member of staff certifies the invoice to confirm it is approved for payment.

**Appendix 5**  
**Credit Cards**

| <b>Provider</b> | <b>School Name</b> | <b>Credit Card Holder</b> | <b>Credit Card Limit</b> |
|-----------------|--------------------|---------------------------|--------------------------|
| Barclaycard     | King Ecgbert       | Charlotte Chance          | £15,000                  |
| Barclaycard     | King Ecgbert       | Shahzina Ahmed            | £2,500                   |
| Barclaycard     | King Ecgbert       | Kate Fehler               | £500                     |
| Barclaycard     | Newfield           | Mel Balfour               | £5,000                   |
| NatWest         | Totley Primary     | Chris Stewart             | £4,000                   |
| NatWest         | Totley Primary     | Mel Fetch                 | £4,000                   |

## Appendix 6

### Mercia Learning Trust – Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. Where a tender is over £10,000 then the Audit and Finance Committee/LGB will decide on the form of tender process.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Trust Business Manager how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering as it is most conducive to competition and the propriety of public funds.

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

- There is a need to maintain a balance between the contract value and administrative costs
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to 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 contract 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 sales 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 must be borne in mind when reaching a decision
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Is there scope for negotiation?

### **Technical/Suitability**

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

### **Other Considerations**

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

### **Tender Acceptance Procedures**

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

### **Tender Opening Procedures**

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

- For contracts up to £25,000 - two of the budget holders, the Trust Business Manager or the Headteacher
- For contracts over £25,000 - the Trust Business Manager or the Headteacher plus a member of the Finance Committee/LGB.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. Both people present at the tender opening must sign this record.

### **Tendering Procedures**

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

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance Committee/LGB highlighting the relevant issues and recommending

a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance Committee/LGB.

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

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