



PRIORY ACADEMY DUNSTABLE

FINANCE HANDBOOK

Amendments

All amendments made to this document must be recorded on this page. Changes to this document can only be made by the Business Manager in consultation with the Responsible Office. Any changes made will be in line with improvements to the working practice of the Academy and also reflect any changes made by the DFE/EFA. The Finance manual will be presented to each committee meeting.

When a revised copy of this manual is issued all changes to the previous issue will be identified with a footnote as below.¹

<i>Pg No:</i>	<i>Details of Change</i>	<i>BM Initial/Date</i>	<i>RO Initial/Date</i>	<i>Finance Committee Notified - Date</i>
6	Date of ratification required estimated as Nov 16 F&GP			
19	4.3.2 F&GP to decide as we now only have one deputy			

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1 BACKGROUND

- 1.1 Priory Academy converted from an LA school 1st June 2012. We are a registered company by guarantee under the Companies Act 2006. Company registration number: 8002543.
- 1.2 The Academy receives much of its funding from the Department for Children, Schools and Families (DfE). The funding agreement between the DfE and the Academy sets out the terms and conditions on which grant is made. The Board is responsible for ensuring that conditions of grant are met. As part of this process the Academy must adhere to the DfE's Financial Handbook which requires it to have sound systems of financial and management control. The financial regulations of the Academy form part of this overall system of accountability. Reference to the DfE shall include any successor bodies.

2 STATUS OF FINANCIAL REGULATIONS

- 2.1.1 This document sets out the Academy's financial regulations. It translates into practical guidance the Academy's broad policies relating to financial control. This document was approved by the Board on 14.11.16 It applies to the Academy and (unless other arrangements have been expressly approved) to any subsidiary undertakings.
- 2.1.2 These financial regulations are subordinate to regulations contained in The Act, the Companies Acts, Charity Law or the Articles of Association and to any restrictions contained within the Academy's funding agreement with the DfE.
- 2.1.3 Compliance with the financial regulations is compulsory for all staff connected with the Academy. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Academy's disciplinary policy. Any significant breach, in the opinion of the Senior Leadership Team, will be notified to the Board through the Responsible Officer. It is the responsibility of the Management Team to ensure that staff reporting to them and to their subordinates are made aware of the existence and content of the Academy's financial regulations and that an adequate number of copies are available for reference (see 8.4.1 re Fraud and Irregularity)
- 2.1.4 The Finance Committee, with advice from the Responsible Officer, is responsible for maintaining a continuous review of the financial regulations and advising the Board of any additions or changes necessary. In exceptional circumstances, this committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Board at the earliest opportunity.
- 2.1.5 The Business Manager with advice from the Responsible Officer will continually review and make changes to this manual. Any changes made will be in line with improvements to the working practice of the Academy and also reflect any changes made by the DfE. The Finance manual will be presented to each committee meeting, highlighting the changes made.
- 2.1.6 The Academy's detailed financial procedures are contained in separate procedures notes available in various departments.

3 FINANCIAL CONTROL

3.1 THE BOARD

3.1.1 The Board is responsible for the management and administration of the Academy. Its financial responsibilities are:

- ensuring the solvency of the Academy and the safeguarding of the Academy's assets
- appointing, grading, suspending, dismissing and determining the pay and conditions of service of the Headteacher
- setting a framework for pay and conditions of service of all other staff
- ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the Academy are appropriate and sufficient to safeguard public funds
- approving the appointment of external auditors and a Responsible Officer
- securing the efficient, economical and effective management of all the Academy's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the Academy is not put at risk
- ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- approving an annual budget before the start of each financial year
- ensuring that the Academy complies with the DfE's Funding Agreement
- approving the Academy's Development Plan
- approving the annual financial statements.

3.2 COMMITTEE STRUCTURE

3.2.1 Whilst the Board has ultimate responsibility for the Academy's finances it delegates elements of them to the committees detailed below. These committees are accountable to the Board.

Finance and General Purpose Committee

3.2.2 This Committee considers issues in relation to the strategic direction of the Academy in order to advise the Board. It will monitor operational plans to ensure consistency with the Strategic Plan, and monitor progress against such plans.

3.2.3 Monitoring of the Academy's financial position is a key function of Finance and General Purpose Committee. The committee will examine annual estimates and accounts and recommend their approval to the Board. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed. Similarly, it considers and makes recommendations to the Board on the allocation of resources between academic and non-academic areas. It will consider any other matters relevant to the financial duties of the Board and make recommendations accordingly. The committee will also ensure that the Board has adequate information to enable it to discharge its financial responsibilities and in particular will advise on the financial implications of matters referred by other committees.

Curriculum Standards and Performance Committee

3.2.4 This Committee will focus on the quality of curriculum delivery and development of the resources necessary for its delivery.

Pay committee

3.2.5 This committee will meet termly after each Finance and General Purpose meeting, subject to the Terms of Reference.

Responsible Officer

3.2.6 Academies are required by their Funding Agreement with the DfE to appoint a Responsible Officer. The Responsible Officer is independent, advisory and reports to the Board. He/she has the right of access with or without notice to obtain all the information it considers necessary and to consult directly with the auditors. The Responsible Officer is responsible for checking that processes exist to monitor the integrity of financial and other control systems. He/she must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

3.3 AUDIT REQUIREMENTS

3.3.1 The audit requirements of the Academy are set out in the Companies Act and various Auditing Standards.

- 3.3.2 Auditors shall have authority to:
- access Academy premises at reasonable times with or without notice
 - access all assets, records, documents and correspondence relating to any financial and other transactions of the Academy
 - require and receive such explanations as are necessary concerning any matter under examination
 - require any employee of the Academy to account for cash, stores or any other Academy property under his/her control.
 - access records belonging to third parties, such as contractors, when required.

3.3.3 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the Academy or any other suspected irregularity in the exercise of the activities of the Academy, the manager concerned shall notify the Headteacher who will deal with matters as set out in the Academy's policy on fraud and irregularity (see 8.4.1)

3.3.4 The Business Manager is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

3.3.5 Following consideration of audit matters by Responsible Officer, the accounts should be approved by Finance Committee. On the recommendation of Finance and Responsible Officer they will be submitted to the Board for approval.

External Audit

3.3.6 The appointment of auditors will take place annually and is the responsibility of the Board. The appointment must be subject to competitive tender at least once in every five year period. The Board will be advised by the Responsible Officer.

3.3.7 The primary role of external audit is to report on the Academy's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with the Companies Acts and the Auditing Practices Board's auditing standards.

Other Auditors

3.3.8 The Academy may, from time to time, be subject to audit or investigation by external bodies such as the DfE, National Audit Office, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

3.3 RESPONSIBILITIES

The Headteacher

- 3.3.1 The Headteacher is the Academy's designated accounting officer and is responsible to the Finance Committee for ensuring the financial administration of the Academy's affairs in accordance with the Funding Agreement with the DfE. As the designated officer the Headteacher may be required to justify any of the Academy's financial matters to the Public Accounts Committee at the House of Commons.
- 3.3.2 In particular, as Designated Accounting Officer, the Headteacher is charged with the following responsibility:
"for preparing annual estimates of income and expenditure, for consideration and approval by the Board, and for the management of budget and resources, within the estimates approved by the Board"
- 3.3.3 The Headteacher shall demonstrate oversight of financial matters by signing the Balance Sheet and the Statement of Corporate Governance within the annual Financial Statements, Budget Returns submitted to the DfE.

