

Bodmin College

Financial procedures and scheme of delegation

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

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1. Roles, responsibilities and financial oversight

Framework

- 1.1. Under the Funding Agreement (FA) with the DfE the Academy Trust (AT) must comply with the principles of financial control set out in the Academies' Financial Handbook ('Handbook' or AFH), issued by the Education Skills Funding Agency (ESFA).
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Roles and responsibilities

The Full FGB (FGB)

- 1.2. As a Charitable Company, the AT is governed by its appointed Trustees (who are also Directors of the company). Trustees are also referred to as Governors or the FGB. The chair of trustees is responsible for ensuring the effective functioning of the board and setting professional standards. The board must meet at least six times a year to ensure effective oversight of funds.
- 1.3. The FGB's responsibilities include:
- Ultimate responsibility for the proper stewardship of funds, ensuring value for money and compliance with the FA, the Articles of Association and the AFH
 - Approval of the annual budget
 - Approval of the annual report and accounts.
 - Initial review and approval of the annual budget
 - Monitoring of actual income and expenditure against budget
 - Ensuring annual accounts are produced and their initial approval prior to presentation to the FGB (see Section 5)
 - The FGB, undertake a review of the reports of the Responsible Officer (RO) on the effectiveness of the financial procedures. The FGB fulfils the role of an audit committee as set out in section 5.
 - Authorising the award of contracts over an annual value £20,000
 - Authorising changes to the AT personnel establishment in excess of the budget headcount.
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- Ensuring that changes to governance are notified through GIAS within 14 days. Information will include contact details for all Members and Trustees of the AT.
- Audited accounts are submitted to ESFA by 31 December. They are also published on the College website by the 31 January and filed with Companies House by the 31 May.

The Principal (Accounting Officer)

1.4. The Principal is the Accounting Officer (AO), who takes overall responsibility for financial control. The AT's Business Director is the nominated Chief Finance Officer (CFO). The responsibility of "Accounting Officer" (AO) should not be delegated to the CFO/Business Manager however the AO may delegate tasks to the CFO whilst retaining ultimate responsibility

1.5. Much of the financial responsibility of the Principal as AO has been delegated to the CFO, but the Principal retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior posts which the FGB has determined should be approved by them
- Authorising contracts /orders up to £19,999 in conjunction with the CFO
- Authorising payments in conjunction with the CFO or other authorised signatory

The Principal

1.6. The CFO has direct access to the FGB. The main responsibilities are:

- The management of the AT's financial position at a strategic level, reflecting the longer term financial needs of the AT as determined by the FGB
- The preparation of monthly management accounts, including the monitoring of actual income and expenditure against budget
- The day to day management of finance matters including the establishment and operation of a suitable accounting system
- The maintenance of effective systems of financial control
- Authorising payments in conjunction with the CFO or other authorised signatory
- The preparation of annual accounts, if necessary with the assistance of the AT's external auditor (see Section 5)
- Ensuring forms and returns are sent to the DfE in line with the DfE timetable

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Other staff

1.7. Other members of staff as specified in the College Scheme of Delegation have some specific financial responsibilities and these are detailed in the following sections of the manual. All staff are responsible for the security of AT property, for avoiding loss or damage, for ensuring economy and efficiency and for conformity with AT's financial procedures.

Financial oversight

1.8. The following requirements of the AFH must be in place:

- Bank accounts, financial systems and financial records must be operated by more than one person where possible (Section 3)
 - Measures must be in place to safeguard assets, to prevent loss or misuse (Section 3)
 - Full and accurate accounting records must be maintained (Section 3)
 - Annual accounts must be prepared (Section 5)
 - There must be a written Scheme of Delegation of financial powers
 - The FGB must be satisfied that the AT's finance staff are suitably qualified and/or experienced.
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2. Financial planning and monitoring

2.1. The AT prepares financial plans as follows:

- Strategic plan – financial plans prepared as part of the AT's strategic planning process - high level projections linking anticipated income levels to resource planning. We currently work to a three-year plan as a means of identifying future threats.
 - Annual budget, detailed budget identifying revenues by source and expenditure.
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Strategic plan projections

2.2. The strategic plan projections, once established, should be updated annually when the budget for the coming year is prepared, with Year 1 being the annual budget for the next year. The strategic plan projections will run alongside the AT's narrative plan, must reflect the allocation of resources to achieve the AT's longer term plans and should include:

- Income and expenditure projections
- Pupil led income based on anticipated future pupil numbers
- Other income based on documented assumptions
- Proposed use of accumulated surpluses (GAG plus unrestricted funds)
- Documented assumptions supporting expenditure
- Capital expenditure projections, based on planned capital schemes and anticipated funding sources, including accumulated surpluses and unspent capital funds
- Balance sheet projections, showing the build-up and use of accumulated surpluses, and the retention of reserves for contingencies, as appropriate.

Budget

2.3. The CFO and Principal are responsible for preparing the annual budget, which must be approved by the FGB, and submitted, to the ESFA by its required deadline.

2.4. Any significant changes to the budget post submission to the ESFA must be approved by the FGB and notified to ESFA.

2.5. The finalised budget must be communicated to all relevant members of staff with budgetary control responsibilities.

2.6. The budget must be balanced, taking into account the AT's reserves policy; the use of accumulated surpluses to subsidise current year operations; or the planned retention of current year surpluses.

2.7. The budgeting process will include:

- Forecasts of likely pupil numbers and the latest estimate of GAG receivable

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- Latest estimates of other ESFA/LA funding, based on expected levels (e.g. Pupil Premium, SEN)
- Estimates for other income, based on prior years and known variations
- Use of accumulated surpluses (GAG plus unrestricted funds)
- Review of past expenditure performance against budgets; identification of efficiency savings and consideration of known changes (pay increases, inflation)
- The pay budget to be supported by a list of known and planned staff fully costed.
- A statement of the principal assumptions, highlighting areas of vulnerability and outlining possible remedial actions should a shortfall arise if these assumptions do not hold.

Budget monitoring

- 2.8. Monthly reports must be prepared by the CFO, detailing actual income and expenditure against budget, for review by the Principal (monthly) and the FGB (each meeting).
- 2.9. Summary financial reports should be presented at least six times per year and by the Chair of Governors on a monthly basis.
- 2.10. Budget holders must not initiate transactions on an overspent budget or which would result in a budget overspend, without prior approval of the SLT/ Line Manager and, if the CFO is responsible for the budget heading, the Principal.
- 2.11. If a potential or actual overspend against budget (or underachievement of income) is identified (either by the budget holder or SLT/ Line Manager), the reason for the overspend must be established and reported to the Principal and the Full FGB, together with a recommendation for action.
- 2.12. If the recommendation for action is the virement of funds from one budget to another, such virements must be authorised in accordance with the Scheme of Delegation.
- 2.13. Management accounts must include an income and expenditure account, variation to budget reports, cash flows and balance sheet.

