



Windsor Academy Trust

Financial Policy Manual

Ownership and Version Control

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Intended Audience

Intended Audience	Intended Method of Distribution
Directors (Trustees)	Email
Leadership Teams	Email
Finance Staff	Email and Shared Drive
Employees	Shared drive with all Policies
Internal Auditor	Email – upon request
External Auditor	Email – upon request

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- A Scheme of Delegation
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ORGANISATIONAL STRUCTURE OF FINANCIAL RESPONSIBILITY

Windsor Academy Trust's structure consists of a number of levels: Members, the Board of Directors (Trustees), Local Advisory Body Members, The Executive Team, Senior Leadership Teams and other academy leaders/ managers. The aim of the structure is to delegate responsibility, ensure involvement in decision-making at all levels and maximise opportunities for succession planning.

The Trustees and LAB members fulfil a largely strategic role. They adopt School Improvement Plans, approve the annual budget, monitor the school's performance and, on advice, make decisions about strategic direction, its capital expenditure and senior staff appointments.

2 FINANCIAL RESPONSIBILITIES

Chief Executive

- To act as the Education & Skills Funding Agency (ESFA) defined "Accounting Officer" for all academies in the Trust.
- To advise the relevant body on the discharge of its responsibilities.
- To ensure the efficient, economical and effective management of the Trust's resources and expenditure, including funds, capital assets and equipment and staff.
- To ensure the maintenance of sound financial controls.
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.
- To be responsible for signing, with the Chair of the Board of Directors, the approved budget and annual accounts ensuring they are properly presented and causing records to be maintained relating to the accounts.
- To approve new staff appointments in accordance with the WAT Scheme of Delegation

Chief Operating Officer

- To act as the Trust's Chief Finance Officer in terms of ESFA defined roles and responsibility.
- To ensure all aspects of academy financial management requirements are implemented, especially in the critical area of periodic reporting of the Trusts financial position to the ESFA/DfE, Companies House and other stakeholders.
- To arrange for all financial activities within the Trust to be fair and honest.

Head of Finance

- To be the primary contact for the ESFA for all financial matters.
- To provide assistance to the Chief Operating Officer, Directors and Accounting Officer as necessary for the satisfactory completion of their financial responsibilities, including access to all financial documents and accounting systems.
- To ensure all aspects of academy financial management requirements are implemented, especially in the critical area of periodic reporting of the Trusts financial position to the ESFA/DfE, Companies House and other stakeholders.
- To provide regular reports of the academy and Trust financial position to the Finance and Audit Committee and report variations in the budget.

- To ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements.
- To arrange for all financial activities within the Trust to be fair and honest., including the identification and management of any novel, contentious or repercussive transactions
- To effectively manage and control systems and processes to reduce financial risk.

From 1 November 2018 to 31 August 2019 on an interim/temporary basis the above responsibilities will be undertaken by the Principal Accountant – Central.

Academy Headteacher (Executive)

- To ensure the efficient, economical and effective management of their academy resources and expenditure, including funds, capital assets and equipment and staff.
- To ensure the maintenance of sound financial controls within their academy.
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.
- To approve new staff appointments following consultation with Chief Executive and in accordance with the WAT Scheme of Delegation.
- To approve all expenditure as stipulated within the Scheme of Delegation
- To effectively manage and control systems and processes to reduce financial risk.

Budget Managers

- To manage their income and expenditure within the agreed limits, forecasting and notifying their finance contact at the earliest opportunity where this will not be possible.
- Put in place corrective action to manage within agreed resource limits.
- To exercise responsibility for routine control and monitoring of their budget expenditure.
- To proactively manage and inform the Finance Manager/Headteacher of in year and future budget pressures.
- To seek finance team assistance in the planning stage of new processes or plans.

Finance Managers (Area Lead)

- To support their school and Headteacher in managing the school budgets and financial resources effectively providing guidance and support to the Budget Managers.
- To ensure that expenditure has been committed and payments made in line with this Financial Policy and the Scheme of Delegation.
- Prepare management accounts on a monthly basis for discussion with the Headteacher.

3 BUSINESS INTEGRITY

All Trustees, LAB members and staff with significant influence must declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of loyalty by completing a Register of Interests. Declarations should be made at the beginning of each formal governance meeting with appropriate action taken by the Chair and are recorded in the minutes.

4 FINANCIAL POLICY MANUAL

The purpose of the policy

- To define the responsibilities within the Trust and ensure compliance with statutory requirements
- To provide guidance on the application of statutory regulations and internal controls
- To identify procedures to ensure integrity of internal controls
- To set out guidelines to ensure effectiveness of resources

Rationale and Accountability

The Trustees have the statutory responsibility for the oversight of the financial management in academy schools.