Business Manager (BM)

- 3.3.4 Day to day financial administration is the responsibility of the BM. The BM is responsible to the Headteacher for:
- preparing annual capital and revenue budgets and financial plans
 - preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
 - preparing the Academy's annual accounts and other financial statements and accounts which the Academy is required to submit to other authorities
 - ensuring that the Academy maintains satisfactory financial systems
 - providing professional advice on all matters relating to financial policies and procedures
 - day to day liaison with auditors in order to achieve efficient processes.
- 3.3.5 The detail of many of these items may be delegated to other finance staff.
- 3.3.6 A diagram indicating the structure of the finance section including all staff and lines of responsibility is shown at Appendix A.

Management Team

- 3.3.7 All Subject Leaders/Year Leaders and other members of the Management Team are responsible to the Headteacher for financial management in their own areas. They are advised by the BM in executing their financial duties. The BM will advise on the financial systems operating within their departments and may specify the form in which any primary financial records are kept.
- 3.3.8 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters.
- 3.3.9 Where resources are delegated to budget holders at lower levels, they are accountable to the delegator of that budget for their own budget portion.

3.4 BUDGETING

Resource Allocation

- 3.4.1 Resources are allocated annually by the Board on the recommendation of the Finance Committee.
- 3.4.2 Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than £50,000 should be presented for approval to the Finance Committee (with prior review by the Strategic Planning and Quality Committee where appropriate). The proposal should be supported by a business plan for three years which sets out:
- a demonstration of the proposal's consistency with the development plans approved by the Board and with the Boards powers under current legislation;
 - details of the market need and the assumptions (based on reference data) of the level of business available;
 - details of the business and what product or service will be delivered;
 - an outline plan for promoting the business to the identified market place and achieving planned levels of business;
 - details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues;
 - details of any premises and other resources required;
 - a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions;

- contingency plans for managing adverse sensitivities;
- consideration of taxation and other legislative or regulatory issues;
- a three year financial forecast for the proposal including a monthly cashflow forecast and details of the impact on the Academy cashflow forecast for the financial years in question.

3.4.3 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for the economic, effective and efficient use and safe custody of resources allocated to them.

Budget Preparation

3.4.4 The BM is responsible for preparing annually a revenue budget and capital programme (buildings and equipment) for consideration by Finance Committee before submission to the Board. The budget should also include monthly cash flow forecasts for the year. The BM must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to all Subject Leaders/Year Leaders and other members of the Management Team as soon as possible following their approval by the Board.

3.4.5 During the year, the BM is responsible for submitting revised budgets to Finance Committee for consideration before submission to the Board for approval.

Capital Equipment Budget

3.4.6 The BM is responsible for developing a rolling programme of equipment renewal and improvement, together with small capital projects not covered by Building Projects below.

Building Projects

3.4.7 Capital expenditure on land, buildings, furniture, equipment and associated costs in excess of £50,000 for each project can only be considered as part of a capital programme approved by the Board.

3.4.8 The BM is responsible for providing regular statements concerning all expenditure on building projects to Finance Committee for monitoring purposes.

3.4.9 Proposed building projects should be supported by:

- a statement which demonstrates the project's consistency with the development plans and property strategy approved by the Board
- an initial budget for the project for submission to Finance Committee. The budget should include a breakdown of costs including all associated equipment, professional fees, VAT and funding sources

- a financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans
- an investment appraisal in an approved format which complies with DfE guidance on option and investment appraisal
- a demonstration of compliance with normal tendering procedures and DfE regulations
- a cashflow forecast for the project and a revised cashflow forecast for the Academy showing the impact of the project.

3.4.10 Following completion of a capital project, a final report should be submitted to Finance Committee recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred.

Financial Planning

3.5.0 The BM is responsible for preparing annually a rolling three year financial plan (including any subsidiary and joint venture operations) for approval by the Board on the recommendation of Finance Committee and for preparing financial forecasts for submission to the DfE. Financial plans should be consistent with the development plans and property strategy approved by the Board.

Budgetary Control

- 3.5.1 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their line manager for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the BM. The types of management information available to different levels of management are described in the Academy's detailed financial procedures together with the timing at which they can be expected.
- 3.5.2 Significant departures from agreed budgetary targets must be reported immediately to the BM by the budget holder concerned and, if necessary, corrective action taken.
- 3.5.3 The BM is responsible for supplying budgetary reports on all aspects of the Academy's finances to the Headteacher and Finance Committee on a basis determined by Finance Committee.

Virement

3.6 Non-Pay Budget Virement

Virements between budget headings up to £10,000 may be approved by the BM, between £10,000 and £30,000 by the BM and Headteacher, and over £30,000 by the Finance Committee. Larger virements, and cumulative virements which represent more than £30,000 and more than 10% of the approved budget heading, require approval by the full Board. Virements within these limits may also be made to the pay budget

3.6.1 Pay Budget Virement

The Headteacher may make adjustments between permanent and part-time teaching budgets as necessary for operational purposes up to 1% of the approved budget amount for teaching costs. Similar adjustments may be made between categories of support staff up to 1% of the approved budget amount for support staff. The Headteacher may vire between budgets for teaching and support staff up to 1% of the total pay budget. All virements in excess of £1,000 to and from budgets for restructuring or severance costs require approval by the Finance Committee.

3.6.2 General

Any changes to the budget which may result in a detrimental change to the operating surplus or deficit for the year must be referred to the Board for approval.

3.6.3 Treatment of Year End Balances

At year end, budget holders will not have the authority to carry forward a balance on their budget to the following year. Allocations for the new year should reflect the need in the new year. Some element of unspent allowances may be built into the budgets as a contingency and allocated to budget holders using the headteacher's virement authority.

3.7 ACCOUNTING POLICIES

Basis of Accounting

3.7.1 The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Format of the Accounts

3.7.2 The accounts are prepared for the financial year ending 31 August, in the format required by the Companies Act 1985 and the Charities SORP.

3.8 **ACCOUNTING RETURNS**

3.8.1 The BM is responsible for producing monthly management accounts and cashflow information showing the cumulative position for the financial year compared with approved budgets, latest estimated outturn, together with associated commentary (including forward cash flow estimates for at least 12 months), for submission to Finance at their meeting next following the end of the month. Management accounts are not required for the first month of the financial year although any matters of significance for financial management should be reported to the Committee.

3.8.2 The BM is responsible for consolidating and despatching financial returns and other periodic financial reports to the DfE and other agencies as required. The BM is also responsible for ensuring that all grants notified by the DfE and other bodies are received.

3.8.3 **ACCOUNTING RECORDS**

3.8.4 The BM is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

3.8.5 The Academy is required by law to retain prime documents for six years. These include:

- official orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- part time teacher contracts

3.8.6 Additionally, for auditing and other purposes, other financial documents should be retained for three years.

3.8.7 These retention periods relate to information for financial purposes and not for Learner related information, which are subject to a separate policy.