Cash management

- 2.14. The FO and auditors produce as required
 - Known opening balance
 - Known receipts from ESFA, LA and other grants

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- Estimates of pay cost including NIC and pension contributions
- Estimates of routine non pay expenditure
- Known/expected non routine expenditure
- Receipts and payments re capital schemes
- VAT
- Forecast closing balances for the following twelve month ends

2.15. In the event that these forecasts identify any potential cash shortfalls, the FO must notify the Principal and report to the Full FGB.

Capital schemes

2.16. Capital schemes expose the AT to substantial risks. In many cases, the expertise required to oversee such schemes will not be available from within the AT's staff. Whenever a scheme is initiated, the Principal must decide whether to engage external specialists to manage the project on behalf of the AT. The FGB have agreed the use of Leaver Consultancy for all CIF bids and management of those bids up to conclusion on the projects.

2.17. If external project managers are not appointed, the CFO, in consultation with the Principal, must establish project management procedures, in writing, for approval by the FGB. These procedures must cover the following:

- Plans and planning consents
 - VAT recovery
 - Contractor selection and contract structure
 - Project timetable with milestones
 - Monitoring construction progress/quality assessment
 - Payment profile and cash flow management (inc VAT)
 - Final sign off.
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3. Risk management and Internal control

Risk management

- 3.1. The Handbook requires that the school has risk management arrangements in place.
- 3.2. A contingency and business continuity plan is required, which is the responsibility of the CFO and which must be approved, following review by the FGB.
- 3.3. Adequate insurance cover must be in place. This is the responsibility of the CFO, in consultation with the AO and approved by the FGB.
- 3.4. The AT engages in internal scrutiny using a Responsible Officer whose reports are forwarded to the Principal and AT 3 times per year.

Risk register

- 3.5. The FGB must agree the main financial risks that the AT faces and assess the likelihood of occurrence and materiality of each risk. A risk register is a vehicle for achieving this and should be maintained. The register will include as a minimum the following key financial risks of the controls in place to mitigate:
 - Overspend budget, caused by weak expenditure management
 - Overspend budget, caused by poor budgeting
 - Receive less income than budgeted, caused by poor budgeting
 - Overspend on capital schemes
 - Short term cash shortages
 - Long term cash shortages – insufficient reserves
 - Improper or irregular use of funds
 - Errors in accounts caused by inadequately skilled/experienced finance staff
 - Loss caused by lack of security over assets, including cash
 - Fraudulent payments to suppliers
 - Fraudulent payments to staff

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- Insufficient insurance cover

3.6. See risk register

Internal control

Segregation of duties

- 3.7. It is the responsibility of the CFO to ensure adequate segregation of duties.
- 3.8. Ensuring delegated financial authorities are respected
- 3.9. The Scheme of Delegation is included at Appendix A

Fraud and theft

- 3.10. The establishment of effective segregation of duties combined with the detailed controls set out in this section are designed to minimise the risk of fraud and theft. In the event that fraud or theft of any level is identified, the Principal must report this to the FGB and, if the amount involved exceeds the sum notified by the ESFA annually in the AFH, *the* ESFA must be notified as per the anti-fraud and corruption policy.
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Nominal ledger/accounting system

System security

- 3.11. Entry to the accounting system is password protected and the FO is responsible for implementing an appropriate level of system security. Only appropriate staff should be granted access, determined and authorised by the FO. Passwords should be changed at least every 120 days. When master systems passwords are changed the new password should be placed in a sealed envelope and kept securely.
- 3.12. A daily back up of the system is taken and these backups are stored securely. A weekly backup of the system is stored in a separate, secure location.
- 3.13. A list of staff with access to the system, detailing the level of access granted annually for approved.
- M Giles - Supervisor
 - E Gough – Supervisor Defined
 - K Wright – Supervisor Defined
 - V Crabb (Responsible Officer) – Read only
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- S Carthew – Read Only

Journal entries

3.14. All journal entries must be documented and the journal audit trail together with the supporting documentation should be reviewed.

Transaction reports

3.15. System reports will be reviewed on a regular basis to ensure that only regular transactions are posted to the accounting system. Any irregular transactions should be documented and authorised.

Reconciliations

3.16. The Finance Officer is responsible for ensuring the following reconciliations are performed each month, and ensuring that any reconciling items are cleared:

- Sales ledger control account
- Purchase ledger control account
- FMS fund control account
- Bank balance/s per the nominal ledger to the bank statement

3.17. Any unusual or long outstanding reconciling items must be brought to the attention of the CFO and the CFO shall review all reconciliations and sign as evidence. All reconciliations should be retained.

Funds

3.18. The ledger should be maintained so as to enable all revenues and costs to be allocated to the appropriate category of funds.

3.19. The CFO must ensure that there is a system in place to allocate costs against restricted funds and monitor the level of unspent amounts.

Income and debtors

Grant income

3.20. The CFO is responsible for ensuring that all grants due to the academy are collected. The CFO should maintain a record of the total income expected and, as part of the review of monthly budget monitoring reports, establish that the correct amount of grant income has been received.

Other income and debtors

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3.21. Sales invoices raised must be approved by the CFO for amounts less than £5,000. For amounts between £5,000 to £25,000 the Principal's approval is also required. For amounts over £25,000 the approval of the FGB is required.

Catering

3.22. Cash/tills now removed and college uses cashless system

School trips

3.23. A lead teacher must be appointed to take responsibility for each trip. The lead teacher must organise the trip in compliance with the College's Trips and Visits Procedure. The lead teacher must inform the Finance Officer of the amount to be collected from each student. This process is to be managed through the college's cash receipting system (Tucasi) and signed off by the Business Manager.

3.24. Students should make payments to the Finance Officer. All monies collected must be recorded on the College's cash receipting system.

3.25. The Finance Officer maintains an up to date record for each student showing the amount paid via the cash collection system and the amount outstanding. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.

3.26. Trips should be run at cost price. Any surplus greater than £15 per pupil should be redistributed to the parents. If the school decides to subsidise school trips, the amount of subsidy must be approved by the Principal in advance of the booking being made.

Lettings

3.27. The Finance Officer is responsible for maintaining records of bookings of the facilities and for identifying the sums due from each organisation. Unless approved by the Principal/CFO, payments must be made in advance for the use of facilities.

