



**CANNOCK CHASE HIGH SCHOOL**

A C H I E V E M E N T F O R A L L

# Financial Regulations

*Updated March 2022*

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# 1 INTRODUCTION

- 1.1 This document sets out Cannock Chase High School's (CCHS) Financial Regulations. The Financial Regulations should be read in conjunction with:
- The Scheme of Delegation
  - Funding agreement
  - The Academies Financial Handbook
  - Committee Terms of Reference
- 1.2 The purpose of this document is to ensure that the academy maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Skills Funding Agency (ESFA).
- 1.3 The academy must comply with the principles of financial control outlined in the Academies Financial Handbook and any supplementary guidance published by the ESFA. These Financial Regulations expand on that and provide detailed information on the academy's accounting procedures. These Financial Regulations and procedure notes should be read by all staff with financial responsibilities.
- 1.4 Compliance with the Financial Regulations is mandatory for all staff and any contravention must be reported to the Headteacher. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the Academy Discipline Policy. The Board must be notified of any such breach through the Finance Committee. It is the responsibility of the Headteacher to ensure that staff are made aware of the existence and content of the CCHS Financial Regulations.
- 1.5 All staff are aware of the Academy's Whistle Blowing Policy and to whom they should report any concerns of malpractice and wrongdoing. Any suspected financial irregularity will be reported to the Department for Education (DfE).
- 1.6 The Finance Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Executive Business Manager, and for advising the Board of any additions or changes necessary.
- 1.7 In exceptional circumstances, the Finance Committee may authorise departure from the detailed provisions herein, such authorisation must be sought and provided in advance of the transaction and reported to the Board at the earliest opportunity, setting out why such action was taken.

## **2 ORGANISATIONAL STRUCTURE AND FINANCIAL RESPONSIBILITIES**

### **ORGANISATIONAL STRUCTURE**

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

#### **The Governing Body**

- 2.2 The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in statute, charity law, the Funding Agreement between the academy and the ESFA and in the academy's Articles of Association. The main responsibilities include:
- i. Ensuring that the Academy's funds are used only for the purposes intended and in accordance with the law, the Articles of Association, the Funding Agreement and the Academies Financial Handbook;
  - ii. Identify the skills and experience that it needs and address any gaps through recruitment and/or induction training and development;
  - iii. Ensuring the economy, efficiency and effectiveness of the use of resources (value for money);
  - iv. Understand and comply with their statutory duties to avoid conflicts of interest and to declare any interest in proposed transactions or arrangements under discussion;
  - v. Approval of the annual budget;
  - vi. Approval of the annual Financial Statement and governance statement;
  - vii. Appointment of the Headteacher;
  - viii. Appointment of the Executive Business Manager, in conjunction with the Headteacher;
  - ix. To set a framework for pay and conditions of service of all other staff;
  - x. Create a Pay Committee to approve salary progression for teaching staff, in line with the performance appraisal system; and
  - xi. Awarding of contracts over £100,000.

#### **The Finance Committee**

- 2.3 The Finance Committee is a committee of the governing body. It meets at least once a term but more frequent meetings can be arranged if necessary.
- 2.4 The main responsibilities of Finance Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:
- i. Formulate the annual budget, having considered the Academy's development plan, for approval by the Board;
  - ii. Provide guidance to the Board on financial matters;

- iii. Review of all financial controls systems and procedures within the Academy;
- iv. The regular monitoring of the financial affairs of the Academy and report termly to the Board;
- v. Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- vi. Review auditor's reports on the effectiveness of financial procedures and controls and to make arrangements for appropriate audits to take place;
- vii. Monitor financial reporting to the ESFA;
- viii. Authorising the award of contracts with a value of £50,000-£100,000;
- ix. Authorising financial changes to the academy personnel establishment;
- x. Review and monitor compliance with the Academy's Health & Safety Policy;
- xi. To ensure that health and safety audits take place, receive reports from external advisers and monitor progress against actions agreed;
- xii. To agree premises and maintenance policies for full Board approval; and
- xiii. Selection, planning and oversight of capital projects.

### **The Headteacher**

- 2.5 The Headteacher is the Accounting Officer, with overall executive responsibility for the academy's activities including financial activities. Much of the operational financial responsibility has been delegated to the Executive Business Manager but the Headteacher still retains overall responsibility and specifically for:
- i. Value for money – achieving the best possible educational outcomes through economic, efficient and effective use of resources;
  - ii. Regularity and propriety – ensuring that all income and expenditure complies with legislation, the Academies Financial Handbook, the Funding Agreement and these Financial Regulations;
  - iii. 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;
  - iv. Authorising contracts between £25,000 and £50,000 in conjunction with the Executive Business Manager;
  - v. Advise the Governing Body on the discharge of its responsibilities;
  - vi. Be responsible for signing, with the Chair of the Governing Body, the annual accounts ensuring they are properly presented;
  - vii. Complete and sign the statement of regularity, propriety and compliance annually, to be submitted to the ESFA with the audited accounts;
  - viii. To review from time to time with the Executive Business Manager the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the school;
  - ix. To receive regular reports on the financial position of the school, showing a comparison of income and expenditure against annual budget;
  - x. The Accounting Officer will advise the Board in writing, it at any time in his opinion, any actions or policy under consideration is incompatible with the Articles of Association, the Academies Financial Handbook or the Funding Agreement with the ESFA;

- xi. Report variations in the school budget to the Governing Body.

### **The Executive Business Manager**

- 2.6 The Executive Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Executive Business Manager also has direct access to the governors via the Finance Committee and other meetings. The main responsibilities of the Executive Business Manager are:
- i. The day to day management of financial issues including the establishment and operation of a suitable accounting system;
  - ii. The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
  - iii. The maintenance of effective systems of internal control;
  - iv. Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
  - v. The preparation of monthly management accounts that meet the requirements of the Academies Financial Handbook;
  - vi. Authorising orders below £25,000 in conjunction with budget holders ;
  - vii. Signing cheques and authorisation of BACS payment in conjunction with other authorised signatories;
  - viii. Ensure forms and returns are sent to the DfE in line with the timetable in the DfE guidance;
  - ix. Ensure the efficient, economical and effective management of the Governing Body's resources and expenditure, including funds, capital assets and equipment and staff;
  - x. Ensure the maintenance of sound financial controls;
  - xi. Seek to ensure that financial considerations are taken fully into account in reaching decisions and in their execution;
  - xii. Ensure that all financial reports to the ESFA, Governors, LT and all other budget holders are accurate and on time;
  - xiii. Provide such assistance to the Governing Body as necessary for the satisfactory completion of their financial duties, including access to all financial documents and accounting systems;
  - xiv. Seek to ensure with finance staff that all aspects of Local Financial Management and its updates are implemented, especially in the critical area of periodic reporting of the School's financial position to the ESFA;
  - xv. Provide reports as required of the Academy's financial position for the Finance Committee and report variations in the budget;
  - xvi. Ensuring on a monthly basis that the bank reconciles to all school accounts;
  - xvii. Seek to ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements;
  - xviii. Seek to arrange for all financial activities at Cannock Chase High School to be fair and honest;
  - xix. Agree with the Headteacher, funds to be delegated to budget managers based on an agreed formula;
  - xx. Be responsible for all matters not covered by other Budget Managers.

## **Other Staff**

- 2.7 Other members of staff, primarily the Business Services Officer, the Business Services Administrator 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 academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

## **External Auditors**

- 2.8 The appointment of the external auditors will be reviewed annually and is the responsibility of the Board. The Board will be advised by the Finance Committee in their decision.
- 2.9 The primary role of external audit is to report on the Academy's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with the Audit Code of Practice, Academies Financial Handbook and the Auditing Practices Board's statements of auditing standards.
- 2.10 In carrying out their audit work, the external auditors may choose to rely on the work of the internal auditors, in particular in assessing the Trust's control environment. Where this is the case, the external auditors will need to assess the scope and quality of the work programme carried out as part internal audit/check in order to assess whether they are able to rely on that work.
- 2.11 The external auditors need to come to a judgement on the work of those carrying out any internal checks, and for this reason, the internal checking function and external audit function should be clearly separated.
- 2.12 The Executive Business Manager is responsible for drawing up a timetable for the production of the final accounts and will advise staff and external auditors accordingly.
- 2.13 The Governing Body shall arrange for the ongoing monitoring of the performance of the auditors to be undertaken by the Finance Committee.

## **Internal Check (undertaken via supplementary work programme or Internal Auditor)**

- 2.14 The internal audit function is appointed by the Board on the recommendation of the Finance Committee. The appointment is reviewed annually.
- 2.15 The main responsibility of internal audit is to provide the Governing Body, the Headteacher and Leadership Team with assurances on the adequacy of the internal

control system and the management of risk. A report on Internal Audit Scrutiny is required to accompany the Financial Statements submitted to the ESFA.

