



# Hinchley Wood Learning Partnership

## Financial Procedures Manual

**Reviewed:** January 2021

**Next Review:** June 2021

## CONTENTS

<b>HINCHLEY WOOD LEARNING PARTNERSHIP (“HWLP” or the “Trust”)</b> .....	<b>4</b>
<b>INTRODUCTION</b> .....	<b>4</b>
<b>RESPONSIBILITIES</b> .....	<b>4</b>
Introduction.....	4
The Trust.....	4
Finance and Resources Committee.....	4
Role of the Responsible Individual (RI).....	5
Role of the Executive Headteacher (Accounting Officer).....	5
Specific Financial Tasks Delegated to the Accounting Officer.....	6
The Role of the Director of Finance and Resources (Chief Financial Officer).....	6
The Role of the Finance Team.....	7
<b>REGISTER OF BUSINESS INTERESTS POLICY</b> .....	<b>7</b>
Receipt of Gifts, Hospitality, Entertainment and Other Services.....	8
Expenditure on Gifts, Hospitality, Entertainment and Favours.....	8
Private Use.....	8
<b>HWS: REGISTER OF BUSINESS OR PECUNIARY INTERESTS</b> .....	<b>10</b>
<b>ACCOUNTING POLICIES</b> .....	<b>11</b>
<b>AUDIT</b> .....	<b>14</b>
Public Funds.....	14
<b>INSURANCE</b> .....	<b>14</b>
<b>TAXATION</b> .....	<b>15</b>
<b>TRUST IMPROVEMENT PLAN AND BUDGETING</b> .....	<b>15</b>
Budgeting.....	15
<b>REPORTING FINANCIAL RESULTS</b> .....	<b>16</b>
<b>CASH FLOW</b> .....	<b>17</b>
<b>COMPUTERISED ACCOUNTING SYSTEM</b> .....	<b>17</b>
<b>AUTHORISED SIGNATORIES LIST</b> .....	<b>18</b>
<b>PAYROLL</b> .....	<b>18</b>
Monthly Procedures.....	19
<b>PURCHASING</b> .....	<b>19</b>
Purchase Orders.....	23
The Ordering Process.....	24
Receipt of Goods.....	24

Purchase Invoices .....	24
Payment of Invoices .....	24
Payment run support.....	25
BACS payment and confirmation .....	25
Credit Notes.....	25
Supplier Balances and Statements .....	25
Controls Over Expenditure .....	25
Budget Holders .....	25
<b>EXPENSES .....</b>	<b>25</b>
<b>PETTY CASH .....</b>	<b>25</b>
<b>INCOME.....</b>	<b>26</b>
Controls Over Incoming Funds .....	26
<b>BANK AND CASH.....</b>	<b>28</b>
Bank Facilities .....	28
Bank Reconciliations.....	28
Cash Banking.....	28
Credit Cards .....	28
<b>FIXED ASSETS .....</b>	<b>29</b>
Asset Register .....	29
Disposal of Assets .....	29
Losses.....	30
<b>LEASING .....</b>	<b>30</b>
<b>INVESTMENTS.....</b>	<b>30</b>

# HINCHLEY WOOD LEARNING PARTNERSHIP

## INTRODUCTION

The purpose of this manual is to ensure that any schools within the Hinchley Wood Learning Partnership (“HWLP” or the “Trust”) maintain and develop systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to ensure timely and accurate management information and to meet the requirements of the funding agreement(s) with the Secretary of State.

The Trust must comply with the principles of financial control outlined in the guidance published by the DfE in the prevailing Academies Financial Handbook. This manual expands on that and provides detailed information on the Trust’s financial and accounting procedures. The manual should be read by all staff involved with financial systems.

Currently there are two schools within the Trust – Hinchley Wood School (“HWS”) and Hinchley Wood Primary School (“HWPS”). The procedures below apply to both schools where the context requires. Procedures that may apply to specifically to one school or the other will be highlighted. Broadly speaking, the financial management of the Trust is controlled by the finance team (“Finance Team”) located at HWS, with certain authorities and administrative control delegated to specific staff at HWPS.

## RESPONSIBILITIES

### Introduction

The Trust is a multi-academy trust (“MAT”) and has defined the responsibilities of each person involved in the administration of the Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff.

### The Trust Board

The Trust Board comprises individual trustees (“Trustees”) and has overall responsibility for the administration of the Trust’s finances. The main responsibilities of the Trustees are prescribed in the Funding Agreement, as amended from time to time, between the Trust and the Secretary of State. The Trust must approve the annual budget and the annual statutory financial statements.

### Finance and Resources Committee

The Trust has established a Finance and Resources Committee, which meets at least twice a term. This committee is responsible for monitoring the financial and operational status of the Trust and making recommendations to the Trustees on matters related to finance, the physical estate, IT infrastructure, catering and cleaning operations. The Trust has:

- defined its terms of reference;
- set out a scheme of works;
- prescribed the extent of its delegated authority;
- ensured that its minutes are available for all Trustees and the local governors (“Local Governors”) of schools within the Trust.

The Trustees review the Finance and Resources Committee’s remit and membership annually.

### **Role of the Responsible Individual (“RI”)**

The Trust has determined that the independent, internal review and scrutiny of the Trust’s internal financial controls is best coordinated by a nominated trustee or local governor (“Responsible Individual” or “RI”), as directed by the Finance and Resources Committee.

The RI receives the following input and assurances:

- the external Auditors undertake internal control reviews as part of their audit in the autumn term. A management letter is produced.
- the RI has access, at any time, to staff in the Finance Team or elsewhere in the Trust) to discuss and understand any internal control procedures or other financial procedures.
- the RI has access, at any time, to the Director of Finance and Resources as Chief Financial Officer (CFO) of the Trust or the Executive Headteacher as Accounting Officer (AO) to discuss financial or propriety concerns.
- the RI is a member of the Finance and Resources Committee and is currently a Local Governor.

The RI must not be a staff member of the Trust board nor a Chair of Trustees but may be another Trustee or Local Governor, or an individual outside the Trust community.