The role of the Chair of the Board of Directors is to:

- Ensure effective functioning of the Board of Directors
- Set professional standards of governance
- Receive monthly management accounts

The role of the Board of Directors is to:

- approve the budget
- receive management accounts at least 6 times per year
- approve the annual accounts
- set the terms of reference for the Finance and Audit Committee

The role of the Finance and Audit Committee is to:

- recommend the annual budget for approval by the Trustees.
- to ensure the annual report and financial statements are produced in accordance with the Companies Act 2006, Charity Commission's Statement of Recommended Practice (2015) and the ESFA guidance issued to academies
- review and maintain finance policies
- monitor the annual budget and take corrective actions as necessary
- agree the levels of authority for spending to Trustees.
- consider the impact and take corrective action on factors affecting the medium and long term financial plans.
- receive and respond promptly to reports and findings of internal audit and external audit reports

In addition it is the role of Members to appoint external auditors and receive the audited statutory accounts.

Budgets and Authority Levels

The Trustees shall plan the Trust finances through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the academy, the financial position of the academy and the levels of projected reserves.
- Preparation of a medium term Financial Plan of at least 3 years, updated annually.
- Agree and regularly review a scheme of delegation.

Purchasing

The Trust shall maintain a policy of achieving value for money for all goods and services purchased. As a matter of course, all purchases should be made through the financial ordering systems. The Finance Manager or Officer shall keep records of all purchases made including quotations received but not accepted.

The policy of Value for Money will be applied using the four principles:

1. Challenging how a service or supply is provided and why it is required
2. Comparing performance with other schools
3. Consulting with relevant stakeholders
4. Competing as a means of securing efficient and effective services and supplies.

Scheme of Delegation

The Trust shall have in place a scheme of delegation as approved annually by the Finance and Audit Committee. This can be found at **Annex A**.

Insurance

The Trust shall have in place adequate insurance cover in compliance with its legal obligations, including buildings and contents, business continuity, employers' and public liability, vehicle insurance and other insurance as may be required.

The Trust's insurance arrangements will be reviewed annually by the Chief Operating Officer and reported on an annual basis to the Finance and Audit Committee.

Related Party Transactions

The Trust will comply with all statutory and regulatory requirements relating to related party transactions requiring all Members, Trustees, and LABS to comply with the Seven Principles of Public Life, maintaining professional standards of governance, the maintenance of a register of interest, declarations of conflicts of interest by Trustees at all Committee and Board meetings,

The Trust will monitor all potential related party transactions and report to the ESFA in advance any arrangements where the total contract value exceeds £20,000 per annum.

Nolan's Seven Principles of Public Life

1. *Selflessness* - Holders of public office should act solely in terms of the public interest.
2. *Integrity* - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. *Objectivity* - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. *Accountability* - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. *Openness* - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. *Honesty* - Holders of public office should be truthful.
7. *Leadership* - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Internal Controls

Internal delegations for approving payments are as follows:

	Trust	Secondary Schools	Primary Schools
Expenses forms	Chief Executive Chief Operating Officer	Faculty Directors, Deputy Headteacher, Headteacher (Executive)	Headteacher (Executive)
Overtime claim forms	Chief Executive Chief Operating Officer	Faculty Directors, Deputy Headteacher, Headteacher	Headteacher (Executive)
Purchase Orders	Chief Executive Chief Operating Officer Budget Managers	Budget Holders, Faculty Directors, Deputy Headteacher (Executive), Budget Manager	Headteacher (Executive), Budget Manager
BACS Payment Schedule and Cheques	As per Bank Mandate: Any 2 of Chief Executive, Deputy CEO, Chief Operating Officer, Head of Finance, Principal Accountant	As per Bank Mandate Any 2 of Headteacher (Executive), Deputy Headteachers, Chief Operating Officer, Head of Finance, Principal Accountant	As per Bank Mandate: Any 2 of Headteacher (Executive), Deputy Headteachers, Chief Operating Officer, Head of Finance, Principal Accountant
Petty cash claims	Chief Executive, Deputy Chief Executive, Chief Operating Officer, Budget Manager	Faculty Directors, Deputy Headteacher (Executive), Budget Manager	Headteacher (Executive)
Invoice approval	Chief Executive, Deputy Chief Executive, Chief Operating Officer, Budget Manager	Budget Manager, Faculty Directors, Deputy Headteacher, Headteacher (Executive)	Headteacher (Executive), Budget Manager