4 INCOME AND BANKING

4.1 GENERAL

- 4.1.1 The BM is responsible for ensuring that appropriate procedures are in operation to enable the Academy to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the BM.
- 4.1.2 Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by *procedures* approved by Finance Committee.
- 4.1.3 The BM is responsible for the prompt collection, security and banking of all income received.
- 4.1.4 The BM is responsible for ensuring that all grants notified by the DfE and other bodies are received and appropriately recorded in the Academy's accounts.
- 4.1.5 The Headteacher is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

4.2 APPOINTMENT OF BANKERS

- 4.2.1 The Board is responsible for the appointment of the Academy's bankers on the recommendation of Finance Committee. The appointment shall be for a specified period after which consideration shall be given by Finance Committee to competitively tendering the service.

4.3 BANKING ARRANGEMENTS

- 4.3.1 The BM is responsible, on behalf of Finance Committee, for liaising with the Academy's bankers in relation to the Academy's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the BM who shall make proper arrangements for their safe custody.
- 4.3.2 Only the Deputyhead and the Headteacher together may open or close a bank account for dealing with the Academy's funds following authorisation from the Finance Committee. All bank accounts shall be in the name of the Academy.

- 4.3.3 All cheques drawn on behalf of the Academy must be signed according to arrangements approved from time to time by Finance Committee with advice from the Responsible Officer. All cheques over £250 (as defined in Appendix D) must be signed by two authorised persons. Cheques below £250 require only one signature. School Fund accounts always require two signatures. These signatories and the detailed requirements are set out in Appendix D.
- 4.3.4 The BM is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

4.4 CASH RECEIPTS

- 4.4.1 All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received.
- 4.4.2 Unless specific arrangements have been agreed in writing by the BM, all monies so received must be deposited with the Finance Office before the close of business each day, and custody of all cash holdings must comply with the requirements of the Academy's insurers.
- 4.4.3 No deductions may be made from any cash collected on behalf of the Academy prior to paying into the Finance Office.
- 4.4.4 No personal or other cheques may be cashed out of money received on behalf of the Academy, with the exception that the Academy's own cheques made out in favour of the Academy may be so cashed.
- 4.4.5 **On-line cashless system**
Parent/carers are given a unique reference number from our school cash office software and are asked to register on-line with SCOPAY.COM to pay for school trips and events. The School Finance department is notified by Tucasi that a payment has been made and Worldpay will transfer the funds into the School Fund account. The Finance Assistant monitors these transactions daily. At the end of the month the School's Finance Officer reconciles the school fund bank account to ensure all payments are received and allocated correctly.

4.5 THE COLLECTION OF DEBTS

4.5.1 All Subject Leaders/Year Leaders and other members of the Management Team should not commit the Academy to perform work of a commercial nature or otherwise earn ancillary income of more than £1,000 where payment is not received in advance, unless the customer is on an approved list of customers or until express credit clearance has been received from the BM.

4.5.2 The BM should ensure that:

- debtors' invoices are raised promptly in respect of income due to the Academy
- invoices are raised on official Academy stationery
- swift and effective action is taken to collect overdue debts in accordance with the Academy's formal procedures (detailed in the financial procedures)
- outstanding debts are monitored and reports are prepared for managers.

4.5.3 The BM is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.

4.5.4 Requests to write-off debts in excess of £500 must be referred in writing to the BM for submission to Finance Committee for consideration. Debts between £250 and £500 may be written off on the authority of the Headteacher and the BM together, and debts below this level may be written off with the permission of the BM. A summary report of debts written off shall be presented to the Finance Committee annually before the Financial Statements are approved.

4.6 GIFTS, BENEFACTIONS AND DONATIONS

4.6.1 The BM is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the Academy and initiating claims for recovery of tax where appropriate.

4.7 SECURITY OF DOCUMENTS

4.7.1 The BM is responsible for the safekeeping of official and legal documents relating to the Academy. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the BM. All such documents shall be held in an appropriately secure location and copies held at a separate location.

4.8 STOCKS AND STORES

- 4.8.1 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the BM.
- 4.8.2 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.
- 4.8.3 Those Subject Leaders/Year Leaders and other members of the Management Team whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Business Manager and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the Academy's detailed financial procedures and in accordance with annual accounts timetables issued by the Business Manager.

4.9 EUROPEAN AND OTHER GRANT APPLICATIONS

- 4.9.1 All grant applications for European or other public funds shall be signed by the Headteacher.
- 4.9.2 No grant application should be submitted unless it is consistent with the Development Plan of the Academy.
- 4.9.3 All grant applications shall be assessed to value based on the gross expenditure to which the Academy is likely to be committed. The Academy should not submit grant applications where the expenditure cannot be met from an existing budget. Consideration to allocate funds to a grant application should be made by Finance Committee or Full Board as appropriate where the Headteacher's virement limit is exceeded.

5 EXPENDITURE

5.1 GENERAL

- 5.1.1 The BM is responsible for making payment to suppliers of goods and services to the Academy.
- 5.1.2 All staff making or authorising purchases must observe the highest standards of integrity in relation to these processes. No such staff should accept any gift or hospitality which could be regarded as likely to influence the propriety of the Academy's purchasing processes. Any member of staff in doubt in relation to this issue should consult with their line manager. All gifts and hospitality which are accepted (excepting 'trifling' amounts at Christmas time) should be recorded in the Gifts and Hospitality Register which is maintained on behalf of the Company Secretary to the Board by the Finance staff.

5.2 AUTHORITIES

- 5.2.1 Each Subject Leaders/Year Leader and other member of the Management Team is responsible for purchases within his/her department. Purchasing authority may be delegated to named individuals (or budget holders) within the department.
- 5.2.2 The BM shall maintain a register of authorised cheque signatories. Any changes to the authorities to sign must be notified to the BM immediately.
- 5.2.3 No budget holder is authorised to commit the Academy to expenditure without first reserving sufficient funds to meet the purchase cost. Any order placed which commits more than £10,000p.a. to a subsequent budget year or years, will require the authorisation of the Finance Committee.
- 5.2.4 Individual order requisitions or other individual expenditure requests, must be signed by the budget holder and authorised by the BM. Any orders in excess of £5,000 shall require the approval of the Headteacher, all orders shall require coding approval in a manner prescribed by the BM.
- 5.2.5 Only the Headteacher, together with the BM, shall commit the Academy to engage any person at a fee for the provision of professional advice. The Company Secretary to the Board may, in exceptional circumstances, procure an appropriate level of advice for the Board directly, and without following the procurement procedures within this document.

- 5.2.6 In order to ensure consistency of any work with the Development Plan, and suitable arrangements for supervision of contractors in respect of quality and Health and Safety, work of a premises nature may only be ordered by the BM.
- 5.2.7 Items ordered under a capital equipment scheme (forming part of the capital programme) which has been approved by the Headteacher shall be approved by the relevant Heads of Department and other members of the Management Team in conjunction with the BM.
- 5.2.8 All authority or other limits shown shall refer to amounts inclusive of VAT.

