Blue Coat Church of England Academy

FINANCIAL REGULATIONS 2026-27

Date:		September 2026
Prepared by:		E Jordanou
Ratified by the Governing Body on:		1st October 2026
	Signature	
Principal		D Smith
Chair of Governors		A Clayton
Review date:		September 2027

Numbers 10:32: "If you come with us, we will share with you whatever good things the LORD gives us."

Blue Coat Church of England Academy is an inclusive Christian learning environment, our school values underpin all of our policies: Wisdom, Endurance, Service, Kindness and Hope.

CONTENTS

Section		Page No
1.	Introduction	3
2.	Organisation	3
3.	Accounting System	6
4.	Financial Planning	7
5.	Payroll	9
6.	Purchasing	10
7.	Income	11
8.	Cash Management	12
9.	Fixed Assets	14
10.	Reserves Policies	16
11.	VAT Refund Scheme	16
12.	Keys Inventory	16
13.	Minibus	16
14.	Computer Systems	17
15.	Self-Assessment of Governance & Management	17
16.	GDPR Statement	17
17.	External Auditors	17

1. INTRODUCTION

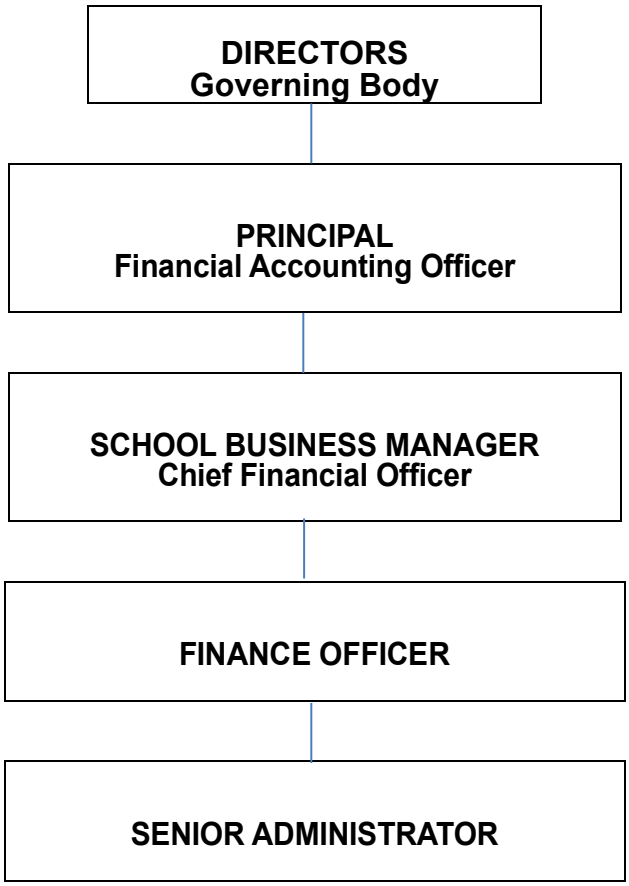
The purpose of this document is to ensure that the Academy maintains and develops systems financial control which conform to the requirements of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement within the Department of Education (DfE).

1.2 The Academy must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE. The document expands on that and provides detailed information on the Academy's accounting procedures and systems. The document should be read, along with the DFE's good practice guide on being a going concern. Staff involved with financial systems should read the Financial Procedures Policy and all staff should read the Financial Guidelines for Staff.

2. ORGANISATIONAL

The Academy has defined the responsibilities of each person involved in the administration of academy finance to avoid duplication or omission of functions, to allow segregation of duties and to provide a framework of accountability for Directors and staff.

The financial reporting structure is illustrated below:



The Directors

2.1 The Directors meet six times a year and have overall responsibility for the administration of the Academy's finances. The main responsibilities of the Directors are prescribed in the Funding Agreement between the Academy and DfE and in the Academy's Scheme of Delegation. The main responsibilities include:

- Ensuring that grant received from the DfE is used only for the purposes intended
- Review and approval of the annual budget
- Appointment of a Principal
- Appointment of a School Business Manager, in conjunction with the Principal.
- Reviewing the financial management reports of the Academy and regular monitoring of actual expenditure and income against budget
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the DfE guidance and SORP issued to Academies
- Authorising award of contracts over £25,000 For all transactions listed within the DfE's Academy Trust Handbook Summary of Freedoms and Delegations, prior approval from the DfE will be sought.
- Reviewing the reports of the Internal Scrutiny Provider on the effectiveness of the financial procedures and controls.
- Applying the highest standards of conduct to ensure robust governance and effective financial management. The Governance Handbook should be followed to ensure compliance with the Academy Trust Handbook.

