



The Milford Academy

Financial Regulations And Procedures Policy

Ratified by Governors 8.2.2024

- M** - Motivated
- I** - Independent
- L** - Learning
- F** - Forward Thinking
- O** - Outstanding
- R** - Respect
- D** - Determined

1. INTRODUCTION

- 1.1. These financial regulations shall govern the financial arrangements relating to The Milford Academy's finances and accounts. They will be annually shared with Governors for their ratifications in line with the DfE Academy Trust Handbook formerly Academies Financial Handbook and will be approved by the full Governing Body in the Autumn Term or as soon as applicable with any changes identified.

2. DELEGATED AUTHORITY

- 2.1 The Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the Education Funding Agency in the discharge of its statutory duties.
- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance Committee/Audit Committee that was set up July 2020.
- 2.3 The Headteacher (Accounting Officer) shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.
- 2.4 The Finance Manager shall assist the Headteacher in the discharge of financial responsibilities.
- 2.5. The following staff are designated as authorisers of:
- (i) Salaries/Personnel Documentation:
Chair of Governors (for documentation relating to the Head Teacher)
Headteacher
 - (ii) Overtime/Supply Documentation:
Headteacher
School Business Manager
 - (iii) BACs including Cheques (two sign and two signatories required)
Headteacher
Deputy Head Teacher
School Business Manager
 - (iv) Orders
Headteacher
Deputy Head Teacher
- 2.5 However, the Governing Body will remain accountable when governors' financial responsibilities are delegated.

3. REVENUE BUDGET PREPARATION

- 3.1 The school's budget timetable for the next financial year shall be as follows:

Summer Term

Agree staffing requirements for following academic year
Cost first draft of the budget, and submit to governing body
Submit final approved budget plan to the EFA

Autumn Term

Prepare and submit Annual Report and Financial Statement Identify commitments and new plans; agree priorities

Spring Term

Identify commitments and new plans; agree priorities The Finance Committee/Audit Committee shall decide on the order of priorities from the School Development Plan after discussion with the Senior Leadership Team.

- 3.2 The Headteacher shall prepare the detailed costings for the School Development Plan and submit them for approval to the Finance Committee.
- 3.3 All plans and budgets should be regularly reviewed during the year and all significant changes will require the approval of the Finance Committee.
- 3.4 The Headteacher shall inform the EFA of the school's revenue budget. This information should be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside the budget plan submitted to the EFA, corrective action must be taken where possible and the Headteacher will formally make the EFA aware of the school's financial position as soon as practicable.

4. REVENUE BUDGET CONTROL

- 4.1 The Governing Body shall decide how to use the budgets within the cash limit allocated. The Headteacher will be responsible for the control of spending against budgets. A commitment accounting system is in place to monitor current commitments and liabilities.
- 4.2 As far as possible a budget monitoring report should be prepared monthly for the Headteacher and this report should be forwarded to the Finance Committee. A bank reconciliation and VAT analysis should be prepared at the end of each month and VAT126 claims should be submitted HMRC. These returns should be prepared by the Finance Manager and certified by the Headteacher.
- 4.3 The Finance Manager shall prepare a termly and monthly review of the budgets and submit them to the Governing Body for consideration.
- 4.4 Budget holders will receive a monthly SIMS financial transaction report.

5. VIREMENTS

- 5.1 Substantial virements shall be approved and minuted by the Governing Body and should be within the agreed criteria and financial limits.
- 5.2 The Headteacher is given delegated power to vire from one budget to another and shall seek approval from the Governing body retrospectively.
- 5.3 All virements exceeding £5,000 or 2% of the budget shall require prior approval from the Governing Body.

