

Queen Elizabeth's Grammar, Alford
A Selective Academy



QUEEN ELIZABETH'S GRAMMAR, ALFORD
- A SELECTIVE ACADEMY LTD

FINANCIAL PROCEDURES
Updated March 2020



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SECTION A

INTRODUCTION

These procedures should be used in conjunction with the Education Funding Agency's Finance Handbook.

A1 INTERNAL CONTROL

The Headteacher is responsible for ensuring that the Financial Systems introduced by the Governing Body are adhered to. The Headteacher is the Accounting Officer.

A2 ORGANISATION CHART

Headteacher

Governing Body

Finance Committee

Administration Officer (AO) and Finance Officer (FO)

Support Staff

A3 ROLES AND RESPONSIBILITIES (for details see Appendix 2)

- (1) The Governing Body is responsible for introducing Financial Systems and Procedures in order to conform to the ESFA Funding Agreements, the Limited Companies Memorandum and Articles and the Charities Commission requirements.
- (2) The Finance Committee comprises the Chair, the Headteacher and co-opted Governors with a responsibility for finance.
- (3) The Finance Committee is responsible for considering and advising the Governing Body on all financial matters including budget monitoring, budget preparation and budget changes (including virements).
- (4) The Headteacher is responsible for ensuring that the Financial Procedures and Systems are adhered to.
- (5) The AO and FO must carry out all Procedures and Systems as defined and oversee the relevant support staff.



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SECTION B

ORDERING AND PAYMENT PROCEDURES

B1 ORDERING PROCEDURES

- (a) All goods, services and work supplied to or required by the Academy should be requested using an official purchase order form. The Purchase Order procedure is attached and procedures must be followed at all times.
- (b) Written orders should accompany all requests for goods, work or services. Verbal orders should only be given in cases of emergency situations and later confirmed by an official order.
- (c) However, written orders need not be completed for the purchase of minor items through the petty cash account but itemised receipts should always be obtained to support claims for reimbursement. These should be given to the AO for entry on the Petty Cash record.
- (d) Canteen orders should be raised by the Canteen Manager, then checked and approved by the Admin Officer to ensure reasonable and appropriate.

Any cancelled orders must be retained in full by the AO.

PURCHASING OF ALCOHOL

Alcohol will not be purchased using public/government funds. No refunds on purchases of alcohol will be given.

B2 GOODS RECEIVED

The AO will receive the goods and check with the originator of the order that all goods received areas requested. Any discrepancies should be notified to the AO. All delivery notes are retained on file.

B3 PAYMENT PROCEDURE

The following procedures should be used for the processing of all invoices received.

These are the responsibility of the AO and FO who must ensure that:–

Upon receipt each invoice is stamped with the rubber stamp and that each box is initialed after each procedure.

- (a) The items charged on the invoices have been received and are in accordance with the official order.
- (b) Prices charged and discounts allowed are correct.

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- (c) The arithmetic is correct.
- (d) The invoice is then entered in the Purchase Day Book.
- (e) The Purchase Day Book is posted to the Sage Purchase Ledger.
- (f) Accounts are paid monthly within 28 days of invoice date. The cheques are made out by the AO and signed by two of the following four people: Headteacher, Assistant Headteacher, Chair of the Governors and Governor on the Finance Committee. The signatories are responsible for checking the invoices against the cheque drawn at the time of payment. All cheque counterfoils should be initialled by the signatories signing the cheques.
- (g) The cheques are then forwarded to the supplier together with a remittance advice.
- (h) All invoices should be kept on file in the numerical order of the purchase day book.

B4 PETTY CASH ACCOUNT

The Petty Cash Account is an advance of cash to be used for the purpose of defraying expenses of a minor nature and where payment through the normal creditor payment system is not appropriate. The petty cash advance is £500 and is operated by the AO.

Reimbursement claims should be submitted to the AO as and when necessary, supported by a VAT receipt wherever possible. All claims should be supported by receipts for goods purchased.

Any capitation related expenses need to be authorised with the FO before releasing to ensure that there are enough funds remaining in the capitation budget.

Claims for £100 and above gross should be authorised by the Headteacher with exception of postage stamps limited to £500 unauthorised.

B5 GENERAL EXPENSES CLAIMS

These are expenses incurred by staff and/or Governors in the course of their duties. They may include mileage, postage, meals while on school business, etc.