5.3 QUOTATIONS AND TENDERING

- 5.3.1 For orders estimated to exceed £3,000 but less than £8,000 in value, budget holders should obtain two competitive quotations, preferably confirmed in writing. Where no written confirmation is to be received, a note should be kept of the suppliers contacted and the prices offered, and this note should be attached to the requisition form sent to the finance department. The note should be dated and signed by the member of staff responsible. The finance office will assist with obtaining quotations where possible.
- 5.3.2 For orders estimated to exceed £8,000 but less than £30,000 in value, budget holders or BM must obtain three competitive quotations in writing, original copies of which must be attached to the requisition form sent to the finance department. The finance office will assist with obtaining quotations where possible.
- 5.3.3 Subject to special rules imposed by funding bodies (and the provisions of 5.3.4 below), tendering procedures are applicable to any purchase or procurement in excess of £30,000. Guidance on tendering is set out in Chapter 7 of '*Procurement - A Good Practice Guide*' published by the Learning and Skills Council.
- 5.3.4 The Headteacher and BM *together* may waive the need for written quotations as in 5.3.2 or tenders as in 5.3.3, where particular circumstances indicate these procedures are inappropriate or unnecessary (e.g. the purchase of computer equipment to match existing equipment, or an order is to be placed with a supplier where a recent similar order has been placed which followed the procedures).
- 5.3.5 Tendering processes must be undertaken in accordance with arrangements approved by the BM, and generally will be conducted by the Finance Office in conjunction with the relevant budget holder. All tender documents should seek best payment terms for the Academy.

5.3.6 Acceptance of tenders shall be as follows:

- up to £5,000 - the BM
- £5,001 to £10,000 - the Headteacher and BM together
- over £10,000 - the Finance Committee

5.4 PURCHASE ORDERS

5.4.1 In order that all liabilities and commitments of the Academy are recorded in central financial systems, all orders for the purchase of goods or services, except utilities, examinations and other items approved in advance in writing by the BM, shall be made on an official order raised through the finance department. Budget holders will submit order requisitions to the finance department in order that the official order may be raised. The requisitions must be signed by the budget holder responsible, or a person delegated as set out above. Limited arrangements for telephone ordering may be approved from time to time by the BM, but must be recorded as all other orders.

5.4.2 Any upward variations to orders which exceed the lower of 10% of the original value or £1,000, must be evidenced by an additional order which must be authorised in the same manner as the original order. Where the original order exceeded £1,000 then the Headteacher must authorise the addition. Where the additional order brings the total effective order value over £1,000 then the Headteacher must authorise the addition. A copy of the original order shall be kept with the additional order.

5.4.3 It is the responsibility of the BM to ensure that all purchase orders refer to the Academy's conditions of purchase (see Appendix B).

5.4.4 Unless specifically authorised in writing by the BM, no member of staff other than finance staff may place orders electronically through the internet. This provision is to ensure that the controls set out elsewhere in this document are applied when this method of procurement is used.

5.5 BUILDING CONTRACTS

5.5.1 Building contracts are the responsibility of the Finance Committee and are administered by the Academy's BM in conjunction with external professional advisers.

5.5.2 Routine proposals will normally be initiated by the BM in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

- 5.5.3 Consultants may be appointed if the project, as determined by the Finance Committee, is too large or too specialised for the Academy's resources. Appointments shall be subject to tendering and/or other procedures where appropriate.
- 5.5.4 Proposals shall be presented in the form of costings or investment appraisals as appropriate for Finance Committee approval. Investment appraisals should comply with appropriate DfE guidance.
- 5.5.5 Following consideration by Finance Committee and approval by the Board, submissions should be forwarded to the DfE where appropriate. If the required agreement is secured by the DfE, DfE procedural rules should be followed. DfE guidance on best practice should be followed, where possible, even when DfE approval is not required.
- 5.5.6 All contracts will attempt to secure best value for money.
- 5.5.7 Conditions of contract for the purchase of goods will be followed as described in the Academy's detailed financial procedures. The main points are described at Appendix C.

5.6 EU REGULATIONS

- 5.6.1 The BM is responsible for ensuring that the Academy complies with its legal obligations concerning European procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement or hire (whether or not hire purchase) with a total value exceeding a threshold value. The thresholds are set out in Appendix C. A breach of these regulations is actionable by a supplier or potential supplier.
- 5.6.2 It is the responsibility of the relevant Department Head to ensure that they comply by notifying the BM of any purchases likely to exceed the thresholds noted above. This will need to be done well in advance in order to permit advertisements in official journals, etc.

5.7 RECEIPT OF GOODS AND SERVICES

- 5.7.1 It shall be the responsibility of all budget holders to advise the finance office as soon as possible of the receipt of any goods or services ordered against budgets under their control. The notification shall be by copy of the supplier's delivery note, or by an annotated internal delivery note which shall have been provided for the purpose. This notification will signify that the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.

5.7.2 Wherever possible the confirmation of delivery should be initiated by someone other than the budget holder who authorised the original purchase requisition.

5.8 PAYMENT OF INVOICES

5.8.1 The procedures for making all payments shall be in a form specified by the BM.

5.8.2 The BM is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by computer cheques or BACS transfer produced weekly. In exceptional circumstances the BM will prepare cheques manually for urgent payments, or make a payment using the Business charge card which has a £2000 monthly limit.

5.8.3 Suppliers will be instructed on the official order to submit invoices for goods or services initially to the finance office. The BM shall be responsible for keeping a record of all invoices so received until authorised for payment.

5.8.4 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for ensuring that expenditure within their department does not exceed funds available.

5.8.5 Payments will only be made by the BM against invoices which have been authorised for payment by the appropriate budget holder. Authorisation of an invoice will be confirmation that:

- the goods have been received, examined and given initial approval with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price, discount) are correct
- the invoice is arithmetically correct
- an invoice for the goods or services has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or departmental inventory

5.8.6 Invoices must be authorised promptly and returned to the finance office as soon as they have been authorised. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

5.9 LEASING, HIRE AND OTHER TERM AGREEMENTS

5.9.1 Only the BM or Headteacher may approve term agreements of any nature. All purchasing and procurement regulations set out above shall apply. In assessing the value for authority limits, the sum total of all estimated payments shall be used.

5.10 OTHER PAYMENTS

5.10.1 All amounts expended from balance sheet accounts, such as payments to statutory authorities, shall be made on the authority of the BM. This authority shall be on the basis that the payment is of an amount correctly set aside in the Academy's financial records for the purposes as a result of deductions from wages and similar transactions.

5.11 PETTY CASH

5.11.1 Where a single item is for less than £20 it should be paid from petty cash funds if possible. It must be supported by receipts or vouchers where available.

5.11.2 The BM shall approve such imprests as are considered necessary by departments for the disbursement of petty cash expenses.

5.11.3 Requisitions for reimbursement must be sent to the Finance Office, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

5.11.4 The petty cash must be kept in a secure place in compliance with the requirements of the Academy's insurers when not in use, and will be subject to periodic checks by the BM/Responsible Officer.