Financial reporting requirements

Frequency	Reports	Authorisation & reporting
Monthly	Consolidated Financial Monitoring Reports	Chair of the Board of Directors, Chair of Finance and Audit Committee and Executive Team
6 Times Per Year	Consolidated Financial Monitoring Reports	Board of Directors Headteacher (Executive) and Principal
Monthly	Financial Monitoring Reports	Head of Finance
Monthly	Payroll reconciliations	Head of Finance
Monthly	Bank account reconciliations	Headteacher (Executive), Head of Finance
Monthly	Budget Manager Reports	Finance Manager
Termly	Financial Monitoring Reports	Finance and Audit Committee
Annually	Internal/External Audit Reports	Finance and Audit Committee
Annually	Statutory Accounts	Finance and Audit Committee Board of Directors Statutory Bodies
Annually	Draft Budget Plan	Headteacher (Executive) Chief Executive, Chief Operating Officer and Head of Finance Finance and Audit Committee ESFA (Budget Forecast Return)
Annually	Final Budget Plan	Chief Executive, Chief Operating Officer and Head of Finance Board of Directors ESFA (Budget Forecast Return- 3 Year)

5 BUDGETARY PLANNING AND CONTROL

Organisational structure

Board of Directors	Authorise Annual Budget and 3 Year Financial Plan
Finance and Audit Committee	Propose and recommend Annual Budget and 3 Year Financial Plan to Board of Directors
Chief Executive and Chief Operating Officer	Agree Provisional Annual Budget and 3 Year Financial Plan
Headteacher, Finance Manager	Propose Draft Annual Budget to Chief Executive and Chief Operating Officer
SLT, Budget Holders, School Staff Manager	Propose budget requirements to Headteacher/Finance Manager

Budget planning

The budget is separated into distinct and manageable categories consistent with statutory reporting requirements. Information from the current financial year and known commitments are collated by Finance Managers for review with the Headteacher (Executive) to create the initial draft budget. Budget Managers have the ability to feed into this process by discussing their requirements with the Headteacher(Executive)/Finance Manager. It is in a Budget Manager's interest to provide detailed information relating to requests.

The draft budget will be finalised with the Headteacher (executive) and Finance Manager, then go forward to the Chief Executive Officer and Chief Operating Officer, for scrutiny and review prior to proposal to the Finance and Audit Committee.

The Finance and Audit Committee will recommend the budget to the Board of Directors for final approval. This will become the Approved Budget for the forthcoming financial year and be used as the basis for external statutory reporting requirements (e.g. to the ESFA).

The Budget Managers will control expenditure in their cost centres. These operating budgets must be prepared within the context of the School Improvement Plan.

A clear statement of the assumptions supporting the budget must be maintained by the Finance Manager and form the basis for regular updates to the Headteacher (Executive) throughout the year.

Budget control and monitoring

Budget Managers have responsibility for routine control and monitoring of expenditure against their budget. Variations to predicted expenditure are investigated by the Finance Manager and if significant, the Headteacher (Executive) is informed to decide the corrective actions required.

Budget virements

Budgets can be transferred (vired) between cost centres/codes within each school subject to discussion and approval by the Finance Manager and Head of Finance for amounts under £25,000. For amounts over £25,000 approval is required by the Chief Finance Officer and by the Finance and Investment Committee for amounts over £100,000.

Review of budget

This process of budget review must be continuous with particular attention paid to projected income and expenditure against the approved budget. Detailed records of historical income and expenditure and any

corrective action taken must be maintained as this will be of significant value in future planning. These reports, and in particular the action taken, on variances will be regularly reviewed by the Head of Finance. Any further action taken must be clearly documented.

Financial responsibility

The Board of Directors has delegated responsibility for routine control to the Finance and Audit Committee. The Trust's Scheme of Delegation will further set out delegated authorities.

6 FINANCIAL CALENDAR

	Census related
	Audit related
	Finance related
	Approvals

Date	Description	Explanation
1st September	Beginning of new financial year	
1st September	Closedown of previous financial year begins	Statutory requirement
October	School workforce census	Data used for Pupil led funding for the following Financial Year
October/November	External Audit period	Audit of year end closedown and accounts
31st October	Land and Buildings Collection	Submission to ESFA
November	Finance and Audit Committee	Approval of audited accounts
December	Board of Directors	Approval of audited accounts
31 st December	Submission of Audited Statutory Accounts	Submission to ESFA
31 st December	Submission of Audited Academy Accounts Return	Submission to ESFA
January	Pupil Spring census	Used for Pupil Premium Allocation
March	Finance and Audit Committee	Review of financial performance
March	Board of Directors	Review of financial performance
31 st March	ESFA funding notification	Funding allocation for the following year received from ESFA
May	Pupil Summer Census	
May	Internal Audit	Academy Internal Audits
May	Budget Forecast Return Outturn	Submission to ESFA
31st May	Teachers Pensions Return	Teachers pensions EOY certificate to be submitted (audited)
31 st May	Submission of Audited Statutory Accounts	Deadline for submission to Companies House
June	Finance and Audit Committee	Approval of Budget Plans
June	Academies Finance Handbook Published	
July	Board of Directors	Approval of Budget Plans
31 st July	Budget Forecast Return Actual	Submission to ESFA
31 st August	End of financial year	

7 INVESTMENT POLICY

The purpose of the policy is to ensure effective management of the Trust's funds, giving consideration to the maximisation of interest and other returns against the statutory responsibility of protecting public funding. The Head of Finance will be responsible for implementing the Investment Policy and managing the Trust's cash balances and investments.