The principal role of the RI is to provide assurance to the Trustees on the following issues:

- that the Trust discharges its financial responsibilities according to the requirements of the DfE;
- that the Trust’s resources are being used effectively and according to best value principles, including capital assets, equipment, and staff;
- that effective systems of internal financial controls are in place and operating;
- that financial considerations are taken fully into account when reaching decisions about the use of resources and in their execution.

If a matter of important concern comes to light, the RI should discuss them with the CFO and / or the AO and agree a course of action including the introduction of amended procedures. This will be reported to the Finance and Resources Committee at their next meeting.

In the event that the matter concerns both the CFO and/ or the AO, the RI will meet with the Chair(s) of the Trust and the Chair of the Finance and Resources Committee.

In the normal course of events the RI will summarise the findings of any work undertaken by the RI; the RI support audit; the external Auditor and report annually in November to the Finance and Resources Committee and a summary of the RI’s report will be given by the RI to the Trustees at their December meeting.

### **Role of the Executive Headteacher (Accounting Officer)**

The Executive Headteacher is responsible for the following, in accordance with DfE guidance:

- to fulfil the duties of the Accounting Officer according to the guidance in the Academies Financial Handbook;
- The Accounting Officer is personally responsible to the Trust for
  - ensuring regularity and probity;
  - prudent and economical administration;
  - avoidance of waste and extravagance;

- efficient and effective use of available resources; and
  - the day to day organisation, staffing and management of the Trust.
- Included in the responsibilities of the Accounting Officer is a duty to take appropriate action if the Trust, or the Chair(s), are contemplating a course of action which he or she considers would infringe the requirements of propriety or regularity or would not represent prudent or economical administration, or the efficient or effective discharge of the Trust's functions.

### **Specific Financial Tasks Delegated to the Accounting Officer**

The AO has delegated responsibility for:

- leading and managing the Trust development plan(s) which are underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increase teachers' effectiveness and secure improvement of the Trust's performance;
- ensuring the efficient and effective deployment of the Trust's resources;
- ensuring that the relevant DfE financial regulations/standing orders or DfE requirements are implemented;
- establishing and maintaining sound internal financial controls which are managed on a daily basis by the CFO;
- ensuring the effective implementation of current financial systems and procedures described in this manual;
- ensuring that the funds delegated to the Trust are deployed in accordance with their legal entitlement;
- ensuring the compilation of the annual budget to be approved by the Trust;
- ensuring the production of regular financial reports to the Trust, the DfE and Companies House, as appropriate.

### **The Role of the Chief Financial Officer**

The CFO is responsible for the following financial duties:

- to fulfil the duties of the CFO according to the guidance set out in the Academies Financial Handbook. These include:
  - the day to day management of financial issues;
  - the management of the Trust's financial position;
  - the maintenance of effective systems of internal control;
  - ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust.
- providing financial advice to the AO and Trust;
- setting and monitoring the annual budget;
- ensuring the maintenance of the Trust's accounting records;
- generation income from third party sources (e.g. bids, lettings etc.);
- reviewing and authorising monthly payroll information;
- making purchases in accordance with 'best value' principles;
- developing relationships with partners and exploring opportunities for obtaining support for the Trust;
- promoting relationships with the local community and potential donors;
- obtaining appropriate legal advice;
- management and monitoring of specific projects, e.g. capital projects;

- developing provision to promote ‘best value’;
- developing and updating policies as required;
- ensuring regular communication with the RI and the external Auditor;
- lead officer for the Finance and Resources Committee.
- ensuring that the gifts and favours offered register is updated.

### **The Role of the Finance Team**

The Finance Team is responsible for:

- management and monitoring of income and expenditure;
- maintaining the Trust’s accounting records;
- liaising with budget holders and providing regular reports;
- ensuring financial procedures are adhered to at all times;
- preparation of monthly payroll information;
- management of cash;

This financial procedures manual refers mainly to the Finance Team. In practice individual tasks are allocated to a specific member of the Finance Team so as to ensure segregation of duties as far as is possible within a team of three. Certain financial administrative tasks are performed by a member of the administrative team at HWPS.

## **REGISTER OF BUSINESS INTERESTS POLICY**

The Trustees, Local Governors and members of staff who can influence buying decisions recognise their responsibility to avoid any conflict between their business and personal interests and those of the Trust.

The Trust therefore maintains a register of the business interests of each governor, member of staff with significant financial responsibilities, their relatives and other individuals who may exert influence. The register includes:

- interests with suppliers from which the Trust may wish to buy goods or services;
- interest in the appointment, salary, promotion or conditions of service of members of staff.

The information in the register is taken into account whenever buying or staffing decisions are made. Any Trustee, Local Governor or member of staff who has an interest in a business quoting for a contract does not form part of the process awarding the contract. Any Trustee, Local Governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Trustees, Local Governors and members of staff are required to inform the Trust of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate. Any Trustee, Local Governor or member of staff who is unwilling to declare their interests or complete a nil return is not permitted to influence a buying or staffing decision and it may be difficult for the that individual to remain in post.

The minutes of the Trust Board, Finance and Resources Committee, or any other committee which can influence a buying decision have a standard agenda item seeking updates to governors' and other committee members' pecuniary interests.

The only exception to the requirement to disclose a business interest is that if the interest is so distant or small that no ordinary right-thinking person would expect it to influence a person who might have dealings with the firm concerned. In such cases, it need not be disclosed. An example is a modest shareholding in a large public company even if the Trust has or may have dealings with the company.

The register is freely available for public inspection.

Notwithstanding all of the above, the CFO aims to ensure that the Trust avoids contracting with any suppliers or contractors that are owned, influenced or connected with Trustees or Local Governors.

### **Receipt of Gifts, Hospitality, Entertainment and Other Services**

Trustees, Local Governors and members of staff involved in making buying decisions do not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. The Director of Finance and Resources maintains a register of gifts and favours that were accepted. Trustees, Local Governors and members of staff are required to inform the Director of Finance and Resources of such offers as they arise.

### **Expenditure on Gifts, Hospitality, Entertainment and Favours**

The Finance and Resources Committee will approve in advance any expenditure on gifts and hospitality that is not already accommodated for in the annual budget. The Finance Office maintains a log of such expenditure in its accounting systems. In order to be authorised, such expenditure must reflect the principles of probity and accountability.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches.