An itemised claim form should be submitted attaching any vouchers and should show:

- (a) Name
- (b) Date of expense
- (c) Type of activity when expense incurred
- (d) Type of expense
- (e) Vehicle registration

This claim should be signed and countersigned by the Headteacher. Claims by the Headteacher should be signed by the Assistant Headteacher, Chair of the Governors of Governors or Co-opted Governor with a responsibility for finance.



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Before a claim can be processed for payment all current relevant driving documents should be submitted to the Receptionist (SS) who will hold a copy on file.

B6 PURCHASING PROCEDURES/CONTRACTS

The Governors' agreed financial controls are as follows:

- (a) Once the annual budget has been approved by the Governors the Headteacher can authorise all spend.
- (b) Delegated capitation would be the responsibility of the budget holders under the control of the Finance Officer.
- (c) In entering into any contract the AO (acting on behalf of the Headteacher and Governing Body) must:–
 - Obtain the best value for money by ensuring that the market has been explored and where possible tested competitively. Although preferred suppliers can be chosen above price, within reason.
 - Two quotes (verbal or written) for amounts from £1000 to £5000.
 - Two written or verbal quotes for amounts £5001 up to £10,000.
 - Amounts between £10,001 up to £100,000 the Governors decide either three written quotes or to obtain a 'Formal Tender'.
 - Prior Approval from ESFA, using the online form, for the supply of goods or services by a related party.
 - Amounts over £100,000 'Formal Tender' required.
 - For repairs, improvements, or items of equipment, there may be exceptional circumstances, which will not require quotation or tender. They will be referred to the Headteacher or Governing Body for approval.

A list of all suppliers used must be retained in the office. The competitiveness of suppliers should be tested at intervals and the list updated accordingly.

- (d) It was agreed that the voting members of the Finance Committee should comprise the Chair of Governors, the Co-opted Governors, the Finance Officer, and the Headteacher. The open invitation to Governors to attend meetings would continue. Reference should be made to the Education Funding Agency's handbook for tendering procedures. If the Governing body does not accept the lowest tender the rationale should be recorded in the minutes.

B7 BACK-UP PROCEDURES

An accounts back-up should be taken at the end of each day's work by the FO



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SECTION C

COLLECTION OF INCOME

All budget share income for schools is paid direct into the current account at Barclays Bank PLC.

C1 CASH INCOME

Cash income arises from canteen sales, trips, lettings, music tuition, school uniform, exam fee re-marks, contributions from outside bodies, etc.

PROCEDURES FOR COLLECTION AND RECORD KEEPING

C2 CANTEEN SALES

A cash register is used to record the value of sales. The Catering Manager is responsible for initial checking of the cash from the tills and delivering it to the AO. Both the physical cash and the till roll total for the day is entered on a weekly record sheet. Discrepancies, of £1.00, between the two figures should be investigated. The AO is responsible for completing the bank paying in slip and if possible the money is paid into the bank on the same day. If this is not possible the cash is held in the safe and banked as soon as possible.

C3 LETTINGS

Invoices are raised by the AO for the collection of letting fees. When money is received for lettings the money paid into the bank as soon as practical.

C4 SUNDRY INCOME

Any other income from e.g. exam resits, school uniform, trip receipts etc. should be received by either the AO, FO or Secretary and banked as soon as possible. The source of the income must be entered in the cash book.

SECTION D

SAFEGUARDING ASSETS

D1 SECURITY OF CASH

Cash should always be handed to the Secretary in the front office, the FO and AO (or in their absence the Headteacher). Receipts should be issued and the receipt of the cash recorded immediately.

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CUSTODY OF CASH/CHEQUES

The aim should be to hold the minimum amount possible. Income should always be expeditiously banked in full. Banking is usually done twice weekly. The minimum holding of cash/cheques must be held secure in the school safe.

Access to the safe keys is restricted to the Headteacher, the AO, FO and School Secretary.

MOVEMENT OF CASH TO BANK/Post Office

When large amounts of cash need to be transported to the bank the utmost care should be taken.

D2 BANKING ARRANGEMENTS

The school's bank accounts are held at Barclays Bank PLC. All cheques drawn on the current accounts and instructions relating to those accounts have to be signed by two authorised bank signatories. The authorised signatories are the Headteacher, Assistant Headteacher, Chair of the Governors, Chair of Finance and Governor from Finance Committee.

Accounts in operation are:

- Academy Business Current Account
- Academy Active Saver Account
- Academy Fund Current Account
- Academy Fund Active Saver

Transfers are made daily, by the Bank, from the current accounts to the Active Saver interest earning accounts.

RECONCILING BANK STATEMENTS

The bank supplies monthly statements. The FO is responsible for reconciling them monthly with accounting records to which they relate.