The Principal

2.2 The Principal has overall executive responsibility (as Financial Accounting Officer) for the Academy's activities,including those of a financial nature. Much of the financial responsibility has been delegated to the School Business Manager as Chief Financial Officer but the Principal still retains responsibility for:

- approving new staff appointments with in the authorised establishment, except for any senior staff posts which the Directors have agreed should be approved by them
- authorising contracts up to £25,000 in conjunction with the School Business Manager (note all contracts over £25,000 to be approved by the Directors)
- signing cheques up to the limit of £25,000 (panel of 2 from 3 signatories – Principal, Vice Principal and the School Business Manager).

Finance Consultant

2.3 DRB have been appointed as finance consultants. They will work in close collaboration with the School Business Manager and will provide support with the following:

- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the Directors
- establishment of appropriate financial systems and controls*
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance*
- preparation of the annual budget*
- review and sample check reconciliations*
- ensuring that the annual accounts are prepared and properly presented and adequately supported by the underlying books and records of the Academy.
- periodic review of monthly Management Accounts
- support and advice on the submission of VAT claims to the HMRC

* *This support will allow for additional checks and controls to ensure compliance with the Academy Trust Handbook and audit requirements. It will also allow continuity of Academy financial operations as a contingency back-up.*

The School Business Manager

2.4 The School Business Manager will act as the Chief Finance Officer of the Academy. Within this role the School Business Manager will work in close collaboration with the Financial Accounting Officer (Principal) through whom he/she is responsible to the Directors.

2.5 The main responsibilities of the School Business Manager are:

- day to day management of the financial issues including the establishment and operation of a suitable accounting system
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the Directors
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- preparation of the annual budget in conjunction with the Principal and the Senior Leadership Team
- establishment of appropriate financial systems and controls
- review and signing of all reconciliations
- production of management accounts on a monthly basis
- submission of VAT claim to the HMRC.

Internal Scrutiny

2.6 The Trust has appointed S4S to provide its internal scrutiny function. The purpose of internal scrutiny is to provide independent assurance to the Directors that:

the financial responsibilities of the directors are being properly discharged;
resources are being managed in an efficient, economical and effective manner;
sound systems of internal control, risk management and governance are in place and operating effectively; and
financial and non-financial risks are being identified and managed appropriately.

2.7 S4S will undertake a programme of internal scrutiny reviews throughout the year in accordance with a plan approved by the Directors. The reviews will assess whether financial and other controls are operating effectively and in accordance with the Trust's policies and procedures. Significant findings, recommendations and management actions arising from each review will be reported to the Principal and presented to the Directors. Progress against agreed actions will be monitored and reported regularly until completed.

Other Staff

2.8 Other members of staff, primarily the Finance Officer, Buildings and Site Manager, Principal's PA/Executive Officer and other budget holders will have some financial responsibilities (see below). All staff are responsible for the security of the Academy's assets, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

A clerking service is procured from an external provider. The clerk will provide administrative and organisational support as well as guidance and advice on compliance, legal and procedural matters.

Register of Interests and related party relationships

2.9 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise or conflict of interest, all Directors and staff with significant financial and spending powers are required to declare any financial interests they have in companies or individuals from whom the Academy may purchase goods or services.

2.10 The register must include all business and relationship interest such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Academy. The disclosures must also include business interest of relatives or business partners where influence could be exerted over a Director or a member of staff by that person. A register declaring the interests of Directors, Governors and accounting officers must be published on the Academy's website.

2.11 The register must be updated on a regular basis.

2.12 The existence of a register of business interest does not, of course, detract from the duties of Directors and staff to declare interests whenever they are relevant to matters being discussed by the Directors. Where an interest has been declared, Directors and staff should not attend that part of the meeting.