Modest hospitality may occasionally be provided outside the workplace. Prior approval will be obtained from the Chair(s) of Trustees and Chair of the Finance and Resources Committee for any material hospitality expenditure (e.g. hospitality provided in connection with a staff offsite).

The school will occasionally provide small gifts (not alcohol) to departing members of staff or to visiting speakers / other similar guests that provide enrichment opportunities to students. To the extent that a school within the Trust holds an event with parents in attendance (e.g. a play or musical), the development fund / PTA pertaining to that school may supply the funds to purchase alcohol for the event and ask the school to make the physical purchase on the fund / PTA's behalf. All proceeds and profits from such alcohol sales will be returned to the relevant development fund / PTA.

### **Private Use**

The Trust does not obtain goods or services for the private use of Trustees, Local Governors or members of staff. Trustees, Local Governors or members of staff may not:



- hold any interest in any equipment or property held or used for the Trust;
- acquire any interest in the disposal of Trust equipment or property at the end of any contract between the Trust and any third party, unless it has been fully depreciated.

The exception is that the Trust will allow teaching staff to purchase equipment through the Trust which is for educational or related purposes (for example a musical instrument to further their tuition). In these situations, the individual must agree the specification in writing and pay in advance or in accordance with a payment schedule agreed in advance by the CFO. This process may occur where the Trust can purchase similar equipment at a more favourable price.

## HWS: REGISTER OF BUSINESS OR PECUNIARY INTERESTS

<b>Full Name</b>	
<b>Position (Trustee/ Local Governor/Senior Leadership Team/Clerk)</b>	

I certify that I have read the guidance overleaf and declared below all beneficial interests which I or any Related Party have with businesses or other bodies, charities, associations and organisations which may have dealings with the school. I have put 'none' where I have no such interests under any heading.

Name of Business	Nature of Business	Nature of Interest	Date of Start of Interest	Date of Cessation of Interest
<b>Substantial Interests in Trading Companies</b>				
<i>List any substantial shareholdings over 5% of the issued share capital or in excess of £25,000 nominal value shareholdings or directorships of self or related parties</i>				
<b>Relationship to students, members of staff or Trust members</b>				

Signed .....

Dated .....

### Record of Review

Date of Review	Reviewed By	Signature	Date of Review	Reviewed By	Signature

## ACCOUNTING POLICIES

### 1. Basis of preparation

The financial statements will be prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2015), the Academies Accounts Direction issued by the Education and Skills Funding Agency (ESFA) and the Companies Act 2006, as amended. A summary of the principal accounting policies, which will be applied consistently, except where noted, is set out below.

### 2. Going Concern

The Trustees will assess whether the use of the "going concern principle" is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees will make the assessment in respect of a period of one year forward from the date of the approval of the financial statements.

### 3. Recognition of incoming resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants.** Grants will be included in the Statement of Financial Activities (SOFA) on a receivable basis.
- **Donations.** Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Sponsorship income.** Sponsorship income provided to the Trust which amounts to a donation will be recognised in the SOFA in the period in which it is receivable. Any sponsorship money received with no restriction on its use will be credited to the unrestricted fund in the SOFA.
- **Deferred income or income receivable.** Where income is received in advance of entitlement of receipt its recognition will be deferred and included in creditors as deferred income. Where entitlement occurs before the related cash or resource is received, the income will be shown as income receivable in the balance sheet.
- **Other income.** Other income will be recognised in the period it is receivable.
- **Income from activities.** Income from catering and lettings etc. will be recognised in the financial year in which the underlying commercial event occurs. Income from school trips other activities will be recognised as soon as all of the activity income and associated expenses have been finalised, but within the financial year to which it relates.
- **Investment income.** Investment income is recognised in the period it is receivable.

### 4. Resources expended

- Normally expenditure will be taken in the period in which a liability is incurred. The exceptions are:
  - Expenditure specifically relating to incoming resources which are treated as deferred income or income receivable will be taken in the same period as the income is recognised.
  - Expenditure specifically relating to activities will be taken in the period that the related income from activities is recognised and will until that time be treated as a prepayment.

An estimate of non-specific overheads such as administrative salaries and utilities will be charged.

- **Costs of generating funds.** These will be costs incurred attracting voluntary income and managing investment income. An annual estimate of the cost of administrative salaries relating to these areas will be made.
- **Charitable activities.** These will be costs incurred on the Trust's educational operations. Teaching and educational staff costs will all be charged while administrative and other support staff costs will be estimated annually.
- **Governance Costs.** This includes the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, some legal work, Trustees / Local Governors' meeting costs and reimbursement of their expenses and an annual estimate of the administrative support staff costs associated with governance.

## 5. Accounting for fixed assets

Freehold Land and Buildings are carried at fair value being a reasonable estimate of the current open market valuation. Between 5 yearly formal valuations, any additions will be capitalised at cost.

Other assets (or groups of assets e.g. computing equipment / furniture) costing **£2,500** or more will be capitalised as tangible fixed assets and will be carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets are acquired with the aid of specific grants, either from the government or others, they will be included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants will be credited to a restricted fixed asset fund in the SOFA and carried forward in the Balance Sheet. Depreciation on such assets will be charged to the restricted fixed asset fund in the SOFA so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

## 6. Depreciation

Depreciation will be provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

- Freehold buildings **50 years**
- Building improvements **10 years**
- Plant and machinery **10 years**
- Motor Vehicles **5 years**
- Fixtures, fittings and equipment **4 years**
- ICT equipment **4 years**

Assets in the course of construction will be included at cost. Depreciation on these assets will not be charged until they are brought into use.

## 7. Leased Assets

Rentals under operating leases will be charged on a straight line basis over the lease term.

## 8. Investments

The Trust's investments are likely to be fixed term deposits or bonds, both with our bankers, with a defined maturity value.

If the Trust invests in the future in investments with a market value then the holding will be valued at the period end at market value.

## 9. Stock

Stock will be valued at cost.

## 10. Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010, as amended, and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

## 11. Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme ('LGPS').

These are defined benefit schemes and any assets backing the schemes are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are determined by the Government Actuary on the basis of 3 yearly valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations will be obtained at least 3 yearly and will be updated at each balance sheet date.

