



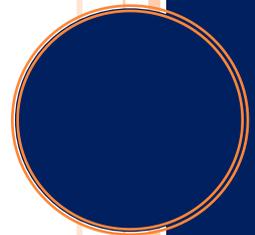
# **Eynsham Partnership Academy**

## **Financial Procedures, Administration and Control Policy**

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# Part One

## EYNESHAM PARTNERSHIP ACADEMY TRUST

### Introduction

The purpose of this document is to ensure that the Eynsham Partnership Academy Trust (the trust) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education Funding Agency (EFA).

Each academy within the Eynsham Partnership Academy (EPA) must comply with the principles of financial control outlined in the academies guidance published by the EFA in the Academy Funding Agreement and the Academies Financial Handbook. This manual expands on those and provides detailed information on the accounting procedures and these financial regulations must be read by all staff involved with financial systems and copies made available as necessary. It also provides a standardized approach to all finance related tasks within the Trust and its academies.

Compliance with the Policy is mandatory and any contravention of procedures must be brought to the attention, in the first instance, of the Accounting Officer. For the Eynsham Partnership Academy Trust (EPAT) this office resides in the Chief Executive Officer.

All staff, including the Accounting Officer, the Chief Operating Officer, Headteachers, Finance Officers and the Finance Assistants, who deal with financial matters, are trained in the appropriate procedures and records are kept of this training. All the duties of the Accounting Officer, the Chief Operating Officer, Headteachers, Finance Officers and the Finance Assistants, are recorded and a note kept of who can carry out the various duties in the absence of the Accounting Officer, the Chief Operating Officer, Headteachers, Finance Officers and the Finance Assistants.

All staff are aware of the Academy Trust's whistleblowing policy (see Appendix H) and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE (see Appendix G).

The Academy Trust's Audit Committee will be responsible for reviewing all controls and procedures of financial systems operating within the trust. A self- assessment of the

financial administration and management within each school is carried out at all levels by the Accounting Officer, the Chief Operating Officer, Headteachers, the relevant finance/resources committee and the individual Governing Bodies.

## 1. ORGANISATION

The Eynsham Partnership Academy is a Multi Academy Trust. The trust is a company limited by guarantee with charitable status and all academies within the Eynsham Partnership Academy are governed by one trust (the members) and a board of trustees. In this document the term trustees and directors have been used interchangeably. These are the same body of people as each other. The trustees/directors have a different status to the members of an academy trust.

The Members of the Company shall comprise:

- the Diocesan Board of Education acting in its corporate capacity by the hand of a director or the Diocesan Director of Education
- two (2) Members appointed by the Diocesan Board of Education, of whom at least one (1) shall be appointed from amongst the members of the Local Governing Bodies of those Academies falling under Article 4(a)(ii) of the Articles of Association
- one (1) Member with experience and expertise in the primary education sector nominated by the members of the Local Governing Bodies of the primary Academies falling under Article 4(a)(i) of the Articles of Association and appointed by the Members
- three (3) Members with experience and expertise in the secondary education sector nominated by the members of the Local Governing Bodies of the secondary Academies falling under Article 4(a)(i) of the Articles of Association and appointed by the Members; and
- the chairman of the Trustees

The Members shall appoint up to 16 trustees, of whom:

- five (5) shall be appointed by the Diocesan Board of Education, of whom at least one (1) shall be appointed from amongst the Local Governing Bodies of those Academies falling under Article 4(a)(ii) of the Articles of Association
- one (1) shall be appointed from amongst the Principals of the primary Academies
- one (1) shall be appointed from amongst the Principals of the secondary Academies

- five (5) shall be appointed from amongst individuals nominated by the Local Governing Body of the secondary Academy falling under Article 4(a)(i) of the Articles of Association
- two (2) shall be appointed from amongst individuals nominated by the Local Governing Body of the primary Academy falling under Article 4(a)(i) of the Articles of Association; and
- two (2) shall be appointed by the Members by majority in respect of their skills, knowledge and experience.

The trustees must establish separate committees to be known as Local Governing Bodies for each Academy and will ensure that, where possible, each Local Governing Body shall include at least 2 elected representatives of the parents of pupils attending the relevant Academy.

## 2. ROLES AND RESPONSIBILITIES

The main responsibilities of the MAT are prescribed in the Funding Agreements with the EFA. The key responsibilities include:

- ensuring that grants from the EFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer (as Accounting Officer)
- appointment of the Chief Financial Officer in conjunction with the Chief Executive Officer
- ensure regularity, propriety and value-for-money in relation to the management of public funds

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the trustees who may exercise all the powers of the Company.

The Academy Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Trust Board

- Audit Committee
- Finance and Resources Committee

The main responsibilities of these Committees are set out in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the trust's finances.

## 2.1 ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has overall responsibility for the trust's activities including financial activities. As the Accounting Officer for the trust, the Chief Executive Officer is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks
- ensuring that measures are in place to prevent loss and misuse of the trust's property and assets

The essence of the role is a personal responsibility for:

**Regularity** - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this Handbook, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;

**Propriety** – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary, control. This covers standards of conduct, behaviour and corporate governance;

**Value for money** – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

The trust's accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to the EFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.

In practice, much of the financial responsibility is delegated to the Chief Operating Officer but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governors have agreed should be approved by them or the post of the Chief Executive Officer and Chief Operating Officer which must be authorized by the trustees and signed by the chair of trustees
- authorising orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority (Appendix 1)
- preparing budget plans in conjunction with the Chief Operating Officer
- implementing expenditure in line with the Academy budget
- seeking trustees approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the trustees giving details of income, expenditure and commitments to date
- ensuring any actions resulting from the annual audit are implemented

## 2.2 ROLE OF THE CHIEF OPERATING OFFICER

The Chief Operating Officer, works in close collaboration with the Chief Executive Officer through whom they are responsible to the members. The Chief Operating Officer also has direct access to the trustees and governors. The main responsibilities of the Chief Operating Officer are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Multi Academy Trusts central budget and individual academies
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the members and directors
- preparation of budget plans in conjunction with the Chief Executive Officer and Head Teachers
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers

- liaising auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports and a cash flow forecast
- ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance
- undertaking internal risk reviews for each of the six primary schools in the trust, focusing upon the systems of internal control at each school
- developing and managing a central support service for the trust
- developing and implementing any trust expansion plan approved by the trustees
- governance (training/development/understanding of roles) and compliance (including data and information on websites)
- additional roles, some of which are not directly finance related, as outlined in the Chief Operating Officer's job description

## 2.3 THE ROLE OF FINANCE OFFICERS AND BUDGET HOLDERS

Other members of staff, primarily the Finance Officers, Finance Assistants and departmental budget holders, will have some financial responsibilities and these are detailed in following sections of this manual.

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the Trust's financial procedures.

## 3. DELEGATED AUTHORITY TO THE TRUST

The delegated authority over different categories of financial transactions is set out below from the EFA:

### **Liabilities and write-offs**

Academy Trusts may write off debts and losses, including any uncollected fines up to the following delegated limits, subject to a maximum of £250,000 as follows:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified financial returns for the previous two financial years

The trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. The trust should only consider writing-off losses after careful appraisal of the facts. However, there will be both practical and legal limits to how cases should be handled.

The amounts for write-offs are before any successful claims from an insurer.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the EFA) to the transaction.

### **Severance Payments**

If the trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- that trustees reasonably consider the proposed payment to be in the interests of the trust
- whether such a payment is justified, based on a legal assessment of the chances of the trustees successfully defending the case at an employment tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement
- if the settlement is justified, the trustees would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances

Special severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural

errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

If the trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where the trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from the EFA, before any such payment can be made. The trust in this situation should speak to their EFA contact at the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where EFA approval would be required:

- statutory/contractual payment of £40k + non statutory/non contractual payment £49,999 = EFA approval not required
- statutory/contractual payment of £80k + non statutory/non contractual payment £49,999 = EFA approval not required
- statutory/contractual payment of £40k + non statutory/non contractual payment enhancement of £50k = EFA approval required for the £50k enhancement only
- statutory/contractual payment of £80k + non statutory/non contractual payment £50,001 = EFA approval required for £50,001 enhancement only

### **Asset sales, leases and tenancy agreements**

There are two types of lease, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing). Trusts that are in any doubt as to whether or not any particular lease does or does not involve an element of borrowing should resolve the issue by contacting their professional financial adviser and/or external auditor.

Academy trusts must seek and obtain prior written approval from the EFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing

- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land or buildings to another party

Academy trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without EFA approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require EFA approval. Leases should be disclosed in trusts' annual accounts in accordance with the Academies Accounts Direction.

If an academy trust does wish to enter into a lease that requires EFA consent, then the trust will need to contact the EFA in the first instance. Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety and value for money, whether or not the approval of the EFA is required.

## 4. REGISTER OF INTERESTS

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all members, trustees, governors and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

The register is open to public inspections and should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust and trusteeships and governorships at other educational institutions and charities. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, trustee, governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency.

All relevant business and pecuniary interests of members, trustees, local governors of academies within the Eynsham Partnership Academy and senior employees must be published on the trust's websites.

The existence of a register of business interests does not, of course, detract from the duties of members, trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, members, directors, governors and staff should withdraw from that part of any committee or other meeting.

## 5. PROCESS FOR INDEPENDENT CHECKING

Every academy trust must have in place a process for independent checking of financial controls, systems, transactions and risks.

An Audit Committee for the trust will undertake the process for independent checking of financial controls, systems, transactions and risks.

The committee will review the risks to internal financial control at the trust and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through one or more of the following options:

- the work of an internal audit service (either in-house, bought-in or provided by a sponsor)
- the performance of a supplementary programme of work by the Trusts external auditors
- completing the work by peer review

Peer review work at Bartholomew School is performed by a suitably qualified or experienced member of the finance team, from another academy trust, appointed by the Audit Committee. The peer review will provide governors with an independent oversight of the Trust financial affairs. The main duties of the peer review are to provide the Governing Body with independent assurance that:

- financial responsibilities of the Governing Body are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

Peer reviews will be undertaken by an agreed programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the members.

The Chief Operating Officer will undertake internal risk reviews for each of the six primary schools in the Eynsham Partnership Academy, focusing upon the systems of internal control at each school. A report of the findings from each visit will be presented to the school and to the Eynsham Partnership Academy Audit Committee.

## 5.1 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal responsibilities of accounting officer responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the members and trustees are also responsible for preventing such losses of public funds, and this means that members, trustees and governors must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Fraud Policy in Appendix 3 outlines the procedures to be adopted in such an event.