3.28. For approved credit users, details of the organisations using the facilities should be sent to the Finance Officer who will establish a sales ledger account and produce a sales invoice. It is the member of staff i/c Lettings to pursue outstanding debts and ensure that no use is made of the facilities unless payment has been made.

Other sundry income

3.29. All income from other sources (e.g. educational consultancy, shared services, sponsorship, donations) must be priced in consultation with the CFO and an invoice raised. No value must pass (goods, services) until the price has been agreed and the credit worthiness of the customer assessed. It is the responsibility of the CFO to approve all credit arrangements.

VAT

3.30. The Finance Officer completes processes in respect of income to which VAT is to be added

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Collection, custody, and banking

- 3.31. A reminder is sent for outstanding debts 6 weeks after the original invoice. A second reminder is to be sent after a further three weeks. Debts outstanding over 10 weeks and £100 or over in value are to be reported to the Full FGB. Where it is cost effective, legal proceedings would be pursued.
- 3.32. Official system generated receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the finance office safe prior to banking. Banking should take place at least weekly, or when the value of cash held exceeds £10,000. (Weekly collection by Security Company and banking in local branch)
- 3.33. Monies collected must be banked in their entirety in the appropriate bank account. The sums collected, deposited at the bank and recorded on the accounting system should be reconciled after each banking, and these reconciliations should be reviewed and signed by the CFO to confirm accuracy.

Unrecoverable debts

- 3.34. Debts up to £250 can be written off on the approval of the Principal. Debts exceeding £1000 require the approval of the Full FGB and the FGB must be informed of all debts written off. The ESFA's approval is also required if debts to be written off are above the value set out in the AFH.

Purchases, payments and creditors

Routine purchases

- 3.35. Routine purchases up to £1,000 can be authorised by budget holders. Purchases between £1,000 and £19,999 require authorisation by the Principal. Orders of £20,000 or above require the authorisation of the Principal and Chair of Governors. Budget holders are recommended to use the national deal for schools website when considering purchases and contracts.

Ordering

- 3.36. A Purchase Requisition Form (PRF) must be raised by the budget holder for all proposed orders with exception of some SLAs, coach travel and in special circumstances. The budget holder must check that they have the available funding within their budget. Where they would exceed their budget, they must seek SLT/ Line Manager approval. The PRF should contain details of supplier, the items, reference number, unit cost and quantity.
- 3.37. A quote price must always be obtained (or price from supplier catalogue held by the college) before any PRF is placed, in line with the procurement table at 3.48.
- 3.38. The form must bear the signature of the budget holder and should include details of the budget cost code to be charged. The completed form must be authorised by the Principal.

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- 3.39. Once the PRF has been authorised, a sequentially numbered Purchase Order (PO) is generated and the order is placed. A copy of the PO and the PRF is kept in the orders placed file.
- 3.40. The Principal, Business Director (CFO) or other senior member of staff as approved by the governors, may authorise orders up to a maximum of £19,999 per single item subject to authorities detailed in Procurement Arrangements and Contract Renewals below, and as detailed in the Scheme of Delegation.

Goods received

- 3.41. On receipt of the goods, which the budget holder must organise, the budget holder must undertake a detailed check of goods against the PO and any accompanying goods received note. Any issues should be addressed by the budget holder with the supplier and details notified to the Finance Officer to be recorded on the PO.
- 3.42. Budget holders (or designated representatives) must confirm receipt of the goods by signing the 'Received' box on the PRF. They should check that only goods/services received have been invoiced. This must occur within 7 days of the invoice receipt. The completed PRF must then be returned to the Finance Officer.

Invoices

- 3.43. All invoices should be sent to the Finance Officer. The invoice is then matched to the completed PRF and the quantity and price checked. Any manual invoice or invoice of more than £2,500 must be checked and evidenced by CFO. Invoices need to be authorised in accordance with the Scheme of Delegation before being processed for payment.
- 3.44. Any invoice that does not agree to the original order must be signed by the budget holder to confirm acceptance. After the budget holder has confirmed that the invoice is correct and the 'Received' box on the PRF has been signed, the invoice may be posted to the purchase ledger. At this point the order and the PRF must be removed from the orders placed file and attached to the invoice in the invoices awaiting payment file.
- 3.45. At each month end a list of orders > 30 days old that remain unpaid will be reviewed by the Finance Officer and followed up with the budget holder.

Payments

- 3.46. The CFO should ensure that invoices are paid to obtain any discounts offered and to derive full benefit from the supplier's credit period.
- 3.47. A BACS batch or cheque payment run is generated weekly for the payment of invoices. This will be checked and authorised in accordance with the Scheme of Delegation (Appendix A).
- 3.48. Once paid, an invoice will be stamped and the BACS number will be recorded on the invoice. The invoice will then be moved from the invoices awaiting payment file to the supplier paid file.

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3.49. Procurement

Type of Procurement	Total Value of Contract	Minimum number of quotations or Tenders required	Acceptance Procedures
Low Value Procurement	Below £5,000	Written quotations are not required, however, consideration should be given to obtaining price comparisons from up to three suppliers, and a record made accordingly.	Principal must accept the most economically advantageous verbal quotation to secure probity and Best Value
Low Value Procurement	£5,000 to £9,999	Three written quotations	Principal must accept the most advantageous quotation to secure probity and Best Value
Intermediate Value Procurement	£10,000 to £50,000 (£20,000 to £100,000 for building or civil engineering works)	Tenders shall be invited from at least three	Principal must make best efforts to secure probity and Best Value
High Value Procurement	£50,000 (or £100,000 for building or civil engineering works) up to EU thresholds	Tenders shall be invited from at least three	For all high value procurements, the Principal must consider whether there would be a benefit in inviting more than three suppliers to secure probity and Best Value.

Orders

3.50. Purchases over £181,302 excluding VAT may fall under EU procurement rules, which require advertising in the official journal of the EU.