2.13 Declarations of interest should be declared at the commencement of each meeting. These interests must be minuted and signed to that effect on each and every occasion in accordance with the Academy Trust Handbook produced by the ESFA.

2.14 Sufficient disclosures must be made in the annual accounts to show related party transactions, to ensure transparency and accountability.

2.15 The Trust must comply with the related party transaction requirements set out in the Academy Trust Handbook in force at the time of the transaction. All related party transactions must be reported and, where required, approved through the ESFA/DfE system before the transaction takes place.

3. ACCOUNTING SYSTEM

All the financial transactions of the Academy must be recorded on the financial management system.

System Access

3.1 Entry to the systems should be protected by unique user logins and passwords. Passwords should be changed by each individual user at least every three months. Passwords should remain with each individual user and should never be disclosed to others.

3.2 Access to the component parts of the financial management system will also be restricted and the senior systems administrator (the School Business Manager) is responsible for setting access levels for all members of staff using the system; in accordance with their roles and responsibilities.

Back-up Procedures

3.3 The Academy's Strategic Leader for ICT is responsible for ensuring that there are effective back-up procedures for the system. The Academy's data is stored exclusively in the cloud via OneDrive, SharePoint and cloud-based hosting. Users can retrieve files from their Recycle area independently within 30 days; Microsoft offers retrieval of files for 90 days. The Academy has purchased full cloud back-up via Barracuda and this covers: email data; Teams files; OneDrive files; SharePoint files. Barracuda backs up Teams, OneDrive, SharePoint and Outlook every 24 hours to their own servers. Partner organisations such as Arbor must also comply with their own obligations to backup data they hold for us. The Academy had a second broadband line installed (as of Spring 2022) to support Business Continuity should we lose online connectivity. A patch change on the telephone system connects this directly to the core switch. This keeps the older telephones (non IP) on the main site working during a power outage, somewhat improving the sustainability of telephony during power outage.

Transaction Processing

3.4 All transactions inputted to the financial management system must be authorised in

accordance with the procedures outlined in the Financial Procedures Policy. Bank transactions should be inputted by the Finance Officer and the input should be checked by the School Business Manager.

3.5 Detailed information on the operation of the financial management system can be found in the Finance folder on the Staff Shared area.

Transaction Reports

3.6 The School Business Manager will obtain and review system reports to ensure that transactions are posted to the financial management system. The reports obtained and reviewed will include:

- balancing control accounts for the payroll, pension, bank, purchase ledger and sales ledger
- management accounts summarising income and expenditure against budget at budget holder level.

Reconciliations

3.7 The School Business Manager is responsible for ensuring 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 & pension control account
- all suspense accounts and bank balances per the nominal ledger to the bank statements
- any balance sheet accounts with a balance. There should be analysis of these figures (e.g. VAT returns).
- any unusual or longstanding reconciling items must be brought to the attention of the Financial Accounting Officer (Principal), who will review and sign all reconciliations as evidence of his/her review.

4. FINANCIAL PLANNING

4.1 The Academy prepares both strategic and operational plans.

4.2 The medium term financial plan is prepared as part of the development planning process. The School Improvement Plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

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

4.4 The development planning process and the budgetary process are described in more detail below.

School Improvement Plan

4.5 The School Improvement Plan is concerned with the future aims and objectives of the Academy and how they are to be achieved, that includes matching the Academy's objectives and targets to the resource expected to be available. Plans should be kept relatively simply and flexible. They are the 'big picture' within which more detailed plans may be integrated.

4.6 The form and content of the School Improvement Plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies on any annual guidance issued by the DfE.

4.7 Each year the Principal will propose a planning cycle and timetable to the Directors which allows for:

- A review of past activities, aims and objectives – *Did we get it right?*
- Definition or redefinition of aims and objectives – *Are the aims still relevant?*
- Development of the plan and associated budgets – *How do we go forward?*
- Implementation, monitoring and review of the plan – *Who needs to do what by when to make the plan work and keep it on course?*
- Feedback into the next planning cycle – *What worked successfully and how can we improve?*

Annual Budget

4.8 The School Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must initially be approved by the Financial Accounting Officer (Principal) and Senior Leadership Team before final approval is given by the Directors.