The amounts charged to operating surplus will be the current service costs and gains and losses on settlements and curtailments. They will be included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost will be shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses will be recognised immediately in other gains and losses.

## 12. Fund Accounting

- **Unrestricted income funds.** These represent those resources which may be used towards meeting any of the charitable objectives of the Trust at the discretion of the Trustees.
- **Restricted general funds.** These comprise all restricted funds received except funding relating to restricted fixed assets and in particular include grants from the Education and Skills Funding Agency ("ESFA").

- **Restricted fixed asset funds.** These are resources which are to be applied to specific capital purposes imposed by the ESFA / Department for Education or other source of funds where the asset acquired or created is held for a specific purpose.

## AUDIT

### Public Funds

The Trust adheres to the external audit regime as outlined in the Academies Financial Handbook and as required by Companies House.

The audit programme of the Statutory Auditors will be set in advance by themselves, as directed by the ESFA / DfE, to ensure that they are able to express the required opinions on the Trust's financial and other related external statements.

If the Trust Board, Finance and Resources Committee, RI or AO want additional work to be undertaken then it would be appropriate to inform the Auditors by the end of September prior to their audit work which currently occurs at the end of October.

The AO must inform the Trustees immediately if the following are discovered or suspected:

- loss or misuse of money;
- financial irregularities;
- fraud.

The Academies Financial Handbook sets out what needs to be reported to the DfE.

## INSURANCE

The Finance and Resources Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with risks and include cover for Trust property when off the premises. The Trust is now a member of the government sponsored Risk Protection Arrangements ("RPA")

The main types of insurance cover which are in place are:

- premises and contents. These should be insured at replacement cost against damage by subsidence, fire, lightning, explosion, storm, flood, malicious damage, terrorism and similar risks; the Trust's cover is unlimited;
- business interruption;
- employers' liability insurance; the Trust's cover is unlimited;
- public liability insurance; the Trust's cover is unlimited;
- any statutory motor transport insurance;
- loss of assets through fraud or dishonesty on the part of employees;
- Governors' (Trustees') insurance
- personal accident insurance; and
- professional indemnity insurance; the Trust's cover is unlimited
- fidelity insurance.

Details of all insurance policies held by the Trust are kept by the Director of Finance and Resources.

The insurers are notified of all new risks, property and equipment and vehicles which require insurance or any other alteration affecting existing insurance on a timely basis.

The Trust does not give any indemnity to any third party without the written consent of their insurers.

The Trust immediately informs its insurers of all accidents, losses and other incidents, which may give rise to an insurance claim.

Claims under an insurance policy are authorised by the Director of Finance and Resources prior to submission to the insurance company.

Any Trustee / Local Governor / member of staff using their car for Trust purposes is covered by an "occasional use" motoring policy maintained by the Trust.

## **TAXATION**

The Trust abides by the procedures issued by the HMRC in connection with VAT and Payroll Taxes.

## **TRUST IMPROVEMENT PLAN AND BUDGETING**

### **Budgeting**

The Trust has a school Improvement Plan ("SIP") for each of its schools and a longer term vision. The plans, amongst other things, take account of:

- the educational priorities for the Trust;
- changes in the expected size of the HWS Sixth Form
- the building repair, maintenance and expansion programme;
- the repair and renewal programmes for furniture, fittings and equipment.

The plans are an integral part of the Trust's self-evaluation cycle and they are reviewed on an annual basis and updated in the light of new information and changed priorities.

The plan is constructed using the following processes:

- an estimation of funding; individual school census returns; information from ESFA and Surrey LA on funding allocations; the effect of the phased implementation of the national funding formula; estimates of activity income and expenditure (lettings, trips and catering etc)
- an estimation of staffing costs.
- an estimation of contributions to the Local Government Pension Scheme and Teachers' Pension Scheme
- an estimation of operational expenditure, based on known cost trends for utilities, supplies, service level agreements etc.
- the identification of potential efficiency savings;
- the allocation of curriculum budgets to departments, using a transparent formula to allocate funds equitably in line with need and Trust priorities;
- an annual review of the Trust's self-evaluation priorities;
- the identification of ICT developments on the basis of priorities discussed and agreed with the IT Department;

- the identification of premises developments on the basis of priorities detailed in the strategic estates plan;
- verifying planned levels of unspent balances - ensuring that revenue and capital reserves are appropriate for the needs of the Trust.

The annual budget is intrinsically linked to the school SIPs. The budgeting process starts at the beginning of the spring term. Ordinarily the CFO draws up a schedule of “Budget Drivers” for the forthcoming financial year. This is submitted to Finance and Resources Committee for their review and discussion. Amendments and refinements will be made as appropriate (including and in particular the effect of staffing issues up to summer half term). The final draft (including indicative budgets for the 2 years following the forthcoming financial year) will go to Finance and Resources Committee for approval before being submitted to the Trustees for formal review and approval and then being submitted by the CFO to the ESFA in the prescribed agreed format.

The Trust must notify ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year, which it is unable to address after reserves from previous years are taken into account.

Budget holders cannot exceed their budget allocation, unless they have the approval of the CFO

The Finance and Resources Committee formally monitors the Trust’s actual results compared to budget on behalf of the Trust Board. This is done typically in respect of a full accounting close of the month preceding the relevant Finance and Resources Committee Meeting and the analysis will include a forecast outturn for the full year.

The results of these closes are reported to the Trustees for information

## **REPORTING FINANCIAL RESULTS**

The Finance Team prepares reports and accounts in various formats to allow the CFO, individual budget holders; the AO, the Leadership Team, the Finance and Resources Committee and the Trust Board to review the Trust’s financial results in an effective way appropriate to their role.

Reports are also produced as required by the ESFA.

### Frequency of reports

Budget holders have access to their budgets on line with live data against budget at any time and they are sent a monthly hard copy. The exception is that the Headteacher of HWPS will receive monthly management accounts for HWPS.

The Trustees, CFO and AO – monthly

Leadership Team – termly

Finance and Resources Committee – twice termly.

Trust Board – at each sitting of Trust



The scope and frequency of reports will be amended if financial problems occur or the Trust's net position is materially at variance with expectations.