5.11.5 The petty cash must be reconciled monthly as part of the month end reconciliation process.

6 SALARIES AND WAGES and TEMPORARY STAFF

6.1 GENERAL

- 6.1.1 The BM (through the Payroll Provider) is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting teachers or researchers, will be in a form prescribed or approved by the BM.
- 6.1.2 All Academy staff will be appointed to the salary scales approved by the Board through the Finance Committees, and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Headteacher.
- 6.1.3 The following personnel/payroll items in relation to salaried staff will be approved by the Headteacher and notified to the Human Resources section at The Payroll Provider, with copies available to the BM:
- appointments, resignations, dismissals, suspensions, secondments and transfers
 - changes in remuneration relating to regradings
 - changes in remuneration (including normal increments) and pay awards
- 6.1.4 The Senior Cover Supervisor and other managers with staff responsibility must inform the School Office daily of:
- absences from duty for sickness or other reason, including leave other than routine annual leave.
- 6.1.5 All Subject Leaders/Year Leaders and other members of the Management Team are responsible for ensuring that information regarding correct hours of work for hourly paid staff is available to the BM/Office Manager in accordance with monthly timetables established by The Payroll Provider.
- 6.1.6 The BM is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.
- 6.1.7 The BM, together with The Payroll Provider, shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 6.1.8 All payments must be made in accordance with Inland Revenue regulations.

6.2 PENSIONS

- 6.2.1 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 6.2.2 The BM (through The Payroll Provider) is responsible for day to day pension matters including:
- paying of contributions to various authorised pensions schemes
 - preparing the annual return to various pensions schemes
 - resolution of queries in relation to individual's contributions
- 6.2.3 The BM, through the Human Resources section of The Payroll Provider, is responsible for administering eligibility to pension arrangements and for informing the Payroll section when deductions should be made or ceased for employees.

6.3 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES (UK)

- 6.3.1 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved and authorised by the BM.
- 6.3.2 Claims by members of staff must be authorised by the Headteacher or Chairman of the Board in the case of the Headteacher. The authorisation by the Headteacher shall be taken to mean that the journeys were authorised in advance, the expenses properly and necessarily incurred and that the allowances are properly payable by the Academy and that consideration has been given to value for money in choosing the mode of transport.
- 6.3.3 Claims for governors will be authorised by the Company Secretary to the Board. Claims for meeting attendance will be based on standard amounts for each individual.

6.4 OVERSEAS TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

- 6.4.1 All arrangements for overseas travel must be approved by the Headteacher **in advance** of committing the Academy to those arrangements or confirmation of any travel bookings. Arrangements for travel by the Headteachers or Governors shall be approved by the Chairman of the Board. Arrangements for travel by the Chairman shall be approved by the Finance Committee.
- 6.4.2 Where the cost of planned arrangements is anticipated to exceed £500 per member of staff/governor, or the aggregate cost of the arrangements is expected to exceed £2,500, the Headteacher or Chairman must seek the authorisation of the Finance Committee before giving their approval to the arrangements. All staff will need to ensure that requests for approval are submitted **at least six weeks before the intended date of confirming travel bookings** in order that committee approval may be obtained through the normal cycle of meetings.
- 6.4.3 **In exceptional circumstances** the Headteacher may seek approval of the Chairman of the Board and Chairman of the Finance Committee, and where they are not available any other two members of that committee. Such exceptional approval must be reported to the next meeting of the committee.
- 6.4.4 Where spouses, partners or other persons unconnected with the Academy intend to participate in a trip this must be clearly identified in the approval request. The Academy must receive reimbursement for the expected costs it may be asked to cover for those persons **in advance of confirming travel bookings**.
- 6.4.5 The Academy has purchased insurance for school journeys. The policy provides indemnity against specified risks of cancellation, personal accident, medical, personal effects and legal liability related expenses. Insurance is provided for each individual member of a School Journey party (an “insured”) involved in full time education, or a teacher or other adult not over 65 years of age. The insurance covers any trip not exceeding 31 days approved by the Academy travelling outside the Academy boundaries but excluding trips or excursions where insurance is provided as part of the package price, or winter sports holidays and trips. The Evolve documentation must be completed in advance of the trip and authorised by the Academy EVC or Headteacher.
- 6.4.6 Details of all participants, together with relevant contact names and details, must be sent to the BM one week prior to the date of travel as a record for insurance purposes. The details must include an itinerary method of travel and contact numbers.

- 6.4.7 All claims for payment of overseas subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the BM and must be approved by the Headteacher. Claims by the Headteacher shall be approved by the Chairman of the Board. Claims by the Chairman shall be approved by the Finance Committee and signed by the Company Secretary to the Board to indicate this.
- 6.4.8 The BM will provide Finance Committee with a report, at least termly, of the overseas trips undertaken and the cost thereof.

6.5 SEVERANCE AND OTHER NON-RECURRING PAYMENTS

- 6.5.1 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board through Finance Committee and, where required, by the DFE. No amounts shall be expended which exceed the budget allocated for the purpose. All such payments shall be authorised by the Headteacher and calculations checked by the BM. Any individual amounts which do not fall within the parameters above or are in excess of £10,000 require approval by the Finance Committee. In exceptional circumstances this approval may be given by the Chair of the Board and the Chair of Finance in consultation with the Headteacher, to be reported to the next meeting of the relevant committee.
- 6.5.2 All matters referred to an Industrial Tribunal shall be notified to Finance Committees at the earliest opportunity in order that budget provision may be made as necessary. All determinations of Tribunals must be similarly notified.

6.6 ENGAGEMENT OF TEMPORARY STAFF

- 6.6.1 The Headteacher shall approve all arrangements for the engagement of agency or other temporary staff. Consultants shall be engaged in accordance with the provisions of paragraph 5.2.5.
- 6.6.2 No agency or temporary staff shall be engaged unless the Headteacher has authorised the expenditure of pay budget in relation to the costs.
- 6.6.3 Part-time teaching staff may be engaged under arrangements agreed by the Headteacher.

6.7 ADVANCES TO STAFF

6.7.1 On written application by a member of staff setting out extenuating personal circumstances, or on occasions where error or omission by the Academy has led to a liability from a member of staff, the Academy may make temporary advances to be recovered by deduction from payroll. Amounts up to £500, for repayment periods not exceeding six months, may be authorised by the Headteacher. All other advances require the authorisation of the Finance Committee.

7 ASSETS

7.1 LAND, BUILDINGS, FIXED PLANT AND MACHINERY

7.1.1 The purchase, lease or rent of land or buildings or fixed plant costing in excess of £50,000 can only be undertaken with authority from the Finance Committee and with reference to DFE requirements where exchequer funded assets or exchequer funds are involved. Any items not falling within an approved capital programme shall be referred to the full Board.

7.1.2 The purchase, lease or rent of land or buildings or fixed plant up to £50,000 shall be approved as follows: up to £10,000 by the Headteacher, over £10,000 by the Headteacher and BM together.

7.1.3 The BM is responsible for maintaining the Academy's register of land, buildings, fixed plant and machinery.

7.2 INVENTORIES

7.2.1 In addition to the fixed asset register (£500 per item), all Budget holders are responsible for maintaining inventories for all plant, equipment and furniture and stores in their departments with a value in excess of £50 per item. The finance department oversee and spot check this process. The final records are recorded electronically in the staff area on the network in the Inventories folder.

7.2.2 The inventory must include items donated or held on trust.

7.2.3 Inventories must be checked at least annually and retained in the form prescribed by the BM as described in the Academy's detailed financial procedures.

7.3 ASSET DISPOSAL

7.3.1 Disposal of equipment and furniture must be authorised by the BM. Items with a net book value in excess of £500 will require three independent offers to purchase.

