



## Finance Procedures

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Vale of Evesham School  
'a specialist school for cognition and learning - enabling inclusion in the community'

## 1. Introduction

- 101 The purpose of this manual is to ensure that 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 agreement with the Department for Education (DfE).
- 102 The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook published by the DfE. This document expands on that and provides detailed information on the Trust's accounting procedures and systems and should be read by all staff involved with financial systems.
- 103 This manual forms the basis of the financial procedures for all members of Advance Trust
- 104 Definitions  
Finance Staff shall encompass the Assistant Business Manager, Management Accountant and Business Director

## 2. Organisation

201 The Trust has defined the responsibilities of each person involved in the administration of the Trust and member schools/academies finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors, Governors and Staff. The financial reporting structure is illustrated below:

### **The Trust Board**

202 The Trust Board has overall responsibility for the administration of the finances, in line with the main responsibilities of the governing bodies, which are prescribed in the Funding Agreements; between an academy and the DfE and in the schemes of governance within articles of association. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual consolidated budget;
- appointment of the Executive Principal
- appointment of the Business Director, in conjunction with the Executive Principal

### **The Finance & Audit Committees**

203 The Finance & Audit Committees are part of the local governing bodies, which meet at least once a term but more frequent meetings can be arranged if necessary.

204 The main responsibilities of the Finance & Audit Committees, as delegated by the Trust Board, are detailed in written terms of reference which have been authorised by the local governing bodies. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act, as amended, and the DfE guidance issued to academies;
- ensuring sufficient funds are available to pay for salary increments as recommended by the Executive Principal.
- authorising the award of contracts over £50,000;
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing bodies.

### **The Executive Principal**

205 Within the framework of the Trust development plan, as approved by the Trust Board, the Executive Principal has overall responsibility for all Trust activities. Some of the Trust financial responsibility has been delegated to the Business Director but the Executive Principal still retains responsibility for:

- proposing new senior staff appointments within the Trust,
- authorising contracts up to £50,000 in conjunction with the Business Director
- authorising contracts above £50,000 in conjunction with Trust Board
- signing cheques in conjunction with other authorised signatories

## **Accounting Officer**

- 206 The Funding Agreement requires each academy to identify the Executive Principal as the Accounting Officer. This post confers responsibility for financial and administrative matters. This is a vital role, as the Accounting Officer is personally responsible to the governing bodies for ensuring:
- regularity and propriety;
  - prudent and economical administration;
  - avoidance of waste and extravagance;
  - efficient and effective use of available resources and;
  - the day to day organisation, staffing and management of the Trust.
- 207 Included in the responsibilities of the Accounting Officer is a duty to take appropriate action if the Trust Board, or the Chairman, is contemplating a course of action which he or she considers would infringe the requirements of propriety or regularity (including the provisions of the Funding Agreement, the Trust Development Plan, or other documents setting out the financial duties of the Trust Board or of any other rules governing the conduct of the body), or would not represent prudent or economical administration, or the efficient or effective discharge of the Trust's functions.
- 208 In such circumstances, the Accounting Officer would be required to put his or her objections in writing to the Trust Board and to advise them of the requirement to inform the DfE Accounting Officer (the Permanent Secretary) and the Trust's external auditors, as well as the Controller and Auditor General.
- 209 Such notification should occur without undue delay, and the Departmental Accounting Officer will need to consider whether to intervene in such cases.
- 210 The Accounting Officer may delegate to the Business Director to assist in these responsibilities.

## **The Business Director**

- 211 The Business Director works in close collaboration with the Executive Principal through whom he or she is responsible to the Directors. The Business Director also has direct access to the Trust Board and local governors via the Finance & Audit Committees. The main responsibilities of the Business Director are:
- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
  - the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
  - the maintenance of effective systems of internal control;
  - ensuring 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;
  - authorising orders below £500 in conjunction with budget holders;
  - signing cheques in conjunction with the Executive Principal or other authorised signatory and
  - ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

## **The Responsible Officer**

- 212 The Responsible Officer (RO) is appointed by the Trust Board and provides Directors with an independent oversight of the Trust's financial affairs. The main duties of the RO are to provide the Trust Board with independent assurance that:
- the financial responsibilities of the Trust Board are being properly discharged;
  - resources are being managed in an efficient, economical and effective manner;
  - sound systems of internal financial control are being maintained and
  - financial considerations are fully taken into account in reaching decisions.
- 213 The RO will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings from each visit will be presented to the Board and relevant local governing bodies. Detailed guidance on the transactions to be checked by the RO is given in Appendix 3.