4.9 The approved budget must be submitted to the DfE within the timescale set each year, and the the School Business Manager supported by the Financial Accounting Officer (Principal) is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.10 The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of students to estimate the amount of DfE grant receivable
- Review of other income sources available to assess the likely level of receipts
- Review of past performance against budgets to promote an understanding of the Academy's cost base
- Identification of potential efficiency savings
- Review of the main expenditure headings in the light of the School Improvement Plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

4.11 Comparison of estimated income and expenditure will identify any potential surplus or deficit in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

4.12 Once the different options and scenarios have been considered, a draft budget should be prepared by the School Business Manager for initial approval by the Financial Accounting Officer (Principal) and Senior Leadership Team and then ratified by the Directors. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

Monitoring and Review

4.14 Budget holders can review departmental financial information at any time via the financial management system. Reports from the system detail actual income and expenditure against budget. The School Business Manager will prepare a monthly summary for the Financial Accounting Officer (Principal).

4.15The School Business Manager will compile monthly management accounts which will be reviewed with the Financial Accounting Officer (Principal). A copy will be submitted to the Chair of Governors and a summary report submitted to the Chair of Audit and Risk Committee on a monthly basis. A copy of the summary report is made available to other Directors via Governor Hub on a monthly basis and also, the Senior Leadership Team.

4.16 Any potential overspend against the budget must in the first instance be discussed between the budget holder and the School Business Manager.

4.17 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and corrective action taken, where appropriate.
If a budget overspend is forecast, it may be appropriate to vire funds between budget headings or from the specifically identified contingencies.

4.18 The authorisation of all virements between budget categories is as follows:

- Up to £10,000 School Business Manager (and reported to the Principal)
- Over £10,000 - £25,000 Principal/Senior Assistant Principal
- Over £25,000 Directors

5. PAYROLL

5.1 The main elements of the payroll system are:

- recruitment and appointment of staff
- payroll administration
- payments

Staff Appointments

5.2 The Directors have approved a personnel establishment for the Academy. Changes can only be made to this establishment with their express approval. The Principal must liaise with the School Business Manager to ensure that adequate budgetary provision exists for any establishment changes.

5.3 The Principal has the authority to appoint staff within the Academy except for the Vice Principal, Assistant Principals and the School Business Manager whose appointments must follow consultation with the Directors. The Principal's PA/Executive Officer maintains personnel files for all members of staff which include contracts of employment. In accordance with GDPR records will not be kept longer than necessary and in accordance with the Academy's Record Retention Policy. All personnel changes with financial implications must be notified, in writing, to the School Business Manager immediately so that salary costs can be checked against budget.

5.4 Senior managers with significant financial responsibility, such as the Principal and School Business Manager, will be paid exclusively via the Academy's payroll and subject to Pay As You Earn.

Payroll Administration

5.5 The Academy payroll is administered through a contractual arrangement with SAAF.

5.6 New appointments / amendments to an employee's terms of employment / terminations of employment are to be notified to SAAF via the Payroll secure portal by the Principal's PA/Executive Officer. Documentation should be completed by Principal's PA and authorised by the Principal. A copy will be held securely in the employee's personal

file.

5.7 Sickness absences during the month will be recorded by the Principal's PA/Executive Officer, and the Principal and the School Business Manager should be made aware of this. SAAF are notified of sickness absences via the Payroll secure portal.

Payments

5.8 All staff are paid monthly by BACs via the SAAF payroll system.

5.9 An initial pre-run payroll report is sent monthly by SAAF for verification. This is checked by the School Business Manager. A pre-run second report is sent showing any requested amendments. This is checked by the School Business Manager. Authorisation to run payroll is given by the Principal. A final post-run report is then sent by SAAF stating individual and total values to the School Business Manager via the payroll portal and this is also checked by the School Business Manager.

5.10 After payroll has been run, postings will be made on the financial management system to the payroll control accounts and to the individual cost centres by the School Business Manager, followed by a review of the payroll control accounts each month to ensure the correct amount has been posted from the payroll system and the individual cost centres have been correctly charged, and to identify any amounts posted to the suspense accounts.