D3 INVENTORY OF ASSETS

The main purpose of inventories

1. A record to facilitate management of the academy's valuable property
2. A basis on which to assess losses for insurance purposes

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3. A basis on which to monitor depreciation of assets for the purpose of the Academy's balance sheet.

Property which is not permanently and securely attached to the main structure of the building should be included in the inventories, provided it has a replacement cost in excess of £500.

Information to be included:

1. The best descriptive information for identification purposes.
2. Year of acquisition.
3. Cost.
4. Year of disposal if appropriate.

Entries should be made as soon as the item is purchased, or leaves the premises for disposal.

The main academy asset inventory is to be recorded by the FO. The Subject Leader for ICT and Computing will record additionally all computer equipment on a concurrent register; this will include all computer monitors and towers, printers and projectors. The Facilities Manager and Administrative Officer (AO) will check inventory annually and make amendments such as disposal or movements. The ICT inventory will include the items serial numbers, make and model and the room in which they are placed, however this will not include costs of the items as this will be covered on the main inventory by the FO on purchase.

D4 DISPOSAL OF ASSETS

The objective is to ensure that, when assets owned by the Academy cease to be of further use, they are disposed of in a manner which secures the maximum financial return and demonstrates a method that is business like and accountable.

Not all assets will have a residual value- some will have no value at all or others only scrap value.

E RETENTION OF FINANCIAL RECORDS

All information and correspondence which supports financial transactions must be retained for a period of six years plus the current year.

All records fundamental to the final accounts e.g. cash book, bank statements, day books, should be retained for a minimum period of six years plus the current year.

Retained records must be referenced for easy identification. They must be accessible to authorised persons and kept in a secure environment.

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APPENDIX 1	ACCOUNTS PROCEDURES
	PAYROLL PROCEDURES
	PURCHASE ORDER PROCEDURE
	NEW ITEMS OF EQUIPMENT
	TRIP AUTHORISATION
	BORROWING SCHOOL EQUIPMENT



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ACCOUNTS PROCEDURES (updated March 2020)

The accounts are prepared on Sage software.

These notes cover the day-to-day work of the Finance Officer. They should be read in conjunction with the Academy's Financial Procedures.

Bank Accounts

There are four bank accounts as follows:–

- Academy Current Account - Account No. 80817406 (Nominal 0200)
- Academy Active Saver Account - Account No. 73136434 (Nominal 0221)

The bank automatically transfers the balance from the Current Account to the Active Saver at the end of each day retaining £500 in the Current Account.

- Academy Fund Current Account - Account No. 30173231 (Nominal 0201)
- Academy Fund Active Saver Account – Account No. 13763412 (Nominal 0222)

The bank automatically transfers the balance from the Current Account to the Active Saver at the end of each day retaining £500 in the Current Account.

The School Fund accounts are for monies received for refundable locker deposits, school trips and events, charity collections, and Campaign donations etc. These are covered by nominal ledger account numbers 0450 to 0599.

Separate cheques and paying in books are used for the Academy Current Accounts and Academy Fund Accounts.

Because cheques may be written in the wrong cheque book and money paid into the wrong account, etc, it may be necessary to make transfers between the accounts.

To ensure that this is done correctly a reconciliation of nominal ledger accounts 0450 to 0599 should be carried out monthly to agree with the nominal ledger accounts 0200, 0201, 0221 and 0222 and with the relevant Bank statements.

Transfer any variances between banks via a journal.

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Transfer to be done via Barclays.net and authorised by the Headteacher.

Governor with a responsibility for finance to check monthly reconciliation.

Cash Paid Register

Cash registers (paid and received) are kept for reconciliation at the end of each month and also bank reconciliations.

The analysis of cash register is self-explanatory but should ensure that any cheques raised on the Current Account and Fund Account are entered in the correct columns.

Documents other than purchase ledger invoices should be filed in the Cash Register and filed in lever arch files.

Cash Received Register

There are separate paying-in books for each Current Account. A separate total for each account should be entered for the day's deposit. Receipts into the Fund account should be entered in the Fund column.

Documents should be filed in lever arch files labelled Academy Receipts and Canteen Returns.

Petty Cash

Post to the Cash Paid Register.

Post on computer to Sage Accounts via journal.

Cash paid

Post invoices to the Cash Paid Register.

Post on computer to Sage Accounts.

Cash Handling

Cash and cheques are banked daily or as soon as is practically possible.

Cash received from canteen, vending machines, etc should be checked and listed separately and entered in the Cash Register.