- To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (e.g. payroll and payments runs) and that current accounts have adequate balances to meet known commitments over the longer term.
- To maintain a working balance to respond to unexpected financial demands on all accounts
- To identify funds surplus to immediate cash requirements and transfer the funds to an appropriate high deposit interest account.
- To only invest in organisations (banks and building societies) that at the time of investment have a rating of "A" by one of the financial rating agencies: Moody's, Standard and Poor's and Fitch.
- To regularly monitor the ratings of organisations where money is invested, taking any corrective action if they no longer meet "A" rating.
- Each investment is to be individually appraised in relation to the current market rates and length of investment period: with the aim of maximising returns in the shortest period, so as to limit the impact of funds being inaccessible within investments.

8 RESERVES POLICY

The purpose of the policy is to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the Trust, such as delays between spending and receipt of grants, emergencies and unanticipated or exogenous events. The Head of Finance will be responsible for implementing the Reserves Policy and managing the Trust's reserves.

- To regularly review the nature of income and expenditure streams and the need to match income with commitments.
- To aim for a level of free reserves equating to a minimum of 5% of annual ESFA income.
- To separately identify funds for significant projects that cannot be met by future income alone.
- To consider the Medium Term Financial Strategy and plan for use of reserves to meet expenditure commitments in the short and medium term.
- To provide short term funding to mitigate future funding turbulence as a result of national funding changes.
- To provide short term funding to meet expenditure commitments following the removal of funding protection to enable longer term decisions to be made.

9 CAPITALISATION AND DEPRECIATION OF ASSETS POLICY

Introduction

International Accounting Standard (IAS) 16, defines Fixed Assets as "assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably". The purpose of policy is to ensure that the academy's balance sheet correctly reflects the assets and liabilities of the Trust.

The policy defines the treatment of Non-Current, Current, Tangible and Intangible Fixed Assets.

A Fixed Asset Register will be maintained by the Principal Accountant and used to create the depreciation charge and as a record of assets supporting the Trust's financial statements.

The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.

School Asset Register

The Schools will maintain a School asset register recording and maintaining details of purchases of assets (e.g. office and ICT equipment) with a cost in excess of £500.

Fixed Asset Register

The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) valued over £5,000 that are considered to have a life longer than the financial year they were purchased in.

Capitalised assets are not necessarily bought on one order; so long as a group of items is purchased within the same accounting period they will be capitalised.

Fixed Assets are categorised as follows:

- a. Freehold Land and Buildings
- b. Leasehold Land and Buildings
- c. Assets Under Construction
- d. Plant and Machinery
- e. Furniture and Equipment
- f. Computer Equipment and Hardware
- g. ICT Software and Licences

Assets excluded from the Fixed Asset Register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a monthly basis.

The appropriate accounting transactions will be processed for all capitalised assets and recorded on the Fixed Asset Register and Trust finance system by the Head of Finance.

All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded on the fixed asset register and Trust finance system by the Head of Finance to ensure the financial statements reflect the disposal.

All working papers for the purchase of Fixed Assets, including invoices, will be held at each Academy.

Depreciation

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 financial statements. In the year of acquisition the depreciation will be charged pro rata from the date of acquisition.

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. The Chief Operating Officer will decide, after taking professional advice where required, which method to adopt on an individual basis.

In relation to incomplete buildings works, depreciation is not charged on any assets that are classified as incomplete as at 31 August. The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

ASSET GROUP	DEPRECIATION METHOD
Freehold Land	No depreciation
Leasehold Land	No depreciation
Buildings and Building modifications	Based on UEL – currently 2%-6.7% (50yrs-15 yrs.) Straight line with nil residual value
Plant and Machinery	15% (7 yrs.) Straight line with nil residual value
Furniture and Equipment	10% (10yrs) Straight line with nil residual value
Computer Equipment and Hardware	20% (5 yrs.) Straight line with nil residual value
ICT Software and Licences	20% (5 yrs.) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.

10 DISPOSAL OF ASSETS POLICY

The Board of Directors recognise that the following are valuable assets of the Trust:

(a) Staff; (b) Land; (c) Buildings;

For the purpose of this policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the academy and having an original individual value of £5,000 or more.

In accordance with the Academies Financial Handbook, 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. Residual value of assets is determined by the greater of the written down value or market value.