5.11 The School Business Manager should also check:

- payments are only authorised to bona fide employees
- payments are only made where there is a valid entitlement
- conditions and contracts of employment are correctly applied
- employees' names listed on the payroll are checked at regular intervals
- accuracy and completeness is verified
- accuracy of bank and building society details

5.12 On a regular basis, the School Business Manager will check for each employee that the gross pay per the payroll system agrees to the contract of employment held on the personnel file. Where gross pay differs, e.g. there has been a change then appropriate documentation should be retained in the file, e.g. Pay Statement, letter to employee.

5.13 Overtime and expense claims shall be signed by the claiming employee as being a true record of hours worked for the Academy and approved by the Principal. These payments are included with the monthly salary payment.

5.14 Payment of salaries will not be made in advance of the normal payment date.

5.15 Only in exceptional circumstances with prior approval from the Principal will payments be made to members of staff other than through the Payroll.

Severance Payments

5.16 Whilst regulations can enable a tax-free limit of £30,000 in certain circumstances, tax and NI will be considered. When making severance payments consideration will be given as to whether any of the payment being made relates to pay in lieu of notice (PILON) as this would always be subject to tax and NI (see Severance Policy).

6. **PURCHASING**

6.1 The Academy wants to achieve value for money from its purchases. This means it wants to get what it needs in the correct quality, quantity and time at the best price possible. The Academy also wants to minimise negative impact and maximise positive impact on its

community and the environment. Therefore, it operates through policies of Procurement and Social Value and Sustainable Procurement (see separate policies) for its purchases.

Routine purchasing

6.2 Budget holders will be informed of the budget available to them. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders can access a report detailing actual expenditure at any time via the financial management system. Budget holders will be responsible for making the first request for the purchase of the items or services from their own budgets. Budgets cannot be changed without prior consultation with the budget holder.

6.3 All orders must be made by the budget holder via the financial management system. The Finance Officer will authorise the purchase requisition and raise a purchase order. The School Business Manager or Principal will approve the order on the system.

6.4 Urgent orders can only be placed verbally by the Finance Officer with authorisation from the Principal or School Business Manager and should be entered on to the accounting system as soon as possible so that a purchase order can be set up to register the financial commitment.

6.5 Copies of all official orders placed are retained on the financial management system.

6.6 The School Business Manager shall ensure that an up to date list of names and specimen signatures of all budget holders is retained for reference as required.

6.7 On receipt of the order requisition, the Finance Officer will determine that the appropriate budget has sufficient funds to meet the cost of the order before raising the purchase order.

6.8 Goods and services received should be checked against the original order by the Finance Officer or Receptionist and a note made of any discrepancies. All discrepancies should be recorded on the financial management system. The Finance Officer will notify the supplier of the discrepancy immediately.

6.9 All invoices should be sent to the Finance Officer or emailed to finance@bluecoatacademy.org.

6.10 Suppliers have been notified of our No PO No Pay Policy and the need to add our purchase order number to the invoice to enable it to be matched.

6.11 Invoices will be checked against the original purchase order for accuracy. All invoices are authorised on the financial management system either by the Principal or School Business Manager before payment can be made to the supplier.

6.12 The Finance Officer will ensure that invoices are paid within the supplier's payment terms unless a delay has been agreed with the supplier where there are queries on the charge being made.

7. INCOME

7.1 The main sources of income for the Academy are in the form of grants from the DfE . The receipt of these sums is monitored directly by the School Business Manager who is responsible for ensuring that all grants due to the Academy are received.

All grants receivable from the DfE are received by the Academy into its current bank account and balances reviewed on a monthly basis.

7.2 The Academy also obtains income from:
- students, mainly from trips
- the public, mainly from lettings
- traded services
- student teacher placements

Trips

7.3 A visit leader must be appointed for each trip to take responsibility for ensuring all sums due are received by the Finance Officer before the trip. A record of each student intending to go on the trip should be prepared by the Visit Leader (see Offsite Visits and Activities Policy).

7.4 Students should make payments directly to the Finance Officer. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

7.5 The Finance Officer should maintain an up to date record of each student showing the amount paid and the amount outstanding. This record should be sent to the visit leader on a weekly basis and the visit leader is responsible for chasing the outstanding amounts.