All instances of fraud or theft committed against the Trust, whether by employees, governors, trustees or third parties, exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year must be reported by the Trust to the EFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The EFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the Trust itself or as the result of other information received.

## 5.2 APPOINTMENT OF EXTERNAL AUDITORS

The Trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed. The appointment should be for a one year period renewable at the discretion of the trust.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the EFA
- proper accounting records have been kept by the Academy throughout the financial year
- grants made by the EPA have been applied for the purposes intended

The trust should arrange for on-going monitoring of the performance of the auditors to be undertaken by the Audit Committee.

## 6. ACCOUNTING SYSTEM

The School is registered annually under the 1988 Data Protection Act. The registration will require a single data Controller to be named and the named Data Controller in the Trust will be the Accounting Officer.

All the financial transactions of the trust must be recorded on the PS Financials accounting system operated by the Finance Departments in each academy.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

### 6.1 SYSTEM ACCESS

The PS Financials accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual log-ins and passwords should not be compromised. Access to PS Financials should be restricted and the Chief Operating Officer is responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to PS Financials must have their access permissions formally removed.

### 6.2 BACK-UP PROCEDURES

The Chief Operating Officer is responsible for ensuring that there are effective back up procedures for the system. The PS Financials accounting system is operated through the PSF CLOUD service. Included with the PSF CLOUD service are the following benefits:

- Double layer authentication to control initial access to the PSF CLOUD and then to your dedicated service, ensuring only your users can access your data
- A dedicated server environment for your organisation with **NO** use of shared databases
- Daily backups to a secure secondary location

The Chief Operating Officer should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by trustees of the major risks to which the trust is exposed and the systems that have been put in place to mitigate those risks.

### 6.3 TRANSACTION PROCESSING

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in following sections of the document. All journal entries must be documented in PS Financials. Bank transactions should be input by the Finance Office Manager and the input should be checked, and signed to evidence this check, by the Chief Operating Officer.

Detailed information on the operation of the PS Financials system can be found in the user manuals provided by PS Financials.

### 6.4 TRANSACTIONS REPORTS

The Chief Operating Officer will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- monthly payroll reports
- weekly bank statement reconciliations
- monthly procurement card statements
- monthly VAT returns
- monthly aged debtor and creditor reports
- management accounts summarising expenditure and income against budget at budget holder level

### 6.5 RECONCILIATIONS

The Senior Finance Officer at Bartholomew School is responsible for ensuring the following reconciliations are performed each month for the trust, and that any reconciling or balancing amounts are cleared:

- payroll
- bank balance per the nominal ledger to the bank statement
- VAT
- trial balance

Finance Officers at all schools in the trust are responsible for ensuring the following reconciliations are performed each month for the trust, and that any reconciling or balancing amounts are cleared:

- local expenditure account reconciliations
- procurement card statements
- individual salary payments

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Operating Officer. The Chief Operating Officer will review and sign all reconciliations as evidence of his review.

## **7. FINANCIAL PLANNING**

The trust prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the strategic planning process. The strategic SDP indicates how the trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The strategic SDP provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the trust and the planned use of those resources for the following year.

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

### **7.1 THE STRATEGIC DEVELOPMENT PLAN (SDP)**

The strategic SDP is concerned with the future aims and objectives of the trust and how they are to be achieved; that includes matching the trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the strategic SDP are matters for each academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

Each year the Chief Executive Officer will propose a planning cycle and timetable which allows for:

- a review of past activities, aims and objectives - “did we get it right?”
- definition or redefinition of aims and objectives – “are the aims still relevant?”
- development of the plan and associated budgets – “how do we go forward?”
- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course”
- feedback into the next planning cycle – “what worked successfully and how can we improve?”

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Chief Executive Officer.

The completed strategic SDP will include detailed objectives for the coming academic year and the wider School Improvement Plans (SIP) will outline objectives for the following two years as well. The plan will also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

## 7.2 ANNUAL BUDGETS

Annual budgets will reflect the best estimate of the resources available to the each academy for the forthcoming year and how those resources are to be utilized by each academy. There should be a clear link between the strategic SDP objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of EFA grant receivable
- review of other income sources available to the individual academies within the trust to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the trust cost base
- identification of potential efficiency savings

- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the trust's best financial interests are met

Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual academy within the trust, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves.

It will be the responsibility of each Local Governing Body's Finance Committee to set/recommend to the full governing body of their respective academy an annual budget for submission to the trustees. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the EFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Operating Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the trust's annual budget, which aggregates the budgets of each academy in the trust. The budget must be approved by the members.

The approved aggregated budget must be submitted to the Education Funding Agency (EFA) by 31 July each year or at a date specified by the EFA and the Chief Operating Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be seen as a working document which may need revising throughout the year as circumstances change. Formal changes will be undertaken in January and March annually.

### 7.3 MONITORING AND REVIEW

Budget monitoring reports are available in the PS Financials reporting suite in which actual variances are highlighted against budget allocations. Monthly reports should be prepared by each school in the trust. The reports will detail actual income and expenditure against

budget for the period of reporting, the year to date and a forecast of projected year end balances.

The Chief Operating Officer will produce and provide an aggregated report for the Chief Executive Officer and the trustees.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. Any potential overspend against budget must, in the first instance, be discussed with the Chief Operating Officer.

Each academy should present monitoring reports to finance governors at least three times a year, and, after approval from this body, the reports should be reported to the academy's Governing Body. Copies should also be provided to the Eynsham Partnership Academy Finance and Resources committee.

## 8. PAYROLL

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

### 8.1 STAFF APPOINTMENTS

The Local Governing Bodies have approved a personnel establishment for each school in the trust and the Head Teachers at each school must ensure that adequate budgetary provision exists for any establishment changes.

Trustees have the authority to appoint the Chief Executive Officer in consultation with the Diocesan Director of Education.

Trustees have the authority to appoint the Head Teacher at each academy. For the Church of England Academies, Trustees can only do so with the agreement of the Diocesan Director of Education.

The appointment of a Chief Operating Officer must be approved by the trustees.

Each School in the trust maintains personnel files for all members of staff which include signed contracts of employment. All personnel changes must be notified to the Finance Officers immediately.

The Chief Executive Officer is responsible for ensuring that the trust's pay policy is implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered and Finance Officers will be responsible for maintaining accurate records of all staff employed at their school in a single central record.

Personnel information is held in manual files under the guidance of the Chief Executive Officer with access strictly limited to authorised officials only and separately on the SIMS or RM Integris computer systems, for which relevant registration under the 1998 Data Protection Act is held.

## 8.2 PAYROLL ADMINISTRATION

The trust's payroll is administered by Silema Ltd.

Amendments to payroll data, e.g. appointments, resignations and variations to contract must be entered on the Silema Ltd template and authorised by the Head Teacher at each individual primary school or the Executive Headteacher and Operational Headteacher at Bartholomew School. A named officer at each school within the trust will be given their individual log-ins to the Silema self-service facility and will be responsible for inputting their contract changes via that facility. Under no circumstances should these individual log-ins be disclosed to another party.

Each school within the EPA is responsible for producing staff contracts of employment and a copy of the contract signed by the employee should be held securely in the employee's staff file.

All supply teacher, casual working and overtime claims must be checked and confirmed by a budget holder and must be forwarded promptly to the relevant school's finance office. The named officer at each school within the trust will be responsible for inputting their school's claims via the Silema self-service facility. All claims will then be authorised by the Chief Operating Officer for processing for payment by Silema Ltd.

The Chief Operating Officer will then arrange a check of a sample of contract changes as part of the internal independent checking procedures to ensure that the payroll system is operating correctly.

### 8.3 PAYROLL PAYMENTS

All staff are paid monthly by bank credit transfer to their bank accounts.

The Selima Ltd payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts paid are summarised on the Selima Ltd payroll reports.

The Senior Finance Officer at Bartholomew School will obtain a monthly simulation payroll report from Selima Ltd from their secure portal. The report will be de-aggregated and the Senior Finance Officer at Bartholomew School will issue each school with a copy of their specific report data.

Each school must undertake a reconciliation of each individual payment against the latest staffing budget. Any variations should be investigated and queries raised immediately with Selima Ltd within the sign-off timetable issued by the company.

The Senior Finance Officer at Bartholomew School will obtain the monthly live payroll report from Selima Ltd from their secure portal. The report will be de-aggregated and the Senior Finance Officer at Bartholomew School will issue each school with a copy of their specific live report data.

Each school must undertake a further reconciliation of each individual payment against the latest staffing budget. The completed reconciliation should be signed by both the Finance Officer and the Head Teacher to confirm that all necessary checks have been undertaken.

The trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed),
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

Business expenses claims may be processed and paid directly by BACS by the school unless it relates to a benefits in kind payment. Valid receipts must be held and retained in support of any reimbursements. Mileage claims must be processed via the trust's payroll provider. Valid receipts to support the mileage claimed should be obtained. The school may determine their own rates of reimbursement for mileage claims but if they exceed the HMRC Approved Rate they will render the claimant liable to income tax and N.I. on the excess amount. The MAT therefore maintains its rate of reimbursement for mileage claims at or below the current HMRC Approved Rates.

## 9. PROCUREMENT

The trust wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the School
- **Accountability:** the School is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the School are dealt with on a fair and equitable basis.

### 9.1 ROUTINE PURCHASING

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by their Governing Body. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder no later than 15 working days after the month end and budget holders are encouraged to keep their own records of orders placed but not paid for.

It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and unless a Purchasing Card has been used, orders should always include the school's terms & conditions of the order

and protects the trust against terms and conditions imposed by suppliers in the absence of quoted terms & conditions

- the use of 'Official Orders' through the PS Financials accounting system automatically updates the financial records and enables committed expenditure to be included in management information for governors
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders should be faxed to suppliers, in order to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation listed in Appendix A of this document
- orders may only be used for goods and services provided to the trust. Private individuals and other organisations may not use 'Official Orders' to obtain work, goods, materials and services net of VAT
- **orders under £5,000** - can be ordered by budget holders, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
  - supplier chosen from the list of approved suppliers maintained by the Finance Office
  - bulk purchasing of common consumables
  - negotiating discounts
  - taking advantage of sale seasons
  - obtaining alternative quotations wherever possible
- **orders over £5,000 but less than £25,000** - at least three written quotations should be obtained for all orders between £5,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the purchase order for audit purposes. Telephone quotes are acceptable if these are evidenced, and faxed confirmation of quotes has been received, before a purchase decision is made
- **orders over £25,000 but less than £75,000** - all goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations and must be referred to the respective Finance Committee for formal approval
- **orders over £75,000** – will be subject to a tendering policy (Appendix B)

The academy budget holder or the academy Finance Office must make appropriate arrangements for the delivery of goods and services to the academy. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). Where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy's finance office should be notified. The academy's Finance Officer will keep a central record of all goods returned to suppliers.