The main reports will include:

- the annual budget;
  - the actual spend to date;
  - commitments;
- and where appropriate:
- a full year revenue forecast;
  - a balance sheet;
  - a cash flow forecast.

## **CASH FLOW**

The CFO is responsible for the periodic preparation of cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant surplus balances can be foreseen, steps may be taken to invest the extra funds whilst balancing the need for swift access to liquidity. If a cash deficit is foreseen, appropriate remedial action will be taken.

## **ACCOUNTING SOFTWARE**

The CFO has implemented a business continuity plan at HWS that backs up SIMS data every 15 minutes on readily accessible standby servers based on Microsoft's Azure cloud platform. Effective September 2020, the Trust's accounting software was upgraded to a cloud based system supplied by Civica (Financials Live).

Access to the core system is restricted to the Finance Team. Budget holders have limited access. The system is accessed by passwords, which are only known by the relevant member of staff but which can be reset by the system manager. Passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. If an outside provider uses the computerised accounting system, they are given their own user id and password.

Software is installed on the Trust's computer network to detect viruses, spyware, and other malicious threats. Regular updates are used to ensure that the latest threats are detected. There is also a facility for cleaning up infected files.

Periodic reviews are carried out to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the Trust either directly or on a consultancy basis are removed as soon as the staff member leaves.

Separately, a full weekly backup of all the Trust's data is taken in a separate building that does not house the main server room. It is not overwritten for three weeks. A backup is always made before any major change to the system, such as an accounting software upgrade.

The Trust complies with the requirements of the Data Protection Act 2018, as amended.

The Trust's aim is to make the accounting system as paperless as possible. Purchase orders are electronic; we ask suppliers to send their invoices by email and the accounting system uses scanning so that supplier invoices and other data is available for review online. The vast majority of payments

are by BACS with an electronic remittance advice. The Trust banks on-line but this is largely for read-only purposes. No payments can be made out of the school unilaterally via online banking.

Any accounting records which are in hard copy or stored electronically will be retained for the relevant periods stipulated in the Global Data Protection Regulation (GDPR) (EU) 2016/679.

### **Transaction processing**

All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual. Reasons for non-standard journal entries must be documented when being input to the accounting system.

### **Reconciliations**

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

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts; and
- bank balance per the nominal ledger to the bank statement.

The CFO will review these reconciliations monthly.

## **AUTHORISED SIGNATORIES LIST**

An authorised signatory list, including specimen signatures and covering all the key financial systems, is held in the Finance Office for reference purposes.

## **PAYROLL**

The Trust formally approves all appointments, terminations and salary levels. They have established procedures to:

- ensure personnel are competent, suitably qualified and trained to a level consistent with their responsibilities;
- provide clear statements of criteria for personnel selection;
- provide formal job descriptions;
- ensure that the cost of all appointments, any re-grading and any other changes in conditions of service of staff can be met within the resources available to the Trust.

The HR Manager maintains a list of staff employed by the Trust and their current salaries, TLRs and allowances.

The Trust uses the services of a payroll bureau and the contract between the Trust and the bureau includes:

- responsibility for making returns to HMRC and the dates by which these returns should be made;
- responsibilities for the control and accuracy of data;
- details of authorised signatories for payroll amendments;
- back up provisions;

- a schedule of reports to be sent to the Trust for financial and personnel monitoring purposes;
- an agreement as to the response time and costs that will be charged for any additional data or reports required by the Trust; and
- provision for access for Trust staff and auditors.

The payroll bureau processes the staff payroll only on the combined written instructions of the CFO and AO. They do not process salary changes authorised by the person whose salary is changing. The Chair(s) of Trustees notifies any changes to the AO's salary to the Director of Finance and Resources.

Payments are made as follows:

- net payments to staff, by BACS, to employees of the Trust;
- HMRC payments, by the payroll agent, to HMRC using a HWS BACS facility;
- pensions payments, arranged through the payroll agent and paid by BACS;
- overtime claims, as part of net payments to staff, through the payroll;
- expense payments, paid through payroll.

Access to personnel files is restricted to the AO, Headteacher of HWPS (in respect of HWPS staff only), the CFO and members of the HR and Finance teams.

No individual is treated as 'self-employed' without checking the HMRC self-employment check list / ready reckoner – the results of which need to be kept on file. Suppliers and contractors operating through companies are checked for compliance with IR35.

### **Monthly Procedures**

- The HR Manager and Finance Team review all new appointments, resignations, changes in hours, TLRs, R&Rs, grades and pension arrangements which have occurred since the previous month;
- the HR Manager is responsible for updating the SIMS personnel data base to be consistent with this data;
- the Finance Team update amendments to hours worked, payments for duties and sports coaches and any approved overtime sheets;
- the Director of Finance and Resources and Executive Headteacher authorise the information to be sent to the payroll bureau;
- the Finance Team checks the payroll printout received back from the payroll bureau for accuracy;
- a monthly print-out of amounts paid to employees is retained by the Trust and initialled by the Finance Team as evidence of the checking and authorisation procedure;
- the HR Manager and the Finance Team check gross pay as per the payroll to personnel records monthly.

## **PURCHASING**

### **Introduction**

HWS aims to obtain best value, whilst ensuring that the Trust, as a publicly funded organisation, follows and is seen to follow a fair and transparent purchasing process.

Obtaining best value – even for a specific contract - cannot be taken in isolation but covers any initial capital outlay, use of internal resources and ongoing expenditure over the life of the contract.

In the context of the Trust, obtaining best value starts with the use of staff resources which accounts for more than 87% of annual revenue expenditure. Purchasing from external providers is funded via (i) the remaining 13% (approx.) of annual revenue expenditure, (ii) accumulated reserves of a revenue nature, and (iii) annual income / accumulated reserves of a capital nature, (iv) annual net activities income (including lettings), and (v) fund raised income (including via the various school Development Funds).

Achieving best value requires the following:

- clear understanding / specification of what is needed (including optimal risk transfer) and the desired outcome.
- agreement that the project is a priority / best use of resources.
- obtaining / paying for technical advice where appropriate, prior to specifying the contract.
- not reinventing the wheel / bench marking against and obtaining information and advice from other schools and contacts and applying guidance, where relevant, from the DfE.
- challenging the traditional “in house” way of how things are done.