Tendering

3.51. There are three form of tender procedure: open, restricted and negotiated:

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- Open Tender - This is the preferred method. All potential suppliers are invited to tender. The budget holder together with the CFO must decide how to advertise for suppliers.
 - Restricted Tender - Suppliers are specifically invited to tender. This is appropriate where there is a need to maintain a balance between the contract value and admin costs; only specific suppliers can be expected to satisfy the requirements or where the costs of an open tender are expected to outweigh the benefits.
 - Negotiated Tender - Terms are negotiated with one or more chosen suppliers. This is appropriate where the above methods have resulted in no acceptable responses, only very few suppliers are available, extreme urgency exists or additional deliveries by an existing supplier are justified.
- 3.52. Where an invitation to tender is used this should include the project background, scope, technical requirements, implementation of the project, terms and conditions of the tender and a form of response. The invitation should also include the date and time that the completed tender document should be received by the academy.
- 3.53. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be marked with the time and date of receipt and stored in a secure place prior to tender opening.
- 3.54. Tenders received after the submission deadline should not normally be accepted.
- 3.55. All tenders submitted should be opened at the same time in the presence of two of the following people: the Principal, the CFO or the Principal with a member of the Full FGB. This process can also be managed independently where the Full FGB have appointed external Project Advisors to manage the tender process. The external Project Advisers present the tenders with an evaluation for the AO, CFO and appointed Directors/Trustees to determine the letting of the contract.
- 3.56. A separate record of the name of each firm tendering and the value should be established and signed by both people present at the opening.
- 3.57. The evaluation process should involve at least two people. They must disclose any interests that may impact on their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process. Those involved must not accept gifts or hospitality from potential suppliers. Full records must be kept of all criteria used for evaluation, N.b. the College will look to ensure best value and not necessarily the cheapest option. For contracts over £50,000 a report must be prepared for the Full FGB highlighting the relevant issues and recommending a decision. DfE approval must be obtained before acceptance where this is required by the conditions attached to a grant.

Payroll

Staff appointments

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- 3.58. The FGB approves a personnel establishment annually. Changes can only be made to this establishment with the express approval of the Full FGB who must ensure that adequate budgetary provision exists.
- 3.59. The Principal has authority to appoint staff within the authorised establishment except for Vice and Assistant Principals, whose appointment must follow consultation with the Governors. All personnel changes must be notified to the Full FGB.
- 3.60. All staff vacancies should be advertised, internally and/or externally. Where it is appropriate, and necessary to do so the Principal will consult with the CFO and/or the Chair of Governors.

Payroll administration

- 3.61. Personnel files are maintained by the Principal's PA which must contain signed contracts of employment for all staff.
- 3.62. Payroll processing is administered by Cornwall Council (the Payroll Provider) under a Service Level Agreement. All staff are paid monthly.
- 3.63. The FO is responsible for checking that all payroll information is correctly entered onto the personnel system and any changes or amendments are supported by appropriately authorised documentation.
- 3.64. All changes to the salaries of the Principal, the Vice and Assistant Principals must be authorised by the Chair of Governors. All changes for other staff must be authorised by the Principal.
- 3.65. The FO must ensure that the Payroll Provider has (in time for monthly processing) complete details of: absences or unpaid leave; new appointments, contract amendments; terminations; overtime or other payments (including expenses). This information has to be authorised prior to despatch to the Payroll Provider. All authorised documents must be retained on the personnel files.
- 3.66. The FO is responsible for reviewing the payroll on a monthly basis and ensuring that the changes notified are reflected in the payroll.

Payments

- 3.67. After the payroll has been processed but before payments are made, the payroll provider will send a ZACPRLN report which lists all individuals on the payroll and the amounts they are being paid including all deductions. This report must be reviewed by the FO prior to the CFO signing it off and instructing the payroll provider to make payment. This is to ensure comparison with the expected pay for each individual on the establishment.
- 3.68. After the payroll has been processed, the payroll provider will send payroll reports to the Finance Officer and CFO. The FO will process the payroll posting journals and reconcile to the wages control account. From the information provided, the FO will prepare payments to be made to the pension agencies and HMRC.
- 3.69. The monthly payroll summary should be signed by the Principal and the CFO as evidence of their review.

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Expenses

3.70. Travelling expenses will be paid at the approved rate of 40p per mile for in county travel and 25p per mile for out of county travel. These rates are only payable if they are in excess of these being travelled to and from the place of work. Public transport will, except in exceptional circumstances, be second class and/or at the most economic rate available. Subsistence claims for food and drink (not alcohol) should, except in exceptional circumstances, not exceed £20. All expense claims should be approved as follows:

- Principal – Chair of Governors or CFO or Vice Principals
- Vice/Assistant Principals – Principal or CFO
- All other staff – Head of Department or CFO

Staff severance payments

The guidance on staff severance in the context of the proper use of public funds is detailed in the AFH and must be referred in all cases where staff severance payments are being considered. The trusts delegated authority to make non-statutory/non-contractual staff severance payments under £50,000 is before income tax and other deductions as per AFH.

3.71.

Annual review of payroll arrangements

3.72. The FO must check that, for each member of staff, the gross pay per the payroll system agrees with the contract of employment held in the relevant personnel file.

Fixed assets

Capital schemes

3.73. See Section 2, above.

Fixed asset register (FAR)

3.74. All capital items purchased over the capitalisation £5000 must be entered in an asset register. This must record:

Asset description
Location
Asset cost

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Source of funding
Expected useful economic life
Depreciation
Current book value

Asset security

3.75. An annual check by the Principal should be done to ensure that all assets included on the register exist and are unimpaired. Any differences should be investigated and, if significant, reported to the FGB.

Disposals

3.76. The guidance on asset sales in the context of the proper use of public funds is set out in the AFH, which should be referred to whenever assets are being considered for disposal. If assets are to be written off and sold, then VAT should be included in the total amount to be charged where VAT was reclaimed on the original purchase, as the College is VAT registered.

3.77. Assets requiring disposal, by sale or destruction, require authorisation by the FGB.

Loan of assets

3.78. If a member of staff wishes to borrow an asset for work use this must be organised through the CFO. The CFO must keep a record of the loan and check the condition of the asset on its return. Loans must be for short periods only to avoid potential benefit-in-kind tax consequences.

Stocks

3.79. Regardless of whether stocks of goods for resale (e.g. uniforms, sports equipment) are to be included within the ATs annual balance sheet, then a formal stocktake should be undertaken at 31 August by the appropriate HoD. The stocktake should record each type of item held, and the number in stock. This should then be extended to record the associated cost of each item to give a closing stock figure.

3.80. A reconciliation should then be performed to this year-end figure, adding opening stock at cost to purchases at cost and deducting sales (reduced to cost by reducing sales value by an estimate of the known mark-up on goods sold). Any significant shortages should be identified by this reconciliation.

Bank and cash

Bank accounts

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3.81. The opening of all bank accounts must be authorised by the FGB who must set out in a memorandum the arrangements covering the operation of the accounts including any transfers and cheque signing arrangements/BACS authorisation arrangements.

Deposits

3.82. Particulars of any bank deposit must be entered on a copy paying in slip, counterfoil or listed in a supporting book. The details must include the amount and a reference such as the name of the debtor

Payments and withdrawals

3.83. Payments are only to be raised against a certified invoice or petty cash requisition

3.84. All payments/withdrawals must be signed by authorised signatories as set out in the Scheme of Delegation Appendix A

3.85. Authorised signatories must not sign relating to goods or services for which they have been the sole authoriser of the expenditure.