All invoices should be sent to the academy's finance office to be checked against the purchase order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the relevant cost centre holder and then passed to the academy's finance office for recording and payment through PS Financials.

## 9.2 BUSINESS CHARGE CARDS

Business Chargecards are held by named cardholders in each academy. Any cards held by anyone other than the Accounting Officer, Head Teacher or the Finance Officer will be linked to a specific cost centre and should only be used to purchase goods from that cost centre.

Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the cost centre manager are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. All receipts must be produced and reconciled monthly to the monthly statement by the Finance Officer and reviewed and signed off by the Head Teacher.

Monthly statements will be received by the Senior Finance Officer at Bartholomew School and distributed to each academy.

All procurement card expenses incurred by the Chief Executive Officer should be authorized by the Chair of Trustees.

The Chief Operating Officer will check a sample of each academy's monthly reconciliations as part of the internal independent checking procedures to ensure that the business charge card system is operating correctly.

## 10. OTHER MATTERS

### **Services provided by sponsors and sponsor-related bodies**

The trust must ensure that any contracts for services provided to the trust are properly procured and present value for money. The trust must ensure that sponsor fees and consultancy rates included within contracts are reasonable, represent value for money and are good use of public funds.

### **Irregular or improper transactions**

Situations may arise where it may appear to the trust to make sense to enter into a transaction which is irregular, improper or does not provide value for money. In these circumstances the trust must seek prior, written permission from the EFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

### **Managing surplus General Annual Grant (GAG)**

It is important that grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The EFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that if any school in the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils.

The EFA will also verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

### **Pooling of GAG by Multi-Academy Trusts**

The trustees have the freedom to amalgamate a proportion of GAG funding for all its academies to form one central fund. This fund can then be used to meet the normal running costs at any of the academies within the multi-academy trust in accordance with the guidelines that govern the use of GAG funding.

The trustees must have due regard to the funding needs and allocations of each individual academy and they must have an appeals mechanism in place. If an individual academy's

headteacher feels that the academy has been unfairly treated in relation to pooling arrangements, they should first appeal to the trust. If the headteacher's grievance is not resolved, they may then appeal to the Secretary of State for Education via the EFA, whose decision will be final and who may dis-apply the provisions for pooling in this Handbook in relation to the trust.

Each school will contribute 5% of General Annual Grant (GAG) funding from 1 September 2016, with the exception of Bartholomew School, where the GAG funding for sixth-form students will be retained in full to support 16-19 pupil expenditure.

### **Financial Deviance**

The EPA protocol is for all schools to have the maximum level of autonomy in all aspects of its functioning. However, the trustees recognise that the areas of financial autonomy and standards autonomy are those of highest risk to the overall efficient and effective functioning of the EPA as a whole. Therefore, these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each academy in order that accurate assessment of each academy's position in relation to these two areas is made, identification of any issues to be addressed is timely and accurate, and plans for remedial action are structured and likely to be successful.

Different academies will be more or less successful in managing their financial systems and procedures as well as in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the Chief Operating Officer, the Chief Executive Officer and the EPA Finance and Resources Committee to identify what is happening, whether there are remediable issues or not, and what would most effectively improve upon them. Reductions in autonomy will be situation dependent and decided on the basis of the financial deviance protocol by the Chief Executive Officer and the EPA Finance and Resources Committee utilising the advice of the Chief Operating Officer.

The table below identifies general levels of autonomy and the kind of identification and notifications that are needed. All reductions in autonomy will be detailed for the Head and Local Governing Body having its autonomy restricted along with detailed recommendations for actions necessary to facilitate improvement and to move the academy back to a higher level of autonomy. It will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be effected.

<b>Level of Financial Autonomy</b>	<b>Control Over</b>	<b>Identification</b>	<b>Notification of move reducing autonomy to next level down</b>
<b>4 - Complete</b>	All aspects of financial and budgetary management, staff employment, resource procurement, capital programmes, capitation, et al under the full control of the Head/LGB	COO: Through regular financial and budgetary monitoring and evaluation done by CFO	Verbal highlighting of issues by COO to Head/LGB to enable remedial actions before next LGB meetings
<b>3 - Largely</b>	Largely full autonomy with most aspects of financial and budgetary management, resource procurement, capitation, et al under the full control of the Head and LGB but with wider controls/some restrictions on some high level staff employment, capital programmes and larger expenditures or virements of the budget	COO: Through regular financial and budgetary monitoring and evaluation done by COO and then EPA DB FRMC: Through follow up reporting by COO to FMRC who direct COO action	Written reports of COO of detailed recommendations of COO and the EPA DB FRMC to remedy any issues identified. Followed by a recorded letter of extent of reduction in autonomy from CEO to LGB
<b>2 - Reduced</b>	Reduced autonomy in many areas of financial and budgetary management as well as most large financial expenditures including most high level staff employment, larger resource procurement, capital programmes and any larger expenditures or virements of the budget	COO/CEO and DB FRMC: Through regular financial and budgetary monitoring and evaluation done by COO/CEO and then the DB FRMC identifying remedial actions	Letter from CEO to LGB outlining issues and detailed recommendations of COO and the EPA DB FRMC to remedy issues identified in order to regain greater autonomy
<b>1 - Minimal</b>	Significant reductions in all areas of financial and budgetary management as well as most large financial expenditures including all staff employment, larger resource procurement, capital programmes and all larger expenditures or virements of the budget	CEO and DB FRMC: following extensive monitoring and evaluation by COO/CEO and the DB FRMC they make all necessary recommendations for reductions in autonomy	Letter from Chair of DB FRMC to LGB outlining issues and detailed recommendations of COO and the EPA DB FRMC that must be immediately implemented in order to address serious weaknesses identified
<b>0 - None</b>	Zero autonomy with all aspects of financial management, staff employment, resource procurement, capital programmes, capitation, et al under the full control of the CEO and the EPA DB	DB FRMC and DB: following extensive monitoring and evaluation by COO/CEO and DB FRMC they remove all financial autonomy to prevent further financial risk/damage	

## Part Two

# LOCAL GOVERNING BODIES AND ACADEMIES

## INTRODUCTION

This section outlines the respective responsibilities of each Local Governing Body, Head Teacher and staff in relation to financial administration. The Policy also provides a standardized approach to all finance related tasks within the school and covers the following:

- Bartholomew School
- Eynsham Community Primary School
- Stanton Harcourt CofE Primary School
- Freeland Church of England Primary School
- St Peter's Church of England Primary School, Cassington
- Standlake Church of England Primary School
- Hanborough Manor CofE School

Please note that this policy should be used in conjunction with the Academies Financial Handbook.

## 11. SUMMARY OF RESPONSIBILITIES

- the management of the school is, through its Instruments of Government, the responsibility of its Local Governing Body, and, to the extent of the delegated powers vested in them, the committees created by the Local Governing Body
- the Local Governing Body delegates day to day responsibility for carrying out the policies and decisions of the Local Governing Body and its committees to the Head of School
- sub-committees of the Local Governing Body will act strictly within the remit allocated to them by the Local Full Governing Body

- management and administration duties undertaken by the Head Teacher and the members of the school staff shall be carried out in accordance with the terms of this statement, and within the terms of their contract of employment
- it is the responsibility of the Local Governing Body's Finance Committee to set/recommend to the full governing body an annual budget for the school for submission to the trustees which accords with the school's aims and objectives, as set out in the current School Improvement Plan, and the legislative responsibilities undertaken by the Governing Body. Such approval should be clearly minuted by the Local Governing Body's Finance Committee or the full Local Governing Body in sufficient time to allow prompt submission of the plan to the Education Funding Agency (EFA) and the trustees
- the Head Teacher will prepare a recommendation for expenditure by reference to the anticipated budget provision of the school, sufficiently in advance of each financial year, in order to allow due consideration and approval by the Local Governing Body's Finance Committee. The Head Teacher will advise the Local Governing Body's Finance Committee on all areas of the school budget
- the Local Governing Body's Finance Committee will, in each year, consider the recommendation of the Head Teacher and will set an Annual Budget. Acting with advice and knowledge acquired from any combination of the Local Governing Body, The Local Governing Body's committees, Head Teacher or staff, The Local Governing Body's Finance Committee will ensure that adequate long term budgeting is undertaken in order that the long term performance of the school may be maintained

## 11.1 THE ROLE OF THE LOCAL GOVERNING BODY

The role of the Local Governing Body in school financial administration is:

- to establish a Finance and General Purposes Committee and elect its members, and to review the committee's remit and membership on an annual basis
- to plan the overall school budget, including priorities for future expenditure
- to approve the Annual Budget
- to submit the approved budget plan to the Chief Financial Officer
- to maintain a register of pecuniary interests for governors and staff
- to monitor the effectiveness of internal financial controls and procedures

## 11.2 THE ROLE OF THE FINANCE COMMITTEE

In order to assist in the fulfilment of the Local Governing Body's responsibilities, the Finance and Resources Committee will meet as necessary. Best practice will be to convene meetings at least once a term to:

- determine the school's annual budget, including staffing
- plan the school budget in accordance with the priorities in the School Improvement Plan
- consider reports from the Head Teacher comparing expenditure with budget and to approve variations as necessary
- determine the written description of financial systems and procedures
- operate the governing body's arrangements for obtaining quotations and inviting tenders
- submit to the trustees any proposed write-offs and disposals of surplus stock and equipment
- determine matters relating to building maintenance, health and safety and lettings outside school hours in accordance with the Governors' delegated responsibilities
- determine matters relating to school security
- determine insurance arrangements
- determine the limits of authority which they delegate to the Head Teacher and approve expenditure recommended by the Head Teacher above those limits
- consider the findings and recommendations of Responsible Officer Audit reports and findings identified by the Chief Financial Officer
- the Chair of the Committee shall ensure that minutes are signed at the next meeting to confirm that they are accurate. Copies of the agenda, the approved minutes (subject to confidentiality exclusions), and papers for each meeting should be made available at the school for anyone to read

### 11.3 THE ROLE OF THE HEAD TEACHER

The day-to-day operation of the budget is delegated to the Head Teacher, who will be responsible for:

- preparing the school improvement plan and school budget in accordance with priorities agreed by the governors and submission of these plans to the Governing Body for approval
- managing internal control systems and internal financial transactions in accordance with the Multi Academy Trust's Financial Administration & Control Policy