- 2.16 The internal audit service remains independent in its planning and operation but has direct access to the Board, Headteacher and Chair of the Finance Committee.

### **3 REGISTER OF INTERESTS AND BUSINESS INTEGRITY**

- 3.1 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection and for governors, will be published on the Academy's website.
- 3.2 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 academy. The disclosures shall 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.
- 3.3 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff shall not attend that part of any committee or other meeting.
- 3.4 The Register of Interest shall be updated annually in September and presented to the following Finance Committee. It should be a standing agenda item at all Governor Meetings that any declaration of business interest be declared.

## **4 Governing Body - Terms of Reference**

### **4.1 Full Governing Body**

Membership & Disqualification: As laid down in the articles of the Academy Trust.

#### **Terms of reference:**

- i. To agree constitutional matters\*, including procedures where the Governing Body has discretion;
- ii. To recruit new members as vacancies arise and to appoint new governors\* where appropriate;
- iii. To hold at least three Governing Body meetings a year\*;
- iv. To appoint or remove the Chair and Vice Chair\*;



- v. To appoint or remove a Clerk to the Governing Body\*;
- vi. To establish the committees of the Governing Body and their terms of reference\*;
- vii. To appoint or remove a Clerk to each committee\*;
- viii. To suspend a governor\*;
- ix. To decide which functions of the Governing Body will be delegated to committees, groups and individuals\*;
- x. To receive reports from any individual or committee to whom a decision has been delegated and to consider whether any further action by the Governing Body is necessary\*;
- xi. To approve the first formal budget plan of the financial year;
- xii. To set the framework for pay and conditions of service of all staff;
- xiii. To keep the Health and Safety Policy and its practice under review and to make revisions where appropriate;
- xiv. To review the delegation arrangements annually\*;
- xv. To agree, by early in the autumn term, the programme of work and calendar of meetings for the Governing Body and its committees for the school year, based on known cycles of school improvement, financial management, staffing issues and communicating with parents;
- xvi. To monitor the progress of work being undertaken by committees and individuals;
- xvii. To establish and keep under review Critical Incident policy and procedures;
- xviii. To consider recommendations made by committees with regard to the working of the Governing Body;
- xix. To establish and keep under review a protocol for the Governing Body;
- xx. To establish and keep under review arrangements for Governors' visits to school;
- xxi. To oversee arrangements for Governor involvement in formulating and monitoring the School Improvement Plan;
- xxii. To attend to any other matters appropriately referred to the Governing Body.

**\* These matters cannot be delegated to either a Committee or an individual.**

**COMMITTEES** (whose meetings will be calendared, and for whom a quorum is one half of the membership of the committee).

## **4.2 Finance Committee**

**Membership:** The Chair of Governors (who is automatically Chair of this Committee); The Vice Chair; The Chair of the Pupil Related Matters Committee; one further representative from The Pupil Related Matters Committee; one further representative from the Finance Committee; The Headteacher; The Executive Business Manager (ex officio if the Executive Business Manager is not already a Governor).

**Disqualification:** Any relevant person employed to work at the school other than as the Headteacher, when the subject for consideration is the pay or performance review of any person employed to work at the school.

### **Terms of reference**

- i. In consultation with the Headteacher, to draft the first formal budget plan of the financial year;
- ii. To establish and maintain an up to date 3 year financial plan;
- iii. To consider a budget position statement in line with financial reporting requirements for academies;
- iv. To monitor expenditure of all voluntary funds kept on behalf of the Governing Body;
- v. To review charges and remissions policies and expenses policies annually;
- vi. To make decisions in respect of service agreements;
- vii. To make decisions on expenditure following recommendations from other committees;
- viii. To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised;
- ix. To determine whether sufficient funds are available for pay increments as recommended by the Headteacher;
- x. In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments;
- xi. To draft and keep under review the staffing structure in consultation with the Headteacher;
- xii. To establish a Pay Policy for all categories of staff and to be responsible for its administration, review and recommendation to the Board;
- xiii. To oversee the appointment procedure for all staff;
- xiv. To establish and review a Performance Management policy for all staff;
- xv. To oversee the process leading to staff reductions;
- xvi. To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence;
- xvii. To make recommendations on personnel related expenditure to the Full Governing Body;
- xviii. To consider any **appeal** against a decision on pay grading or pay awards;
- xix. To attend to any other matters appropriately referred to this Committee.

### **4.3 Pupil Related Matters Committee**

**Membership:** as agreed annually by nomination or volunteering at the Full Governing Body meeting in the Autumn Term.

#### **Terms of reference:**

- i. To elect a Chair and Vice Chair;
- ii. To monitor and advise the governing body on the standards in the school, particularly in relation to:
  - External examination results
  - Internal tracking and monitoring of progress
  - Expected levels of progress
  - The standard of teaching and learning
- iii. To consider and advise the governing body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy;

- iv. To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant Committees or the Governing Body;
- v. To make arrangements for the Governing Body to be represented at School Improvement discussions with external agencies and for reports to be received by the Governing Body;
- vi. To oversee arrangements for individual governors to take a leading role in specific areas of provision, e.g. SEN, Literacy, Numeracy. To receive regular reports from them and advise the Governing Body;
- vii. To oversee arrangements for educational visits, including the appointment of a named co-ordinator;
- viii. To monitor and oversee the arrangements for the school's policies and practice on:
  - Learning and Teaching
  - Behaviour and discipline
  - Care and guidance
  - Careers
  - Child protection
- ix. To receive reports and data relating to all the areas of reference.

#### **4.4 Strategy Committee**

**Membership:** Chair of Governors, Vice Chair of Governors, The Chairs of Pupil Related Matters and Finance Committees, Headteacher. Any other governor as is deemed appropriate.

#### **Terms of reference:**

- i. To oversee arrangements for Governor involvement in formulating and monitoring the School Improvement Plan;
- ii. To make recommendations to the Governing Body to establish exceptional working arrangements where particular circumstances arise e.g. a joint committee to oversee a building project or a special committee to oversee an Ofsted inspection;
- iii. To be available and respond to matters of particular difficulty, sensitivity or emergency and offer advice to the Headteacher;
- iv. To undertake tasks delegated to them by the Governing Body;
- v. To oversee a skills and training audit of the Governing Body so that the appropriate skilled governors are in the right roles and any training requirements are met;
- vi. To evaluate Governing Body committee meetings to ensure they are as effective as possible;
- vii. To provide feedback and advice to the Chair of Governors.

#### **4.5 Ad Hoc Committees (to be convened when needed):**

The Governing Body has the authority to set up any ad hoc committees and working parties as appropriate (such as committees that need to be convened as part of a staffing reduction process), however those committees will usually fall within this list of ad hoc committees. The Chair of an ad hoc committee may be determined by the full governing body or delegated to the committee to elect.

#### **4.6 Disciplinary Committee: Staff**

**Membership:** not fewer than 3 members of the Governing Body  
(NB. The number appointed to this committee directly affects the number required for an Appeal Committee).

**DISQUALIFICATION:** the Headteacher.

**Terms of reference:**

- i. To make any determination to dismiss any member of staff on disciplinary or capability grounds;
- ii. To make any decisions under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action;
- iii. To make any decisions relating to any member of staff other than the Headteacher, under the Governing Body's personnel procedures (*apart from those disciplinary matters delegated to the Headteacher*).

#### **4.7 Disciplinary Committee: Students**

**Membership** not fewer than 3 members of the Governing Body  
(NB. The number appointed to this committee directly affects the number required for an Appeal Committee).

**Disqualification:** the Headteacher, any governors with prior knowledge of the student (except in the case of a final warning or intervention committee, whose members may sit on both the final warning hearing and then a permanent exclusion panel for the same student).

**Terms of reference:**

- i. To consider representations from parents in the case of exclusions of 5 days or less (*Committee may not re-instate*);
- ii. To consider representations from parents in the case of exclusions totalling more than 5 but not more than 15 school days in one term (*meeting to be held between 6<sup>th</sup> and 50<sup>th</sup> school days after receiving notice of the exclusion*);
- iii. To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (*meeting to be held between 6<sup>th</sup> and 15<sup>th</sup> school days after receiving notice of the exclusion*);
- iv. To conduct 'final warning' or intervention hearings with students in danger of permanent exclusions.

#### **4.8 Hearings Committee**

**Membership:** no fewer than 3 governors decided by whichever body sets up the Hearings Committee (the relevant committee or full governing body).

**Disqualification:** to be agreed by the setting-up body (eg it would not be appropriate for a staff governor to hear a staff-related matter).

**Terms of reference:**

- i. To consider individual cases that are not covered by the other ad hoc committees;
- ii. To make any determination on matters delegated to the committee by the full Governing Body or one of the standing committees;
- iii. To make any determination as to whether a case needs to be referred to another committee.