3.86. Cheques are to be kept in a secure locked place (safe or locked cabinet in a locked room), cheque signatories must not have access.

Reconciliations

3.87. The CFO must ensure that bank statements are received regularly and that reconciliations are performed on weekly basis by the Finance Officer.

Petty cash

3.88. The petty cash held on site should not exceed £1,000. Petty cash is administered by the Finance Officer and kept in a cash box which is kept in the safe when not in use. Petty cash authorisations to be signed by Line Managers before reimbursements are made.

3.89. The only deposits to petty cash should be cheques cashed for that purpose. The receipt should be recorded in the petty cash system with the date, amount and reference. All other cash received for whatever reason should be paid directly to the bank.

3.90. Petty cash payments are limited up to £50.

3.91. The Finance Officer must enter all transactions into the petty cash records on a regular basis.

3.92. AT monies should not be withdrawn for the personal use of any person and personal cheques should not be encashed from official monies

3.93. Periodic and unannounced checks must be made by the CFO to ensure that the balance reconciles.

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

4. Proper and regular use of public funds

Handbook requirements

- 4.1. The AFH sets out the requirements of the AT to put in place procedures to ensure regularity and propriety in the use of public funds. To comply, the AT must:
- Establish controls to ensure that spending has been for the purpose intended (Section 3)
 - Maintain a register of trustees' business interests (below)
 - Establish controls to ensure no payments are made to Governors or other related parties, unless permitted. From April 2019 the trust must gain prior approval from the ESFA for contracts for the supply of goods or services to the trust by a related party where any of the following limits apply; A contract that exceeds £20000 including any contracts that would in total exceed £20000 in the same financial year. This does not include salaries or other payments made to a person under contract of employment through the trusts payroll.
 - Ensure payments made to senior employees comply with the DfE's directions re avoidance of tax (Section 3)
 - Ensure a competitive tendering policy is in place and applied (Section 3)
 - Assets are not disposed of without appropriate consent (Section 3)
- 4.2. The Accounting Officer's statement on governance, regularity, propriety and compliance must be included in the AT's annual report. The AO also has a responsibility to advise the FGB and the ESFA on any instances of irregularity or impropriety, or non-compliance with the terms of the Funding Agreement.
- 4.3. To help to enable the Principal to sign off on this statement, the AT maintains a Key Financial Controls Checklist, which sets out those key controls which should operate on a monthly, per committee meeting and annual basis.
-

Register of business interests

- 4.4. Governors and staff with significant financial powers must declare any financial interest they have in organisations or individuals from which the AT may be making purchases. The register is open to public inspection. All Governors and relevant staff will be asked to confirm on an annual basis that the register of interest is up to date and complete. Any in-year changes to staff/ Governors interests should be notified immediately to the CFO.
-

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

- 4.5. The register should include all business interests, such as directorships, shareholdings and other appointments within a business or organisation which may have dealings with the AT. The disclosures should also include business interests of relatives or business partners where influence could be exerted.
- 4.6. The register of business interests does not detract from the duties of Governors and staff to declare interests whenever they are being discussed by the FGB or a Committee. Where an interest in a matter has been declared, Governors and staff should not attend the part of the meeting dealing with the matter.

Payments to Governors, employees or other related parties

- 4.7. Governors and staff will avoid accepting excessive (defined as gifts over £25 in value) hospitality, entertainment or other services from existing or prospective suppliers. A register of hospitality and gifts received shall be maintained.
- 4.8. Unless an individual has provided clear evidence of self-employed status all payments to individuals will be processed only through the payroll system. This must also be backed up through the HMRC check for employment status.
- 4.9. Governors will receive no remuneration for their work other than payment of reasonable out of pocket expenses such as travel or accommodation charges incurred in connection with their duties as a Governor.

Abnormal transactions and delegated authorities

- 4.10. The following non-routine transactions are identified in the AFH:
 - Overpayments
 - Unrecoverable debts
 - Guarantees, letters of comfort and indemnities
 - Losses of stock and other assets
 - Gifts or hospitality received or given
 - Gifts of surplus assets
 - Staff severance payments and compensation

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- Asset sales, leases and tenancy agreements

- 4.11. For all of the transactions above and any other transaction which falls outside the usual planned range of activities, the AT should obtain relevant professional advice where appropriate; ensure decisions reflect value for money; agree internal delegation levels; and disclose the aggregate of such transactions in the annual accounts, detailing each individual transaction greater than £5,000. All abnormal transactions must be reported to the FGB, regardless of the internal approval delegated authorities.
- 4.12. If the AT is involved in any of the above non-routine transactions, the guidance (including prescribed delegated limits) in Sections 2.4 and 2.6 of the AFH must be followed.
- 4.13. One of the recommendations of the AFH is that the AT should set internal delegation levels for the approval of the above non-routine transactions. These delegation levels are included in Appendix A.

Other matters

Fees and charges

- 4.14. Fees for chargeable services should normally be set at full cost, but a higher amount may be used when in a commercial environment. This should be reviewed annually by the FGB.

Whistleblowing

- 4.15. The following procedures must be followed by any member of staff who has concerns regarding the propriety or regularity of any activity undertaken by the AT or a member of its staff:
- Unless it is inappropriate to do so, the member of staff must initially express their concerns to the Principal
 - In the unlikely event that the concerns are such that it would be inappropriate to address these with the Principal (and only in these rare circumstances), the member of staff must express their concerns the Chair of Governors (Whistle Blowing Governor)
 - In the very unlikely event that the concerns are such that this would also be inappropriate (and only in these extremely rare circumstances), the member of staff must contact the ESFA.
- 4.16. All staff must be made aware of these whistleblowing procedures.

Borrowing

- 4.17. Other than for operating leases, ESFA approval is required for borrowing and certain other similar liabilities (leases, tenancies and indemnities). In the event that the AT considers entering into any such transaction, FGB approval is required (see Summary of freedoms and delegations in AFH)..

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

Credit cards

4.18. If the AT permits the use of school credit cards, credit limits must be set at appropriate levels and any balance must be repaid monthly in full, to avoid any borrowing risk. Credit card holders are responsible for completing relevant order forms and retaining relevant paperwork and submitting this to the FO.

Managing surplus GAG

4.19. Section 2.6 of the AFH sets out the ESFA's guidance on the use of GAG 'carry-forward' and its monitoring arrangements. This is required reading for the Principal and the CFO. There must be a clear plan which demonstrates how the surplus funds are to be used for the benefit of pupils of the AT.