6. AUTHORITY TO INCUR CAPITAL EXPENDITURE

- 6.1 The Headteacher is given delegated power to incur expenditure up to £10,000 on any single item or issue within the financial year.
- 6.2 All expenditure exceeding £10,000 shall require the prior approval of the Finance Committee/Audit Committee.
- 6.3 All expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices should be made through the school local payments system and from the school bank account. BACs is now the preferred method for payments to companies and suppliers from the main school account.
- 6.5 The Governing Body must seek approval from the Secretary of State for both short-term borrowing and longer term loans as per the Academy Trust Handbook. Borrowing will include:
- Credit Arrangements
 - Hire Purchase
 - Finance Leases

7. EMERGENT WORKS

7.1 The Board delegated to the Head Teacher the responsibility to authorise expenditure up to the value of £10K particularly where there are immediate Health & Safety issues to address. The same would be true if there were Safeguarding implications e.g. site security, alarms, CCTV filming etc. In all matters Best Practice priorities apply and a tendering process will be used when it is appropriate to do so. In a case where Emergent works cost over £10K but a tendering process was not followed the HT would need to explain this at the next Board Meeting and the reasons for the additional spend would be minuted. In all financial matters the Board expect full transparency, regular financial audit feedback and scrutiny of all our expenditure.

8. LOCAL PAYMENTS SYSTEMS

- 8.1 The Finance Manager shall be responsible for making all payments on behalf of the school.
- 8.2 All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices only.
- 8.3 Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
- An official purchase order has been raised for the purchase;
 - That the delivery note has been checked;
 - That it is of correct quantity, quality and price;
 - That it has not been previously paid;
 - That funds are available in the relevant budget;
 - That the VAT chargeability on qualifying expenditure is shown.
- 8.4 Any payments by direct debit can only be initiated by the Finance Manager and all relevant authorising documentation must be signed by the designated cheque signatories.
- 8.5 There have been a number of personally named visa cards for designated staff members, each of the cards have set limits for monthly spending on behalf of the Academy. All of the cards are kept by the individuals and they have to provide receipts for spending from the cards.
- 8.6 The Headteacher certifies/passes invoice for payment once the Business Manager has checked that all invoice payments have been paid from the correct ledger codes. The Business Manager will complete Budget Outturns regularly to ensure initial funding allocation and expenditure are as expected at the different periods of time.
- ### **8.7 ORDERS FOR GOODS AND SERVICES**
- 8.1 Staff may order goods and services from whatever reputable source they see fit; but will be expected to take into account quality and value for money. An order request form must be completed detailing supplier, subject and cost and sent to the Finance Manager.
- 8.2 Any call outs needed for premises contractors must be recorded by the Facilities Manager on an official call out sheet and passed to the Finance Manager as and when appropriate.
- 8.3 An official order must be made in writing on the school's official order form for all expenditure on goods and services initiated by the school.
- 8.4 Orders must be completed in accordance with the following procedures:
- Authorised by designated staff only;
 - Show estimated prices on the order form;
 - Sent to the supplier through the Finance Manager;
 - Telephone or Internet orders must be placed by the Finance Manager with official order numbers quoted at time of order. Written copy of order with estimated prices to be authorised by designated staff.

- 8.5 Copies of all orders should be retained in file 'Copies of Official Orders ' until delivery and payment.
- 8.6 On receipt of goods, delivery notes should be checked and attached to official orders. Authorised invoices should be checked for goods/services, price and VAT. Once payment has been made, Cheque stubs should be filed in numerical order.
- 8.7 Individual budget holders are not permitted to spend in excess of their allocated budget without the prior approval of the Headteacher.
- 8.8 Three written quotes should normally be obtained for all goods and services in excess of £10,000, unless no other equivalent goods or services are available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods.
- 8.9 For building works expected to cost in excess of £10,000, three tenders will normally be obtained
- 8.10 Where tenders have been obtained a tender form will be completed showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted).
- 8.11 For building works expected to cost in excess of £50,000 an Invitation To Tender (ITT) should be issued. This is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. A Tendering Policy is at Annex A.

9. TRAVEL AND SUBSISTENCE

- 9.1 Car user allowances, both casual and essential, will be paid through the school financial system. Claims must be made on the schools 'Expense Claim Form' and authorised by the Headteacher. Claims made by the Headteacher must be authorised by the Chair of Governors and relevant cheques signed by the Deputy Head and School Business Manager.
- 9.2 Mileage will be paid at the National rate of 45p per mile and can be claimed for 'travel by the shortest available route' from The Milford Academy to the attended venue.