Money received for school trips, etc should be covered by receipt when the cash is passed over.

Pass bank paying in books and cash to the AO or Site Manager for banking.

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As more than one person may receive cash during the day this is entered in a "cash in safe" book and initialled by the key holder who places it in the safe. The banking date is entered in the book. Any cash taken out of the safe must also be recorded in the cash in safe book by the person taking it out.

Purchase Orders

For instructions to staff see Staff Handbook.

Purchase Invoices

These are received by the AO who matches up with the completed yellow copy of the purchase order, stamps, codes, dates, signs, highlights invoice number and amount for payment before passing to the FO.

The FO should check the arithmetic, that the invoice is no greater than the approved order and be satisfied that payment can be made before signing (especially departmental capitation purchases).

A coding slip is then attached to the invoice giving each one a sequential number from the Purchase Ledger Register. The nominal ledger code, order number, dept number, invoice number, VAT code, VAT, gross and net totals are also added to the coding slip.

Post invoices to the Invoice Register.

Post on computer to Sage Accounts.

After posting all entries on computer check "Account Balances (Aged)". There should be only debit balances and any payments withheld including the rates account with ELDC.

Print off remittance advices on printed paper and give one copy to AO to generate payment to suppliers. Retain a second copy, printed on plain paper, and retain in Finance Office.

Sales Invoices

These are raised and sent out by the AO. Care should be taken to include the correct amount of VAT on each invoice. They are filed in the Sales Invoices lever arch file in the AO's office.

Post on computer to Sage Accounts.

BACS payments via Barclays.Net

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Payments via BACS can be made online by the FO or AO after completion and authorisation by the Headteacher of a BACS Request form. Once submitted documentation should be printed and submitted to the Headteacher to see and approve.

Credit Card

The school Credit Card is a Barclaycard. The Headteacher is the sole card holder with a limit of £15000 and he is the only person able to use this card. He will approve any spend on the card and attach evidence for each transaction. Each monthly statement will then be countersigned by one of the following people: Assistant Headteacher, Chair of the Governors or Governor with a responsibility for finance.

Post to the Cash Paid Register.

Post on computer to Sage Accounts.

ParentPay

This is a cashless system primarily for receiving payments from parents for trips, extra-curricular charges and school uniform sales. Each service is registered and monitored by the school secretary and overseen by the FO. Income is received into the bank accounts on a fortnightly basis and reconciled monthly by the FO.

Post on computer to Sage Accounts via journal.

Journals

Post on computer to Sage Accounts.

Payroll Voucher

Post Salaries on computer to Sage Accounts via journal. The information for it is prepared using the Salaries Departmental Report from Dataplan after the payroll has been paid monthly.

Accruals and Prepayments

Before preparing this voucher reverse the entries for the previous month leaving a nil balance on accruals (0330) and prepayments (0120).

Post current month accruals and prepayments on computer to Sage Accounts.



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V.A.T. Report

Reconcile VAT report on Sage Accounts.

Claim VAT from HMRC monthly.

Cash Flow Report

Produce monthly cash flow at the end of each month. Circulate to Headteacher and Governor with responsibility for finance.

Other month end procedures

Correction of errors found during the month and internal transfers within the Nominal Ledger.

Half yearly posting of interest.

Check that all payroll nominal accounts balance.

Monthly Budget report

Compare all budget headings with actual spend and report any variances monthly. Circulate to Headteacher and Governor with responsibility for finance.

Purchase Ledger reconciliation

Reconcile Sales Register to Sales Ledger Day Books on Sage.

Reconcile Purchase Register to Purchase Ledger Day Books on Sage.

Headteacher to check monthly reconciliation.

Month end reports to print out and circulate.

In the front of the masters file, in the filing drawer, is a check list of the month end procedures. This includes the last transaction number used at the end of the previous month. Therefore the next number is the first number for the current month (the last number is the current number showing on the system). Using the relevant transaction number and data range e.g. 01.08.17 to 31.08.17, print and reconcile day books as follows:–

Audit trail – Taken from the first to the last transaction of the month.

Financials	Journal entries
	Trial Balance
	P & L and Balance Sheet
	Budget Report 3
	Departmental analysis report (periodically)

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Circulate a copy of Budget Report 3 and Balance Sheet to the Governors/Headteacher and the Governor responsible for finance.

Check "data" on Sage for errors.

BACK UP THE ACCOUNTS FILES FOR THE MONTH END.

Termly/Periodical Reports

Departmental Capitation

Generate reports periodically, showing departmental spend to date.