5. Annual accounts and audit

Overview of audit arrangements

5.1. Audit requirements are set out in detail in Part 3 of the AFH and are not reproduced in this FPM.

5.2. External auditors must be appointed (and if necessary removed) in accordance with the guidance given in the AFH.

5.3. The AT must have in place a process for independent checking of financial controls, systems, transactions and risks.

5.4. The role of this committee is set out in Part 3 of the AFH. Arrangements are in place to deliver the controls assurance work provided through

- the Audit Committee
 - a Responsible Officer
 - supplementary programmes of work performed by the external auditors as appropriate to the needs of the AT
-

Preparing for External Audit (EA)

Work to be undertaken during the accounting period

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

5.5. In order to ensure that the period end accounts and audit process is as straightforward and cost effective as possible, the following items should be addressed during the accounting period.

Reviewing the structure of the trial balance to ensure adequate fund accounting information

5.6. Whichever accounting system is used by the AT, it is essential that it is structured to enable detailed fund accounting records to be maintained throughout the period.

5.7. The statutory accounts of the academy will require both the income and the costs of the AT to be analysed between each individual fund. Therefore all income and expenditure must be split between unrestricted funds (which are those that can be used for any purpose of the AT), restricted GAG funds and restricted other funds (such as Pupil Premium, SEN, start-up grants and other grants).

Maintaining a fixed asset register

5.8. As described in Section 3 above, a fixed asset register must be maintained accurately to ensure that EA time is not overspent in this area.

Maintaining a record of governors interests and related party transactions

5.9. As required in Section 4 above, the register of governors' interests must be maintained so as to be able to produce a schedule of transactions with governors and related parties, recording the date, description, amount of transaction and nominal code where the transaction is recorded.

Maintaining a record of meeting attendance

5.10. The annual report disclosures usually include details of the number of FGB and FC meetings that were held in the period, together with the number of meetings attended by each individual governor. A record of attendance should be maintained throughout the year, to ensure that the information is available at the year end.

Period end procedures to be undertaken

Period end adjustments

5.11. To prepare statutory accounts a number of period end adjustments to the trial balance figures are necessary. This work can be undertaken internally by the CFO or externally by the EA. This split of responsibilities will have an impact on EA fees.

5.12. The main adjustments required will be in the following areas:

- Reconciliation of the bank accounts and correction of any old or incorrect outstanding deposits / cheques
- Depreciation charges on the fixed assets for the period
- Calculation and inclusion of the period end stock value
- Prepayments – typically prepaid IT licences and support, rental payments paid in advance, grounds contracts paid in advance etc.

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- Pupil Premium/SEN and other grant income where a deferral or accrual of income is needed so that income is recognised in the correct accounting period
- Accruals and deferred income – typically expected costs for the period that have not yet been invoiced for utility bills, service level agreements, accounts and audit fees, as well as deferring income received in advance on (e.g.) school trips
- Reconciliation of the period end PAYE and NI creditors to the payroll, together with pension creditors
- Bringing in the income and expenditure on private school fund accounts if records of these are maintained separately
- Ensuring that the creditor's ledger is complete. In order to facilitate this it is important that a file of late invoices relating to the period prior to 31 August, but received after the year end is maintained. If any such invoices have not been accrued for in the accounts, an adjustment may be necessary to bring them in.
- If the AT's accounting policy is to include stock held for resale (such as uniforms or sports equipment) within the balance sheet (which will depend on whether the amounts involved are considered significant), then the details from the annual stocktake (Section 3 above) need to be made available. Stock is valued at the lower of cost and the net realisable value that it can be sold for. Therefore if any items of stock are damaged or obsolete, these should be noted on the schedule and written down in value.

Documentation required for the preparation of the annual report and accounts

5.13. In order to prepare the annual report and accounts, the following documentation and information will be required.

Narrative reports

5.14. The first part of the annual report consists of a range of narrative reports setting out information about how the AT is run and structured, its achievements during the period and details on the various controls that it has in place.

5.15. This section of the report will require a significant amount of input from the governors and CFO. Therefore it is recommended that action is taken to start collating and drafting the narrative reports promptly after the period end and prior to the auditors coming on site.

5.16. Whilst some sections of narrative, such as the financial review, will need to be prepared after the draft accounts are available, the majority of the reports can be prepared before then.

Reference and Administrative Details

5.17. In order to complete this section the following information will be required:

- Details of all members of the FGB during the period including appointment / resignation dates
- Details of the senior management team (i.e. Principal, Deputy Principal, CFO etc)

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- Details of bankers and solicitors

Governors' report

5.18. Your auditors should be able to provide a Word version of the proforma 'Coketown' governors' report, which will provide guidance. However a number of sections will need to be written by the AT in the first year and reviewed and updated annually. As this is the governors' report, it will need to be circulated to, and agreed by, all of the governors prior to inclusion in the annual report.

5.19. Some of the sections of the governors' report will be able to be drawn from the Memorandum and Articles of the AT, including:

- Members' liability
- Method of recruitment and appointment or election of governors
- Objects and aims of the academy

5.20. The main areas requiring input from the AT are:

- Organisational structure
- Risk management procedures
- Activities of the AT during the period
- Details of achievement and performance
- Financial review
- Reserves policy explaining why funds are held
- Plans for future periods

Governance statement

5.21. The governance statement sets out information on the responsibilities of the FGB and in particular requires details of:

- The number of times the FGB met during the period
- Details of the number of FGB meetings each governor attended in the period, and the total number they could have attended.
- The same information for the FC.
- Narrative on how the AT has decided to meet its internal control obligations, such as explaining the role of the Responsible Officer or Internal Auditor.

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Financial information

5.22. In order to prepare the main financial statements the following reports and documentation will be required by the auditors and it is important that this information is available in final form, prior to the commencement of the accounts and audit fieldwork.

5.23. Therefore if the AT uses any external assistance with the CFO role (e.g. LA support), it is important that their period end visit is scheduled in advance of the accounts and audit fieldwork commencing.

5.24. The information required for the main financial statements will include:

- Reconciled trial balance at 31 August
- Bank and petty cash reconciliations at 31 August
- Printout of aged debtors at 31 August
- Details of any debtors that should be provided for as bad debts
- Printout of the aged creditors at 31 August
- Details of any late invoices relating to the period, that are not reflected in the trial balance
- Workings to support any accruals, prepayment or deferred income calculations reflected in the trial balance. Supporting documentation should also be attached for items in excess of £5k
- Nominal activity report printouts for repairs and maintenance costs, legal and professional costs, sundry expense costs and any uncleared suspense codes
- Stock valuation at 31 August (if any)
- The fixed asset register, reconciled to the trial balance.