It shall be the responsibility of the appropriate member of staff (Budget Manager) to identify any such assets which are surplus to requirements.

The Budget Manager shall identify surplus assets to the Finance Manager who upon endorsing the identification and discussing with the Principal Accountant shall recommend disposal to the Headteacher (Executive), who will be responsible for the decision.

The disposal of an asset with a carrying amount (cost less accumulated depreciation) above £5,000 must be approved by the Finance and Audit Committee. Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register.

Any assets fully or partly grant funded will be disposed of in accordance with any and all grant terms and conditions. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the school obtained value for money in the sale of the equipment. This can be mitigated by the use of online auctioning platforms in some circumstances. Each individual case shall be investigated and be the decision of the Headteacher (Executive) following advice from the Head of Finance or Chief Operating Officer.

If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner or deleted from the equipment along with all Trust data.

The requirements of the academy's funding agreement with the Secretary of State will be adhered to when considering the disposal of a capital item.

Funds obtained by the sale of surplus assets shall be identified in the school accounts and accessible for audit.

11 CAPITAL GRANT

Capital grant in the form of School conditions allocation (SCA) is received from the ESFA on an annual basis. The allocation of the grant across the Trust has been delegated to the Chief Executive with the requirement for an update and usage report presented to the Finance and Audit Committee within 12 months of the funding awarded to the Trust.

12 FRAUD POLICY

Windsor Academy Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in recognising potential fraud, as well as preventing and detecting fraud. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

It is the duty of all staff, Trustees and LAB members to take reasonable steps to limit the possibility of corrupt practices, and to take advice from auditors on the adequacy of the measures taken by the Trust to ensure financial compliance.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Windsor Academy Trust, its staff, Trustees and LAB members.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption** (Gifts & Hospitality – see separate policy) - involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Policies;
- **Failure to observe**, or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud and corruption are -

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the Academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;

- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive list of fraud and corruption. If there is concern or doubt about a matter which involves an irregularity, or an on-going investigation into a suspected irregularity staff must refer to the Chief Executive, Chief Operating Officer or Head of Finance in times of absence

All instances of fraud or theft committed against the Trust, whether by employees, Trustees, Governors or third parties, will be reported to the Board of Directors and any instances above £5,000 must be reported to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

A Fraud Register will be maintained by the Chief Financial Officer and reported to each meeting of the Finance and Audit Committee.

13 CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

The Trust has a Confidential Reporting Policy which covers concerns of a financial nature. This policy is reviewed periodically by the Head of HR and notified to all staff.

14 GIFTS AND HOSPITALITY POLICY

Employees, Trustees and LAB members of the Trust should take guidance from the following rules relating to the receipt of gifts and hospitality:

To accept gifts should be the exception. Small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £100 in value may be accepted. The Company Secretary should be notified of any gift over this value for entry in the Register of Business Interests.

Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a more prompt service or preferential treatment.

Where items purchased for the Trust include a 'free gift', such a gift should either be used for business purposes or handed to the Finance Manager to be used for charity raffles.

If there is any doubt about the acceptability of any gift or offer of hospitality the Chief Executive, Chief Operating Officer or Head of Finance must be consulted.

In line with HMRC guidance small value gifts can be provided to staff (e.g. flowers/chocolates to mark a special occasion or event - birth of child, illness) as long as:

- it costs £50 or less to provide
- it isn't cash or a cash voucher
- it isn't a reward for an employees work or performance

In line with ESFA policy under no circumstances can alcohol be purchased as a gift or provided as part of hospitality to staff or third parties. The only exceptions are where the purchase of alcohol has been funded by the PTA (not from Academy Trust income) or where the expenditure has been spent from School Funds (non-GAG Funded income) and is being used as part of an income generating project where income covers the costs. In both exceptions the expenditure must be approved by the Headteacher within existing policies.

15 TRAVEL, SUBSISTENCE & EXPENSES POLICY

Staff travel for business needs will be reimbursed in line with HMRC mileage rates which are currently at the rate of 45p per mile (plus an additional 5p per mile for each travelling passenger paid to the staff driver). The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers.

Subsistence costs such as overnight accommodation must be appropriate, relate to business need and provide value for money. The Chief Executive in consultation with the Chief Operating Officer has the discretion to agree to a regular period of subsistence for key members of staff.

Receipts or other appropriate evidence of expenditure must be attached to the claim in respect of all purchases, such as rail/bus fares, subsistence, telephone calls, postage and any other purchases that may be approved. The Trust is not able to reclaim VAT without a proper VAT receipt. Please be aware that reimbursement of expenditure may be refused if sufficient evidence/receipts are not produced.

Claims for the purchase of alcohol or parking fines will not be reimbursed.