10. SALARIES, WAGES AND PENSIONS

- 10.1 The Governing Body is responsible for the salary and wages costs of all teaching and support staff employed to work at the school. However, the contract of employment is between the employee and The Milford Academy.
- 10.2 The Finance Manager must ensure that the school provides the necessary information and returns to its chosen payroll provider (Notts County Council), to effectively administer the payroll and related staffing procedures.

11. INCOME

- 11.1 Income should be collected in advance wherever possible to improve cash flow.
- 11.2 The Finance Manager must maintain records of all income received/due; acknowledge receipt of income; and bank all monies promptly and intact into the School's bank account. Ensure all Parent Pay income is allocated to correct cost centres.
- 11.3 The Headteacher has delegated powers to write off debts up to £50. In the case of larger debts, the Governing Body must be consulted and decisions made on an individual basis.
- 11.4 The Governing Body shall approve a charging policy for all income generation.
- 11.5 The school may retain income received from the sale of assets purchased with non-delegated funds. The sale of assets purchased with delegated funds must be decided by the Education Authority, or if the asset concerned is land or buildings forming part of the school premises and is owned by the Education Authority.

12. BANK ACCOUNTS

- 12.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 12.2 New bank arrangements may only be made effective from the beginning of each financial year.
- 12.3 The following procedures must be followed:
- Dual signatories for all cheque payments;
 - Cheque signatories are the Headteacher, Deputy Headteacher and the School Business Manager.
 - All BACs transactions require 2 signatory holders, who have been given access to complete the online process for authorising payments online and these 2 persons are the Head Teacher and School Business Manager.
 - The Finance Manager shall ensure that bank statements are received monthly and reconciled to accounting records;
 - The Finance Manager shall investigate and resolve all discrepancies;
 - The Finance Manager shall be responsible for cheque ordering and custody of unused cheques.
- 12.4 Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
- 12.5 In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
- 12.6 The Finance Manager must ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed £500 and will be kept in the school safe. However, we are a cashless school and no cash kept on the premises.
- 12.7 Cash should be banked at least once per week and the value of cash held on the premises should not exceed the insurance limit. Currently not applied as a cashless school
- 12.8 Whilst the Academy transitioned over to a Cashless School from Summer 2020 and all payments made to school from parents/carers are paid via the School Gateway app using School Comms. A decision was made to revoke this from mid Spring 2022 to allow parents/carers to use cash for School Fairs / charity fund raising events only i.e. Comic Relief. All other payments that are made to school are to be paid using the School Gateway App. To follow good practice the School office will ensure that 2 members of staff count the cash to check each other, and sign to confirm that this is correct. There will be 2 members of staff to carry cash to the bank (where possible). Since May 2024 the Academy has changed from School Gateway app to Arbor app for parents/carers to pay for dinners, clubs etc.

13. CARRY OVER OF SURPLUS/DEFICIT

- 13.1 Any surpluses at the end of the year will be carried over to the following year.
- 13.2 The Governing Body must inform the Education Funding Agency immediately if a deficit is anticipated in the current year. Stringent monitoring on future budgets are shared to the Trust board at each Audit and Risk meeting each term.

14. LEASING

- 14.1 The Headteacher must ensure that all leasing agreements are operational and NOT financial and are approved by the Governing Body prior to making any contractual arrangements.

15. INSURANCE

- 15.1 Insurance will be required for Governing Body; third party liabilities (if delegation taken), premises and equipment; and school trips.

- 15.2 The Governing Body must ensure that all insurance cover is adequate.
- 15.3 The Governing Body will meet the excess from insurance claims or any losses not covered by insurance from the school budget.
- 15.4 The Governing Body shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The School Business Manager will maintain a register of all accidents, losses and incidents.

16. HEALTH AND SAFETY

- 16.1 The Governing Body must ensure that all staff comply with the Health and Safety regulations.
- 16.2 The Headteacher will report significant injuries to all persons, including staff/parents/pupils/visitors.