5.25. The following information will also be required to complete the notes to the accounts:

- Operating lease agreements for all ongoing leases at 31 August. This will typically include building leases, photocopier / franking machine / IT leases, motor vehicle leases etc
- Details of any capital commitments at the 31 August. These are legal commitments at the period end for work that has not yet been undertaken, typically signed building contracts, commitments to purchase IT equipment etc
- The governor and officer indemnity insurance policy, showing the premium paid for the year

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- Average staff numbers for the period (calculated on a full time equivalent basis for part time staff). These should be split between relevant categories such as teachers, teaching assistants, admin and support staff and management
- Details of pension contributions paid for employees earning over £60k per annum
- Where any staff members have a mixed role and spend time on generating voluntary income, fundraising and educational operations, an estimated allocation of their salary costs between each role should be prepared
- A schedule setting out governors remuneration for the period, including:
 - Gross remuneration and employers pension contributions paid on behalf of each staff governors (including the principal)
 - Expenses reimbursed to governors
- A schedule setting out related party transactions. This should include transactions with businesses and organisations disclosed on each governor's declaration of interests
- An FRS 17 Local Government Pension Scheme report at 31 August (and date of conversion in the first period)
- Details of any post balance sheet events requiring disclosure in the accounts. This would include significant changes to the activities of the AT since the period end (i.e. additional members joining a multi academy trust), purchases, sales or losses of significant assets since the period end (including as a result of a catastrophe), strikes and labour disputes etc.

5.26. Access to the basic accounting records of the academy will also be required for both the accounts preparation and for audit testing purposes and therefore needs to be readily available:

- Bank statements for the period and since the period end
- Purchase and expense invoices for the period and since the period end
- Sales invoices for the period and since the period end
- Purchase and sales credit notes for the period and since the period end
- Grant documentation for all non-GAG restricted income (such as Lottery grants, capital grants and similar income sources)
- Payroll records for the period
- VAT returns or forms 126 for the period, with supporting workings.

Documentation required for the audit

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5.27. In order to conduct the audit fieldwork, the audit team will require access to the core accounting records and accounting information set out above, together with the following key documents:

- Minutes of FGB and FC meetings
- Copy of the signed funding agreement
- Copy of the latest budget submitted to the ESFA
- Documentation to support any balance transferred from the Local Authority on conversion
- The register of governors' interests
- Responsible officer / internal audit reports throughout the period
- Full details of any claims or litigation by or against the academy
- Full details of any fraud or suspected fraud arising during the period
- Statutory records of the company, including Memorandum and Articles

Preparing for Annual Accounts Return (AAR)

5.28. The standard AAR is primarily based on the annual financial statements to 31 August, together with additional disclosures to allow for the consolidation of individual ATs into the government accounts.

5.29. Where the AAR is to be based on available accounts to 31 August, the following information will be required in addition to the final statutory accounts in order to complete the additional disclosures:

- An analysis of revenue and capital grants by the specific issuing body (ESFA, DfE, STA, CAF/CASS etc)
- Staff costs disclosed in the accounts to be analysed between those on permanent contracts and those on temporary contracts. As a minimum you will require a list of permanent and temporary staff names to enable the split to be calculated
- Accrued or deferred holiday pay to be calculated as at 31 August
- The land and buildings valuation included in the accounts to be analysed between land and buildings
- Total future operating lease commitments at the 31 August - this is an alternative treatment to the accounts that will have disclosed the annual cost (rather than total cost) of each commitment

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- The return requires a list of transactions and balances with parties related to the ESFA (rather than just to the AT). The ESFA related parties are provided by the ESFA and therefore a list of transactions with any of these parties needs to be prepared
 - Counterparty balances return. This section of the return requires an analysis of all period end debtor and creditor balances and in-year purchase and sale transactions with counterparties, broken down by the individual counterparty. The relevant government counterparties include other academies, local authorities, district councils, HM Revenue & Customs, Teachers Pensions and other public bodies etc. There is a full list of potential counterparties on the 'CP IDs tab' of the AAR. Most accounting systems should allow a supplier report to be printed in order to identify the counterparties, and then transaction information can be obtained for each supplier
 - Details of the following transactions will also be required if they have occurred in the year:
 - Losses (re stock or other assets) or write-offs (unrecoverable debts or overpayments)
 - Gifts or hospitality received or paid
 - Special payments
 - Staff severance or compensation payments
 - Contingent assets and liabilities.
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Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

Appendix A - Scheme of delegation

Table of powers and duties

Activity	FGB (GB)	Principal	CFO(CFO) (and finance team)	Others
Planning, risk management & entity level internal control	<ul style="list-style-type: none"> Approve strategic plan (a) Approve contingency & business continuity plan (a) Approve Scheme of Delegation (a) Sign Governance Statement (a) Formulate plans for the use of surplus funds (GAG and other unrestricted), including reserves policy Review risk register (a) Review contingency & business continuity plan (a) 	<ul style="list-style-type: none"> Prepare strategic plan (a) Overall responsibility for security of assets, information and records Sign Statement of Regularity, Propriety & Compliance (a) Sign Governance Statement (a) Line manager for CFO, monitoring CFO performance For abnormal transactions, approve the CFOs proposed procedures Advise the GB on the use of surplus funds (GAG and other unrestricted) Ensure insurance arrangements adequate (a) 	<ul style="list-style-type: none"> Prepare strategic plan projections (a) Prepare contingency & business continuity plan (a) Prepare risk register (a) Arrange insurance cover (a) Notify FC of events which could affect the insurance arrangements Confirm effective segregation duties (a) Ensure FPM is up to date and staff are trained appropriately Identify, report and adopt the required procedures in connection with any abnormal transactions, as defined in Section 4 above, and report all to the GB 	
Budgetary control	<ul style="list-style-type: none"> Approve budget (a) Consider reports from Full FGB (em) Authorise all budget virements over threshold 	<ul style="list-style-type: none"> Review budgetary control reports to identify any overspending risk (m) Authorise budget virements within limits & notify FC 	<ul style="list-style-type: none"> Prepare budget (a) Prepare budgetary control reports (m) Monitor income, expenditure & cashflow against budget (m) Report on budget monitoring to FC (em) Authorise budget virements within limits and notify FC 	Budget holders: <ul style="list-style-type: none"> Monitor expenditure against their delegated budget (m) Report any expected overspend or irregularity to CFO
Nominal ledger & accounting system	<ul style="list-style-type: none"> Review list of staff system access authorities within Scheme of Delegation (a) Review Capital and Revenue Reserves Policy (a) 		<ul style="list-style-type: none"> Ensure system security (a) Ensure internal controls are designed to operate (and are operating) in accordance with the FPM (a) Monitor use of restricted funds for specified purposes (m) 	