*This committee does not have powers to discipline staff or students, but it may rule on matters of disagreement, grievance or dispute that are not covered by one of the other standing or ad hoc committees.*

#### **4.9 Appeals Committee**

**MEMBERSHIP:** the same as the original committee for which the appeal is lodged.

**DISQUALIFICATION:** the Headteacher, any governor who sat on the original committee.

**Terms of reference:**

- i. To consider any appeal against a decision to dismiss a member of staff made by the Disciplinary Committee;
- ii. To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability;
- iii. To consider any appeal against selection for redundancy.

#### **4.10 Headteacher's Performance Review Group/ Pay Committee**

**Terms of reference:**

- i. To arrange to meet with the External Adviser to discuss the Headteacher's performance targets;
- ii. To decide, with the support of the External Adviser, whether the targets have been met and to set new targets annually;
- iii. To monitor through the year the performance of the Headteacher against the targets;
- iv. To make recommendations to the Finance Committee in respect of awards for the successful meeting of targets set;
- v. To establish, review and make recommendations to the Board in relation to changes to the Pay Policy, in consultation with the Headteacher and other relevant staff.

**Membership** – at least 3 governors.

**Disqualification** – the Headteacher and any staff governor.

#### **4.11 Delegation of Responsibility to Individuals**

Any individual to whom responsibility has been delegated is expected to work within the following terms of reference.

##### **Terms of reference:**

- i. To liaise with the appropriate member(s) of staff;
- ii. To visit the school with the purpose of gathering information concerning their area of responsibility and to increase their knowledge of the School;
- iii. To regularly report to the Governing Body, the Pupil Related Matters Committee or the Finance Committee, whichever the Governing Body deems most appropriate, on developments and progress within their area of responsibility;
- iv. To raise the profile of the area of responsibility when related matters are considered by the Governing Body;
- v. To attend training as appropriate.

**Disqualification** – The following functions cannot be delegated to an individual:

Functions relating to:

- The alteration, closure or change of category of maintained schools;
- The approval of the first formal budget plan of the financial year;
- School discipline policies;
- Exclusions of pupils (except in an emergency when the chair has the power to exercise these functions);
- Admissions.

#### **ROLES OF CERTAIN GOVERNORS AND OFFICERS:**

#### **4.12 The Role of the Chair of the Governing Body**

- i. To ensure the business of the Governing Body is conducted properly, in accordance with legal requirements;
- ii. To ensure meetings are run effectively, focusing on priorities and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making;
- iii. To establish and foster an effective relationship with the Headteacher based on trust and mutual respect for each other's roles. The Chair has an important role in ensuring that the Governing Body acts as a sounding board to the Headteacher and provides strategic direction.

**Disqualification** – the Headteacher, Staff Governors, Pupils, Staff Members.

#### **4.13 The Role of the Clerk to the Governing Body**

- i. To work effectively with the Chair of Governors, the other Governors and the Headteacher to support the Governing Body;

- ii. To advise the Governing Body on Constitutional and Procedural Matters, duties and powers;
- iii. To convene meetings of the Governing Body;
- iv. To attend meetings of the Governing Body and ensure minutes are taken;
- v. To maintain a register of members of the Governing Body and report vacancies to the Governing Body;
- vi. To give and receive notices in accordance with relevant regulations;
- vii. To perform such other functions as may be determined by the Governing Body from time to time.

**Disqualification** – Governors, Associate Members, the Headteacher.

#### **4.14 The Role of the Chair of a Committee**

- i. To ensure the business of the Committee is conducted properly, in accordance with legal requirements;
- ii. To ensure meetings are run effectively, focusing on priorities and making the best use of time available, and to ensure that all members have an equal opportunity to participate in discussion and decision-making.

**Disqualification** – none.

#### **4.15 The Role of the Clerk to Committees**

- i. To advise the Committee on procedural and legal matters;
- ii. To convene meetings of the Committee;
- iii. To attend meetings of the Committee and ensure minutes are taken;
- iv. To perform such other functions with respect to the Committee as may be determined by the Governing Body from time to time.

## **5 ACCOUNTING SYSTEM**

- 5.1 All the financial transactions of the academy must be recorded on the approved accounting system, currently PS Financials.
- 5.2 The PS Financials system is hosted on the school network and maintained by IT Support Services provided by Entrust. The system is operated by the Business Services Department.

### **System Access**

- 5.3 Entry to the accounting system is password restricted.
- 5.4 Access to the component parts of the Financials system can also be restricted and the Executive Business Manager is responsible for setting access levels for all members of staff using the system.

### **Back-up Procedures**

- 5.5 The IT Support Service is responsible for ensuring that there are effective back-up procedures in place for the whole school network and including the accounting system. IT Support Services are provided through an external contractor, currently under a SLA with Entrust which undertakes to provide the back-up service.

### **Transaction Processing**

- 5.6 All transactions input to the accounting system must be authorised in accordance with the agreed delegated authority controls and procedures detailed within these regulations.
- 5.7 Bank transactions should be input by Business Services Administrator.
- 5.8 Detailed information on the operation of the accounting system are held in user manuals in the Business Services Department.

### **Transaction Reports**

- 5.9 The Executive Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
  - i. the monthly audit trail reports;
  - ii. management accounts summarising expenditure and income against budget at budget holder level.



## **Reconciliations**

- 5.10 The Business Services Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- i. sales ledger control account;
  - ii. purchase ledger control account;
  - iii. payroll control accounts;
  - iv. VAT control accounts;
  - v. all suspense accounts; and
  - vi. bank balance per the nominal ledger to the bank statement.
- 5.11 Any unusual or long outstanding reconciling items must be brought to the attention of the Executive Business Manager. The Executive Business Manager will review and sign reconciliations on a monthly basis as evidence of his or her review.

## **School Fund**

- 5.12 School Fund transactions must be recorded on the school accounting system under separate cost centre accounts. They are banked separately from Public Funds.
- 5.13 A separate bank account shall be maintained by the academy for the School Fund.
- 5.14 The same principles will apply to School Funds as to Public Funds.
- 5.15 All monies must be banked through the Finance Office. The Business Services Administrator is responsible for maintaining detailed records and payments made via School Funds.
- 5.16 All responsible teaching staff must ensure that each individual fund does not go overdrawn. Payments must therefore be made after the relevant cash has been collected from pupils contributing to the fund.

## **6 FINANCIAL PLANNING**

- 6.1 The academy prepares both medium term and short-term financial plans.
- 6.2 The medium term financial plan is prepared as part of the School Improvement Planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three to five years.
- 6.3 The development plan provides the framework for the annual budget. The annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year.
- 6.4 The development planning process and the budgetary process are described in more detail below.

### **School Improvement Plan**

- 6.5 The development plan is contained within the School Improvement Plan and is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 6.6 The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the ESFA and Ofsted.
- 6.7 Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:
  - i. A review of past activities, aims and objectives - "did we get it right?"
  - ii. Definition or redefinition of aims and objectives - "are the aims still relevant?"
  - iii. Development of the plan and associated budgets - "how do we go forward?"
  - iv. Implementation, monitoring and review of the plan - "who needs to do what by when to make the plan work and keep it on course" and
  - v. Feedback into the next planning cycle - "what worked successfully and how can we improve?"
- 6.8 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.
- 6.9 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should

also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

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

### **Annual Budget**

- 6.11 The Executive Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance Committee and the Governing Body.
- 6.12 The approved budget must be submitted to the ESFA in accordance with the timetable issued each year and the Executive Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 6.13 The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 6.14 The budgetary planning process will incorporate the following elements:
- i. Forecasts of the likely number of students to estimate the amount of ESFA grant receivable;
  - ii. Review of other income sources available to the academy to assess likely level of receipts;
  - iii. Review of past performance against budgets to promote an understanding of the academy cost base;
  - iv. Identification of potential efficiency savings; and
  - v. Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

### **Balancing the Budget**

- 6.15 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. 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.

### **Finalising the Budget**

- 6.16 Once the different options and scenarios have been considered, a draft budget shall be prepared by the Executive Business Manager for approval by the Headteacher, Finance Committee and the Governing Body. The budget shall be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 6.17 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 which may need revising throughout the year as circumstances change.

### **Monitoring and Review**

- 6.18 Monthly management accounts will be prepared by the Executive Business Manager for the Headteacher, Chair of the Governing Body and the Finance Committee. The format of the Management Accounts shall comply with the requirements of the Academies Financial Handbook and must include:
- i. Income and expenditure account;
  - ii. Forecast to Budget variation report;
  - iii. Cashflow Forecast;
  - iv. Balance Sheet; and
  - v. KPIs agreed by the Board.
- 6.19 Any potential overspend against the budget must in the first instance be discussed with the Executive Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Executive Business Manager.
- 6.20 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. The Headteacher may authorise budget virements if there is no change to the overall budget position and future years of the forecast. All budget adjustments that impact on the overall budget position must be authorised by the Finance Committee.