One of the ways the Trust tries to obtain best value is to manage anything but the larger and more technically difficult projects in-house rather than employing a lead contractor or project manager. Overall this approach has worked well in the past but does carry some risks.

Purchasing is split into 5 different categories covering supplies and contracts of both a revenue and capital nature:

- day-to-day ordering by departments / budget holders up to £5,000 (£5,000 for the Headteacher of HWPS);
- orders normally initiated by the CFO for day-to-day services continuing over an extended period up to £25,000;
- one-off orders between £25,000 to £50,000, which will typically be for building refurbishment work / minor capital projects / replacement of equipment;
- larger one-off orders / projects greater than £50,000 (but less than the tendering thresholds specified by EU Public Procurement Directives); normally for building projects – both capital and maintenance;
- Major projects or purchasing that require a formal tender process to be undertaken in accordance with EU Public Procurement Directives.

### **Day to day ordering by departments up to £5,000 (£5,000 for the Headteacher of HWPS)**

These purchases typically include service providers (for example speakers or “non-curriculum day” providers) as well as product providers (for example books and stationery).

The Finance Team maintains a database of approved regular suppliers. Terms and conditions are agreed in advance (typically 30 days from invoice). Payments by BACS – bank details and email addresses for remittance advices etc. are agreed at this stage.

The Finance Team agrees suppliers on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account. Consortia are used where they provide value for money.

Suppliers are selected from:

- in-house (and other school) recommendations
- the internet
- business directories and trade journals
- supplier catalogues and mail shots;
- information provided by the DfE.

Budget holders are advised that they need to allow sufficient time for the supplier approval process to be completed prior to being able to place an order.

Suppliers will be deleted from the approved list periodically if not used within a meaningful period of time.

**Supplies / Contracts relating to day to day services provided over an extended period (between £5,000 to £25,000)**

These purchases typically relate to minor refurbishment / capital works or routine service contracts which are required over an extended period (for example grounds maintenance, utilities, insurance, photocopier maintenance or fire alarms).

The contract should not run for more than 3 years without such a review.

Such contracts cannot exceed £25,000 in value and must be approved by the CFO who will price check with alternative providers, where appropriate.

**One-off orders between £25,000 to £50,000**

These will tend to be of a capital nature and will mainly relate to refurbishment projects / other capital works or equipment replacement.

Any such project will be contingent upon the availability of sufficient reserves, as determined by the CFO and approved by the CFO and the AO.

The detailed specification and negotiations with suppliers / contractors will be agreed by the CFO and signed off by the AO.

Where appropriate, two or more quotes will be obtained but using preferred suppliers / contractors for a particular trade is acceptable as long as good value for money is obtained and the contractor has a history of reliable completion with the school.

**Larger one off projects greater than £50,000 but less than the tendering thresholds specified by EU Public Procurement Directives**

Projects or purchases falling within this category will be the subject of competitive quotations and will require approval from the Finance and Resources Committee. Where the Trust runs the works as project manager it may be that a number of smaller trade specific contracts will make up the project. In other, larger projects, the Trust will employ a project manager or there will be a lead contractor with the Trust using a quantity surveyor (employer's agent) to support the Trust's interests.

The purpose is to identify a preferred supplier / contractor. Negotiations will then continue to define the project / purchase specifications in order to reduce the supplier / contractor's costs and thus the project's costs (for example changing timings to outside school holidays or amending the specification to allow the purchase of off the shelf equipment).

The specification for the project / purchase will be established after discussions with professionals or a possible supplier / contractor or research on the internet. It will set out the aim of the project / purchase, the technical specification of the project / purchase and required timings of completion.

Ordinarily quotations will typically be invited from 3 suppliers / contractors. However, it is recognised that circumstances may arise where contractors may be selected on the basis of their specialist expertise or in depth knowledge of, and prior track record with the Trust. In such circumstances the likelihood of increased efficiencies and/or reduced risk to the Trust means that the Trust may accept less than three quotes, provided always that the Trust adheres to the principles of achieving best value, as outlined in the "Purchasing – Introduction" above.

Projects with a value greater than £100,000 but less than £200,000 will require prior approval of the Finance and Resources Committee.

In the event that a project is pursued with a total cost of more than £200,000 (but less than the tendering thresholds specified by EU Public Procurement Directives), a Capital Management Sub-Committee will be formed. It can comprise any members of the Finance and Resources Committee but attendance for quorum purposes must include the Chair of the Finance and Resources Committee. Any recommendations would be passed to the Finance and Resources Committee for approval.

In circumstances where building works are being funded by private capital, the Trust may rely on contractors previously screened and selected by the provider of private capital.

Following discussions with the, CFO, and AO (and at times the Finance and Resources Committee Chair) a preferred supplier(s) will be chosen, the reasons documented and all quoting suppliers informed.

The project will then be submitted to Finance and Resources Committee for approval before being presented to the Trust Board for final approval.

## **Major Contracts which require a tender process to be undertaken in accordance with EU Public Procurement Directives.**

If applicable, the Trust will follow EU wide tendering rules in line with the relevant EU Public Procurement Directives (“Directives”), as also enacted through the UK’s Public Contracts Regulations (“Regulations”).

These Directives / Regulations set cash limits (excluding VAT) requiring a tender process for the goods and services they cover. These limits are referred to as thresholds. The thresholds are revised every two years and the prevailing thresholds for schools are £181,302 (€221,000) for non-education specific goods and services and £4,551,413 (€5,548,000) for the procurement of works. Goods and services used solely for the purpose of delivering education are subject to the higher Light Touch Regime threshold of £615,278 (EUR750,000).

The criteria for the tender process make this a very rare eventuality for the Trust and the Trust has never required the process to date.

The tender process is as follows:

- Specification agreed by the CFO and AO. External technical / professional advice sought where appropriate.
- Tender document drafted and agreed by the Finance and Resources Committees
- Advertise the tender in accordance with the relevant Directives and Regulations.
- Tender replies analysed – Trust Board agrees the preferred contractor
- School / advisors enter discussions with preferred contractor to ensure best value from contract / total cost within funding available.
- Contract drawn up and approved by Finance and Resources Committees
- Tender papers filed for future reference.