7.3.2 Disposal of land and buildings must only take place with the authorisation of the Board who may delegate various aspects to committees as necessary. DfE consent may also be required if exchequer funds were involved in the acquisition of the asset.

7.4 TREASURY MANAGEMENT (INVESTMENTS AND BORROWINGS)

7.4.1 Finance Committee is responsible for approving treasury management policy setting out a strategy and policies for cash management, long term investments and borrowings. Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies.

7.4.2 All operating decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the BM and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the Academy or relevant company and shall conform to any relevant DfE requirements. The BM and his/her staff are required to act in accordance with best practice.

7.4.3 The BM will report to Finance Committee quarterly in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her. The report must include an updated cashflow forecast for at least 12 months based on latest estimates of activity.

7.4.4 The Academy will at all times conduct its investments in accordance with the Trustee Investment Acts 1961 and 2000, and Charity Commission guidance

8 OTHER

8.1 RISK MANAGEMENT

8.1.1 The Headteacher is responsible for developing a risk management strategy in order to identify the material risks facing the Academy and actions required to manage these risks. The strategy should include important potential liabilities such as terrorism and be sufficient to meet any potential risk to assets and Academy operations. This will be considered and approved by the Finance Committee on an annual basis.

8.1.2 A significant element of the risks identified by this strategy will be financial risks. A summary of these will be considered by the Finance Committee annually alongside approval of the financial forecasts.

- 8.1.3 The BM is responsible for effecting insurance cover as determined by Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. He/she will also deal with the Academy's insurers and advisers about specific insurance problems.
- 8.1.4 All budget holders must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Academy may be exposed. The BM's advice should be sought to ensure that this is the case. All Department Heads must give prompt notification to the BM of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.
- 8.1.5 All Budget holders must advise the BM, immediately, of any event which may give rise to an insurance claim. The BM will notify the Academy's insurers and, if appropriate, prepare a claim in conjunction with the Department Head for transmission to the insurers.
- 8.1.6 The BM will keep a register of all insurances affected by the Academy and the property and risks covered.
- 8.1.7 The BM is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 8.1.8 All staff using their own vehicles on behalf of the Academy shall maintain appropriate insurance cover for business use. The Academy will also ensure "occasional use" is covered on their policy.

8.2 TAXATION

- 8.2.1 The BM is responsible for advising all Department Heads in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the Academy. Therefore the BM will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.
- 8.2.2 The BM is responsible for maintaining the Academy's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

8.3 SECURITY

- 8.3.1 The Governing Body has a general responsibility to ensure the effective management of resources and the safe custody of assets. The following regulations aim to set out how this will be achieved.
- 8.3.2 All Budget Holders are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc under their control. They shall consult the BM or the Headteacher in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 8.3.3 Keys to safes or other similar containers are to be carried with the person responsible at all times or otherwise stored in a secure place. The loss of such keys must be reported to the BM immediately.
- 8.3.4 The Headteacher, through the ICT Technicians and Academy Data Controller, shall be responsible for maintaining proper security and privacy of information held on computer. The restriction of access to computer areas, to authorised persons, only by the use of passwords, are the types of security controls available that will be used. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act.

8.4 FRAUD AND IRREGULARITY

- 8.4.1 Any member of staff who believes there is evidence of fraud or irregularity (see Appendix E) should bring it to the attention of their own line manager or the relevant budget holder, and the BM. Any concerns in relation to the finance office may be reported direct to the Headteacher.
- 8.4.2 Any member of staff who makes a report of this nature shall be protected from detrimental action by colleagues as a result of the disclosure of such evidence, perceived or otherwise, save for any such report subsequently being proved malicious or frivolous. Such protection is afforded under the terms of the *Public Interest Disclosure Act 1998*.
- 8.4.3 Where the Headteacher or BM considers that there is evidence of fraud or irregularity in excess of £500 the Responsible Officer and Chairman of the Board must be informed immediately. The Academy's policy on fraud and irregularity (Appendix E) must be followed.

- 8.4.4 Any member of staff who believes that the BM or the Headteacher would be unable to consider the matter objectively should consult another Manager or the Company Secretary to the Board, who shall advise the Responsible Officer and the Chairman of the Board in order that an action plan may be formulated in accordance with the Academy's policy in appendix F.
- 8.4.5 The Academy will maintain a Register of Gifts and Hospitality which will be reviewed quarterly by the Responsible Officer.

8.5 ENDOWMENT AND OTHER TRUST FUNDS

- 8.5.1 The BM is responsible for maintaining a record of the requirements for each trust fund and for advising Finance Committee on the control and investment of fund balances.
- 8.5.2 Finance Committee is responsible for ensuring that all the Academy's trust funds are operated within any relevant legislation and the specific requirements for each trust, discharging the Academy's role as corporate Trustee.

8.6 ACCOUNTING AND LEARNER RECORDING SOFTWARE

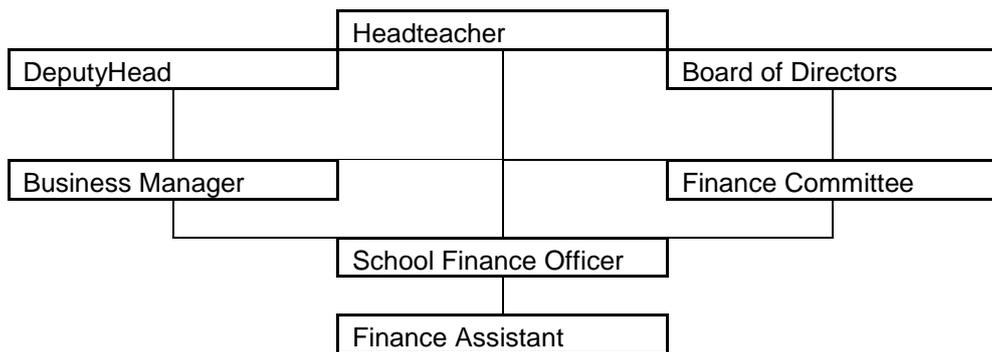
- 8.6.1 The software to support the accounting, payroll and learner records of the Academy is recognised as fundamental to efficient processes and reliable data.
- 8.6.2 Upgrades to the software should be reported to the Finance Committee.
- 8.6.3 Any changes should be in accordance with a procedure approved by Finance Committee. It is likely that formal tendering procedures will be adopted and that Finance Committee will give final acceptance of any tenders.

APPENDICES

- Appendix **A** Finance Structure
- Appendix **B** Standard Terms and Conditions of Purchase
- Appendix **C** Cheque Signing Arrangements
- Appendix **D** Fraud and Irregularity Policy

APPENDIX A

ACADEMY FINANCIAL CONTROL STRUCTURE



APPENDIX B

Standard Terms and Conditions of Purchase

1 INTERPRETATION

1.1 In these Conditions:

'BUYER' means PRIORY ACADEMY DUNSTABLE (A company registered in England No: 8002543) of Britain Street, Dunstable, Bedfordshire, LU5 4JA.