## **7 EMPLOYMENT OF STAFF AND PAYROLL**

### **Pay Policy**

- 7.1 All CCHS staff must be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Headteacher.
- 7.2 The salary and other benefits of the Headteacher and Deputy Headteachers shall be determined by the Board.

### **Payroll**

- 7.3 The Executive Business Manager is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting speakers or other off-payroll workers, must be in a form prescribed or approved by the Executive Business Manager.
- 7.4 Cannock Chase High School employs the services of the Stoke City Council to administer the payroll of all employees for the academy. The details of the agreement are contained within the Service level Agreement between the authority and the Academy.

### **Appointment of Staff**

- 7.5 All contracts of service must be concluded in accordance with CCHS's approved Human Resources policies and procedures and all offers of employment with CCHS must be made in writing by the Headteacher. The Headteacher must ensure that the Executive Business Manager is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.
- 7.6 The Governing Body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- 7.7 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the Executive Business Manager whose appointments must follow consultation with the governors.
- 7.8 The Executive Business Manager maintains personnel files for all members of staff which include contracts of employment. The Headteacher is responsible for ensuring that all personnel changes are notified to the Executive Business Manager.

- 7.9 The Executive Business Manager is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees must be included on the payroll.
- 7.10 The Executive Business Manager is responsible for keeping all records relating to payroll including those of a statutory nature.

### **Superannuation schemes**

- 7.11 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 7.12 The Executive Business Manager is responsible for day-to-day superannuation matters, including:
- i. paying contributions to various authorised superannuation schemes;
  - ii. preparing the annual return to various superannuation schemes;
  - iii. administering the superannuation schemes.

### **Travel, subsistence and other allowances**

- 7.13 All claims for payment of subsistence allowances, travelling and incidental expenses must be completed in a form approved by the Executive Business Manager and in accordance with the rules set out in CCHS's expenses policy.
- 7.14 Claims by members of staff must be authorised by their Leadership Team link. The certification by the Leadership Team will be taken to mean that:
- i. the journeys were authorised
  - ii. the expenses were properly and necessarily incurred
  - iii. the allowances are properly payable by CCHS
  - iv. consideration has been given to value for money in choosing the mode of transport
- 7.15 Arrangements for travel by the Headteacher must be approved by the Chair of the Board.

### **Severance and other non-recurring payments**

- 7.16 Severance payments must only be made in accordance with relevant legislation and under a scheme approved by the Board. Approval from the ESFA must be sought where this is a requirement of the Academies Financial Handbook.
- 7.17 Professional advice must be obtained where necessary. No amounts may be expended that exceed the budget allocated for the purpose. All such payments must be authorised by the Headteacher and calculations checked by the Executive Business Manager. Amounts paid must be disclosed in the Financial Statements.

- 7.18 All matters referred to on industrial tribunal shall be notified to the Executive Business Manager at the earliest opportunity in order that budget provision may be made as necessary. All determination of tribunals must be similarly notified.

### **Payroll Administration**

- 7.19 All staff are paid monthly through the Payroll Department at Stoke-on-Trent city Council.
- 7.20 All payroll amendments shall be entered through the secure online portal or emailed to the LA by the agreed date to ensure payment is made. Changes may only be made by authorised users with appropriate access rights.
- 7.21 Access to the system is password controlled. Password control procedures and back-up arrangements are in place and are the responsibility of the payroll provider.
- 7.22 All staff absences must be notified to the Business Services Officer on a daily basis and appropriate forms completed by absent employees on their return. Forms are signed by the employee and their Line Manager and returned to the Business Services Officer. The Business Services Officer records absence information directly onto the payroll system on a monthly basis, to be included in the employee's payroll records.
- 7.23 All amendments to the Organisation Structure need to be submitted to the LA on the correct form to update the master payroll files.
- 7.24 Any new staff appointments, terminations and variations are recorded on the payroll system by the Executive Business Manager.
- 7.25 Monthly payroll reports are sent to the Executive Business Manager for authorisation before the payroll can be run. It is the responsibility of the Headteacher and the Executive Business Manager to ensure the payroll is correct and if errors have been made these are notified to the LA immediately for correction. The payroll cannot be run until the LA has received authority from the Headteacher and the Executive Business Manager.

### **Payments**

- 7.26 All salary payments are made by BACS.
- 7.27 The Executive Business Manager shall prepare a reconciliation between the current month's and the expected gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.
- 7.28 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance

contributions and pensions. These payments are then made by the LA on behalf of the academy.

- 7.29 After the payroll has been processed the accounting system will be updated by the Business Services Officer. Postings will be made both to the payroll control account and to individual cost centres. The Business Services Officer shall prepare a reconciliation of all payroll control accounts on a monthly basis, to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to a suspense account. The Executive Business Manager will review, validate and authorise these reconciliations each month.
- 7.30 On an annual basis the Executive 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 file in the Executive Business Manager's Office.



## 8 PURCHASING

- 8.1 The academy aims to achieve the best value for money from all our purchases. This signifies that they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of Academy purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:
- i. **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
  - ii. **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs;
  - iii. **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

### Routine Purchasing

- 8.2 Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder at the end of each half term and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 8.3 Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Executive Business Manager
- 8.4 Orders shall be placed for all goods and services except for such items as recurring charges for public utilities, petty cash purchases and any other general exception approved by the Executive Business Manager.
- 8.5 All orders must be made, or confirmed, in writing using an official requisition form, stocks of which are available from the Finance Office. Requisitions must bear the signature of the budget holder and must be forwarded to the Business Services Administrator to be processed.
- 8.6 All orders are recorded on the accounting system and dispatched to the supplier by the Business Services Administrator.
- 8.7 The Business Services Administrator shall make appropriate arrangements for the delivery of goods to the School. On receipt the budget holder must undertake a

detailed check of the goods received against the delivery note and make a record of any discrepancies between the goods delivered and the delivery note. Discrepancies shall be notified to the Business Services Administrator without delay and the supplier of the goods will be contacted to resolve differences.

- 8.8 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Business Services Administrator will keep a central record of all goods returned to suppliers.
- 8.9 All invoices should be sent directly to the Business Services Administrator for recording. The Business Services Administrator will issue invoices to budget holders for verification and authorisation by application of their signature. Upon authorisation of an invoice for payment, a budget holder is certifying that:
- i. Goods or services have been received as ordered and specified;
  - ii. The price and quantities on the invoice is correct;
  - iii. They certify that the invoice is properly payable in full.
- 8.10 The Budget Holder shall undertake these checks promptly on receiving the invoice and return the authorised document to the Business Services Administrator without delay.
- 8.11 If a Budget Holder is pursuing a query with a supplier, the Business Services Administrator must be informed of the query and periodically kept up to date with progress.
- 8.12 Once this process is complete, the budget holder shall return invoices to the Business Services Administrator to be entered onto the accounting system and processed against the original order.
- 8.13 Creditor payments are made fortnightly and must be checked by the Business Services Officer and authorised by the Executive Business Manager. The BACS payment run is prepared by the Business Services Administrator and this must be checked against copies of the invoices by the Business Services Officer and any errors must be rectified.
- 8.14 All payruns shall be authorised by two nominated cheque signatories, in line with the Academy bank mandate for payments, one of which shall be the Executive Business Manager or the Headteacher.
- 8.15 The Executive Business Manager shall upload the supplier BACS file to the online banking system and providing one level of authorisation for the payment. The Headteachers PA will counter authorise the payment run on the online banking system, on behalf of the Headteacher.

**The following financial guideline must be strictly adhered to at all times.**

**8.16 Orders over £10,000 but less than £25,000**

At least two estimates or price lists shall be obtained for all orders between £10,000 and £25,000 to identify the best source of the goods/services. Written details of documents obtained shall be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. If quotations are impractical for a particular order, the Executive Business Manager or Headteacher may approve in writing that they be waived in part or in full, provided value for money can be demonstrated.

**8.17 Orders over £25,000 but under £100,000**

At least three written estimates shall be obtained for all orders between £25,000 and £100,000 to identify the best source of the goods/services. Written details of documents obtained shall be prepared and retained by budget holders for audit purposes. Telephone quotes are not acceptable. In exceptional circumstances, the Finance Committee may approve that the requirement be waived in part or in full, provided value for money can be demonstrated.

**8.18 Orders over £100,000**

All goods/services ordered with a value over £100,000, or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures or through suitable procurement frameworks. Purchases over £189,330 excluding VAT (threshold from 31/01/2020) may fall under EU procurement rules which require advertising in the Official Journal of the European Union

8.18 The Executive Business Manager is authorised to waive the Financial Regulations where the interests of the Academy are best served by doing so. This authorisation is strictly subject to the following provisions:

- i. Approval to waive the Financial Regulations must be obtained prior to placing an order;
- ii. Where the Executive Business Manager places the order, the waiver must be authorised by the Headteacher;
- iii. All waivers for goods and services over the value of £25,000 must be reported to the Finance Committee;
- iv. The Finance Committee may restrict the circumstances under which a waiver may be granted.