17. PROTECTION OF PRIVATE PROPERTY

- 17.1 The Headteacher must inform all persons concerned that all private property taken onto the school premises will be at the owner's risk.

18. INVENTORIES AND STOCK

- 18.1 The Headteacher is responsible for the management of the school's assets and will maintain a record of stock receipts and issues.
- 18.2 An inventory of all non-consumable items purchased priced over £100. The inventory must be regularly updated in respect of purchases and disposals. Attractive, portable items having a value less than £100 but over £50 should also be controlled/monitored.
- 18.3 The Headteacher should ensure that items that become obsolete or surplus to the school's requirements are disposed of economically.
- 18.4 The Headteacher shall ensure that stock takes of inventories and stores are undertaken annually in the Summer Term and certified by him/her.

19. SECURITY

- 19.1 The Headteacher is responsible for the security of the school's premises and equipment.

20. UNOFFICIAL FUNDS

- 20.1 The Governing Body shall ensure that all unofficial funds are properly controlled and audited annually, and presented to the Governing Body within 6 months of the year-end.

21. FINANCIAL IRREGULARITIES

- 21.1 The Headteacher shall inform the Education Funding Agency of any circumstances where a financial irregularity is suspected.
- 21.2 The Governing Body accepts that a suspected financial irregularity exists when:
- The school's Financial Regulations are not complied with (whether or not the school suffers a financial loss);
 - An employee gains unauthorised financial benefit from his/her association with the Council.

22. INTERNAL AUDIT

- 22.1 The Governing Body must ensure that the appointed internal auditors and external auditors are

allowed access to staff , premises and documents , as necessary .

- 22.2 The Governing Body shall discuss all audit reports and agree the implementation of audit recommendations with the Headteacher.

23 DOCUMENT RETENTION

- 23.1 The Headteacher shall ensure that documents are retained for periods in accordance with the requirements of the District Auditor and HMRC.

24 GIFTS AND HOSPITALITY OFFERED BY SUPPLIERS

- 24.1 Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 should be reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.
- 24.2 The maximum amount from the school budget that could be used for the purchase of flowers / gift of appreciation / congratulations for any member of staff to be no greater than £30.00.

25. REGISTER OF PECUNIARY INTERESTS

- 25.1 A register of business interests is maintained by the school. This to be completed by all Governors and those staff with significant financial responsibilities. It is suggested that this be cheque signatories , finance staff and those members of staff with specific budgetary responsibilities (e.g. Senior Leadership Team). Entries in the register should be kept up-to- date and, in all instances , be reviewed and amended (where relevant) on at least an annual basis. This annual review can be evidenced simply by staff re- signing and dating existing declaration forms , making any amendments as necessary.

26 COMPUTER SYSTEMS AND DISASTER RECOVERY PLANS

- 26.1 Computer systems used for school management should be protected by password security to ensure that only authorised staff has access. Passwords should be changed regularly and updated for staff changes. Passwords should be changed termly.
- 26.2 The Headteacher should ensure that data is backed up regularly by the NCC Remote Back Up Service.
- 26.3 The Headteacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.
- 26.4 The Headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.
- 26.5 The governing body should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.
- 26.6 The Headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

27. Fixed assets

All items purchased with a value over the academy's capitalisation limit must be entered on the asset register.

The capitalisation limit has been amended now to £3000 from the previous £1000 limit in previous years.

The register should include the following information:

- asset description
- asset number
- serial number
- location of asset

- name of member of staff responsible for the asset

The Asset Register helps:

The asset

- ensure that staff take responsibility for the safe custody of assets;
- 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;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system and support insurance claims in the event of fire, theft, vandalism or other disasters.

Assets must be secured by means of physical and other security devices. Only authorised staff may access the assets.

All the items in the register should be permanently and visibly marked as the Academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Governing Body. The Academy must seek the 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.

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 licenses for software programmes have been legally transferred to a new owner, or that the hard drive has been cleaned prior to the computer work being handed over.