## **Other Staff**

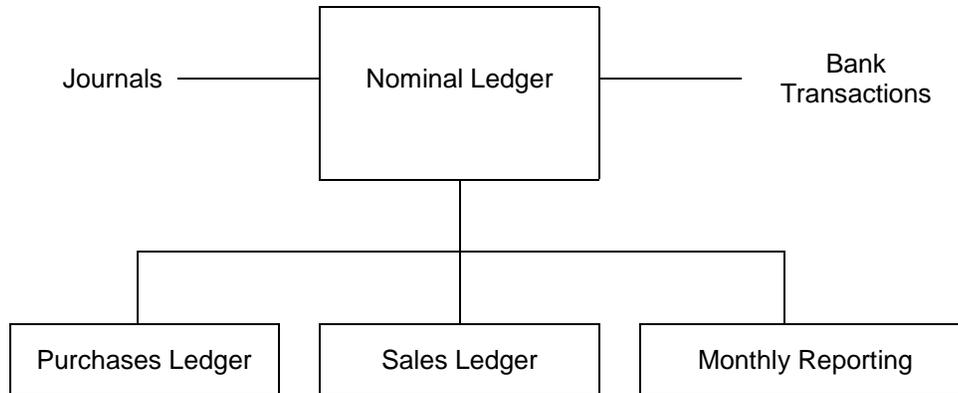
- 214 Other members of staff, primarily the Assistant Business Managers/Management Accountant and Admin/Finance Staff, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Trust property, for avoiding 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.

## **Register of Interests**

- 215 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 directors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection.
- 216 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. 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 director or a member of staff by that person.
- 217 The existence of a register of business interests does not, of course, detract from the duties of directors and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or a committee. Where an interest has been declared, directors and staff should withdraw from that part of any committee or other meeting.

### 3. Accounting system

301 All the financial transactions of the Trust must be recorded on the PS Financials accounting system. The system is operated by the Advance Trust Business Office and consists of:



- \_\_\_\_\_ Automatic update
- \_\_\_\_\_ Manual update

#### System Access

302 Entry to the PS Financials system is password restricted and the Business Director is responsible for ensuring regular password changes are implemented.

303 Access to the component parts of the PS Financials system can be restricted and the Business Director is responsible for setting access levels for all members of staff using the system.

#### Back-up Procedures

304 The Business Director, in conjunction with Wanstor Ltd who host the finance system, are responsible for ensuring effective back up procedures for the system.

305 An electronic document should be created from the finance system showing all nominal ledger transactions to provide an audit trail, which should be saved each month on the local school server and backed up.

306 The Business Director is responsible for preparing 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 directors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

#### Transaction Processing

307 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. All journal entries are authorised at local academy level by the delegated authorised personnel prior to being input to the accounting system; Bank transactions e.g. direct debits, debit card transactions, should be input at local level by the relevant finance staff.

- 308 Detailed information on the operation of the PS Financial system can be found in the user manuals held in the Advance Trust Business Office and at local level This can also be accessed on-line <http://www.psfeducationusers.com>

### **Transaction Reports**

- 309 The Business Director will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include; management accounts summarising expenditure and income against budget at budget holder level.

### **Reconciliations**

- 310 The Assistant Business Managers/ Management Accountant are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- purchase ledger control account;
  - payroll control account;
  - all suspense accounts and
  - bank balance per the nominal ledger to the bank statement.
- 312 The Management Accountant is responsible, but can delegate to local finance offices, for ensuring the following reconciliation takes place each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;
  - Any unusual or long outstanding (over one month) reconciling items must be brought to the attention of the Business Director.