Lettings

7.6 The Building & Site Manager is responsible for maintaining records of bookings of hall/room facilities.

7.7 Details of organisations using the hall / rooms should be sent to the Finance Officer who will maintain a sales ledger, and produce a sales invoice from the financial management system. Details of payments made should be recorded on the accounting system.

7.8 Some receipts for room lettings are collected on the day of the room lettings by the site staff on duty at the time. The credit receipts are due 30 days from the date of the lettings invoice.

7.9Debts below £250 can be written off by the School Business Manager and below £500 by the Principal. However, the Directors will be notified in all cases. Debts above £500 require the express approval of the Directors (see Debt Recovery Policy). The DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter.

Custody

7.10 Official numbered Academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept within an Academy safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the £5,000 insurance limit on the safe.

7.11 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank, and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed by the Principal and School Business Manager.

8. CASH MANAGEMENT

Bank Accounts

8.1 The opening of all accounts must be authorised by the Directors, including

the arrangements covering the operation of the accounts, and any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of fund must also be subject to the same level of control.

Deposits

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

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor

Payments and Withdrawals

8.3 All cheques and other instrument authorising withdrawal from the Academy bank accounts must
bear the signatures of two of the following authorised signatories:

- Principal
- School Business Manager
- Vice Principal

8.4 This provision applies to all accounts, public or private, operated by or on behalf of the Directors of the Academy. For cheques, at least one of the authorised signatories should not have authorised the expenditure of goods or services.

Administration

8.5 The School Business Manager must ensure bank statements are reviewed regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Academy's cash book
- reconciliations are prepared by the Finance Officer and checked by the Principal and School Business Manager
- adjustments arising are dealt with promptly.

Petty Cash Accounts

8.6 The Academy maintains a maximum cash balance of £250.00 for the current account. This cash balance is administered by the Finance Officer and is kept in the Finance office safe. Reconciliation procedures must take place on at least a monthly basis and are carried out by the Finance Officer and checked by the School Business Manager or delegated Administrator.

Deposits

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

Payments and Withdrawals

8.8 In the interest of security and administration costs petty cash payments will normally be limited to £30. Higher value payments should be made via BACs.

Administration

8.9 The Finance Officer is responsible for entering all transactions into the petty cash records on a regular basis. Unannounced cash counts should be undertaken by the School Business Manager from time to time to ensure that the cash balance reconciles to supporting documentation.

Physical Security

8.10 Petty cash should be held in a locking cash box which is kept in the safe when not in use.

Cash Flow Forecasts

8.11 The School Business Manager is responsible for ensuring cash flow forecasts are prepared to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. In accordance with the Academy's Reserves Policy.

If there is an apparent shortfall in funds at a particular point in time arrangements should be made to transfer funds from the Academy's Reserves.

Investments

8.12 When it is financially feasible, investments must be made only when approved by the Directors, and in line with their direction.

8.13 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received. An audit trail of all investments should be held in the Finance Office. See Investment Policy.

9. FIXED ASSETS

Asset Register

9.1 Leasehold buildings are depreciated over their useful lives of between 50 years from the date of valuation. No depreciation is provided on buildings until they are brought into use.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and the buildings are depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review of impairment of a fixed asset should be carried out if events or changes in circumstances indicate that the book value of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value certified and other direct costs incurred to 31 August each year. They are not depreciated until they are brought into use.

9.2 All items purchased with a value over the Academy's capitalisation limit (£500) must be entered in an asset register. Items on the Asset Register are linked to the Equipment List (see 9.15 below) through the asset number (bar code). Greater detail about the asset can be found on the Equipment List. Information contained between the Asset Register and Equipment List is as follows:

- Asset description (including model)
- Asset Number
- Quantity
- Serial Number
- Date of acquisition

- Supplier
- Cost of the asset
- Source of funding (% cost funded from EFSA grant / % costs funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of department responsible for the asset

9.3 Equipment costing less than £500 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local authority is included in the balance sheet at valuation.

Second hand equipment is depreciated on a straight line basis over its remaining useful economic life. Other equipment is depreciated over 5 years. Where assets are acquired with the aid of specific grants, they are capitalised and the buildings are depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related equipment.

9.4 The Asset Register helps:

- to ensure staff take responsibility for the safe custody of assets
- to enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- to help the external auditors to draw conclusions on the annual accounts and the Academy's financial system - Support insurance claims in the event of fire, theft, vandalism or other disasters.