All disposals of land must be agreed in advance with the Governors, Secretary of State and Local Authority.

Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of property loan must be recorded and booked back in at the Academy when it is returned. This does not apply to laptops which are used in the Academy and taken home on a daily basis.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Property loans should therefore be kept under review and any potential benefits discussed with the Academy's auditors.

28. Depreciation

Depreciation will be calculated on an annual basis for preparation of the year-end accounts.

The rates of depreciation have been agreed by the Governing Body as:

<i>Asset Type</i>	<i>Assumed Economic Life</i>	<i>Depreciation Rate</i>	<i>Method</i>
Land	Infinite	None charged	
Freehold buildings	50 years	2% p.a.	Straight Line
Fixtures, Fittings & Equipment	5 years	20% p.a.	Straight Line
ICT Equipment	4 years	25% p.a.	Straight Line
Motor Vehicles	5 years	20% p.a.	Straight Line

29. Management of Risk

The Academy must maintain a risk register and update to assess existing risks and add new risks.

Risks should be identified and quantified based on likelihood and impact. Evidence and controls should be provided to determine how each risk is being managed.

The Risk Register should be updated at least annually and presented to the governing body for review.

The Milford Academy School will manage risks to ensure its effective operation. The management of risks will include contingency and business continuity plans and cover the full operations and activities of The Milford Academy School, not only financial risks.

Overall responsibility for risk management will be retained by the board of trustees, who will draw upon advice provided by the audit and risk committee, and any other committees where appropriate and relevant.

The Milford Academy School will maintain a risk register. The board of trustees will review the risk register annually.

The Milford Academy School will have adequate insurance cover in compliance with its legal obligations or will become a member of the academies risk protection arrangement. The Milford Academy School will cooperate with risk management auditors and risk managers and will implement any reasonable recommendations made.

30. Auditing accounts

In line with the Companies Act 2006, The Milford Academy School will appoint an external auditor to give an opinion on whether the annual accounts present a true and fair view of The Milford Academy School's financial performance and position.

The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE. Where additional services are purchased, The Milford Academy School will obtain a separate letter of engagement specifying the work and the fee.

The contract with the external auditor will be retendered at least every five years.

The letter of engagement will include the details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances. External auditors will only be removed by majority vote of the members, who will provide a reason for their decision to the board.

The board of trustees will notify the ESFA immediately of the removal or resignation of auditors. If an auditor is removed, the ESFA will be informed of the reasons. If an auditor resigns, The Milford Academy School will send the ESFA a copy of the auditor's explanation. A change in auditor at the expiry of the agreed term of office does not require notification.

The Milford Academy School will carry out an audit to manage risk and to check controls; the results of the audit will inform the accounting officer's statement on regularity, propriety and compliance.

The accounting officer will produce a statement on regularity, propriety and compliance which will be included in The Milford Academy School's annual accounts. The statement on regularity, propriety and compliance will ensure that:

- There is efficient and effective use of resources in their charge.
- Public money is spent for the purposes intended by parliament.
- Appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control.

The Milford Academy School will respond promptly, reasonably and appropriately to any findings by the auditors.

Reviewed by: R Flynn - February 2024
Next Review: Autumn 2024

Accounts will be audited in line with the ESFA's accounts direction and the SORP.

Audited report and accounts will be submitted to the ESFA by the 31 December every year following the end of the financial year, and will be filed with Companies House under company law, usually by 31 May. The results of The Milford Academy School's audit will be published on The Milford Academy School website by 31 January and will be made available to anyone who has requested a copy.

All copies of the accounting audit will be stored and filed securely, in line with the UK GDPR and the Data Protection Act 2018.

The Milford Academy School will include an annual skills and experience assessment, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.

31. Internal Scrutiny

The Milford Academy School will utilise a programme of internal scrutiny to provide independent assurance that financial and non-financial controls, and risk management procedures, are operating effectively. The internal scrutiny programme of work is directed by the audit and risk committee.