- maintaining adequate financial records in accordance with Academies Financial Handbook
  1. Budget Plan Entry Form Current Year + 3 preceding years
  2. Staff Salary Calculations Current Year + 3 preceding years
  3. School Management Plan Current Year + 3 preceding years
  4. General Allowance Allocations Current Year + 3 preceding years
  5. Virements within Budget Share Current Year + 3 preceding years
  6. Orders, Quotes and Tenders Current Year + 6 preceding years
  7. Copy Invoices/Credit Notes Current Year + 6 preceding years
  8. Copy Payment Schedules Current Year + 6 preceding years
  9. Delivery Notes Current Year + 6 preceding years
  10. Bank Reconciliation Records Current Year + 6 preceding years
  11. Education Sales Database Statements Current Year + 2 preceding years
  12. Bank Statements Current Year + 6 preceding years
  13. Bank Paying In Slips Current Year + 6 preceding years
  14. Travel Claims Current Year + 6 preceding years
  15. Income/Lettings Receipts Current Year + 6 preceding years
  16. Copy Sundry Debtor Accounts Current Year + 6 preceding years
  17. Authorised signatories list – orders Current List
  18. Register of Pecuniary Interests Current List
  19. Inventory Records Current Year + 6 preceding years
  20. Salary and Wage Returns Indefinitely
  21. School registers Indefinitely
- setting limits of expenditure for members of staff authorised to place orders
- providing a monthly budget monitoring report to governors. This should report any variations in expenditure against the approved budget plan

- monitoring the school cash flow
- ensuring that returns to the EFA are submitted according to published deadlines
- providing access to accounting and other relevant records to Audit, including school fund(s), and implementing auditor recommendations where necessary
- checking that the school inventory is maintained as accurately and up to date as possible and ensuring that an independent check of the inventory is made at least once a year
- recommending to governors equipment to be written off or disposed of. Ensuring that disposal of such equipment is adequately recorded in the Governors' minutes and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that stolen items are reported to the Finance & Resources Committee before formal approval to delete that item from the inventory/asset register
- ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature
- ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored
- maintain a central file of all submitted applications for grant funding and counter sign and submissions for audit purposes

#### 11.4 THE ROLE OF THE FINANCE TEAM

Subject to accordance with individual job descriptions the Head Teacher may delegate financial procedures to the finance team. The finance team's roles may include:

- inputting all contracts changes e.g. starters, leavers and amendments to contracts on the Silema Ltd self-service facility
- reviewing the monthly salary reports and signing and dating these to confirm they are accurate and noting any queries
- providing budget monitoring /outturn monthly reports for the Head Teacher to present to governors and submission to the Chief Operating Officer
- submitting pay returns to payroll as appropriate
- ensuring that invoice checking procedures are followed
- ensuring that, in conjunction with the Head Teacher, authorisation of orders, invoices and schedules are in accordance with this Financial Administration & Control Policy and the Academies Financial Handbook
- prompt and intact banking of income and associated recording of income in accordance the Academies Financial Handbook

- operating the local expenditure bank account (cheque book scheme) as per the Academies Financial Handbook
- to prepare cash flow statements so as to ensure the school has sufficient cash to meet its needs and submit these to the finance committee
- administering the recording of income received, and payments made from the school fund. Retention of all documents such as collection records and receipts to support the transactions processed through the school fund. Preparation of the year end summary of transactions for inspection, in accordance with the Academies Financial Handbook
- assisting in the maintenance of an accurate inventory and associated security procedures
- assist in the preparation of the three year budget plan and the financial returns to the EFA

## 11.5 THE ROLE OF THE STAFF

The role of staff in school financial administration is:

- to familiarise themselves with this Policy
- to conduct all financial transactions relating to the school in accordance with this Control Policy
- to manage any budget delegated to them by the Head Teacher responsibly, and after due consultation with relevant staff
- to actively seek 'best value' on all work, goods, materials or services procured on behalf of the school
- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly passed to the administrator for processing

## 12. LIMITS OF DELEGATION

The following limits will be applied to the academies in the trust and are further detailed in Appendix A.

### 12.1 VIREMENTS WITH BUDGET SHARE

The Head Teacher is authorised to vary the annual budget prepared by the Finance Committee and approved by the full Local Governing Bod. This variation shall be the result

of any change in the day-to-day spending plans of the school, but still be in accordance with the aims and objectives of the school, as laid down in the School Improvement Plan. This variation, known as a 'Virement within Budget Share' shall not exceed £5,000 in the primary schools and £25,000 in the secondary school. A 'Virement within Budget Share' in excess of £5,000 or £25,000, as appropriate, should be recommended to the Finance and Resources Committee by the Head Teacher and actioned after minuted approval of the 'Virement within Budget Share' by the Finance and Resources Committee.

## 12.2 ORDERS

The sum of up to £25,000 is the amount authorised by the Headteacher on any single order in the primary schools.

The amount authorised for the Finance Officer in the secondary school is £10,000. The sum of between £10,001 and £25,000 on any single order is the amount authorised by the Head Teacher in the secondary school.

Any single order over £25,001 is authorised by the Chief Operating Officer.

The Headteachers, the Finance Officer in the secondary school and the Chief Financial Officer will, however, comply with financial regulations, as detailed in section 14 - Procurement of Goods and Services (see below).

## 12.3 INVOICES

Invoices will be authorised for payment by the relevant cost centre holder and then passed to the Finance Office for recording and payment through PS Financials.

## 12.4 CHEQUES

All cheques issued from accounts administered by the primary schools must be countersigned by at least one other authorised signatory.

All cheques, and other instruments authorising withdrawal from the bank accounts administered by the secondary school, must bear the signatures of one authorised signatories up to £500 and two authorised signatories over £500,

## 13. FINANCIAL REPORTS TO GOVERNORS

The Head Teacher is responsible for providing the Local Governing Body, the Chief Operating Officer and the EPA Finance and Resources Committee with a report on the budgetary position of the school at regular intervals. The report should be produced on a monthly basis and presented to Governors at least once a term.

Financial reports should be reliable and relevant to users, the characteristics of good quality financial information are:

- **Produced promptly.** Financial reporting should be carried out in line with the Academies Financial Handbook
- **Accurate.** Actual expenditure appearing on the report should agree to what has been processed on PS Financials. There should be a monthly reconciliation of the bank account to PS Financials. Where amounts have been charged to the school and are still in dispute, these should still be included in the actual expenditure until queries have been resolved
- **Complete.** To provide governors with a “true and fair” view of the school’s financial position the reports must include committed expenditure. For information to be complete expenditure that the school has been committed to including details of orders and invoices outstanding must be included
- **Understandable.** Reports need to be understandable to the intended recipient; in particular financial reports to governors should be jargon free
- **Concise.** Reports should be summarised and not contain an unnecessary amount of detail. Expenditure and budget totals should be summarised to the headings contained in the annual EFA funding statement and in the annual accounts
- **Include a profiled budget.** To ascertain whether the level of expenditure to a given date is reasonable, the expected expenditure up to the same date should be provided by the inclusion of a profiled budget. Based on knowledge of the school’s spending patterns the profile looks at the total budget for the year and indicates what percentage of that budget it would be reasonable to have spent by the specified date
- **Include explanatory notes.** Where there are significant variances on budget headings an explanation should be provided with the report. Proposed actions to address variances should also be reported and actions agreed should be minuted. Where large orders are due to be placed, this may also require a note to the report

- **Include a projected out-turn** on at least a termly basis, which is an estimate of the final budget position of the school at the end of the financial year

## 14. PROCUREMENT OF GOODS AND SERVICES

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Governing Body. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

### 14.1 PURCHASE ORDERS

The procurement of goods and services is the process potentially most open to abuse or mis-management and it is therefore essential to have strong financial controls to safeguard the school's interests. It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and unless a Business Chargecard has been used, orders should always include the school's terms & conditions of the order and protects the school against terms and conditions imposed by suppliers in the absence of quoted terms & conditions
- all orders for goods and services must be confirmed using an official requisition, unless exceptional circumstances dictate otherwise. It is the responsibility of the budget holder to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the school budget for that purpose and that sufficient quotations/tenders have been obtained
- individually numbered purchase orders will be produced from the PS Financials accounting system and will be approved by the nominated PS Financial approvers before dispatch to suppliers
- the use of purchase orders through PS Financials automatically updates the financial records and enables committed expenditure to be included in management information for governors
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders should be faxed to suppliers, in order to reduce timelines. In such

circumstances care should be taken to ensure that the supplier receives the school's terms and conditions

- orders may only be used for goods and services provided to the school, private individuals and other organisations may not use purchase orders or non-order invoices transactions to obtain work, goods, materials or services net of VAT
- **orders under £5,000** - can be ordered by budget holders, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
  - supplier chosen from the list of approved suppliers maintained by the Finance Office
  - bulk purchasing of common consumables
  - negotiating discounts
  - taking advantage of sale seasons
  - obtaining alternative quotations wherever possible
- **orders over £5,000 but less than £25,000** - at least three written quotations should be obtained for all orders between £5,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained with the purchase order for audit purposes. Telephone quotes are acceptable if these are evidenced, and faxed confirmation of quotes has been received, before a purchase decision is made. If the budget holder decides to opt for a quote other than the lowest, the reasons for such a decision should be clearly documented and reported to the Finance and Resources Committee
- **orders over £25,000 but less than £75,000** - all goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations and must be referred to the respective Finance and Resources Committee for formal approval. The Finance and Resources Committee should, under normal circumstances, opt for the lowest of the three (or more) quotes. If the Finance and Resources Committee decide to opt for a quote other than the lowest, the reasons for such a decision should be clearly documented in the minutes of the Finance and Resources Committee meeting in which the decision was made
- **orders over £75,000** – will be subject to a tendering policy (Appendix B)

## 14.2 INVOICE PROCESSING

When invoices are received, it is essential to check that all the elements of the invoice are correct before authorising payment. The checks should be carried out and evidenced by

separate individuals where possible. An invoice certification stamp is the best way of providing evidence that the following checks have been carried out:

- All invoices should be sent to the Finance Office to be checked against the PS Financials numbered order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:
  - invoice arithmetically correct
  - goods/services received
  - goods/services as ordered
  - prices correct
  - that the invoice is not a copy or a facsimile and has not previously been paid. If it is necessary to request a duplicate invoice (if original is lost), then this duplicate shall be endorsed 'not previously passed for payment'. The endorsement should be certified by the signature of the Finance Officer or Head Teacher
  - Where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay.
- where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay
- if any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Finance Officer will keep a central record of all goods returned to suppliers
- the Head Teacher will authorise the invoice for payment in the PS Financials accounting system
- valuable items that are portable and desirable should be security marked and added to the inventory or asset register immediately

### 14.3 CREATING NEW VENDORS

All requests for new vendors must be sent from a valid school email address to the finance office at Bartholomew School. The request must be accompanied by the vendor's bank details on the vendor's invoice. If this is not available then confirmation must be received on the vendor's headed paper and signed on behalf of the vendor.