Depreciation

9.5 Depreciation should be calculated on an annual basis for inclusion in the annual accounts. Depreciation is normally calculated on a straight line basis; exception to this will be included in the notes of the financial statements.

Security of Assets

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

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

Disposals

9.8 Before disposing of any assets, the School Business Manager should check that the plant and equipment being considered for disposal is not held under a hire or leasing agreement.

.

9.9 Items (with a residual value of over £1,000) which are to be disposed of by sale or destruction must be authorised for disposal by the Directors, and where significant, should be sold following competitive tender. The Academy must seek approval of the

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

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

Loan of Assets

9.11 No items will be loaned to staff for personal use; without prior arrangement with a senior manager.

9.12 Any items taken off site by staff for official purposes must be recorded in the Asset Loan Book.

9.13 On return of the item, the date of return will be recorded.

9.14 All items will need to be stored securely and not left in the vehicle and will need to be covered by personal insurance.

Small Asset Inventory

9.15 All assets with an individual cost of between £100 and £500 (exclusive of vat) will be recorded on the Equipment List. This should be checked on an annual basis to verify the existence of the assets. Details recorded on small assets are as in 9.2 above.

10. RESERVES POLICY

10.1 In order to provide flexibility and certainty in forward planning the Academy should aim to build and maintain a capital and revenue reserve. Details of the reserves are included in the Academy's Reserves Policy which is approved by Directors on an annual basis.

10.2 The level of capital reserves will be agreed by Directors on an annual basis.

10.3 Reserve funds will be held on deposit in an interest bearing account.

11. VAT REFUND SCHEME FOR ACADEMIES

11.1 The Academy de-registered for VAT from 1 April 2021. Prior to this it was registered for VAT from 1 November 2012 to 31 March 2021 (VAT Registration No. 150 6184 30).

11.2 From 1 April 2021 the School Business Manager has taken over responsibility for submitting VAT 126 claims.

12. KEYS INVENTORY

12.1The key inventory is the responsibility of the Building & Site Support Manager to maintain and keep up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security measures to be put in place and for the key inventory to be updated.

13. MINIBUS

13.1 The Academy has two minibuses on an operating lease basis.

13.2 The driver must undertake vehicle checks and complete a Minibus Check Sheet before

embarking on each journey,

13.3 All faults should be recorded on a Fault Reporting sheet by the driver and reported to the designated member of the site team immediately.

13.4 Details of drivers qualified to drive the school minibus are maintained by the School Business Manager. The list will be reviewed on bi-annual basis to ensure it remains up-to-date.

13.5 The School Business Manager will ensure that driving licences are checked on an annual basis.

13.6 All drivers must undergo MIDAS training with regular refresher training.

14. COMPUTER SYSTEMS

Systems should be in place to protect key computer data (see Data Recovery Policy). Control features will include:

- IT systems and software kept up-to-date
- back up procedures
- unique user ID's and Passwords
- disaster recovery plans
- firewall in place
- regular review of online safety procedures and access checks

15. SELF-ASSESSMENT OF GOVERNANCE AND FINANCIAL MANAGEMENT

The Governing Body will ensure that a self-assessment is undertaken termly in order to provide DfE with assurance on the adequacy of the Academy's arrangements for financial management and governance.

The self-assessment will provide assurance to the Academy's Financial Accounting Officer that conditions of funding are being met, and that appropriate systems of control are in place.

16. GDPR Statement

The Academy has a responsibility to maintain its records and record keeping systems in accordance with the regulatory environment. This applies to all personal data, regardless of whether it is in paper or electronic format.

17. External Auditors

Cooper Parry Group Limited continue to be our external auditors. They are responsible for the preparation and submission to the ESFA of the annual financial statements. They are also responsible for the audit of the financial statements and production of the management letter outlining any weaknesses found in the Trust's internal controls. The appointment of external auditors is considered by the Directors on an annual basis.

The auditors will present to the annual financial statements and the management letter to the Directors, explaining the financial position of the trust and the audit findings, prior to submission to the DfE. The annual management letter containing key findings, recommendations and conclusions is submitted to the DfE by 31st December each year, along with the annual financial statements.