## **Purchase Orders**

Computer generated numbered orders are used for the purchase of the majority of all goods and services and all orders are placed through the Finance Team.

All purchases require a purchase order to be placed with an approved supplier. This will require budget holders to request approval of new suppliers in advance. Any exceptions will be approved by the CFO.

During school holidays the CFO may authorise supplies of goods and services verbally and will email the Finance Team with the relevant details. Such authorisations effectively take the place of a purchase order and the authorisation documentation is tied to the eventual invoice.

Any orders made using the Trust credit card is administered by the Finance Team. The credit card is kept in the safe and is not used for the private use of individuals.

The value of credit card purchases will need to be covered by the budget holder's remaining available budget or, if not, approved by the CFO.

### **The Ordering Process (electronic)**

The process is carried out by approved members of staff logging into Financials Live and raising a requisition request.

The requisition requests is then automatically submitted to the relevant budget holder for approval, which then leads to the generation of a purchase order that is sent to the supplier.

### **The Ordering Process (manual)**

- Similar to the electronic process but
- The budget holder raises and signs a requisition form stating the number of items and price of the order to be raised;
- the budget holder sends the requisition to the Finance Team who checks that the budget holder has sufficient funds for the purchase;
- the Finance Team generates a purchase order;
- the Director of Finance and Resources will be asked to approve if the order is unusual or has a value over £5,000;
- a record of all transactions is captured within Financials Live. Any budgetholder has online access to their spending record relative to their budget.
- cancelled orders are marked as such, with the reason for cancellation.

### **Receipt of Goods**

- All goods received are delivered to the budget holder who carries out a prima facie check to ensure that the delivery is complete;
- The budget holder confirms receipt of goods in Financials Live.
- if the delivery is only partly fulfilling an order, the budget holder notifies the Finance Team as soon as possible;
- the Finance Team and /or budget holder follows up any shortages or defective items with the supplier.

### **Purchase Invoices**

- suppliers will send invoices directly to the Finance Team;
- Invoices will either be sent by email or in hard copy;
- Once an invoice has been input into Financials Live it will automatically be matched against the corresponding purchase order and will become eligible for payment in the next BACS run (on the basis that the budget holder has already logged the associated goods received in the system);

### **Payment of Invoices**

The Finance Team reviews the creditors' ledger regularly and selects invoices for inclusion in the next BACS run for payment on agreed terms.

It is the policy of the Trust to pay all invoices by the due date and to take advantage of any discounts available for early settlement where this is to the Trust's advantage.



The Finance Team makes BACS payments as required.

The CFO and AO both review and authorise every BACS payment run.

The CFO can sign cheques for under £500. Cheques over £500 are jointly signed by the CFO and AO.

### **Payment run support**

The BACS payment run that is signed off by the CFO and AO shows the invoice, the purchase order, any other supporting documentation (emails etc.).

### **BACS payment**

The BACS run is transferred electronically to the CFO who can then process the payment via the Trust's software that gives direct access to the BACS system. Currently, the BACS card that initiates payment out of the Trust is stored in the safe (to which the CFO does not have a key). The Financial Accountant brings the card from the safe and sits with the CFO whilst he makes payment into the BACS system. The Financial Accountant does not have the passwords for the card.

### **BACS confirmation**

Confirmation of the BACS transfer is signed by the Director of Finance and Resources in front of the Financial Accountant who then delivers the confirmation to the Finance Manager for filing. The Financial Accountant will then take the BACS card back to the safe for storage.

### **Credit Notes**

Credit notes are matched to the relevant invoices when they are processed.

### **Supplier Balances and Statements**

Invoices and credit notes are posted to Financials Live as soon as practically possible.

The Finance Team reviews all supplier statements received and reconciles individual supplier balances to supplier statements on a monthly basis.

### **Controls over Expenditure**

Individual budget holders are able to authorise for goods and services of up to £5,000 value which remain within their budget limits. Authorisations over this amount must be referred to the CFO who can authorise exceptions, subject always to the waterfall of payment limits set out above.

### **Budget Holders**

Budget holders are informed of the budget available to them by the beginning of the Autumn Term. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Detailed actual expenditure against budget is available to the budget holder on a real-time basis and a soft copy report is issued monthly.

## **EXPENSES – ACCOUNTING OFFICER**

Expenses submitted by the AO will normally be approved by a Deputy Headteacher or the CFO. Any individual submissions in excess of £200 must also be approved by the Chair of the Finance and Resources Committee.

## **EXPENSES – OTHER STAFF**

Expense claims must be submitted by staff in accordance with the Expenses Policy.

## **PETTY CASH**

Petty cash is used for the purchase of minor items. The petty cash float is maintained on an imprest system and the balance is £500. The float is reimbursed from cash received by the Finance Office or, if insufficient cash is available, by a visit to the bank with a cheque drawn on the main bank account. The petty cash tin is held in the safe.

Payments from petty cash are typically only made on production of a till receipt or other proof that payment has been made and cannot exceed £25 in value, unless authorised by the CFO. Petty cash payments are subject to the same authorisation procedures as purchases from the main bank accounts. They are passed for payment by the Finance Team. The person receiving reimbursement signs for the amount received.

An exception to this arrangement relates to the provision of cash upfront to the Premises Team for the purchase of petrol for various pieces of petrol-driven machinery (strimmers, mowers etc.). In such circumstances a record of the cash advance is made and the Premises Team Member will subsequently present invoices and any change to the Finance Team.

The petty cash float is reconciled on a monthly basis by the Finance Team and initialled as evidence of this review.

The CFO arranges a surprise audit of petty cash annually.

In no circumstances are personal cheques cashed through petty cash;

## **INCOME**

The Trustees have overall responsibility for ensuring that all income due to the Trust is properly accounted for. Day-to-day responsibility for this is delegated to the CFO. Income, including valuations for donated services and gifts in kind, is accounted for in accordance with the requirements set out in the Academies Financial Handbook.

### **Controls over Incoming Funds**

The Trust aims to keep cash movements to an absolute minimum. Parents are required to pay for meals and school trips etc. electronically via ParentPay. In addition, many standard income sources are run via collecting direct debits. (e.g, catering income and donations).