All changes must then be verified by contacting the supplier with contact details obtained from an independent source or calling a known person of authority at the supplier.

Any changes must be checked and verified by a second official before amending the supplier details on the PS Financials accounting system.

Any subsequent changes to vendor's details must be confirmed by checking directly with the vendor using the original notified contact points.

#### 14.4 CHECKING OF SUPPLIER STATEMENTS

All supplier statements should be checked upon receipt against vendor line items. If an invoice number and amount cannot be matched then the supplier should be contacted to provide a copy invoice.

Supplier statements should be retained at the end of the financial year for audit purposes.

The Chief Operating Officer will undertake an additional monthly review against the aged creditors list and notify individual school of any issues identified with the prompt payment to suppliers.

### 15. RECONCILIATION PROCEDURES

It is essential that thorough procedures are in place to ensure that all costs incurred and income received against the school's account(s) are valid and verify that they are the responsibility of the school. The Head Teacher is responsible for ensuring that controls are in place for these checks to be carried out. The Head Teacher will delegate this role to the school's finance officer.

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

- **payroll** - The Chief Operating Officer will obtain a monthly simulation payroll report from the Silema Ltd data transfer portal. The report will be de-aggregated and the Chief Operating Officer will undertake a reconciliation of each individual payment against the latest staffing budget. The completed reconciliation will then be sent to each academy in the trust to be reviewed by the finance officer for accuracy. Any variations should be investigated and queries raised immediately with Kier Business Services within the sign-off timetable issued by the company.

The Chief Operating Officer will obtain the monthly live payroll report from the Silema Ltd data transfer portal. The report will be de-aggregated and the Chief

Operating Officer will undertake a further reconciliation of each individual payment against the latest staffing budget. The completed reconciliation will then be sent to each academy in the trust to be reviewed and authorised by the finance officer and the headteacher and the report should be signed by both the Finance Officer and the Head Teacher to confirm that all necessary checks have been undertaken.

- **bank balance per the nominal ledger to the bank statement** - the Finance Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. The Reconciliation procedures must ensure that all bank accounts are reconciled to the School's cash book, reconciliations are prepared by the Finance Officer, reconciliations are subject to an independent monthly review carried out by the Head Teacher and all adjustments arising are dealt with promptly.
- **procurement cards** - monthly statements will be received by the Senior Finance Officer at Bartholomew School and distributed to each academy. All receipts must be produced and reconciled monthly to the monthly statement by the Finance Officer and reviewed and signed off by the Head Teacher.
- VAT
- trial balance

Any unusual or long outstanding reconciling items must be brought to the attention of the Head Teacher. The Head Teacher will review and sign all reconciliations as evidence of their review.

## 16. OPERATION OF LOCAL EXPENDITURE BANK ACCOUNT

Each school must implement the following controls:

- a list of cheque signatories (mandate) should be drawn up whereby all cheques must have two authorised signatories
- a minimum of three signatures should be maintained on the mandate
- the Head Teacher may sign all cheques other than those payable to themselves
- no member of staff is permitted to sign cheques payable to themselves or to someone closely connected to themselves or in whom they have a pecuniary interest

Arrangements must be made with the bank must include:

- a statement to be provided at least once a month
- to disallow any overdraft

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the school has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value.

On receipt of the bank statements, the school will reconcile the bank balance to the balance held in the PS Financial system.

## **17. PETTY CASH ACCOUNTS**

A petty cash account has only been approved to be held at Bartholomew School, with a maximum cash balance of £50 for use by the Science Department only. The cash is administered by the Finance Office with reimbursements made from the Finance Office on production of supporting vouchers and receipts.

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

In the interests of security, petty cash payments will be limited to £50. Higher value payments should be made by cheque directly from the main bank account as a purchase order.

Personal cheques must not be encashed from petty cash funds.

Expenditure is recorded manually in the first instance. Expenditure is then processed into the PS Financial accounting system against the appropriate cost centre.

The Finance Office is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation and the computer balance.

The Chief Financial Officer should review and countersign the petty cash reconciliations.

Petty cash must be securely held at all times with access strictly limited to authorised officials only.

## 18. SECURITY, INVENTORIES, STOCKS AND DISPOSAL OF ASSETS

The local governing body is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, etc. under its control

### 18.1 SECURITY

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

Safes must be kept locked and the key removed. Keys to safes and cash boxes must be carried on the person of the nominated key holder at all times. The loss of such keys should be reported to the Head Teacher immediately.

Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The insurance limit for cash (and cheques) held in a safe is £1,000, unless a higher limit is specifically agreed with insurance.

Losses due to theft of stocks or cash shall be promptly reported to the Police, Head Teacher, Governing Body and the Chief Executive Officer.

Steps must be taken by the Head Teacher to ensure that there are effective back up procedures for all computer systems. All back up disks, tapes, etc. should be securely retained in a fireproof safe or remote location, with at least one tape/disk held securely off-site. Recommendations for backup procedures should be regularly checked with the school IT support provider.

Arrangements should be made to ensure that only authorised staff have access to computer hardware and software used for school management. Passwords should not be disclosed or shared and should be changed regularly. Access rights of any staff leaving the school should be promptly revoked.

The Head Teacher and the Governing Body shall register with the Information Commissioner, and comply with all regulations relating to by the Data Protection Act 1998.

## 18.2 INVENTORIES

An asset register should also be maintained in a format agreed with governors, in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the School, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £2,000.

The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

- 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 School's financial system
- support insurance claims in the event of fire, theft, vandalism or other disasters

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Principal Finance Officer will discuss these items on an individual basis.

The MAT has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected residual value when the assets are acquired. Depreciation will be charged annually using the following straight line percentages:

- Leasehold land: 0%
- Leasehold buildings: 4%
- Furniture & equipment: 20%
- Computer equipment & software: 33.3%
- Motor vehicles: 20%

All the items in the asset register should be permanently and visibly marked as the School'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. Inventories of School property should be kept up to date and reviewed regularly. Where items are used by the School, but do not belong to it, this should be noted.

The immediate responsibility for the safeguarding of equipment lies with the end user departments. In support of this, the School provides security measures, including caretaker cover, burglar alarm systems, inventories, security marking, maintenance and support agreements where appropriate, and insurance cover.

### 18.3 ACQUISITIONS AND DISPOSAL OF ASSETS

The trust must seek and obtain prior written approval from the EFA, for the following transactions:

- acquiring a freehold on land or buildings
- disposing of a freehold on land or buildings
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards

The trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the EFA's prior approval. The trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where the assets have a residual value.

Some property transactions may be novel or contentious and so require the consent of the EFA on that basis. Novel payments or other transactions are those in which the trust has no experience, or are outside the range of normal business activity for the trust. Contentious transactions are those which might give rise to criticism of the trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for trusts to use their judgement about when they should seek the prior advice of the EFA. Public money must always be spent prudently and in ways that command broad public support.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Head Teacher and, where significant, should be sold following due process:

- taking reasonable steps to advertise the disposal
- inviting bids for the asset (sealed bids are preferable)
- negotiating with potential purchasers

The trust may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1,000 per single donation. The residual value of assets is determined by the greater of the written down value or market value.

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

#### 18.4 LOAN OF EQUIPMENT

Items of School property must not be removed from trust premises without the authority of the Head of Department or Head Teacher. A record of the loan must be recorded and the asset booked back in when it is returned.

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. Loans should therefore be kept under review and any potential benefits discussed with the trust's auditors.

## 19. CHARGING POLICY

The trust is committed to the general principle of free education and recognizes the valuable contribution that a wide range of activities, including school visits and residential experiences, can make towards all aspects of students' education. It also believes that all our students should have an equal opportunity to benefit from academy activities and visits (curricular and extracurricular) independent of their parent's financial means.

The trust recognises its responsibility to ensure that the offer of activities and educational visits does not place an unnecessary burden on family finances. To this end we will try to adhere to the following guidelines:

- where possible we shall publish a list of visits (and their approximate cost) at the beginning of the school year so that parents can plan ahead
- we have established a system for parents to pay in installments
- when an opportunity for a trip arises at short notice it will be possible to arrange to pay by installments beyond the date of the trip
- we acknowledge that offering opportunities on a 'first pay, first served' basis discriminates against pupils from families on lower incomes and we will avoid that method of selection.

The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities, which will be kept under regular review.

The policy identifies activities for which:

- voluntary contributions may be requested
- charges will be made
- charges will not be made
- charges may be waived

## 19.1 VOLUNTARY CONTRIBUTIONS

Separately from the matter of charging, schools may always seek voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have.

### ***The Law states:***

- if the activity cannot be funded without voluntary contributions the Governing Body or Headteacher will make this clear to parents from the outset
- no child will be excluded from an activity because his or her parents are unable or unwilling to pay

- if insufficient contributions are received, the trip or activity may have to be cancelled
- if a parent is unwilling or unable to pay their child will still be given an equal chance to on the visit

## 19.2 CHARGES WILL BE MADE

The trust reserves the right to make a charge for the following activities which may from time to time be organised by the school:

- **activities outside school hours** - the school will endeavour to provide a range of such activities from time to time. These will sometimes include day and residential experiences, and are known generally as 'optional extras'. Charges may be made for these activities EXCEPT where they are provided to fulfil any requirements specified in the syllabus of a prescribed public examination or are required in order to fulfil statutory duties relating to the National Curriculum or to religious education in which case they are not regarded as optional extras as such and charges cannot be made. (Board and lodging charges may still however be made for any residential activities subject to the remission arrangements described below (time spent on travel counts in this calculation if the travel itself occurs during school hours))
- **residential activities held during school hours** - charges may be made for the board and lodging element of those residential activities during school hours. Parents will be notified in advance of any such activities which the school proposes to organise and the estimated cost. Parental consent will be obtained for their children's participation in any such activities for which a charge may be made. However pupils whose parents are in receipt of certain benefits (see remissions policy below) may not be charged for board and lodging costs
- **music tuition** - music tuition for individuals or groups of up to 4 pupils
- **home to school student transport** - costs incurred by the school in providing home to school transport for students who live outside of the school's designated catchment area

Parents will be notified in advance of any 'optional extras' which the school proposes to organise and the estimated cost. Parental consent will be obtained if their children are to participate in any activities for which a charge may be made.