All expense claims must be submitted for reimbursement to the Finance Manager (Schools) or Head of Finance (Central) within a time period not exceeding 3 months. Expenses submitted after this period will be at the discretion of the Budget Manager following advice from the Finance Manager or Head of Finance.

All expense claims are to be authorised by the relevant Budget Manager. In the case of a Headteacher claim, these must be authorised by the Deputy Headteacher or Chair of LAB. In the case of the Chief Executive, the Chair of Directors will authorise.

Expenses incurred by Directors, Trustees and LAB members form part of this policy, with any claims being authorised by the respective Chairperson, or in the case of the Chairperson by the Chief Executive.

16 CONFLICT OF INTERESTS POLICY

The Trust maintains a separate policy pertaining to the identification of conflicts of interest and responsibilities. This policy is reviewed periodically by the Company Secretary and notified to all staff.

17 PROCUREMENT AND TENDERING POLICY

Introduction

The aim of the policy is to:

- a protect the Trust members, Trustees, LAB members and staff when making decisions on purchasing goods and services;
- b ensure that Trust members, Trustees, LAB members and staff can demonstrate value for money when purchasing goods and services and that this has been done so in a clear and open manner, using absolute probity in spending public money; and
- c demonstrate that the Trust has proper protection and controls in place to ensure value for money when buying goods and services.

When applying this policy the Academies Financial Handbook, Scheme of Delegation and Business and Pecuniary Interest Register must also be consulted to ensure compliance with all statutory requirements..

Section A – General

What is covered?

- A1 These Procurement Regulations apply to all contracts with other organisations for the supply of goods and services, but not to contracts of employment.

Definitions

- A2 “Supply” includes buying, leasing, hiring or any form of credit arrangement.
- A3 “Quotation” means a written offer for supply without needing to use the formal procedures of tendering (see paragraph E1).
- A4 “Tendering” means a formal procedure for getting written offers (tenders) for supply. Under this

policy there are two tendering procedures - the full and the shortened procedure (see paragraphs G1 to G6).

A5 A "Pecuniary Interest" is where a member, director member of staff or LAB members has an interest in a person or business that could benefit from a procurement process.

A6 A "Contract" is a legally binding agreement between two or more people or organisations.

Responsibility for contracts

A7 The Trustees are responsible for contracts covered by this policy. Responsibility is delegated to the Finance and Audit Committee, Chief Executive, Chief Operating Officer, Head of Finance, Academy Leadership Teams and other staff as appropriate.

Section B - Legal requirements

B1 Every contract you make on behalf of the Trust must comply with:

- a all relevant statutory or other legal requirements including those of the European Community;
- b Financial Regulations for Academies as detailed in the Academies Financial Handbook;

B2 In some circumstances contracts may be governed by legal requirements particularly under European Community law. The most important European requirements for public bodies, including Academies, are that:

- a contracts for more than a predetermined value of £181,302 as at January 2018 for the provision of goods and services must be advertised in the Official Journal of the European Union (OJEU);
- b contracts for the procurement of works to the value of £4,551,413 as at January 2018 must be advertised in the Official Journal of the European Union (OJEU);
- c you must not discriminate by requesting a nationally recognised standard (for example, British Standards Institute Standard) or to specify a particular product, unless you indicate that a product meeting an equivalent standard or equivalent specification will be acceptable.

B3 Written evidence of every contract must be kept in accordance with the Retention Guidelines for Academies. All contracts must be uploaded to the Trust's online contract management database.

B4 Gifts or hospitality must not be accepted from anyone tendering for a contract.

Section C - Contract values

C1 Contract values must be decided as follows:

- a. If the contract is to purchase a single item, which is not related to purchasing other items, the value of the contract is the price, or estimated price of the item, including all related fees. A single contract must not be broken down into smaller contracts to avoid contract value thresholds.
- b. If the contract is for specific services, the value of the contract is the price, or estimated price, of the services.
- c. If the contract is for a fixed term with an option to extend, the value of the contract is the total price over the whole life of the contract, i.e. the initial term plus the extension period.

d. If the contract is for goods or services to be provided by lease or hire, the value of the contract is the capitalised value of the goods or services to be provided. This can be worked out by multiplying the regular payment to the lease or hire company by the minimum number of payments to be made under the contract. Note, the Trust must not enter into finance leases without the prior written agreement of the Secretary of State for Education.

f. If the contract is a framework agreement, (also known as call-off agreement) the value of the contract is the expected total value of goods or services taken under that contract during the life of the contract.

A framework agreement (or call-off agreement) is one where the terms of supply are fixed but it does not involve the supply of goods or services until an order is placed for the supply.

g. If the contract is entered into by a group of schools/academies through “collaborative purchasing” the value of the contract is the total price of all the schools/academies within the group over the whole life of the contract.