### **Postal Receipts**

Any incoming cheques and cash are stored in the safe and recorded in a timely manner.

### **Letting of Trust Facilities**

All lettings are subject to a letting agreement, setting out the terms and conditions of the Trust letting, including the agreed charge.

The Finance and Resources Committee approves standard letting rates. Free use and charges below economic cost are not generally permitted but discounts against standard rates will be offered to charities and large hirers – these will be approved by the CFO.

- All hiring of Trust equipment and facilities is recorded on the letting software package which is maintained by the Finance Team;
- invoicing is run on the software by the Finance Team on a monthly basis to ensure that all lettings have been invoiced;
- when a letting is booked the hirer completes a hire form;
- one member of the Finance Team banks all receipts;
- the Trust has “Hirer’s Insurance”.

### **Trips and other activities**

Letters are sent to parents requesting contributions for trips or similar activities.

The Finance Team maintain separate spreadsheets for each activity and the accounting system has a separate account for each activity – income and expenditure.

Each separate activity remains open until the activity is complete and all income and expenditure is received. It is then closed and income and expenditure taken as appropriate

A summary of closed trips and activities is reported to Finance and Resources Committee on an annual basis.

If an outstanding charge or similar has not been paid within the academic term a formal invoice will be raised so as to ensure the outstanding amount is accumulated in one list.

### **Unpaid Monies**

The Trust chases all monies owed that have not been paid within approximately 30 days of the due date.

If a debt remains unpaid after 4 months the recovery process is pursued as follows:.

For amounts owed by a third party (for example a letting) the Finance Team or CFO will call the organisation. The Trust will be prepared to issue a claim via the courts.

For amounts owed by another school or college, the CFO or AO will call that school’s Headteacher or Principal.

For amounts owed by a parent, the Finance Team or CFO will call the parent to discuss how the outstanding amount can be settled. However the trip system is geared up to flag up any outstanding sums owed should the student request to go on a subsequent trip or activity. In such circumstances the Finance Team will review whether the initial trip / activity rebate (if any) was reasonable or whether the student has subsequently moved to FSM status. This could result in an adjustment to the sum being pursued. The parent will be rung and informed that any new requested activity or trip will not be considered until outstanding balances are settled.

Unpaid monies are only written off when the Trust has followed all possible procedures to ensure their recovery.

## **BANK AND CASH**

### **Bank Facilities**

Only the Finance Team can authorise the opening of bank accounts.

The Finance Team, on behalf of the Trust, ensures that all transactions on its bank accounts comply with ESFA regulations and with relevant, current accounting instructions and procedures issued by the ESFA.

The Trust does not overdraw its bank accounts or arrange with its bankers for overdrafts, loans or any other form of credit or deferred purchases. The Trust does not offer any security to the bank. Any funds surplus to immediate requirements are held on call deposit.

All cheque payments from the bank accounts over £500 require two authorised cheque signatories and in almost all cases these are the CFO and AO. Cheques are not pre signed.

All cheques drawn are crossed 'account payee only'. All chequebooks and other stationery are kept in a locked cupboard or filing cabinet. All bank statements are filed sequentially.

Procedures for the BACS payment of suppliers are set out above.

### **Bank Reconciliations**

All bank accounts are reconciled on a monthly basis by the Finance Team and the CFO reviews reconciliations on a termly basis, signing them as evidence of review.

### **Cash Banking**

Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash and cheques are banked weekly via a security carrier and recorded on paying-in slips. Bank paying-in slips show the split of cash and cheques and reference cheques to the related activity.

### **Credit Cards / Currency Cards**

The following procedures apply for the use of Trust credit card:

- the Trust's card is used in circumstances where it is either quicker or easier to purchase certain goods or supplies via a credit card (e.g. train tickets / theatre tickets) rather than ordering via the accounting system ;
- the Financial Accountant is the authorised credit card user;
- the credit card is retained in the safe in the Finance Office.
- details of card purchases are noted on a spreadsheet with the NL account to charge to
- requisition / purchase details and invoices are reconciled by the Finance Team against the credit card statements;
- the full balance on the card is paid each month by Direct Debit, having first been checked by the CFO.

## **FIXED ASSETS**

### **Asset Registers**

The Finance Team maintain the Fixed Asset Registers. Where relevant or practicable the relevant department will record the following more granular detail:

- asset description;
- serial number, if applicable;
- date of acquisition, if known;
- asset cost;
- location;
- department responsible for the asset.

The more granular asset registers must be correctly updated and maintained. Any discrepancies are investigated and reported to the CFO.

Any assets removed from the Trust site (e.g. laptop or minibus) will be recorded by the department responsible for the asset.

The length of time the asset will be off site is recorded by the department responsible for the asset. No assets are removed from the Trust for a period of time, which would unreasonably deny the Trust use of those assets.

### **Disposal of Assets**

All disposals and write-offs of assets are authorised by the CFO. Items no longer required may occasionally be sold or donated to a local charitable cause when fully depreciated.

The Trust may need to seek the approval of the DfE if it proposes to dispose of an asset, or group of assets, for which a capital grant in excess of £20,000 was paid.

Disposal of equipment to staff, even fully depreciated equipment, is not encouraged.

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

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

The following records are kept for disposals:

- the item disposed of;
- the date of disposal;
- the method of disposal;
- the proceeds of sale or how disposed of if scrapped;
- the person authorising the disposal.

No item is sold, leased or hired to a third party without the approval of the CFO.

**Losses**

All losses are reported to the Finance Team. The Finance Team will determine the materiality of a loss and will inform the insurance company (if making a claim) and the police if deemed appropriate. Action is taken immediately to prevent further loss.

The Finance Team maintains a record of losses and insurance monies received. The Finance and Resources Committee is informed of all significant losses.

**LEASING**

HWS aims to avoid using leased equipment

The Trust is responsible for approving all leasing and hiring arrangements.

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing off, donating, re-leasing, subletting or any other form of disposal.

The Trust may not enter into any lease agreement to dispose of land and property without the approval of the DfE.

**INVESTMENTS**

At this time no investments are expected to be made by the Trust. If this changes in the future, they will only be made in accordance with written procedures approved by the Trust.

Surplus cash will be invested in fixed term deposits or fixed term bonds issued by banks.