Circulate to Headteacher and Heads of Departments.

Termly Canteen costings

FO to generate termly report to circulate to Headteacher, Finance Committee and AO.

Responsible Officer

Make arrangements for the Responsible Officer, appointed by the Governors to meet the requirements laid down in the Dfe handbook, to verify the accounts on a quarterly basis.

Trip reconciliations

Trips should be reconciled periodically by the FO once taken place.

Any trip surplus should be refunded back to the paying students if the sum is more than £20 per pupil. Otherwise transfer surplus/deficit to School Fund subsidy account via journal.

VAT Partial Exemption Calculation

A voluntary registration has been registered to claim back all VAT. Support from Duncan Toplis when appropriate to calculate Vat is de Minimis.

Fixed Assets Register

A register is kept and updated periodically. All individual items costing £500 net, and over, are registered and any project items costing £1000 net, and over, are also registered.

PAYROLL PROCEDURES (updated May 2017)

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All staff are normally paid on the 23rd of each month. Information should be with Dataplan by the 9th monthly

Data is received throughout the month such as salary changes, sick notes, time-sheets, travel expenses, unpaid leave, tax code changes, etc. Retain in blue folder in filing cabinet until ready to process.

A file is also kept for each employee.

All timesheets to be approved by employee's Line Manager (where applicable) and Headteacher before processing.

Each travel expense declaration must be signed by the claimant and approved by the Headteacher. The list of staff vehicle and driving documents is held by the School Secretary and must be checked each month to ensure that the documents are current, at the time of the claim, before processing.

Most staff, except supply teachers, bus supervisors, invigilators, home learning club and lifeguards are paid a fixed monthly salary. Any additional pay must be recorded on a time sheet.

Supply teachers' timesheets will be passed to the FO by the Assistant Headteacher (KJ) prepared to the end of the previous month. Other staff prepare timesheets, to the end of the previous month, and pass these to their line manager for authorisation during the first week of each month.

Supply teachers' timesheets show total hours to be paid (rates can vary if on Upper Pay Scale)

Canteen and cleaning timesheets show the total hours worked and from this should be deducted from the "core" hours.

The Site Manager has a separate sheet for lettings.

FO to check that "week commencing date" of current time-sheets follows on correctly from date ending on previous time sheets.

FO to check arithmetic on time-sheets and convert hours and minutes into decimal hours and sign.

DATAPLAN PARYOLL PROCEDURES

The Finance Officer and IT Programmer have access to Dataplan's online portal, Vera.

Upload any new starters, leavers, contract changes, sickness, change of addresses etc to Dataplan's submission site, Vera.

Add any variable hours and overtime, additional payments i.e. salary adjustments, changes to pension bands, back pay, Cost of Living Awards, First Aid payments, alarm call out payments, Summer School payments, deductions etc. to the Monthly Changes Report and submit to Dataplan by 9th of each month.

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Dataplan upload their monthly Changes Report, Analysis Reports and payslips and to Vera by 13th monthly. Download and check off thoroughly.

When happy that all is correct take to Headteacher to authorise.

Once authorised "Approve" reports on Vera by 19th latest.

Payslips and P45's received from Dataplan to be distributed to staff.

Download Departmental Split Report, updated to Vera after pay date, to produce the Salaries Journal to input into Sage Accounts.

Payments to Staff, TPA, WYPF and Inland Revenue will be paid by Dataplan via BACS. Download reports from BACS, as and when received, to reconcile to Salaries Journal and bank reconciliation.

PURCHASE ORDER PROCEDURES (Updated May 2017)

1. 4-part order forms are sequentially numbered.
2. Staff needing order forms are issued with numerical blocks of orders, which should be signed for in the AO Office. Individual staff members will thereafter be held responsible for those order forms issued to them and one person's orders should not be given to another member of staff.
3. Any cancelled forms should be returned to AO in order that the cancelled numbers may be recorded. Every order has to be accounted for. If any errors are made 'cancelled' should be written across the form and returned to the AO.
4. School order forms should be used **for all goods and services** (including coach hire, etc).
5. **An order must be raised for inspection books.** If the books are kept then the order will be processed, if the books are not required, they must be taken to the AO with all paper work for her to return them.
6. **3-part form** - When ordering, the form should be completed in full (starting with the lowest order number). Staff are asked to ensure that they fill in the name and address of the supplier and **telephone number** and fax number if relevant, the **capitation code**, the amount and VAT (if appropriate). It should be signed by the person raising the order and where necessary by their Subject Leader or the special Fund Holder, then all 4 copies should be sent to the FO for authorisation by the FO and Headteacher, following which the top copy will be posted or faxed as per instructions, and the office copy filed. On confirmation of the order and payment being made, the green copy will be returned and this must be kept by the person making the order.