'CONDITIONS' means the standard terms and conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in Writing between the Buyer and the Seller

'CONTRACT' means the contract for the sale and purchase of the Goods and the supply and acquisition of the Services

'DELIVERY ADDRESS' means the address for delivery stated on the Order

'GOODS' means the goods (including any Instalment of the goods or any part of them) described in the Order

'SERVICES' means the services (if any) or part thereof described in the Order

'ORDER' means the Buyer's purchase order to which these Conditions are annexed

'PRICE' means the price of the Goods and/or the charge for the Services

'SELLER' means the person so described in the Order

'SPECIFICATION' includes any plans, drawings, data or other information relating to the Goods or Services

'WRITING' includes telex, cable, facsimile transmission, internet e mail, and comparable means of communication.

1.2 Any reference in these Conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. BASIS OF PURCHASE

2.1 The Order constitutes an offer by the Buyer to purchase the Goods and/or acquire the Services subject to these Conditions.

2.2 These Conditions shall apply to the Contract to the exclusion of any other terms and conditions on which any quotation has been given to the Buyer or subject to which the Order is accepted or purported to be accepted by the Seller.

2.3 The Order will lapse unless unconditionally accepted by the Seller in Writing within 14 days of its date.

2.4 No variation to the Order or these Conditions shall be binding unless agreed in Writing between the authorised representatives of the Buyer and the Seller.

3. SPECIFICATIONS

3.1 The quantity, quality and description of the Goods and the Services shall be as specified in the Order and/or in any applicable Specification supplied by the Buyer to the Seller or agreed in Writing by the Buyer.

3.2 Any Specification supplied by the Buyer to the Seller, or specifically produced by the Seller for the Buyer, in connection with the Contract, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of the Buyer. The Seller shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Seller, or as required for the purpose of the Contract. The Seller shall use the Specification only for the purposes of the Contract and shall return it carriage paid to the Buyer on the Buyer's request at any time or, if no request is made, on the completion of the Contract.

3.3 The Seller shall be responsible for any errors or omissions in any drawings, calculations or particulars supplied by it whether or not such information has been approved by the Buyer.

- 3.4 The Seller shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Goods and the performance of the Services.
- 3.5 The Seller shall not unreasonably refuse any request by the Buyer to inspect and test the Goods during manufacture, processing or storage at the premises of the Seller or any third party prior to dispatch, and the Seller shall provide the Buyer with all facilities reasonably required for inspection and testing. No inspection or test or failure to inspect or test shall constitute acceptance of the Goods or affect any liability of the Seller under the Contract.
- 3.6 If as a result of inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Contract, and the Buyer so informs the Seller within 7 days of inspection or testing, the Seller shall take such steps as are necessary to ensure compliance.
- 3.7 The Goods shall be marked in accordance with the Buyer's instructions and any applicable regulations or requirements of the carrier, and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.
- 4. PRICE OF THE GOODS AND SERVICES**
- 4.1 The Price of the Goods and the Services shall be as stated in the Order and, unless otherwise so stated, shall be:
- 4.1.1 exclusive of any applicable value added tax (which shall be payable by the Buyer subject to receipt of a VAT invoice); and
- 4.1.2 Inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the Delivery Address and any duties, imposts or levies other than value added tax.
- 4.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior consent of the Buyer in Writing.
- 4.3 The Buyer shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Seller, whether or not shown on its own terms and conditions of sale.
- 5. TERMS OF PAYMENT**
- 5.1 The Seller shall be entitled to invoice the Buyer on or at any time after delivery of the Goods or performance of the Services, as the case may be, and each invoice shall quote the number of the Order.
- 5.2 If no order number is quoted on the invoice then payment will be made 180 days from date of receipt by the Buyer.
- 5.3 Unless otherwise stated in the Order, the Buyer shall pay the Price of the Goods and the Services within 30 days after the end of the month of receipt by the Buyer of a proper invoice or, if later, after acceptance of the Goods or Services in question by the Buyer.
- 5.4 The Buyer shall be entitled to set off against the Price any sums owed to the Buyer by the Seller.
- 6. DELIVERY**
- 6.1 The time of delivery of the Goods and of performance of the Services is of the essence of the Contract.
- 6.2 The Goods shall be delivered to, and the Services shall be performed at, the Delivery Address on the date(s) or within the period stated in the Order, in either case during the Buyer's usual business hours.
- 6.3 Where the date of delivery of the Goods or of performance of the Services is to be specified after the placing of Order, the Seller shall give the Buyer reasonable notice of the anticipated completion date. If this does not meet the Buyer's reasonable requirements the Buyer shall be entitled to cancel the order without liability of any kind.
- 6.4 A packing note quoting the number of the Order must accompany each delivery or consignment of the Goods and must be displayed prominently.
- 6.5 If the Goods are to be delivered, or the Services are to be performed, by instalments, the Contract will be treated as a single contract and not severable.
- 6.6 The Buyer shall be entitled to reject any Goods delivered which are not in accordance with the Contract, and shall not be deemed to have accepted any Goods until the Buyer has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

- 6.7 The Seller shall supply the Buyer in good time with any instructions or other information required to enable the Buyer to accept delivery of the Goods and performance of the Services.
- 6.8 The Buyer shall not be obliged to return to the Seller any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Buyer.
- 6.9 If the Goods are not delivered or the Services are not performed on the due date then, without prejudice to any other remedy, the Buyer shall be entitled to deduct from the Price or (if the Buyer has paid the Price) to claim from the Seller by way of liquidated damage for delay 2% of the Price for every week's delay, up to a maximum of 20%.
- 6.10 Unless otherwise specified on the Order any outstanding balances of Goods or Services not delivered within three months of the last agreed delivery or service date shall, at the Buyer's discretion, be cancelled. Payment will be based on the value of the Goods or Services delivered
- 7. RISK AND PROPERTY**
- 7.1 Risk of damage to or loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Contract.
- 7.2 The property in the Goods shall pass to the Buyer upon delivery, unless payment for the Goods is made prior to delivery, when it shall pass to the Buyer once payment has been made and the Goods have been appropriated to the Contract.
- 8. WARRANTIES AND LIABILITY**
- 8.1 The Seller warrants to the Buyer that the Goods shall:
- 8.1.1 conform in every respect with the requirements of the Contract;
 - 8.1.2 be capable of all standards of performance specified in the Contract;
 - 8.1.3 be fit for any purpose made known to the Seller expressly or by implication and in this respect the Purchaser relies on the skill and judgement of the Seller;
 - 8.1.4 be new (unless otherwise specified on the Order) free from defects and be of sound materials and skilled and careful workmanship;
 - 8.1.5 correspond with their description or any Samples, Patterns, Drawings, Plans and Specifications referred to in the Contract;
 - 8.1.6 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979 as amended);
 - 8.1.7 comply with any legislation;
 - 8.1.8 Contain no asbestos unless specifically required under the Contract.
- 8.2 The Seller warrants to the Buyer that the Services will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for the Buyer to expect in the circumstances.
- 8.3 Without prejudice to any other remedy, if any Goods are not supplied or services are not performed in accordance with the Contract, then the Buyer shall be entitled:
- 8.3.1 to require the Seller to repair the Goods or to supply replacement Goods or Services in accordance with the Contract within 14 days; or
 - 8.3.2 at the Buyer's sole option, and whether or not the Buyer has previously required the Seller to repair the Goods or to supply any replacement Goods or Services, to treat the Contract as discharged by the Seller's breach and require the repayment of any part of the Price which has been paid.
- 8.4 The Seller shall indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:
- 8.4.1 breach of any warranty given by the Seller in relation to the Goods or the Services;
 - 8.4.2 any claim that the Goods infringe, or their importation, use or resale, infringes, the patent, copyright, design right, trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by the Buyer;
 - 8.4.3 any liability under the Consumer Protection Act 1987 in respect of the Goods;
 - 8.4.4 any act or omission of the Seller or its employees, agents or subcontractors in supplying, delivering and installing the Goods; and
 - 8.4.5 any act or omission of any of the Seller's personnel in connection with the performance of the Services.
- 8.5 The Seller shall be at all times fully insured with a reputable insurer against all insurable liability under the Contract.