As prescribed by the 'ATH, internal scrutiny will focus on:

- **Evaluating** the suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed.
- **Offering advice and insight** to the board on how to address weaknesses in financial and non-financial controls and acting as a catalyst for improvement, but without diluting management's responsibility for the day-to-day management of The Milford Academy School.
- **Ensuring all categories of risk** are adequately identified, reported and managed.

The Milford Academy School will identify, with reference to its risk register, the areas of risk it will review each year, modifying checks accordingly.

Internal scrutiny will:

- Be independent and objective, e.g., will not be performed by The Milford Academy School's accounting officer or any other member of the finance team.
- Be conducted by someone suitably qualified and experienced and able to draw upon technical expertise when required.
- Be covered by a scheme of work that is driven and agreed by the audit and risk committee, and informed by risk.
- Be timely, with the programme spread appropriately over the year so higher risk areas are reviewed in a timely manner.
- Include regular updates to the audit and risk committee which include:
 - Recommendations to enhance financial and non-financial controls and risk management.
 - A short annual summary report for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions – this will allow the audit and risk committee to consider any necessary actions and assess year-on-year progress.

To ensure suitable internal scrutiny, auditors will be members of a relevant professional body, and trustees and peer reviewers will have qualifications and experience in finance, accounting or audit.

The Milford Academy School will utilise one or more of the following internal scrutiny methods as deemed appropriate by the audit and risk committee:

- Employing an in-house internal auditor
- A bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance.
- The appointment of a non-employed trustee.
- A peer review by the CFO from another trust. The Milford Academy School will ensure that the trust supplying the reviewer has a good standard of financial management and governance, and will minute the basis for its decision.

Those carrying out checks will report directly to the audit and risk committee. Findings will be promptly made available to all trustees.

The Milford Academy School will keep its approach to internal scrutiny under review. If The Milford Academy School changes in size, complexity or risk profile, the approach will be promptly reviewed. The Milford Academy School will confirm in its governance statement which of the internal scrutiny options has been applied and why.

The Milford Academy School will submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the ESFA by 31 December each year when submitting the audited annual accounts. If The Milford Academy School uses additional individuals or organisations where specialist non-financial knowledge is required, their findings, recommendations and conclusions will be reflected as part of the summary document submitted to the ESFA. The Milford Academy School will also provide the ESFA with any other internal scrutiny reports if requested to do so.

32. Leasing

For the purpose of this policy, there are two types of lease:

- Finance leases – a form of borrowing
- Operating leases – not a form of borrowing

The Milford Academy School will obtain prior approval from the ESFA for the following lease transactions:

- Taking up a finance lease on any class of asset for any duration from another party.
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Any lease will maintain the principles of value for money, regularity and propriety.

33. Notices to improve

If The Milford Academy School becomes subject to a Notice to Improve (Ntl), it will be notified by the ESFA of the date of which the Ntl has been published. The Milford Academy School will then publish the Ntl on its website within 14 days of it being issued and retain it on the website until the Ntl is lifted by the ESFA.

If The Milford Academy School is under a Ntl, the following transactions must be approved by the ESFA:

- Special staff severance payments
- Compensation payments
- Writing off debts and losses
- Entering into guarantees, indemnities or letters of comfort
- Disposals of fixed assets beyond any limit in the funding agreement

- Taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- Carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement

The Milford Academy School will also ensure approval is sought for entering into transactions with related parties, if applicable under the Ntl

If the ESFA intervenes because of concerns over financial management and/or governance, The Milford Academy School may be required to submit additional information such as monthly income and expenditure accounts, cash flow statements and balance sheets.

The Milford Academy School will remove a member or trustee when directed to do so by the Secretary of State.

34. Self-assessment

The Milford Academy School will complete the '[School resource management and self-assessment tool](#)' and submit its completed checklist to the ESFA by the specified annual deadline.

The Milford Academy School will ensure that external reviews of governance are also conducted routinely as part of its programme of self-assessment. Reviews will consider the interaction between members and trustees, including the extent to which members are able to assure themselves that the trustees undertake their duties effectively.