Any charge for a particular activity will be dependent upon the type of activity and its cost and the number of participants. This charge will not exceed the actual cost of providing the activity, divided equally by the number of pupils willing to participate. The cost of

other pupils participating in the visit will not be included in the charge. The charge may however include an appropriate element for such things as:

- the pupil's travel costs
- the pupil's board and lodging costs
- materials, books, instruments and other equipment
- non-teaching staff costs
- entrance fees to museums, castles, theatres, etc.
- insurance costs
- the expenses only of participating teachers engaged on a separate contract for services to provide the 'optional extra'

If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on the trip it is deemed to have taken place during school hours (even if some activities take place late in the evening). Whatever the starting and finishing times of the school day, regulations require that the school day is divided into 2 sessions. A "half day" means any period of 12 hours ending with noon or midnight on any day.

### 19.3 CHARGES WILL NOT BE MADE

Charges will not be made for the following:

- an admission application
- education provided during school hours (including the supply of any materials, books, instruments or other equipment)
- education provided outside school hours if it is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- tuition for pupils learning to play musical instruments (or singing) if the tuition is required as part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education
- entry for a prescribed public examination, if the pupil has been prepared for it at the school
- examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school. However, if a pupil fails, without good reason, to meet any examination requirement for a syllabus a charge will be made

- education provided on any trip that takes place during school hours
- education provided on any trip that takes place outside school hours, is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential trip
- transport provided in connection with an educational trip

## 19.4 REMISSIONS

In order to remove financial barriers from disadvantaged pupils, the trust has agreed that some activities and visits where charges can legally be made will be offered at no charge or a reduced charge to parents in particular circumstances. This remissions policy sets out the circumstances in which such charges will be waived.

Families will qualify for remission or help with charges if they are in receipt of:

- Income Support
- income-based Jobseekers Allowance
- support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, provided that Working Tax Credit is not also received and the family's income (as assessed by Her Majesty's Revenue and Customs) does not exceed £14,155
- Guaranteed State Pension
- An income related employment and support allowance, introduced on October 27th 2008

Additional categories of parents may claim help with some costs in the following circumstances:

- specific individual circumstances that have caused temporary hardship
- recently moved into hardship but not yet receiving the benefits mentioned above
- made a specific request to the Head Teacher for any other justifiable reason. The remission is at the Head Teacher's discretion in these circumstances based on any evidence provided

## 20. INSURANCE ARRANGEMENTS

The Governing Body will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. The Governing Body will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

All risks will be reviewed annually to ensure that the cover is adequate.

All contractors must have public liability insurance before they are allowed to undertake work on the School's premises.

People hiring the School's premises and using facilities should either be covered by the School's insurance at an additional cost, or must produce a valid public liability insurance with indemnity up to £5,000,000.

## **21. RECEIVING INCOME**

The main sources of income for the trust are the grants from the Education Funding Agency (EFA). The receipt of these sums is monitored directly by the Chief Financial Officer who is responsible for ensuring that all grants due to each School are collected.

Schools also obtain income from:

- student teachers from universities and other institutions
- hiring of premises and facilities
- school meal sales
- uniform sales
- students, mainly for trips
- external peer review and support services

Charges can also be made to students to defray the costs of certain activities (see section 19. Charging Policy). Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the trust's charging policy.

Premises hire charges are determined by the Governing Body's policy on premises hire, unless exceptional circumstances require otherwise. In such circumstances, charges are determined at the discretion of either the Head Teacher, the Chief Executive Officer or the Site Development Officer.

Bookings for lettings are made through the Finance Assistant and the Finance Officer. The Finance Assistant produces a list of hirers for invoices to be prepared and sent to the Finance Office with a booking form.

Payments for invoices raised manually and issued by the School, are sent directly to the School and will be recorded as School income into the lettings budget cost centre within the PS Financials accounting system and manual receipts will be issued when requested.

All monies must be banked, in their entirety, in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Head Teacher.

All outstanding invoices should be reviewed each month by the Finance Officer and pursued to ensure that the School receives all monies due.

Schools may write off debts and losses, including any uncollected fines up to the following delegated limits, subject to a maximum of £250,000:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified financial returns for the previous two financial years

In relation to these limits, the amounts for write offs are before any successful claims from an insurer and total income is defined as grant income as disclosed in the trust's last set of audited accounts.

## 22. MISCELLANEOUS ISSUES

### 22.1 REGISTER OF PECUNIARY (OR BUSINESS) INTERESTS

The Governing Body, or relevant committee of the Governing Body, shall maintain a 'Register of Pecuniary Interests' that lists the personal interests, financial or otherwise,

that could be deemed a potential conflict of interest for any Governor, Head Teacher or any other member of staff. All Governors and members of staff shall declare in writing if they have a pecuniary interest in a personal capacity in any contract with the school.

The Head Teacher shall keep the Register up to date as new Governors or staff join the school and must undertake an annual review. A Pecuniary Interest form should contain the following information:

- the name of the relevant member of staff
- the company or organisation the member of staff has an interest in
- what the interest is

Those Governors or staff not holding any pecuniary interests must submit a nil return.

Any relevant business and pecuniary interests, especially connected parties, of trustees and members must be published on the academy website.

## 22.2 GIFTS

All gifts to the school either in kind or in money should be recorded.

## 22.3 EXPENSES PAID TO GOVERNORS

Expenses may be paid to Governors in accordance with DfE/EFA guidance.

## 22.4 AUDIT

Schools will be subject to termly audit Responsible Office audit as per the Academies Financial Handbook. Also, the school will receive an 'end of year audit' in preparation for submitting the end of year accounts to Companies House.

## Appendix A

### Scheme of Delegation – Authorisation Limits

#### Financial Regulations Authorisation Limits

##### Expenditure Limits

Chief Operating Officer	£25,001 and above
Head Teachers (Primary Schools) and Executive Head (Bartholomew School)	£25,000
Senior Finance Officer (Bartholomew School)	£10,000

##### Business Charge Card Limits

Head Teacher (Bartholomew School)	£5,000
Senior Finance Officer (Bartholomew School)	£5,000
Site Development Officer (Bartholomew School)	£5,000
Finance Office Manager (Bartholomew School)	£5,000
Headteacher (Eynsham)	£1,000

Headteacher (Stanton Harcourt)	£500
Finance Officer (Stanton Harcourt)	£500
Headteacher (Freeland)	£1,000
Headteacher (St Peter's Cassington)	£500
Headteacher (Standlake)	£500
Headteacher (Hanborough Manor)	£1,000

### **Virement Limits**

Executive Head Teacher (Bartholomew School)	£25,000
Head Teacher (Primary Schools)	£5,000

### **Ordering Process**

Three Quotes	£5,000
Tendering	£75,000

## Appendix B

### Tendering Policy

All goods/services ordered with a value over £75,000 must be subject to formal tendering procedures. Purchases over 209,000 Euros for goods and services and 5,225,000 Euros for the procurement of works (EU threshold directive 2014/24/EU) will require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook.

Ordering goods which may potentially be over £75,000 must be discussed with Principal Finance Officer prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

### Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated. The circumstances in which each procedure should be used are described below:

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director how best to advertise for suppliers, e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds

- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs
  - a large number of suppliers would come forward or because of the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering
  
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
  - the above methods have resulted in either no or unacceptable tenders
  - only one or very few suppliers are available
  - extreme urgency exists
  - additional deliveries by the existing supplier are justified

### Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfillment of these requirements to help reach an overall decision.

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is to be used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response.

## Aspects to Consider

### Financial

- like should be compared with like and, if a lower price means a reduced service or lower quality, this must be borne in mind when reaching a decision
- care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- is there scope for negotiation?

### Technical/Suitability

- qualifications of the contractor
- relevant experience of the contractor
- descriptions of technical and service facilities
- certificates of quality/conformity with standards
- quality control procedures
- details of previous sales and references from past customers

### Other Considerations

- pre sales demonstrations
- after sales service
- financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

### Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the School. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

### Tendering Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- for contracts up to £75,000: two of the budget holder or the Chief Operating Officer and the Chief Executive Officer
- for contracts for goods and services over 209,000 Euros or the procurement of works over 5,225,000 Euros (EU threshold directive 2014/24/EU): either the Chief Operating Officer, the Chief Executive Officer Accounting Officer plus a member of the Finance Committee

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

### Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise, or be seen to compromise, their independence.

Full records should be kept of all criteria used for evaluation. For contracts over £75,000 a report should be prepared for the Finance Committee, highlighting the relevant issues and recommending a decision. For contracts for goods and services over 209,000 Euros or the procurement of works over 5,225,000 Euros (EU threshold directive 2014/24/EU) the decision and criteria should be reported by the Finance Committee to the Governing Body for approval.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the School. All parties should then be informed of the decision.

## Appendix C

### Fraud Policy and Procedures

#### Introduction

The trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out the trust's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

In order to achieve these objectives, the trust has taken the following steps:

1. The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability
2. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), and an independent Per Review function with an ongoing responsibility to review and report on these systems;
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Academy and a fraud response plan which sets out

the Academy's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These three steps are described in greater detail in the following sections

## **Personal Conduct**

The trust aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the trust's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- these regulations are binding on all governors, members of staff, students and constituent parts of the trust. Refusal to observe them will be grounds for disciplinary action
- in disbursing and accounting for all funds, the trust must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that trustees, governors and employees of the trust must at all times conduct financial affairs in an ethical manner
- all members of staff, members, trustees and governors of the trust are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Academy or its related companies, minority interest companies and trading areas
- any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this to the Head Teacher or the Chief Operating Officer
- trustees, governors or employees of the trust shall never use their office or employment for personal gain and must at all times act in good faith with regard to the trust's interests
- heads of Department/Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other trust property

## **Systems of Internal Control**

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls

such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the trust are documented in the Financial Procedures Policy. The Financial Procedures are issued and updated periodically by the Chief Operating Officer. They are binding on all trustees, governors, members of staff, students and constituent parts of the trust and are distributed to the Head Teacher, the Senior Leadership Team, Heads of Department and staff in the academies finance offices.