- 8.6 Neither the Seller nor the Buyer shall be liable to the other or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of its obligations in relation to the Goods or the Services, if the delay or failure is beyond that party's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond either party's reasonable control:
- 8.6.1 Act of God, explosion, flood, tempest, fire or accident;
 - 8.6.2 war or threat of war, sabotage, insurrection, civil disturbance or requisition;
 - 8.6.3 acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority;
 - 8.6.4 import or export regulations or embargoes;
 - 8.6.5 strikes, lock-outs or other industrial actions or trade disputes (whether involving employees or either the Seller or the Buyer or of a third party);
9. **TERMINATION**
- 9.1 The Buyer shall be entitled to cancel the Order in respect of all or part only of the Goods and/or the Services by giving notice to the Seller at any time prior to delivery or performance, in which event the Buyer's sole liability shall be to pay to the Seller the Price for the Goods or Services in respect of which the Buyer has exercised its right of cancellation, less the Seller's net saving of cost arising from cancellation.
- 9.2 The Buyer shall be entitled at its discretion without prejudice to any other remedy to suspend performance of or to terminate the Contract without liability to the Seller by giving notice to the Seller at any time if:
- 9.2.1 the Seller makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
 - 9.2.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller; or
 - 9.2.3 the Seller ceases, or threatens to cease, to carry on business; or
 - 9.2.4 the Buyer reasonably believes that any of the events mentioned above is about to occur in relation to the Seller and notifies the Seller accordingly;
- and in the event of termination to keep or take possession of any Goods or of any items belonging to the Buyer and to enter any premises of the Seller for that purpose.
10. **WORK ON BUYER'S PREMISES**
- 10.1 If the contract involves any work or services which the Seller performs on the Buyer's premises the Seller shall ensure its employees, any subcontractors and their employees and any other person associated with the Seller will
- 10.1.1 adhere in every respect to the obligations imposed by current safety legislation.
 - 10.1.2 comply with the Code of Practice for Contractors and sub-contractors working on the premises of Priory Academy Dunstable.
 - 10.1.3 with any regulation that the buyer may notify the Seller of in writing governing the conduct of works and services on the Buyer's premises.
 - 10.1.4 not commence work on the Buyer's premises without obtaining a work permit from the Buyer's AVP or nominated representative.
11. **HEALTH, SAFETY AND WELFARE**
- 11.1 The Seller shall observe all statutory requirements of the United Kingdom and the European Union in relation to health, safety, welfare and environmental protection and in particular to but not restricted to;
- 11.1.1 Health, safety and welfare at work
 - 11.1.2 Marking of hazardous goods
 - 11.1.3 Provision of data sheets for hazardous materials
 - 11.1.4 Provisions related to food.

12. GENERAL

- 12.1 The Buyer may perform any of its obligations or exercise any of its rights hereunder by itself or through any other member of its group, provided that any act or omission of any such other member shall be deemed to be the act or omission of the Buyer.
- 12.2 The Order is personal to the Seller and the Seller shall not assign or transfer or purport to assign or transfer to any other person any of its rights or sub-contract any of its obligations under the Contract.
- 12.3 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.
- 12.4 No waiver by the Buyer of any breach of the Contract by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 12.5 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.
- 12.6 Any dispute arising under or in connection with these Conditions or the sale of the Goods shall be referred to arbitration by a single arbitrator appointed by agreement or (in default) nominated on the application of either party by the President for the time being of The Law Society, in accordance with the rules of The Law Society. Both parties shall accept the Arbitrators decision as binding.
- 12.7 The Contract shall be governed by the laws of England, and each party hereby submits to the exclusive jurisdiction of the English Courts.

APPENDIX C

CHEQUE SIGNING ARRANGEMENTS

Main Bank Account	up to £250	one signature Headteacher or Deputyhead or Business manager
	£250+	any two signatures from the Headteacher, Deputyhead or Business manager
School Fund Account	any amount	any two signatures from the Headteacher, Deputyhead or Business manager
Business Card Transactions		Purchase order request authorised by Headteacher or a Deputyhead then the card payment authorised user the Business Manager
Online banking payments		Batch authorised by the Business manager. Payment process authorised users Business Manager and School Finance Officer.

APPENDIX D

FRAUD AND IRREGULARITY POLICY

- 1 **FRAUD** is defined as the intentional distortion of financial statements or other records by persons internal or external to Priory Academy Dunstable which is carried out to conceal the misappropriation of assets or otherwise for gain.
- 2 **IRREGULARITY** is defined as the deliberate or inadvertent failure by persons internal to Priory Academy Dunstable to follow regulations, procedures, or commonly accepted practice with no intent to cause loss to Priory Academy Dunstable, or misuse or abuse of Academy equipment or systems, including unauthorised personal use. **CORRUPTION** is a particular form of irregularity and is defined as the wrongful offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

In order to protect the institution from fraud and corruption Priory Academy Dunstable will:-

- initially consider any act of fraud or corruption (if found) as gross misconduct, and any irregularity (if found) as misconduct which may be adjudged gross misconduct depending on the circumstances
- regularly review Financial Regulations
- arrange where reasonably practicable for the appropriate segregation of duties
- adopt and support good practice initiatives within the sector aimed at reducing the incidence of fraud and corruption
- advise staff to report anything suspicious to their Line Manager or where this is not appropriate to either the relevant budget holder, BM or Headteacher. Any such reports will be treated in confidence (see 8.5.2 of Financial Regulations).
- managers and staff will be informed of and regularly reminded of the need to record any receipts of hospitality and gifts.

In the event of any allegations under this policy:-

- the BM or the Headteacher must be informed at the earliest opportunity, save for the provisions of paragraph 8.5.3 of the Financial Regulations being invoked
- to ensure appropriate technical expertise is brought to bear, preliminary investigations should be conducted in conjunction with the BM, or the Responsible Officer to establish whether the nature and size of the allegations should warrant the inclusion of the police in the investigation
- the police should be called into an investigation at an early stage if deemed necessary and after consultation with the Responsible Officer (in his/her absence the Chair or Vice-chair of the Board) and the Auditors
- any investigation carried out in the Academy must be carried out under the framework of the Academy's Disciplinary Procedure as approved by the Board, save that the BM or the Auditors should form part of the staffing of the investigation to ensure appropriate technical expertise is brought to bear
- dependent on the nature of the matters under investigation, the Headteacher may suspend the employee under the relevant sections of the Disciplinary Procedure.