8.19 Requirements to seek such an exception must be made in writing to the Executive Business Manager, providing the rationale for the request, who shall retain records of all agreed exceptions for 6 years after the event, for inspection by the audit service.

8.20 The Executive Business Manager may consider authorising a waiver where he/she is satisfied that the goods or services are:

- i. Only available from one source and no satisfactory alternative exists;
- ii. Controlled prices by government order or trade practice;
- iii. Urgently required and delay would cause significant organisational disruption;
- iv. Unforeseeable additional work is discovered during a contract, taking the price above the original category in regard to quotations/tenders.

## 9 TENDERING

### Forms of Tenders

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

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

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

- i. There is a need to maintain a balance between the contract value and administrative costs;
- ii. 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;
- iii. The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

9.4 **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- i. The above methods have resulted in either no or unacceptable tenders;
- ii. Only one or very few suppliers are available;
- iii. Extreme urgency exists;
- iv. Additional deliveries by the existing supplier are justified.

### Preparation for Tender

9.5 Full consideration should be given to the:

- i. Objective of project
- ii. Overall requirements
- iii. Technical skills required
- iv. After sales service requirements

- v. Form of contract.

9.6 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**

9.7 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.

9.8 An invitation to tender should include the following:

- i. Introduction/background to the project;
- ii. Scope and objectives of the project;
- iii. Technical requirements;
- iv. Implementation of the project;
- v. Terms and conditions of tender; and
- vi. Form of response.

### **Aspects to Consider**

#### **9.9 Financial**

- i. 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.
- ii. Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- iii. Is there scope for negotiation?

#### **9.10 Technical/Suitability**

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

#### **9.11 Other Considerations**

- i. Pre sales demonstrations
- ii. After sales service
- iii. 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**

- 9.12 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**

- 9.13 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: the budget holder, the Executive Business Manager or the Headteacher;
- 9.14 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

## **Tendering Procedures**

- 9.15 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.
- 9.16 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.
- 9.17 Full records shall be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to Finance Committee.
- 9.18 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.
- 9.19 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.
- 9.20 The Academy's regulations and procedures for obtaining competitive tenders and/or quotations may be set aside where:
- i. The supply is proposed under special arrangements negotiated by the school in which the said special arrangements must be complied with in relation to procurement;

- ii. The timescale genuinely precludes competitive tendering. Failure to plan the work is not a justification for single tender;
- iii. Specialist expertise is required and is only available from one source;
- iv. The task is essential to complete a project, arises from a recently completed project and engaging different consultants for the new task would be inappropriate;
- v. There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of continuity must outweigh any potential financial advantage to be gained by competitive tendering.

## **10 INCOME**

- 10.1 It is the responsibility of all staff to ensure that revenue to CCHS is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Executive Business Manager of sums due so that collection can be initiated.
- 10.2 The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Executive Business Manager who is responsible for ensuring that all grants due to the academy are collected.
- 10.3 The academy also obtains income from:
- i. Students, mainly for trips and music tuition;
  - ii. The public, mainly for sports lettings.

### **Trips**

- 10.4 A lead teacher must be appointed for each trip proposal to take responsibility for the management of the trip, including agreement with the Business Services Administrator as to the level of charge to be made to ensure that the trip does not run at a loss and the timing of receipts. The lead teacher shall prepare a Visits Proposal Form for each trip and this will include a financial analysis of costs and charges. The Visits Proposal Form is submitted to the Leadership Team for consideration and approval.
- 10.5 Approved forms shall be given to the Business Services Administrator, who shall set up trips for payment via the Academy's ParentPay website. The Business Services Administrator shall provide reports to the lead teacher, who will liaise with parents to ensure that amounts are paid before the trip takes place.
- 10.6 Payments shall be made via ParentPay where practicable. In exceptional circumstances the Executive Business Manager may agree that a specific student can make payments to the Finance Office. Where this is agreed, a receipt/payment card must be issued for all monies collected and the value of the payment.

- 10.7 The Business Services Administrator should maintain an up to date record for each student showing the amount paid and the amount outstanding, where this information is not recorded on ParentPay. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.

### **Lettings**

- 10.8 The Business Services Officer is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments shall be invoiced in advance for the use of facilities.
- 10.9 Details of organisations using the facilities shall be maintained by the Business Services Administrator who will establish a sales ledger account and produce a sales invoice from the accounting system.
- 10.10 Organisations using the school's facilities should be instructed to send all payments to the Finance Office or made direct to the academy current account.
- 10.11 Unless otherwise stated in a member of staff's contract, outside consultancies and other paid work must not be accepted without the consent of the Headteacher.

### **Receipt of cash, cheques and other negotiable instruments**

- 10.12 All monies received within school from whatever source must be recorded by the Business Services Administrator on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.
- 10.13 All monies received must be paid to the Business Services Administrator promptly. The custody and transit of all monies received must comply with the requirements of CCHS's insurers.
- 10.14 All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses. Personal or other cheques must not be cashed out of money received on behalf of CCHS.
- 10.15 School receipts/payment cards shall be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking.
- 10.16 Banking shall take place every week if the sums collected exceed the insurance limit of the Finance safe (£5,000). Where total cash collected and held in the safe is less than £500, banking intervals shall be determined by the Executive Business Manager. Sums collected and held in the Finance Office safe may not exceed the £5,000 insurance limit.



10.17 Monies collected must be banked in their entirety in the appropriate bank account. The Business Services Officer shall check that the cash being deposited in to the bank matches the records of amounts collected and shall make a record of this check. The Business Services Administrator 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 each bank statement. The Business Services Officer will confirm that the amounts authorised to be paid in to the bank reconcile with the corresponding amounts recorded on the bank statement as part of the monthly bank reconciliation process.

### **Collection of debts**

10.18 The Executive Business Manager must ensure that:

- Debtors invoices are raised promptly on official invoices, in respect of all income due to CCHS;
- Invoices are recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- Any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- Monies received are posted to the correct debtors account;
- Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the Financial Procedures;
- Outstanding debts and sales ledger credits are monitored and reports prepared for management.

10.19 The Business Services Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

10.20 No debts should be written off without the express approval of the Executive Business Manager. The Executive Business Manager shall obtain approval from the Headteacher for any write-off over the value of £500. Where a proposed write-off exceeds £1,000 in value, the Executive Business Manager shall seek the approval of the Finance Committee. DfE prior approval is also required if debts to be written off are above the value set out in the Annual Funding Letter.

## **11 CASH MANAGEMENT**

11.1 The Board is responsible for approving a strategy and policies for cash management, long term investments and borrowings. The policy will require compliance with the Designated Funding Body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memoranda.

The Board of Trustees has a responsibility to ensure implementation, monitoring and review of such policies.

11.2 Decisions concerning borrowing, investment or financing are the responsibility of the Board on the advice of the Finance Committee.

11.3 The Executive Business Manager shall report to the Finance Committee annually on the activities of the treasury management operation.

### **Bank Accounts**

11.4 The opening of all bank accounts must be authorised by the Governing Body 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.

### **Deposits**

11.5 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details shall include:

- i. The amount of the deposit; and
- ii. A reference, such as the number of the receipt or the name of the debtor.

### **Payments and withdrawals from academy bank accounts**

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

- i. Headteacher;
- ii. Deputy Headteacher;
- iii. Assistant Headteachers;
- iv. Executive Business Manager.

11.7 This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the academy.

11.8 All automated transfers such as BACS, CHAPS and Faster Payments, must be authorised in the appropriate manner and on the basis approved by the Board of Trustees.

### **Debit cards**

11.9 The academy maintains a number of debit cards to assist in purchasing and cash management. Debit cards are issued on the authorisation of both the Headteacher

and the Executive Business Manager and shall be kept securely in the Finance safe, or other locked receptacle, when not in use.

11.10 The Executive Business Manager shall maintain a register of all debit card holders.

11.11 Debit card holders shall only use their card to purchase items for the use of the academy, that have been appropriately requested and authorised via a Requisition Form signed by the appropriate Budget Holder. Debit Card holders are responsible for the safe custody of their card when it is not stored in the Finance safe.

### **Administration**

11.12 The Executive 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:

- i. All bank accounts are reconciled to the academy's cash book;
- ii. Reconciliations are prepared by the Business Services Administrator and the Business Services Officer;
- iii. Reconciliations are subject to an independent monthly review carried out by the Executive Business Manager;
- iv. Adjustments arising are dealt with promptly.

### **Investments**

11.13 Investments must be made only in accordance with written procedures approved by the Governing Body.

11.14 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.