The trust has also established an Audit Committee and an independent Peer Review Officer function which provides advice to management in respect of control matters and which conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

## **Fraud Response**

This document sets out the trust's policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses
- reduce any adverse operational effects
- improve the likelihood and scale of recoveries
- demonstrate that the Academy retains control of its affairs in a crisis; and
- makes a clear statement to employees and others that it is not a soft target for attempted fraud

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate
- lack of leadership and control so that investigators are not properly directed and waste time and effort
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost
- adverse publicity which could affect confidence in the trust; and

- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud

The main elements of the trust's policy are in line with the Whistleblowing Policy and are outlined below:

1. All trustees, governors, members of staff, students and constituent parts of the trust are required to notify immediately the Head Teacher and/or the Chief Operating Officer of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the trust. The Head Teacher and/or Chief Operating Officer should bring this to the attention of the Chief Executive Officer immediately
2. The Head Teacher/Chief Operating Officer will ascertain whether or not the suspicions aroused have substance. They will if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Chair of Finance Committee, the Chair of Governors and the Chair of the EPA Finance and Resources Committee.
3. The Head Teacher will have the initial responsibility for coordinating the individual Academy's response. In doing this they will consult with the Academy's Human Resources Advisor regarding potential employment issues. The Head Teacher will also seek expert legal advice from the Academy's Legal Advisor on both employment and litigation issues before taking any further action
4. The Head Teacher is required to notify the Chief Executive Officer and Local Governing Body of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve, inter alia, keeping the Responsible Officer, the Chief Executive Officer, the Chair of Finance Committee, the Chair of Governors and the Chair of the EPA Finance and Resources Committee fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns
5. If evidence of a fraud is forthcoming then the Governing Body will inform the DfE as required by the Funding Agreement and will consider whether or not to refer the matter to the Police.

## Appendix D

### Best Value Statement for Local Governing Bodies

#### Introduction

The local governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

#### What is Best Value

Governors will apply the four principals of best value:

- **Challenge:** Why, how and by whom a service is provided
- **Compare:** School performance against available data.
- **Consult:** With service users, the local community etc.
- **Competition:** Wherever practicable, to secure efficient and effective services

## The Governors' Approach

The Governors and school managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The Governors and the school managers will:

- make comparisons with other/similar schools using available data, e.g. RAISE online, quality of teaching and learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost
- require suppliers to compete on grounds of cost and quality/suitability of services/products
- consult individuals and organisations on quality/suitability of service we provide to parents pupils, and services we receive from providers

This will apply in particular to:

- **staffing** - governors and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management
- **use of premises** - governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources
- **use of resources** - governors and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality learning
- **quality of teaching** - governors and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has expectations of children's achievement
- **quality of learning** - governors and school managers will review the quality of children's learning by setting of pupil achievement targets
- **purchasing** - governors and school managers will develop procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost

- **pupil's welfare** - governors and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation
- **health and safety** - governors and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors

These areas will be monitored for best value by:

1. Departmental reviews by the Head Teacher & Senior Leadership Team
2. Termly target setting meetings between Head Teacher, Senior Leadership Team and head of departments
3. Annual performance management
4. Annual budget planning
5. Head Teacher's reports including financial review
6. Feedback from responsible officer and audit report
7. Analysis of school pupil performance data
8. Analysis of LA/DfE financial data
9. Analysis of DfE pupil performance data
10. Key issues for action identified by OFSTED
11. Governors termly committee meetings
12. Governor's annual staff salary review

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable issues.

## Appendix E

### Travel and Subsistence Policy

#### Introduction

If an employee is not sure whether they will be able to make a claim in a particular situation, they should ask before they incur any expenses, as this may not be reimbursed. Clarity should be sought before claim is submitted.

It is very important that claims are not made outside the terms of this policy and guidance unless permission has been given specifically to deal with a particular situation.

#### Accommodation

All overnight stays must be approved in advance by the appropriate authorised officer.

In some situations, particularly certain training courses, accommodation is provided as part of the package, in which case employees do not need to make any claim. In other cases, the employee will be reimbursed the actual cost of bed and breakfast incurred.

#### Out-of-pocket Expenses

Employees attending residential training courses are entitled to claim an allowance to cover incidental out-of-pocket expenses (e.g. telephone calls to home). The amount is published with other allowance figures and is updated annually on 1st April; payment of the allowance is limited to 6 weeks for any one course.

Exceptionally, if employees need to travel abroad, escorting clients/pupils, attending conferences etc, a separate allowance in respect of out-of pocket expenses may be claimed.

## **Travel**

### **General Principles**

Employees should only make business journeys when they are absolutely necessary. Other options should always be considered before travel is undertaken which are more efficient and cost effective for example email, telephone, video or telephone conferencing.

Where a business journey is necessary, employees are expected to organise it in the shortest and most effective way.

Employees whose post requires them to undertake business travel are responsible for their own travel arrangements and these must be carried out in the most effective and efficient way to perform the job. The trust will support necessary business travel, including reimbursement of costs arising from the use of employees' own vehicles.

Environmentally friendly travel should be encouraged. Mileage payments will be made within Her Majesty's Revenue and Customs guidelines.

### **Mileage Payments**

Employees who use their own car, van, motorcycle or cycle for official MAT work purposes are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates.

Where a number of employees undertake the same or a similar journey, they should always travel together.

In addition to mileage rates detailed, employees who take passengers in a car or van may claim a passenger mileage payment per passenger per mile. The passenger must be an employee of the trust or an employee of a partner organisation on the same Academy business. Where the passenger does not start or finish their journey at the same time as the driver, then the driver can only claim for the number of miles that the passenger was actually present in the vehicle.

The basic criteria for claiming official mileage is that this should be calculated from the employee's workplace and back again. Normal everyday home to office mileage is the employee's responsibility.

Where it is more beneficial for employees to travel direct from home to an outside appointment or vice versa, rather than call in to the workplace first, they are only entitled

to claim the number of miles over and above their normal home to work mileage. On this basis, all travel claims in any one day should always exclude the employee's normal home to office miles regardless of the reason e.g. training course etc.

The only circumstance in which normal home to office mileage is payable is where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses). Therefore, no home to office mileage is payable.

### **Other conditions**

Where an employee is required to travel from their normal workplace to carry out their day to day role, travelling time is included within their normal working day. However, employees who are expected to travel to training courses can claim no more hours than their normal working day including travelling time. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly over the working day and where such occurrences happen repeatedly over a short period of time, then management will have discretion, as a gesture of goodwill, to allow some time in lieu as recompense.

### **Rail Travel**

If an employee requires a rail ticket for business purposes they must contact the authorised person who can organise this for them.

Employees are expected to travel standard class effective from the 1st June 2013, and take advantage of off peak or other reduced rates if the circumstances allow. First Class travel may be used provided prior departmental approval is obtained, if:

- accompanying someone else travelling First Class; or
- the timing of a journey would make it impossible to work effectively, e.g. peak holiday periods; or
- standard class accommodation is full; or
- the additional cost of travelling by First Class is no more than £50 in total

### **Parking Expenses**

Bus fares and car-parking charges incurred on Academy business may be reclaimed in full.

The trust will not reimburse in respect of parking and similar fines.

### **Authorisation**

The formal responsibility for authorising business journeys rests with the other authorised officer. Employees are advised to seek approval in advance for any unusual journeys where there is likely to be any doubt about the legitimacy of the journey or of the amount of mileage that can be claimed.

### **Methods of Claiming**

Employees should complete the Travel, Subsistence and Expenses Claim, attaching the relevant VAT receipts. Claims should be made on such dates specified by an individual department and submitted immediately to departmental administrators in order that processing by the Payroll Department may take place in time for the following month's payroll. Claims must be made on a monthly basis; if an employee delays and then submits forms covering a substantial period they must expect a delay in processing and payment.

Employees should note the terms of the declaration on the claim form. No one should make or approve a claim if the conditions explained in this policy have not been met. The trust will take a very serious view of fraudulent or negligent claiming or certification.

### **Insurance**

Employees who use their own vehicle for work should ensure they have the appropriate insurance to cover business travel. This is normally referred to as 'Business, Social and Domestic' cover by Insurance companies. It is the employee's responsibility that they are insured

The following rates apply to employees who are required to travel on the trust business from 6 April 2013:

### **Pence per mile**

#### **Car or Van Users**

First 10,000 miles 45p

After 10,000 miles 25p

## Appendix F

### Financial Reserves Policy

#### Introduction

The trustees and Local Governing Bodies need to consider the level of reserves the school should hold. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk.

The reserves policy:

- assists in strategic planning by considering how new projects or activities will be funded
- informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- informs the budget and risk management process by identifying any uncertainty in future income streams

#### During the financial year

The governors identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves

### **Development of the academy's reserves policy**

When considering an appropriate level of reserves, the trustees consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence
- a fall in a source of income, such as lettings
- planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project
- the need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received

The financial risks identified determine the amount of reserves the academy targets to hold.

### **In-year reports to the trustees and the Local Governing Bodies**

In-year reports:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

### **Annual financial statements**

The reserves policy disclosed in the trust report will include the following information:

- why reserves are held
- what amount/range of reserves is considered appropriate for the academy trust
- what the level of reserves is at the year end
- how the academy trust is going to achieve the desired level or range of reserves
- how often the reserves policy is reviewed

### **Target range of reserves for the financial year**

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

### **Monitoring and evaluation of the policy**

This policy will be monitored regularly for any changes in legislation or directions from the DFE which may have an effect and evaluated in the light of any comments made by the DFE, EFA, auditors and any other interested parties.

### **Reviewing**

The Chief Financial Officer, the Chief Executive and directors will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

## **Appendix G**

### **Fixed Asset Policy**

#### **Introduction**

The purpose of this policy is:

- to provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets (as defined below);and
- to provide guidance on other aspects of fixed asset accounting such as depreciation and revaluation

#### **Definitions**

##### **Accumulated Depreciation**

The total accumulated amount charged to the income and expenditure account to reflect the use of the asset by the business, over its useful economic life. The value of the fixed asset on the balance sheet will be reduced over the useful life of the asset.

##### **Capitalisation**

The addition to the balance sheet of an amount in respect of an asset which has come into the possession of the School, whether through purchase or donation or gift in kind.

### **Carrying amount/net book value**

The purchase cost (or valuation) of a fixed asset less the accumulated depreciation on that fixed asset.

### **Depreciation**

The charge made to the income and expenditure account each month to reflect the use of the asset by the business during the period.

### **Fixed Assets**

A fixed asset is an asset that has a useful life greater than one year. This includes land, buildings, office furniture and equipment (e.g. air conditioning, heating systems), vehicles, IT equipment and other classroom equipment. These are included in the School balance sheet. Consumables which are used on a daily basis are not fixed assets.

### **Fixed Asset Register**

An inventory of all fixed assets which must include date purchased the depreciation rate, net book values and the depreciation.

### **Grant**

Funds given to the School by a third party, subject to complying with any terms and conditions attached to the grant, to purchase unspecified fixed assets.

### **Recoverable Amount**

The cash proceeds when an asset is disposed.

## **Categories of Fixed Assets**

This list describes the categories of fixed assets most commonly used by Schools. It is not exhaustive and other categories may be added but only with the approval of the Principal Finance Officer.