If staff want to order an item but the supplier insists on payment before delivery, a cheque must be requested on a pink request form. As cheques need to be signed by two signatories (at least one of whom is a governor) this can take time. 10 working days need to be allowed.

Best value principles for the expenditure of funds from the budget share must be implemented.

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Borrowing school equipment

If you would like to take school equipment home, you must see the Headteacher for authorisation and then sign the equipment out (and back in) with the AO.

School equipment must only be borrowed for school purposes.

Travel expenses

Claims must be submitted to the Headteacher within three months of the date of the journey. When claims are made for parking, meals, etc, receipts are needed. If staff wish to claim for mileage their insurance must cover business use.

APPENDIX 2 FINANCIAL TIMETABLE

STATEMENT OF ROLES AND RESPONSIBILITIES, FINANCIAL TERMS OF REFERENCE, AND SCHEME OF DELIGATION

SUMMARY OF AUTHORISATION LEVELS

FINANCE TIMETABLE

Submission Deadline		Form	Responsibility
31st Jan	Academy submits Abbreviated Accounts Return to EFA for year-ended 31 August	AAR	Auditors
Feb/March	Start Budgeting to take to May Finance Meeting		FO
March	Payment to Hymans Robertson for Ill Health Retirement. Reduces Employers Pension Conts.		FO
March	Auto enrolment has to be done every 3 years. Staff eligible to be put in pension scheme w.e.f. 1st May		FO/Dataplan
May	Review Risk Register. Auditors need a copy of updated report. Request from GT July Interim Audit		FO/Auditors
May	Academy submits Teachers' Pensions End of Year Certificate (one page report)	EOYC	FO/Auditors
May	Interim Audit (typically 2 days)		

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31-May	Deadline for filing annual accounts with Companies House		Auditors
May	Budget return to 31 st March actual and projection to end of year		FO/Auditors
July	Budget Return Forecast		FO/Auditors
27-Sep	Academy Submits Companies House Confirmation Statement as at 27th Sept. Online. See Companies House Lever Arch file. Paid with GT school credit card.		FO
30-Sep	Submit supplementary financial information to auditors		FO/Auditors
October	Year End Audit visit (typically 3 days)		FO
31-Oct	Complete Governors Annual Report and submit to auditor's		FO/Auditors/GT
November	Meeting with auditors to discuss any points arising from the audit and the draft financial statements		SPT/GT/ Auditor
Mid November	AGM approval of annual report and financial statements and appointment of auditors		GT
Nov	Integris - staff workforce census - staff changes.	Integris	SPT/S Wattam
31-Dec	Value for Money Statement (Copy on file Value for money statement)		GT
31-Dec	Academy submits annual report and financial statements (audited annual accounts) to ESFA for year-ended 31 August		Auditors

SCHEME OF DELEGATION

STATEMENT OF ROLES AND RESPONSIBILITIES FINANCIAL TERMS OF REFERENCE AND SCHEME OF DELEGATION FOR QUEEN ELIZABETH'S GRAMMAR, ALFORD – A SELECTIVE ACADEMY

Introduction

These terms of reference have been produced to enable us to have a clear policy statement that identifies financial procedures and the financial management structure operating in Queen Elizabeth's Grammar, Alford. These procedures are located in one reference document, which is available to view should the need arise during an internal audit, external assessment or inspection of the school.

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Scheme of Delegation

Rationale

The Governing Body should agree a Scheme of Delegation, established as a formal schedule that distinguishes between matters reserved exclusively for the Governors' approval or decision, and matters delegated to committees and individuals. The Scheme of Delegation should include the financial limits and signatories applicable to such matters as placing orders and contracts, and issuing cheques.

This is a key document which forms the basis for all financial controls in the Academy and should be approved at the first meeting of the Governing Body.

- 1 Powers and Duties Reserved for the Governing Body**
- 2 Powers and Duties Delegated to the Finance Committee**
- 3 Financial Powers and Duties Delegated to the Headteacher**
- 4 Financial Powers and Duties Delegated to the Finance Officer**
- 5 Financial Powers and Duties Delegated to Other Staff**
- 6 Summary of Financial Authorisation Levels**



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1 Powers and Duties Reserved for the Governing Body

The Governing Body shall be responsible for:

General

1.1 Approval of a written scheme of delegation of its financial powers and duties to its Finance Committee, the Headteacher and other staff. The scheme must satisfy the Governing Body's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academy. The Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Academy.