### **Cashflow Forecasts**

11.15 The Executive Business Manager is responsible for preparing cashflow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps shall be taken to invest the additional funds. Plans shall be made to transfer funds from another bank account to cover potential cash shortages.

## **12 PETTY CASH**

- 12.1 The academy maintains a maximum cash balance of £2,000. The cash is administered by the Business Services Administrator and is kept in the Finance office safe.
- 12.2 All purchases must be agreed in advance by the relevant budget holder.
- 12.3 A VAT receipt should be requested and obtained when purchasing items through petty cash.
- 12.4 All receipts should be countersigned by an approved signatory or budget holder.
- 12.5 Receipts should be passed to the Business Services Administrator as soon as possible for reimbursement.

### **Deposits**

- 12.6 All receipts should be recorded in the petty cash system with the date, amount and a reference relating to the payment.

### **Payments and Withdrawals from petty cash**

- 12.7 In the interests of security, petty cash payments will be limited to £50, unless the Executive Business Manager approves a higher payment at the Headteacher's request. Higher value reimbursements should be made by Faster Payment directly from the main bank account as a cash book payment.

### **Administration**

- 12.8 The Business Services Administrator 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 Business Services Officer to ensure that the cash balance reconciles to supporting documentation.

### **Physical Security**

- 12.9 Petty cash should be held in a locking cash box which is secured in the safe overnight.

## **13 CREDIT CARDS**

- 13.1 The Academy shall have in place arrangements for the purchase of goods and services utilising a credit card. Credit Cards will be secured in the Academy safe in the Finance Office, or other locked receptacle, when not in use.

### **Payments and withdrawals**

- 13.2 Credit Card holders, authorised by designated budget holders, shall use the Credit Card as a method of payment for the purchase of goods and services. All procedures covering approval and payments shall be the same as for traditional purchases. All card purchases must be authorised in advance, including those made over the internet, by completion of signed Order Requisitions raised by the Budget Holder and authorised in line with academy purchasing regulations. Such requisitions shall be submitted to the Business Services Administrator to demonstrate approval and provide information required for the procurement process. The Business Services Administrator shall complete all credit card purchases.
- 13.3 Official orders shall not be raised on the accounting system where the Credit Card is used to pay for goods and services.

### **Administration**

- 13.4 The control, issue of cards, limits and general administration of Academy Credit Cards shall be the responsibility of the Executive Business Manager and the Business Services Officer. All new cards shall be authorised in advance by the Headteacher and the Executive Business Manager. Card limits and subsequent changes will be authorised in advance by one of the above, in line with the Scheme of Delegation.
- 13.5 The Credit Card holder shall be responsible for reconciling the monthly statement with the record of purchases made or refunds expected. Purchase receipts shall be returned by the card holder to the Business Services Administrator as soon as practicably possible. The Business Services Administrator shall reconcile all credit card statements on a monthly basis to the Academy Bank Account and process the payment in accordance with normal procedures.
- 13.6 The Executive Business Manager shall undertake a review of all credit card reconciliations and purchases on a monthly basis.

## **14 FIXED ASSETS**

### **Asset register**

- 14.1 All items purchased with a value over the academy's capitalisation limit must be entered in an asset register.

14.2 The purchase, lease or rent of land, buildings or fixed plant must only be undertaken with authority from the Board of Trustees and with reference to the Designated Funding Body requirements in relation to approval of the Secretary of State.

14.3 The Executive Business Manager is responsible for maintaining the fixed asset register. Budget Holders must provide the Executive Business Manager with any information they may need to maintain the register. The asset register should include the following information:

Asset description:

- i. Asset number
- ii. Serial number
- iii. Date of acquisition
- iv. Asset cost
- v. Source of funding (percentage of original cost funded from DfE grants/other sources)
- vi. Expected Useful Economic Life (UEL)
- vii. Depreciation to date
- viii. Current Net Book Value
- ix. Location
- x. Name of member of staff responsible for the asset

14.4 The Asset Register helps:

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

### **Security of Assets**

14.5 The Headteacher is responsible for the care, custody and security of the buildings, stock, stores, furniture and cash under their control. They must consult the Executive Business Manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

14.6 All staff have a responsibility to ensure that assets of the academy are secure at all times, through monitoring of use, safe storage of equipment and locking of facilities when not in use.

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

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

### **Disposals**

- 14.10 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Executive Business Manager and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid and for the disposal of land and buildings.
- 14.11 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.
- 14.12 The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the ESFA a proportion of the sale proceeds.
- 14.13 All disposals of land must be agreed in advance with the Secretary of State.

### **Loan of Assets**

- 14.14 Items of academy property must not be removed from academy premises without the authority of the Director of Learning Community and the Executive Business Manager shall be informed. A record of the loan must be recorded in a loan agreement and booked back into the academy when it is returned.
- 14.15 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

## **Tangible Fixed Assets**

- 14.16 Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.
- 14.17 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 the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.
- 14.18 Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

## **Depreciation**

- 14.19 Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful economic lives.
- 14.20 The principle annual depreciation rates used are detailed below

Computer equipment and software	20% Straight Line
Furniture and equipment	20% Straight Line
Freehold Property	2% Straight Line
Building Refurbishments	10% Straight Line
Motor Vehicles	20% Straight Line

## **Inventory**

- 14.21 Directors of Learning Community, their Assistant Directors and Heads of Department (Inventory Managers) are responsible for maintaining inventories, in a form prescribed by the Executive Business Manager, for all plant, equipment, furniture and stores in their departments with a value in excess of £100. The inventory must include items donated or held on trust.
- 14.22 Inventories must be checked at least annually and at the end of the financial year a certificate of the inventories held must be completed and signed by the designated Inventory Manager and submitted to the Business Services Administrator.
- 14.23 When transferring equipment, between departments, a transfer record must be kept and the inventories amended accordingly.
- 14.24 Write off of equipment shall be notified by the Inventory Manager in a format prescribed by the Executive Business Manager, to the Business Services



Administrator. All write-offs shall be approved by the Executive Business Manager before disposal.

## **15 BUDGETARY PLANNING AND CONTROL**

15.1 Cannock Chase High School requires a formal and secure system for financial budgeting and control. The purpose of this procedure is to control expenditure, prioritise available resources and detail financial accountability. Financial responsibilities of the Governing Body and the academy staff will be addressed and a control structure determined. Duties will be outlined and staff capability and training matched to responsibilities. Additionally authority and supervision levels will be outlined. The procedures will also detail effective and secure financial systems and arrange for their proper documentation.

### **Organisational Structure of Financial Responsibilities**

15.2 The organisational structure of financial responsibilities is set out in the table below:

Governing Body	To receive and scrutinise the annual budget and forecasts to be submitted to the ESFA and where necessary, referring back to the Finance Committee for review.
Finance Committee	To make recommendations to the full Governing Body regarding the annual budget and financial forecasts.
Headteacher & Executive Business Manager	Provisional Budget preparations.

### **The Budget**

15.3 The Budget planning process consists of four phases:

- i. Planning
- ii. Budgeting
- iii. Monitoring
- iv. Review

15.4 Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of the Academy's economic health. Success in meeting the budget aims can only be achieved if care has been taken in determination of policies and expenditure is strictly controlled throughout the budget life span. A continuous review of the aims and priorities of the strategy should follow from monitoring and analysis of performance. Responsibility for control of budgetary affairs ranges through all tiers of Academy management, from the Chair of Governors through the Headteacher, the Executive Business Manager and Budget Holders, through to colleagues directly concerned in the classroom or in supporting roles.

## **Budget Planning**

15.5 The size of the school and the wish to retain wide representation suggests the separation of the budget into distinct and manageable categories. The expenditure at Cannock Chase High School Academy falls into six main categories and this system has been adopted. The budget categories are:

- i. Employee (Direct and Indirect) Costs
- ii. Building Maintenance (including utilities) Costs
- iii. Learning Resources (including ICT) Costs
- iv. Department Costs
- v. Bought in Service Costs
- vi. Capital Expenditure

15.6 The budget is continually monitored throughout the year, forming a basis for the new budget. The final outturn budget is then used as a control in informing the new budget with addition of known percentage increase/decreases factored in such as the cost of utilities. Department budgets are allocated using a capitation formula which takes into account student numbers, key stage and type of course. The Executive Business Manager will present this indicative budget to the Headteacher for discussion, the budget is then taken to the Finance Committee for review and recommendation to the Governing Body for ratification. The Board of Governors hold the final decision regarding the Academy's budgets.

15.7 The Budget Holders will control expenditure in their category of the Final Budget.

15.8 These operating budgets must be prepared within the context of the School Improvement Plan.

15.9 A clear statement of the accounting basis and assumptions must be maintained by the Executive Business Manager to support budget preparations and financial reporting.