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

Activity	FGB (GB)	Principal	CFO(CFO) (and finance team)	Others
Income & debtors	<ul style="list-style-type: none"> • Authorise write off of debts in line with Scheme of Delegation • Raise sales invoices over threshold 	<ul style="list-style-type: none"> • Raise sales invoices within limits 	<ul style="list-style-type: none"> • Ensure internal controls are designed to operate (and are operating) in accordance with the FPM (a) • Check and confirm that all grant income due has been received (m) • Raise sales invoices within limits 	
Purchases, payments & creditors	<ul style="list-style-type: none"> • Maintain register of business interests • Authorise advertising & award of tenders over threshold • Authorise acceptance of most financially favourable tenders 	<ul style="list-style-type: none"> • Authorise advertising & award of tenders within limits • Open tenders in the presence of another authorised person • Authorise orders & contracts within limits 	<ul style="list-style-type: none"> • Ensure internal controls are designed to operate (and are operating) in accordance with the FPM • Open tenders in the presence of another authorised person • Authorise orders & contracts within prescribed limits • Ensure there is adequate segregation of duties 	<ul style="list-style-type: none"> • Budget holders authorise orders within limits • Budget holders and nominated administrators are authorised to receive and check goods
Payroll	<ul style="list-style-type: none"> • Approve personnel establishment (a) 	<ul style="list-style-type: none"> • Approve staff appointments within authorised establishment • Approving the payment of salaries (with CFO) (m) 	<ul style="list-style-type: none"> • Ensure internal controls are designed to operate (and are operating) in accordance with the FPM • Manage the contract with the payroll service provider • Approve the payment of salaries (with Principal) 	<ul style="list-style-type: none"> • FO responsible for reconciling payroll provider data
Fixed assets	<ul style="list-style-type: none"> • Authorise disposal of surplus assets with original purchase value > £5k • For any significant capital schemes, approve the project management plans 	<ul style="list-style-type: none"> • Authorise disposal of surplus assets with original purchase value < £5k • For any capital schemes, approve the project management plans prepared by the CFO 	<ul style="list-style-type: none"> • Ensure internal controls are designed to operate (and are operating) in accordance with the FPM • For any capital schemes, prepare detailed project management plans 	
Bank and cash			<ul style="list-style-type: none"> • Ensure internal controls are designed to operate (and are operating) in accordance with the FPM • Petty cash claim limit of £50 	<ul style="list-style-type: none"> • Vice and (nominated) Assistant Principals can sign cheques with one other signatory
Accounts and audit	<ul style="list-style-type: none"> • Appoint Responsible Officer (RO) /Internal Auditor (IA) role • Appoint External Auditors (EA) • Approve annual accounts(Undertake audit 	<ul style="list-style-type: none"> • Oversee the CFO in connection with accounts and audit arrangements 	<ul style="list-style-type: none"> • Prepare annual accounts (a) (with assistance from EA) • Prepare AAR • Produce information needed by EA (a) 	

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

Activity	FGB (GB)	Principal	CFO(CFO) (and finance team)	Others
	committee role*, including receiving reports from RO/ IA <ul style="list-style-type: none"> • Review annual accounts (a) • a) 			

* If appropriate and separate Audit Committee not required Key (a) = annually (em) = each meeting

Financial Procedures Manual (FPM) AFH/ESFA guide-lines and requirements

Scheme of Delegation													
Title	Orders		Credit Card	Authorisation of Invoices						Cheque Signatory	BACS Authorisation		
	Internal Orders	External Orders		Goods Received	Prices/ Calculation	Amount			Create File		Import to FMS	I only Approve	
				£1 - £999	£1,000 - £19,999	Over £20,000							
Chair of Governors	No	No	No	No	No	No	Yes plus P/BD	No	No	No	No	No	No
Vice Chair of Governors	No	No	No	No	No	No	Yes plus P/BD	No	No	No	No	No	No
Principal (P)	No	Yes	Yes	No	No	Yes	Yes plus Gov	No	No	No	No	No	No
Vice Principal	No	No	No	No	No	No	No	Yes	No	No	No	No	Yes
Business Director (BD)	Yes	No	Yes	Yes	Yes	Yes	Yes plus gov	No	Yes 2	Yes 2	No	No	No
Finance Manager	No	No	Yes	No	Yes	No	No	No	Yes 1	Yes 1	No	No	No
Assistant Principal	Departments	Yes	No	No	No	No	No	No	No	No	No	No	No
Head of Department	Departments	Yes	No	No	Yes	No	Yes	No	No	No	No	No	No
Dept technicians	Departments	Yes	No	No	Yes	No	Yes	No	No	No	No	No	No
Hair and Beauty Manager		Yes	No	No	Yes	No	Yes	No	No	No	No	No	No
Caretaker	Up to £500	Yes	No	No	Yes	No	Yes to £500	No	No	No	No	No	No
Canteen Manager	Up to £200	Yes	No	No	Yes	No	Yes to £200	No	No	No	No	No	No
Network Manager (IT)		Yes	No	No	Yes	No	Yes	No	No	No	No	No	No

Note

One person **must not** sign all three 'Authorisation of Invoices' boxes.

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Bodmin College Academy Trust

Summary of financial authorisation levels

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services	Please see Scheme of Delegation	Please see Scheme of Delegation	Please see Scheme of Delegation
Contracts	Over £50,000	FGB	See 3.49
	Contract with annual value up to £50,000	Full FGB	See 3.49
	Authority to accept other than lowest quotation from £1,251 to £6,250	Principal	See 3.49
	Authority to accept other than lowest tender	FGB advised by Full FGB	See 3.49
Signatories for cheques, BACS payment authorisations and other bank transfers	Please see Scheme of Delegation	Please see Scheme of Delegation	Please see Scheme of Delegation
Signatories for ESFA grant claims and ESFA returns	Any	Two signatories (or as required by ESFA) from: <ul style="list-style-type: none"> • CFO • Principal 	
Virement of budget provision between budget heads .nb Reserves are not to be accessed without Governor approval.	Up to £10,000	CFO, with reporting to the Full FGB	
	£10,001 to £50,000	As above plus Principal, with reporting to the Full FGB	
	Over £50,000	FGB	
Disposal of assets	Assets which cost up to £10,000	FGB	
	Assets which cost over £10,000	FGB	
Write-off of bad debts	Up to £250	Principal	
	Over £250	As above plus Full FGB	

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Purchase or sale of any freehold or leasehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	ESFA approval required	
Raising invoices to collect income	Up to £5,000	CFO	
	£5,000 to £25,000	As above plus Principal	
	£25,000 to £50,000	As above plus Full FGB	
	Over £50,000	FGB	