Budgets/Budgetary Control

- 1.2** Formally approving the annual Academy budget at least two months prior to the start of each financial year.
- 1.3** Considering budgetary control reports from the Finance Committee at every meeting, with relevant explanations and documentation where required.
- 1.4** Authorisation of all virements in excess of £30,000 between budget headings. Details of all virements approved and authorised by the Finance Committee are to be formally notified to the Governing Body.

Purchasing

- 1.5** Maintenance of a Register of Business Interests for all Governors and those Academy staff with financial responsibilities.
- 1.6** Authorisation of the advertising of tenders above £100,000, and authorising the award of such tenders.
- 1.7** Tenders other than the most financially favourable, or late tenders, can only be accepted by the Governing Body who shall minute the reasons for their decision.

Income

- 1.8** Authorisation of the write off of debts not collectable (the Secretary of State's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Security of Assets

- 1.9** Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value in excess of £5,000.
- 1.10** Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to submission to the Secretary of State by 31 December.
- 1.11** Receiving the reports of the external auditor.

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1.12 Receiving the reports of the Responsible Officer (Mark Watson) on the use of resources, systems of internal financial control, and discharge of financial responsibilities.

1.13 Informing the EFA if any irregularities affecting resources.

Personnel

1.14 Authorising permanent changes to the Academy's establishment.

2 Powers and Duties Delegated to the Finance Committee

The Finance Committee shall be responsible for:

General

2.1 Exercising the powers and duties of the Governing Body in respect of the financial administration of the Academy, except for those items specifically reserved for the Governing Body and those delegated to the Headteacher and other staff.

2.2 Reporting on decisions taken under delegated powers to the next meeting of the Governing Body.

Budgets/Budgetary Control

2.3 Reviewing the annual Academy budget prior to the start of each financial year and recommending its acceptance, or otherwise to the Governing Body.

2.4 Considering budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Governing Body.

2.5 Reviewing the virement of sums between budget heads, subject to a limit of £30,000, as approved and authorised by the Headteacher and Finance Officer, which are to be formally notified to the Finance Committee who shall minute the notification.

2.6 Reporting to the Governing Body all significant financial matters and any actual or potential overspending.

Purchasing

2.7 Authorising the award of orders and contracts over £10,000 and up to £100,000.

Insurances

2.8 Ensuring that arrangements for insurance cover are in place and adequate.

Security of Assets

2.9 Ensuring that there are annual independent checks of assets and the asset register.

2.10 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value of over £5,000 and reporting such authorisations to the Governing Body.

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Accounts and Audit

- 2.11** Reviewing the draft financial statements and highlighting any significant issues to the Governing Body, prior to submission to the Secretary of State by 31 December.
- 2.12** Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and control. These reports must also be reported the Governing Body.

3 Financial Powers and Duties Delegated to the Headteacher

The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the Academy, the implementation of all policies approved by the Governing Body and for the direction of teaching and the curriculum.

The Headteacher shall be responsible for:

Budgetary control

- 3.1** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Finance Committee.
- 3.2** Approving virements between budget headings and reporting such approval to the Finance Committee.

Financial Management

- 3.3** Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

Purchasing

- 3.4** Authorising orders and contracts up to £10,000, including Barclaycard, in conjunction with the Finance Officer.

Headteacher able to make payments on school Barclaycard up to £15,000.

- 3.5** Ensuring that all contracts and agreements conform to the Financial Regulations.

Payroll and Personnel

- 3.6** Authorising and approving new staff appointments within the academy.
- 3.7** Certifying the payment of salaries each month, in conjunction with the Finance Officer.

Security of Assets

- 3.8** Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc under her control.

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- 3.9 The operation of financial processes within the Academy, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.
- 3.10 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- 3.11 Ensuring that all records and documents are available for audit by the appointed external auditors and by the Responsible Officer (Mark Watson).

In absence of the Headteacher

- 3.12 In the event of absence of a headteacher, or incapacity to perform financial duties, for whatever reason, payroll may be authorised by an Assistant Headteacher under the authority of either, the Chair of Governors or Chair of Finance, on a month by month basis.