## **Budget Control and Monitoring**

15.10 Budget Holders retain responsibility to the Headteacher for routine control and monitoring of their budget expenditure, although in practice this will be completed by the Executive Business Manager, the Business Services Team. Close liaison between these staff and the Budget Managers will be necessary. Involuntary variations to predicted expenditure are investigated and if significant, the Headteacher is informed.

## **Review of Budget**

15.11 This process of budget review is continuous and a close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports

and in particular the action taken on variances, are regularly reviewed by the Executive Business Manager and Headteacher. Any further action taken must be clearly documented.

### **Financial Responsibility**

- 15.12 The Governing Body has delegated responsibility for routine control to the Finance Committee. The Finance Committee will meet on a termly basis to review expenditure.

### **Conclusion**

- 15.13 A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore budget managers responsible for expenditure with definable manageable areas help the Executive Business Manager produce a consolidated budget. The budget needs consideration by the Finance Committee and the Headteacher before going to the Governing Body for approval. The Finance Committee has delegated authority from the Governing Body to exercise control and advice over financial affairs.

## **16 TAXATION**

- 16.1 The Executive Business Manager is responsible for advising the Headteacher, in the light of guidance issued to the Academy by the appropriate bodies, and of relevant legislation as it applies, on all taxation issues relating to the Academy. The Executive Business Manager will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.
- 16.2 The Executive Business Manager is responsible for maintaining tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **17 MONEY LAUNDERING**

- 17.1 In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 Cannock Chase High School and its employees must comply with the legislation and ensure that the highest standard of due diligence are applied in relation to 'know your customer' principles.
- 17.2 The Executive Business Manager is the designated Money-Laundering Reporting Officer (MLRO). All staff are required to inform the MLRO if money laundering is suspected.

- 17.3 Staff should be vigilant to unusual transactions or larger cash payments that are inconsistent with a parents known business type or source of income. Staff involved in the receipt of cash will be provided with appropriate Anti-Money Laundering training.
- 17.4 If the MLRO suspects that money laundering may be taking place, he/she will submit a Suspicious Activity Report (SAR) to the Serious Organised Crime Agency by registering with them and completing the on-line reporting forms.

## **18 GENERAL DATA PROTECTION (GDPR) AND DATA PROTECTION ACT (DPA 2018)**

- 18.1 The Headteacher shall be responsible to the Governing Body for maintaining proper security and compliance with the GDPR in respect of information held in academy computer installations or for their use. It shall be released only to those officers authorised by the Headteacher.
- 18.2 Data shall be processed in line with the requirements and protections set out in the DAP 2018. Data shall be held in accordance with the Academy's Management and Retention of Records Policy.

## **19 CODE OF CONDUCT**

- 19.1 Cannock Chase High School (CCHS) is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. All Board members also are required to adhere to a Governance code of conduct approved by the Governing Body. These principles are set out at Appendix 5.
- 19.2 In addition, CCHS expects that staff at all levels to observe its code of conduct which covers:
- i. probity and propriety
  - ii. selflessness, objectivity and honesty
  - iii. relationships.
- 19.3 Additionally, members of the Board and all staff shall disclose interests in CCHS's Register of Interests maintained by the Executive Business Manager. They are also responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the Financial Procedures. In particular, no person must be a signatory to a CCHS contract where he or she also has an interest in the activities of the other party or parties to that contract.

## **20 INSURANCE**

- 20.1 The Board have overall responsibility for determining the appropriate level of insurance cover for the Academy.
- 20.2 The Executive Business Manager is responsible for setting up the academy's insurance arrangements, including the provision of advice to the Board on the types of cover available and maintaining a register of all insurances held. As part of the overall risk management strategy, all risks must be considered and those most effectively dealt with by insurance cover must be identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.
- 20.3 The Executive Business Manager shall oversee any claims process, including obtaining quotes, negotiation of claims and maintaining the necessary records.
- 20.4 The Headteacher shall ensure that any agreements negotiated within the academy with external bodies, cover any legal liabilities to which the academy may be exposed. The Headteacher shall notify the Executive Business Manager of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.
- 20.5 The Headteacher shall advise the Executive Business Manager immediately of any event that may give rise to an insurance claim. The Executive Business Manager shall notify the academy's insurers and if appropriate, prepare a claim in conjunction with the Headteacher for transmission to the insurers.
- 20.6 The Site Supervisor is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and must ensure that inspection is carried out in the periods prescribed.
- 20.7 All staff using their own vehicles on behalf of the academy must maintain appropriate insurance cover for business use.

## **21 RISK MANAGEMENT**

- 21.1 Cannock Chase High School (CCHS) acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by CCHS is set out in a separate Risk Management Policy.
- 21.2 The Governing Body has overall responsibility for ensuring there is a Risk Management Policy and strategy and a common approach to the management of

risk throughout the academy through the development, implementation and embedding within the organisation of a formal, structured risk management process.

- 21.3 In line with this policy, the Board requires that the Risk Management Policy and supporting procedures include:
- i. The adoption of common terminology in relation to the definition of risk and risk management;
  - ii. The establishment of academy-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
  - iii. A decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes;
  - iv. A decision on the level of risk to be covered by insurance;
  - v. Detailed regular review to identify significant risks associated with the achievement of key objectives and other relevant areas;
  - vi. Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who is responsible and accountable for managing the risk in question;
  - vii. Regular reporting to the Finance Committee of all risks above established tolerance levels;
  - viii. An annual review of the implementation of risk management arrangements.

## **22 HOSPITALITY, GIFTS AND DONATIONS**

- 22.1 All trustees, staff and Governors are expected to maintain high standards of propriety and professionalism in all their dealings, ensuring they are free from any conflict of interest through their business in the name of the Academy Trust.
- 22.2 Governors and members of staff must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity.
- 22.3 The following are examples of offers of gifts/hospitality which should be refused by members of staff:
- i. Gifts of money (not including donations to the academy);
  - ii. Free membership or subscriptions (e.g. sports clubs);
  - iii. Foreign travel unless as a specific element of a business, academic or research activity approved by the Board;
  - iv. Free goods, services or equipment which are normally provided by a supplier to the school at a charge.
  - v. Gifts of hospitality to a family member.
  - vi. gifts or hospitality from a potential supplier or tenderer prior to contracts being considered.

- 22.4 The following are examples of acceptable gifts/hospitality which staff may accept without the need to seek the approval of the Executive Business Manager or formally register receipt:
- i. Courtesy hospitality at business lunches/dinners or attendance in an official capacity at a public function;
  - ii. Incidental promotional items such as calendars, diaries or pens;
  - iii. Receipt of small items from suppliers or contractors as expressions of gratitude such as boxes of chocolate (at a value of less than £15).
- 22.5 Care must always be taken by staff to ensure that whenever such gifts/hospitality are accepted no obligation to the person or organisation in question is accepted. In cases of doubt staff should consult the Executive Business Manager.
- 22.6 The following examples of gifts/hospitality require the approval of the Executive Business Manager and formal recording in the Register of Gifts and Hospitality:
- i. Attendance as a non-paying guest of a commercial organisation or individual at a non-work related cultural or sporting event (at a value of more than £15);
  - ii. Promotional gifts worth in excess of £15;
  - iii. Other offers of gifts/hospitality not falling into any of the above categories but at a value in excess of £15.
- 22.7 The Executive Business Manager is responsible for ensuring that any offer or receipt of gifts, hospitality or donations to staff is recorded in the Register of Gifts and Hospitality and that any possible conflict of interest arising from the offer or receipt of gifts/hospitality is reported to the Board.
- 22.8 Should the Executive Business Manager be offered gifts or hospitality that require formal recording in the Register of Gifts and Hospitality this should be reported to the Clerk to the Board for registering.
- 22.9 Procedures for Board members, which mirror the above, are set out in the Gifts and Hospitality Policy.

### **Offering Hospitality**

- 22.10 Provision of hospitality shall be approved in advance by the Executive Business Manager.
- 22.11 Staff entertaining guests from outside bodies at lunch time should normally use the Academy's catering facilities. Where this has not been feasible, the reasons must be stated when submitting a claim for reimbursement.
- 22.12 The limits for acceptable expenditure levels for entertaining guests are set out in the College's detailed financial procedures.

## **23 ANTI-FRAUD, CORRUPTION AND IRREGULARITIES**

- 23.1 The Board shall approve a policy setting out how the Academy will deal with Fraud, Corruption and Irregularities, the Procedure for the Prevention of Money Laundering, and a Response Plan detailing the action that shall take place following the discovery or suspicion of fraud or other irregularity within the Academy.
- 23.2 The Headteacher shall be responsible for ensuring that all employees are made aware of the policies.
- 23.3 The Executive Business Manager is responsible to the Headteacher for the implementation of policies and procedures to eliminate fraud and other irregularities including bribery and corruption.
- 23.4 The Finance shall oversee the conduct of any investigation.
- 23.5 The Finance Committee shall oversee the Academy's Anti-Fraud, Corruption and Irregularities policies and shall ensure that appropriate action, investigation and reporting takes place. The Finance Committee, or when it is not practical to hold a full meeting of that Committee, the Chair of the Finance Committee, may commission investigations by the Internal Audit Service, or others, as appropriate. The person responsible under these Regulations for conducting the investigation shall promptly notify the Police if a criminal offence is suspected.
- 23.6 Any member of staff who has reasonable suspicions that a fraud or irregularity of any kind has been committed must report the matter immediately in accordance with the Academy's Whistleblowing Policy and Procedure (available on via FROG).