C2 The value of a contract does not include VAT unless VAT cannot be reclaimed.

Section D – Procurement thresholds

D1 Procurement thresholds for school buying decisions are set in line with guidance from the ESFA – “Buying for Schools” with the introduction of low, medium and high value buying thresholds. The ESFA recommend that schools should use national procurement frameworks for high value goods and services.

D2

Buying thresholds	Value (excl. VAT)	Quotes and tenders
Low	0-£9,999	Evidence of price
Medium	£10,000 - £39,999	Quotes from at least 3 suppliers
High	£40,000+	Tenders from at least 3 suppliers and (where practicable) one of which must be through a recognised school framework agreement.

Section E - Exemptions from getting quotations or tenders

General

E1 There are instances where a tender process has already been carried out on behalf of public/education sector. It is not necessary to get alternative quotations or carry out a tender procedure for these contracts, although it is still important to ensure the Trust is getting value for money:

- Local Government or Public Sector Buying Organisations or Frameworks (e.g.: West Mercia Supplies, Eastern Shire Purchasing Organisation, Yorkshire Purchasing Organisation, Central Buying Consortium, Crescent Purchasing Consortium)
- Local Authority Framework or Approved Supplier List

Other exemptions from tendering

E2 If the circumstances described in paragraphs E4 to E7 apply, the Chief Executive has the delegated authority to decide not to tender.

E3 If the Chief Executive uses the powers described in D2, the Chair of Finance and Audit Committee must be informed and a report provided to the next Finance and Audit Committee meeting explaining why the decision was made not to tender and providing full details of the contract.

E4 Trustees may grant an exception to these regulations using the waiver forms at **Annexes B and C**. Under normal circumstances, this must be taken to a Finance and Audit Committee meeting for

approval and appropriately recorded before any contract is entered into. However, it is acknowledged that this may cause unnecessary delay for some projects (e.g. where an order needs to be placed quickly so work can be completed during a school holiday). Under these circumstances, the decision can be made by the Chair of Finance Committee, and reported to the next Finance and Audit Committee. However, the Trust must not continually waive the same contract as this may break EU law. Lack of time caused by poor forward planning is not an appropriate reason for granting a waiver.

- E5 It is not necessary to tender if there is an unexpected emergency involving danger to life or health or serious damage to property, if the goods, work or services are needed more urgently than would be possible if the tender or quotation procedure were followed.
- E6 It is not necessary to tender if you can achieve value for money by buying used vehicles, equipment or materials. However, there may be hidden costs in purchasing used goods and the decision to do so must take account of these.
- E7 It is not necessary to tender if for technical reasons, the goods, work or services can be bought from only one provider. This must be justified – the Trust must be able to demonstrate that it has tried various providers.
- E8 In summary therefore the delegated authority not to go to seek quotes or go to tender is:

Buying thresholds	Value (excl. VAT)	Exemption (waiver)
Medium	£10,000 - £39,999	Chief Executive on recommendation from the CFO.
High	£40,000+	<£100,000 – Finance and Audit Committee on recommendation from the CFO.
		>£100,000 – Board of Directors on recommendation from the Chief Executive.

Section F – Documentation and Decision Making process

- F1 How the Trust obtains goods, work or services with a contract value below £40,000 must be documented, which includes the:
- Minimum number of 3 quotations or tenders to be invited;
 - method to be used for inviting quotations or tenders;
 - method for choosing suppliers or contractors; and
 - staff authorised to accept tenders.
- F2 For low value (<£10,000) items, it is possible to show that value for money has been achieved by comparing prices across several suppliers using catalogues or the internet. For more significant purchases, it is possible to demonstrate value for money by getting alternative quotations. There may be occasions when it is beneficial to use the tendering procedure for some contracts below £40,000 if this is likely to provide best value for money.

18 CHARGING AND REMISSIONS POLICY

The Trust maintains a separate policy pertaining to Charging and Remissions. This policy is reviewed periodically by the Head of Finance and notified to all staff.

19 LETTINGS POLICY

The Trust maintains a separate policy pertaining to the hire of Trust facilities, called the Lettings Policy. This policy is reviewed periodically by the Head of Finance and notified to all staff.