4 Financial Powers and Duties Delegated to the Finance Officer

The Finance Officer shall be responsible for:

Budgets/Budgetary Control

- 4.1 Preparing an annual draft budget plan for consideration by the Finance Committee and Governing Body before the start of the relevant financial year.
- 4.2 Monthly monitoring of expenditure and income against the approved budget and submitting reports on the Academy's financial position to every meeting of the Finance Committee. Any actual or potential overspending of the annual budget shall be reported to the Finance Committee.
- 4.3 Approving virements together with the Headteacher between budget headings up to a value of £10,000 and reporting such approval to the Finance Committee.

Purchasing

- 4.4 Authorising orders and contracts up to £10,000 in conjunction with Budget Holders and Headteacher.
- 4.5 Obtaining ESFA prior approval for supply of goods or services over £20,000 by a related party.
- 4.6 Ensuring that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.
- 4.7 Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

Payroll and Personnel

- 4.8 Ensuring that the monthly payroll is checked, and certifying it for payment in conjunction with the Headteacher.

Income

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- 4.9** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

Banking Arrangements

- 4.10** Maintaining proper records of account and reviewing monthly bank reconciliations.

Insurances

- 4.11** Notifying the Finance Committee on any eventuality that could affect the Academy's insurance arrangements.

Information and Communication Systems

- 4.12** Maintaining the standards of control for such systems in operation within the Academy to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act.

In absence of the Finance Officer

- 4.13** In the event of absence of a Finance Officer or incapacity to enter and check payroll, for whatever reason, authority can be delegated to a member of staff as approved by either, the Chair of Governors or Chair of Finance, on a month by month basis.

5. Financial Powers and Duties Delegated to Other Staff

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Regulations.

The following responsibilities are delegated to other staff in addition to the Headteacher and Finance Officer:

Budgets/Budgetary Control

- 5.1** Budget Holders are responsible for checking and certifying monthly statements of expenditure against their delegated budget and for reporting any errors or irregularities to the Finance Officer. Any actual or potential overspending shall also be reported to the Finance Officer.

Purchasing

- 5.2** The Admin. Officer is maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- 5.3** The Admin. Officer is responsible for the retention of quotes obtained for goods, works and services.

Security of Assets

- 5.4** The Admin Officer is responsible for maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant over the value of £500 (per item).

Purchasing

- 5.5** The following members of staff are authorised to receive and check goods:
- Budget Holders

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- The Admin. Officer

Payroll

5.6 Budget Holders will authorise time records with these being checked by the Finance Officer and Headteacher. Overtime must have been authorised by the Headteacher.

Income

5.7 Ensuring school secretaries are accurately recoding all ParentPay income.

Summary of Financial Authorisation Levels Queen Elizabeth's Grammar, Alford

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services (raising requisitions)	Up to £1,000	Budget Holder, Finance Officer Admin. Officer and Headteacher	Selection from preferred supplier list unless agreed otherwise with Governors' Finance Committee.
	£1,001 to £5,000	As above	Two quotes, written or verbal.
	£5,001 to £10,000	As above	
	£10,001 to £100,000	As above plus Finance Committee	Formal tendering process, including advertising in OJEU. Prior approval by ESFA for supply of goods or services above £20,000 by related parties.
	Above £20,000	Admin Officer via ESFA online form	
	Over £100,000	Governing Body	
	Authority to accept other than lowest quotation or tender	Governing Body	
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatories from: - Headteacher - Assistant Headteacher (BA) - Nominated Governor/s	
Signatories for Barclaycard payment	£15000	Headteacher and one other signatory from: - Governor for responsibility	

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		for finance - Assistant Headteacher (BA) - Nominated Governor/s	
Signatories for EFA grant claims and EFA returns	Any	Two signatories (or as required by EFA) from: - Finance Officer - Headteacher - Assistant Headteacher (BA) - Nominated Governor/s	
Virement of budget provision between budget heads	Up to £10,000	Finance Officer in liaison with Headteacher, with reporting to the Finance Committee	
	£10,001 to £30,000	As above	
	Over £30,000	Governing Body	
Disposal of assets	Up to £5,000	Finance Committee delegated to Headteacher and Admin Officer	
	£5,001 to £20,000	As above plus Governing Body	
	Over £20,000	As above, plus EFA approval required for disposal of assets funded with more than £20,000 of EFA grant, or transferred from an LA at nominal consideration	
Write-off of bad debts	Up to £1,000	Finance Committee	
	Over £1,000	As above plus EFA approval	
Purchase or sale of any freehold property	Any	EFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	EFA approval required	
Raising invoices to collect income	Up to £5,000	Finance Officer and Admin. Officer	
	£5,001 to £10,000	As above plus Headteacher	
	£10,001 to £100,000	As above plus Finance Committee	
	Over £100,000	Governing Body	

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