## **24 WHISTLEBLOWING**

- 24.1 All Governors and staff shall follow the requirements of the Whistleblowing Policy at Appendix 6 to these Financial Regulations.



## Appendix 1

### SCHEME OF DELEGATION

Financial Procedure	ESFA	Board of Governors	Finance Committee	Head Teacher	Executive Business Manager	DHT / AHT	Budget Holder/ Other Staff
<b>BUDGETARY AND FINANCIAL CONTROL</b>							
Certification of Budget	-	√	→A	→A	→A	-	-
Authority to approve virement	-	≥ £100,000	≤ £100,000	≤ £50,000 no budget impact	-	-	-
The continuous monitoring of actual income and expenditure transactions against the budgetary provision throughout the year	-			√	√		Business Services Officer/ Administrator/ Budget Holders
The monthly reconciliation of actual income and expenditure transactions to the financial management system	-	-	-	-	√		-
Self authorisation limits for financial accounting package	-	-	-	≥ £25,000	≤ £25,000		Business Services Administrator ≤ £2,999
<b>INCOME</b>							
Approval of effective economic debt recovery procedures		√	√	-	-	-	-
Approval of fees and charges over which the school has discretion <i>Annual review based on recommendations submitted by the Headteacher</i>		√	√				
Authorisation of credit note to reduce/cancel a debtors account				√	√	-	-
Authority to write off debts			≥ £1,000	≤ £1,000	≤ £500		
<b>PAYROLL</b>							
Authorisation of appointments or variation to the payroll record <i>Subject to no officer certifying a claim that relates to themselves</i>		√		√	√	-	

Financial Procedure	ESFA	Board of Governors	Finance Committee	Head Teacher	Executive Business Manager	DHT / AHT	Budget Holder/ Other Staff
Authorisation to adjustments to normal payroll disbursements (e.g. timesheets, overtime claims, allowances) <i>Subject to no officer certifying a claim that relates to themselves</i>		✓		✓	✓	✓	
Certification of travel & subsistence claims as “properly payable” <i>Subject to no officer certifying a claim that relates to themselves</i>				✓	✓	✓	Within HMRC approved rates
Authorisation of other information required by the payroll provider		✓		✓	✓	✓	
Authority to approve monthly BACS Payroll transfer	-	-	-	✓	✓	DHT	-
Certification of employee verification return		✓		✓	✓		
<b>PURCHASING</b>							
Authority to commit expenditure	-	≥ £100,000	£50,000 - £100,000	≤ £50,000	≤ £25,000	-	Budget Holder ≤ £1,000 Business Services Administrator ≤ £2,999
Certification of orders (identify budget heads where applied) <i>Will be subject to any delegated authority to commit expenditure</i>				✓	✓	-	Budget Holders Leadership Team Business Services Administrator ≤ £2,999
Arrangements for obtaining goods, work or services. <u>Procurement process requirements:</u> <ul style="list-style-type: none"> <li>➤ Expenditure between £10,000 and £25,000 – 2 quotations and/or tender</li> <li>➤ Expenditure between £25,001 and £50,000 – 3 quotations and/ or tender</li> <li>➤ Expenditure between £50,001 and £100,000 – 3 quotations and/ or tender</li> <li>➤ Expenditure over £100,000 – formal tender process</li> </ul> <u>Method for inviting quotations or tenders:</u> <ul style="list-style-type: none"> <li>➤ Verbal quotations to be confirmed in writing</li> </ul>					✓		

Financial Procedure	ESFA	Board of Governors	Finance Committee	Head Teacher	Executive Business Manager	DHT / AHT	Budget Holder/ Other Staff
<u>Method of choosing suppliers or contractors:</u> <ul style="list-style-type: none"> <li>➤ Local suppliers/ contractors</li> <li>➤ Procurement consortia and Frameworks</li> <li>➤ Recommendations</li> <li>➤ Best value</li> </ul>							
Tenders are required for goods, work or services above £100,000. Staff authorised to accept tenders				√	√		
Selection of applicants to tender following the invitation to tender				√	√		Budget Holders
Responsibility for opening tenders – must be 2 of those post holders listed				√	√		Budget Holders
Authority to postpone (for a reasonable period) the closing time and date for receipt of tenders		√	√	√	√		
Authority to accept the most suitable quotation/ tender (no necessarily the cheapest)		≥ £100,000	£50,000 - £100,000	≤ £50,000	≤ £25,000		
Authority to negotiate with the lowest (highest in respect of sales) acceptable tenderer for a reduction in their quotation/ tender				√	√	DHT/ AHT	
Authority to waive the requirement to tender on the basis of exemption Where authority is delegated to the Headteacher, Governors should be fully informed of such circumstances				√	√		Waiver is on authority of Headteacher and reported to Finance Committee
Certification of an invoice as “properly payable”				√	√		Budget Holder Business Services Administrator
<b>PAYMENTS</b>							
Two authorised signatories are necessary on all cheques				√	√		Designated members of Leadership Team
Two authorised signatories are required on BACS payment runs, one of which must be either the Headteacher or the EBM				√	√		Designated members of Leadership Team
Business Debit Card ( <i>Transaction limit</i> )					√ (≤ £1,000)		Business Services Officer (≤ £1,000)

Financial Procedure	ESFA	Board of Governors	Finance Committee	Head Teacher	Executive Business Manager	DHT / AHT	Budget Holder/ Other Staff
							Business Services Administrator (≤ £1,000)
Authority to hold school Credit Card (Monthly Spend Limit)					√ (≤ £4,000)	-	Business Services Officer (≤ £4,000) Business Services Administrator (≤ £7,000) Site Supervisor (≤ £1,000)
Authority to make petty cash payments				√	√		Business Services Administrator
<b>ASSETS, INVENTORY AND STOCK</b>							
Responsibility for maintaining inventory records				√			Business Services Administrator
Responsibility of the verification/ certification of inventory records							Budget Holders/ DoLCs
Approval to write off inventory items			≥ £1,000	≤ £1,000	≤ £500	-	-
Responsibility for the records and custody of stocks and stores (where considered appropriate)				√	√		Budget Holders
Approval to write off deficiencies in stocks and stores which have become unserviceable, obsolete or irrecoverable			≥ £1,000	≤ £1,000	≤ £500	-	-
Responsibility for ensuring adequate insurance cover to support the academy activities and to comply with statutory requirements				√	√		
Responsibility for the holding of keys to buildings				√	√	DHT	Site staff Designated staff
Responsibility for the holding of keys to safes, cash boxes, etc.					√		Designated staff
<b>RESERVE FUND ACCOUNTS</b>							
Responsibility for maintaining the record of voluntary and private funds held by the academy				√	√		

## EXEMPTIONS FROM FINANCIAL REGULATIONS

### ITEMS NOT REQUIRING A SYSTEM GENERATED PURCHASE ORDER

CATEGORY	DESCRIPTION
Examination Fees	Exam entry fees
Excluded students	Portability charges
Office Services and Administration	Photocopying
	Postage
	Telephone costs
	Mobile phones
	Catering/school meals
	Bursary payments to students
HR	DBS checks
	Occupational health referrals
	Doctors reports
	Childcare vouchers
Premises	Rates/waste disposal
	Electricity
	Gas
	Oil/ solid fuel
	Water/sewerage
	Vehicle running costs/maintenance
	Security charges
Staffordshire County Council	Except where orders are required.

## ITEMS WHERE PURCHASE ORDER CAN BE RAISED AFTER VERBAL INSTRUCTION ISSUED/ INVOICE HAS BEEN RECEIVED

CATEGORY	DESCRIPTION
Staffing costs	Agency staff
Premises	Reactive maintenance, e.g. vandalism, urgent and unplanned repairs following damage

## ITEMS NOT REQUIRING QUOTATIONS

CATEGORY	DESCRIPTION
Travel agents	Educational study visits
Service Level Agreements (SLA)	Goods and services provided under an existing SLA
Examination Fees	Determined by examinations board
Excluded students	Council charge for permanent exclusion

# SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)

## **SELFLESSNESS**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

## **INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

## **OBJECTIVITY**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

## **ACCOUNTABILITY**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

## **OPENNESS**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

## **HONESTY**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

## **LEADERSHIP**

Holders of public office should promote and support these principles by leadership and example.