Annex A – Scheme of Financial Delegation

> Greater than / ≤ Less than or equal to

Function	Sec of State (ESFA)	Board of Directors	Finance Cmtee	Trust and Secondary	Primary	Chief Executive	Chief Operating Officer	Head (Executive)	Budget Holders
Liabilities, write-offs/disposals and payments									
Writing off debts and losses and Disposal of assets	A >£45k		£10k-£45k			£1k-£10k	£1k	P	P
Dismissal Compensation Payments over £50k	A	A				R	R	P	
Dismissal Compensation Payments £25k to £50k			A			R	R	P	
Dismissal Compensation Payments up to £25k						A	R	P	
Staff severance/redundancy Payments over £50k	A	A				R	R	P	
Staff severance/redundancy Payments £25k to £50k			A			R	R	P	
Staff severance/redundancy Payments up to £25k						A	R	P	
Assets sales, leases, tenancy agreements and contracts									
Acquiring a freehold on land or buildings	A		A			R	R	P	
Disposing a freehold on land or buildings	A		A			R	R	P	
Entering/Granting any leasehold or tenancy agreement for more than 5 years	A		A			R	R	P	
Entering into any “Finance” lease	A		A >£40k			A ≤£40k	R	P	
Entering into any “Operating” lease			A >£40k			A ≤£40k	R	P	
Entering into a medium value contract						A >£40k	A >£25k (£10kPrimary)	R	
Entering into a high value contract			A >£40k			R	P	P	
Signing a contact (following approval above)						A >£40k		A <£40k	
Spending Decisions									
OJEU Notice Works			A	>£4,551,413		C	R	P	P
OJEU Notice Goods/Services			A	>£181,302		C	R	P	P
Out to Tender limit (high value)				>£40k	>£40k	A	A	A	R
3 Quote requirement for goods (medium value)				>£10k	>£10k	A	A	A	A
Purchase Order Authorisation and Counter Sign						A	A	>£5k	All
Countersign single invoice						A	A	>£5k	All
Authorise spending on approved, costed items provided in current year's budget						A	A	A	A
Authorise petty cash payments						A	A	✓ ≤£50	✓ ≤£50

Revenue Budget									
Academy Annual Budget		A	A			R	R	P	P
Approve Statutory Accounts		A	R			R	R		
Budget virements			>£50k				<£25k		
Banking arrangements									
Authorised bank mandated signatories (posts)			A						
Closing and opening new bank accounts			A						

Function	Chief Operating Officer	Head of Finance	Company Secretary	Head (Executive)	Finance Manager
Other					
Security of cash	S	S		S	E
Maintenance of inventories	S	S		S	E
Comply with Financial Regulations	S	S		S	E
Ensure separation of duties	S	S		S	E
Ensure internal controls operate correctly	S	S		S	E
Maintain Register of Interests	E	E	S		

Functions

A = Approves

R = Recommends

P = Proposes

S = Supervises

E = Ensures

Emergency Powers – In cases of emergencies the Board of Directors Chair, Finance and Audit Committee Chair, Chief Executive and authorised signatories are jointly empowered to approve expenditure over the delegated powers. Any such incidence must be reported to the Finance and Audit Committee at the earliest opportunity.

Appendix B: Tender Waiver Form

As required by the Academies Financial Handbook the Trust has an agreed scheme of delegations as outlined within the Financial Policy Manual. The scheme of delegations sets out a requirement that a formal tender process is followed in advance of the purchase of any goods or services with a value over £40,000 to ensure value for money is achieved.

There are instances where a formal tender process cannot reasonably be undertaken. In such instances authorisation must be obtained to proceed with the purchase without undertaking a formal tender process.

The Tender Waiver Form should be complete and submitted to the Head of Finance who will arrange for the request to be considered in accordance with the trust's scheme of delegations.

Requested By:	
Requested Date:	

Description of Goods or Services to be Purchased and Reason for Purchase	
Contract Length	<i>Enter months/years or "one off purchase"</i>
Contract Cost	£ <i>Enter the total cost for all years</i>
Previously Waived	<i>Yes/No</i>

Reason a Minimum of 3 Quotations Cannot be Obtained (including how value for money has been ensured)

Decision:		
Authorised:		
Print Name:		
Position:		
Signature:		

Appendix C: Quotation Waiver Form

As required by the Academies Financial Handbook the Trust has an agreed scheme of delegations as outlined within the Financial Policy Manual. The scheme of delegations sets out a requirement that a minimum of 3 quotations are obtained in advance of the purchase of any single item over £10,000 or entering into any contract over £10,000 to ensure value for money is achieved.

There are instances where 3 or more quotations cannot reasonably be obtained. In such instances authorisation must be obtained to proceed with the purchase without obtaining comparable quotations.

The Quotation Waiver Form should be complete and submitted to the Head of Finance who will arrange for the request to be considered in accordance with the trust's scheme of delegations.

Requested By:	
Requested Date:	

Description of Goods or Services to be Purchased and Reason for Purchase	
Contract Length	<i>Enter months/years or "one off purchase"</i>
Contract Cost	£ <i>Enter the total cost for all years</i>
Previously Waived	<i>Yes/No</i>

Reason a Minimum of 3 Quotations Cannot be Obtained (including how value for money has been ensured)

Decision:		
Authorised:		
Print Name:		
Position:		
Signature:		