### **Freehold and Long Leasehold Buildings**

The cost of acquiring freehold and long leasehold land and buildings. It includes all external costs incurred as part of the acquisition such as legal and professional fees as well as other costs such as building costs which are necessary in order to bring the asset into use.

The trust must seek and obtain prior written approval from the EFA when acquiring a freehold on land or buildings.

### **Fixtures and Fittings**

Items such as shelving, fixed or free standing, soft furnishings and general furniture such as chairs, desks which will last a number of years but not as long as the building in which they reside.

### **Plant and Equipment**

Items such as air conditioning, lifts, heating system, diesel generators and classroom equipment which will be used for several years.

### **Computer Equipment and Software**

Cost of the computer hardware used throughout the School along with 'significant' software.

## **Criteria for Capitalisation of Assets**

### **Expenditure Eligible for Capitalisation**

Authorised and approved expenditure for an item which meets the definition of a fixed asset, and exceeds £2,000, should be identified and flagged as a fixed asset. The asset should be recognised on the School balance sheet.

The cost of the fixed asset should include the cost of the asset and any other costs directly attributable in bringing the asset into a condition where School employees can use it. Such costs include, but should not be limited to:

- costs of enhancements (not repairs and renewals), which significantly extend the life of the asset and would not be carried out on a regular basis (e.g. building improvements)
- costs of external consultants whose work is directly attributable to the implementation of the asset

### **Expenditure Not Eligible for Capitalisation**

- individual items costing less than £2,000, unless purchased in bulk as part of a capital project
- costs of staff training as part of normal business activities
- administration and general overheads for running day to day activities
- planning costs relating to initial activities such as option appraisals, feasibility studies, identifying appropriate hardware and applications and selecting suppliers and consultants
- cost of abortive work
- post implementation support and maintenance costs related to software installation

### **Accounting Treatment (valuation in balance sheet)**

Only costs eligible for capitalisation should be entered into the accounts.

Costs must be allocated against individual fixed assets.

The cost of the asset includes the purchase price (including import duties and non-refundable taxes) and any other direct attributable costs of bringing the asset to working condition. Discounts received should be deducted from the total cost.

Expenditure on enhancing a fixed asset already recognised on the balance sheet should be added to the carrying amount where the expenditure meets the definition above.

Fixed assets purchased with grant money must be clearly identified in the fixed asset register.

### **Revaluation of Fixed Assets**

Freehold and long leasehold land and buildings will be revalued by independent valuers every five years.

Gains on revaluation of fixed assets must be credited to the relevant reserve as follows:

- land and building revaluations should be transferred to a designated revaluation reserve
- losses on revaluation must be debited to the relevant reserve (revaluation, fixed assets revaluation reserve) to the extent that gains have previously been recognised and recorded

## Depreciation

Depreciation is charged against fixed assets over the expected useful life of the asset to reflect the usage of the asset over time.

The trust uses the straight line method of depreciation where the asset cost is written down in equal annual amounts over its expected useful life.

The period over which the asset is depreciated varies according to the category of the asset.

All tangible fixed assets, other than assets in progress must be depreciated as follows:

- Leasehold land: 0%
- Leasehold buildings: 4%
- Furniture & equipment: 20%
- Computer equipment & software: 33.3%
- Motor vehicles: 20%

Depreciation will be charged from the month in which a newly purchased asset comes into use.

Depreciation ceases to be charged in the month the asset is disposed.

## Disposal of Fixed Assets

When a fixed asset is sold or otherwise disposed, a profit or loss may arise. This is the difference between the total sale proceeds, less the cost of disposing of the asset, and the net carrying amount of the asset.

The profit or loss arising on disposal should be recognised as follows:

- profits on disposal of fixed assets must be included in the income and expenditure account under 'profit or loss on sale of assets'
- losses on disposal of fixed assets must be treated as additional depreciation and included in the relevant account within the income and expenditure account

Any asset that is lost or destroyed, and subsequently replaced through insurance proceeds should be removed from the balance sheet. The profit or loss arising (the difference between carrying amount and insurance proceeds) must be recognised in the income and

expenditure account under profit and loss on sale of fixed assets. The replacement asset is capitalised at cost in the normal way.

The trust must seek and obtain prior written approval from the EFA, for the following transactions:

- disposing of a freehold on land or buildings; and
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

The trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State.

The trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where the assets have a residual value.

### **Custodial Review**

The fixed asset register must be formally checked to the assets held at least once a year by the Chief Operating Officer.

## **Appendix H**

### **Raising Concerns at Work /Whistleblowing Policy**

#### **RATIONALE**

The EPA is aware that personnel law is fraught with difficult situations that, on occasion, need to be dealt with formally and with an open, transparent and clearly defined approach that is seen to be fair by all staff involved in the process.

To this end, and acting under advice from Oxfordshire Department of Children, Education and Families (DCEF) and from the School's Governing Body, the policy that we are putting in place is based on that of the DCEF as this is fully agreed by all staff unions as this agreement is essential in any dispute between the unions and any school-created policy document.

## Procedure for Raising Concerns at Work (“Whistleblowing”)

### Introduction

The aim of this procedure is to enable employees of the EPA to raise concerns at work directly with their employer. This does not remove their right to raise concerns in other ways where appropriate through the agencies listed in paragraphs below. If the concern relates to the individual’s own employment, the EPA’s Grievance Policy and Procedure should be used instead.

The EPA and each EPA School’s LGB are committed to the highest possible standards of openness, integrity and accountability. In line with that commitment we encourage employees with serious concerns about any aspect of the EPA’s work to come forward and express those concerns.

In the large majority of cases employees with concerns should share these with their line manager. However, the EPA DB and each EPA School’s LGB recognise that, from time to time, this may not be appropriate.

The EPA will provide all reasonable protection for employees who raise genuine concerns in good faith. If an employee raises a concern in good faith but it is not subsequently confirmed by investigation, no action will be taken against them. If however, an employee raises a concern frivolously, maliciously or for personal gain, disciplinary action may be taken against them. The LGB of each EPA School is responsible for the management of services and staff within their School.

The LGB will be responsible for ensuring that (i) appropriate personal support is given both to the employee raising the concern and to any employee against whom allegations have been made under this procedure; (ii) both parties are kept informed of progress.

### General Points

“Whistleblowing” is defined as “raising concerns about misconduct within an organisation or within an independent structure associated with it” (Nolan Committee on Standards in Public Life).

Any serious concerns you have about any aspect of the School or EPA’s service provision or about the conduct of EPA employees, members or others acting on behalf of the EPA, should be reported using this procedure.

Your concern may relate to something which:

- is against the EPA School’s or overall EPA policies
- falls below established standards of practice; or
- amounts to improper conduct, including something you believe may be:
  - against the law;
  - a Health & Safety risk;
  - damaging the environment;

- misuse of public money;
- corruption or unethical conduct;
- abuse of pupils/students;
- poor or unsafe practice and potential failures in the school's safeguarding regime
- concealment of any of the above.

All concerns will be treated sensitively and with due regard to confidentiality. Every effort will be made to protect your identity, if you so wish; however, the information will be passed to those with a legitimate need to have it, and it may be necessary for you to provide a written statement or act as a witness in any subsequent enquiry or disciplinary proceedings. This will always be discussed with you first.

Concerns expressed anonymously will be investigated unless the Chair of Governors and the EPA DB agree that there is insufficient evidence to proceed. Where the Governing Body is involved in a complaint, the EPA DB will make the decision. An investigation may be carried out, depending on the nature of the allegation and the evidence/information presented.

## **How to raise a Concern**

### **Step 1**

If you wish to raise a concern, you should raise this initially with your usual manager. This can be in person or in writing. It may be helpful for you to refer to the EPA's Code of Conduct, which sets out the standards expected of its employees.

Please be aware that if you have a safeguarding concern about another member of staff, you **MUST ONLY** report to the Headteacher. If a safeguarding concern is about the Headteacher, then this should be referred to the Chair of Governors

The EPA DB and the Governing Body recognise that, in certain circumstances, it may be inappropriate for you to approach your manager with your concern. A number of alternative routes may be appropriate depending on the nature of the concern. For example you could approach a senior manager, the EPA's HR adviser or the EPA DB.

Although you are not expected to prove beyond doubt the truth of your concerns, you will need to demonstrate that you have sufficient evidence or other reasonable grounds to raise them.

You may wish to obtain assistance in putting forward your concern from the EPA DB, a Trade Union representative or a colleague. You may choose to be represented by a Trade Union representative or colleague at any meetings which are required.

### **Step 2**

The manager with whom you have raised your concern will acknowledge its receipt as soon as possible and will write to you within 10 working days with the following:

- an indication of how the concern will be dealt with;
- an estimate of how long it will take to provide a final response;
- whether any initial enquiries have been made;
- whether further investigations will take place, and if not why not;
- information on employee support services.

Advice for those investigating concerns is available from the EPA's HR adviser.

### Step 3

Initial enquiries will be made to decide whether an investigation is appropriate in each case. Where an investigation is necessary, it may take the form of one or more of the following:

- an internal investigation by management, which may for example, take the form of a disciplinary investigation
- an investigation by the EPA's HR adviser;
- a referral to the Police;
- the setting up of an external independent inquiry.

### Step 4

The EPA DB or the School's Governing Body will inform you in writing of the outcome of any investigation or any action taken, subject to the constraints of confidentiality and the law.

If you do not feel your concern has been addressed adequately you may raise it with an independent body such as one of the following as appropriate:

- your Trade Union;
- your local Citizens Advice Bureau;
- a relevant professional body or regulatory organisation;
- a relevant voluntary organisation;
- the Police;
- the local Government Ombudsman;
- the Equal Opportunities Commission;
- the Commission for Racial Equality;
- the local Race Equality Council
- the Disability Rights Commission.

You must make the disclosure in good faith. You must not do so for personal gain and you must reasonably believe the information disclosed and any allegation in it to be substantially true and that in all the circumstances it is reasonable for you to make the disclosure.

You may disclose your concern to someone other than those listed above if all of the following criteria apply:

- the issue is of an exceptionally serious nature and
- you believe it to be substantially true and
- you do not make the disclosure for personal gain and
- in all the circumstances it is reasonable for you to make the disclosure.

However, the identity of the person/organisation to whom you disclose will be considered in determining whether it was reasonable for you to make the disclosure.

You have a duty to the EPA DB not to disclose confidential information. This does not prevent you from, seeking independent advice at any stage nor from discussing the issue with the charity Public Concern at Work on 0207 404 6609 or at [www.pcaw.demon.co.uk](http://www.pcaw.demon.co.uk), in accordance with the provisions of the Public Interest Disclosure Act 1998.