35. Record keeping

All financial transactions of The Milford Academy School are recorded including, but not limited to, the following:

- Purchases and tenders
- Returns
- Payroll
- Cash flow
- Income and expenditures
- VAT returns

The SBM is responsible for keeping up-to-date records in relation to the finances of their academy.

Records will include the following information:

- Income and expenditure; identifying which transactions were cheques and which were cash payments
- The income and expenditure for each activity, with the activity recorded as a budget heading
- A balance sheet which identifies total income, expenditure and the balance for each budget heading
- The total income and expenditure for the year
- The balance and carry forward from the previous year
- Identified profit and loss – any causing concern is investigated

A record will be kept in the admin office of all the monies kept on the premises prior to banking.

36. ESFA investigations

The Milford Academy School will be prepared for the possibility that the ESFA or its agents may carry out audits and investigations of The Milford Academy School, during which The Milford Academy School must provide access to all its books, records, information, explanations, assets, premises and staff. The ESFA may conduct interviews during its audits and investigations.

Where the ESFA has concerns about The Milford Academy School's financial management, The Milford Academy School

Reviewed by: R Flynn - February 2024

Next Review: Autumn 2024

will provide the ESFA with written authority giving permission for third parties to provide information to the ESFA, where the ESFA considers this relevant for the purposes of its investigation.

37. Fraud and whistleblowing

The Milford Academy School is aware of the risk of fraud theft and irregularity and has an Anti-Fraud and Corruption Policy.

Where instances of fraud, theft or irregularity are suspected or identified, The Milford Academy School will investigate them promptly and, should any evidence of fraud be found, take appropriate action.

The Milford Academy School has a Whistleblowing Policy in place which outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistle-blower being treated unfairly.

The Whistleblowing Policy is published on The Milford Academy School's website.

The Milford Academy School will ensure all members of staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of The Milford Academy School.

38. Cyber-crime

The Milford Academy School will ensure that it is aware of the risk of cyber-crime, and has put in place proportionate controls to mitigate the risk of cyber-security incidents and appropriate actions that can be taken in the event that a cyber-security incident occurs.

The Milford Academy School will not pay any ransom demands during a ransomware attack under most circumstances, and will avoid encouraging, condoning or endorsing the payment of ransom demands. The Milford Academy School will only pay ransom demands following approval from the ESFA.

39. Monitoring and review

This policy will be reviewed annually by the headteacher and school business manager, and approved by the board of trustees. Any changes to the policy will be made, and communicated to all members of staff. The scheduled review date for this policy is Autumn Term 2024

ANNEX A

Tendering

Tendering is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. This section sets out established good practice in tendering which should be followed for any formal tendering exercise.

There are four types of tendering procedure:

- Open – all potential suppliers are invited to tender. Allows for maximum competition and is commonly used when the market for the goods or services in question is known to be limited;
- Restricted – certain suppliers are specifically invited to tender. Used when it is known a large number of suppliers would apply, the nature of the work needed is specific, or advertising costs would outweigh benefits of open tendering;
- Negotiated - school may negotiate the terms of the contract with one or more suppliers of their choice. Can be used in cases of extreme urgency, it is an existing supplier, very few suppliers are available or Open/Restricted tendering has resulted in no acceptable tenders. Negotiated tenders should be reported to the governing body;
- Competitive dialogue - intended to be used only for complex projects and contracts i.e. above the EU threshold of £173,934.

Tendering Process

A pack of documents should be sent out to potential suppliers inviting them to submit a bid. The pack should include:

- Covering letter that covers tendering instructions, advice for suppliers on the project timescales and administration;
- Timetable for tender submission;
- Specification. This will help the supplier respond to your requirements in the tender;
- Evaluation criteria. This will enable the suppliers to check that they're providing all the information for each of the criteria;
- Pricing schedule. A supplier must complete one of these to show their proposed prices and expenses;
- Contract terms and conditions to include performance monitoring and payment schedule.

All tenders received will be retained unopened until the tender deadline. They will then be opened at the same time in the presence of a designated project team with all tenders duly examined for suitability. The successful bid will then be presented to the governing body together with reasons for choice.