### **Monthly Reporting**

- 313 Each school will send a copy of their monthly accounts to their Finance Committees and to the Trust Business Office.
- 314 The Trust Business Office will produce the Trust monthly accounts and a consolidated set of financial accounts to the Trust Board.

#### 4. **Financial planning**

401 The development plan 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 which includes sufficient funding for Trust improvement.

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

##### **Development Plan**

403 The development plan is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the 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.

404 The form and content of the development plan are matters for the Trust 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.

405 The completed development plan will include detailed objectives for the coming academic year and beyond if applicable. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

406 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the leadership team on a regular basis. The leadership team will report to the Trust Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

##### **Annual Budget**

407 The relevant finance staff are responsible for preparing and obtaining approval for the annual budgets at local governing body level, in conjunction with the Business Director. The consolidated budgets must then be approved by the Executive Principal, and the Trust Board.

408 The approved consolidated budget must be submitted to the DfE by 31 July each year and the Business Director is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

409 The annual consolidated budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

410 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings and
- review of the main expenditure headings in light of the development plan objectives and the

expected variations in cost e.g. pay increases, pension deficit, inflation and other anticipated changes.

### **Balancing the Budget**

- 411 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. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

### **Finalising the Budget**

- 412 Once the different options and scenarios have been considered, a draft consolidated budget should be prepared by the Business Director for approval by the Executive Principal and the Academy Trust Board.
- 413 The budget should be seen as a working document which may need revising throughout the year as circumstances change.

### **Monitoring and Review**

- 414 Monthly reports will be prepared by the Management Accountant. The reports will detail actual income and expenditure against budget at a summary level for the Trust Board.
- 415 Any potential overspend against the budget is discussed with the Executive Principal and Business Director.
- 416 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. If a budget overspend is forecast it may be appropriate to make adjust between budgets.

### **Budgetary Control**

- 417 The Executive Principal is responsible for regular, detailed control of the Trust budget via the Business Director. To achieve this he/she will hold a monthly finance meeting with the Business Director and receive monthly reports from the accounting software system. Such reports will show, for each budget heading:-

- Total budget for year
- Total commitment and expenditure to date
- Variance

The Executive Principal is empowered to take remedial action to address variances, by effecting transfers between individual budget headings. All adjustments are to be reported to the Trust. Individual adjustments may be authorised as follows:-

- Up to £25,000 – Executive Principal Via Local Governing Board
- Over £25,000 – Trust Board

The Executive Principal may assign budgetary control of individual budget headings to other members of staff. The Executive Principal remains ultimately accountable to the Trust Board for these budget headings.

Trust payroll expenditure data notified by the payroll provider must be entered promptly each

month by the Management Accountant onto the accounting system.

When the consolidated accounts for each financial year are closed, a final statement from the accounting system must be presented to the next available meeting of the Trust Board.

## 5. Payroll

501 The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

### **Staff Appointments**

502 The Local Governing Bodies have approved a personnel establishment for their academies. Changes can only be made to establishments with the express approval, in the first instance, of the relevant Committee and Executive Principal, who must ensure that adequate budgetary provision exists for any establishment changes.

503 The Executive Principal has authority to appoint staff within the authorised establishments except for Head of School, Deputy Headteacher, Assistant Headteacher and Business Director whose appointments must follow consultation with the relevant governors/Trust board. The Executive Principal ensures personnel files are maintained for all members of staff which include contracts of employment and delegates responsibility locally. All personnel changes must be notified, in writing

### **Payroll Administration**

The Trust payroll will be administered by Worcestershire County Council Payroll Service, or such other bureau, agency or internal system as may be approved by the Trust Board.

504 All staff are paid monthly through the approved payroll method. A master file is created for each employee by the payroll provider which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable

505 A weekly staff return, detailing sickness and other absences during the month and any new appointments or terminations must be completed by each academy. Returns are authorised by the relevant staff and sent to Worcestershire County Council Payroll service.

506 Before the payroll is processed a print of all data input must be obtained and checked against source documentation at Trust level by the Management Accountant and Business Director, or local level finance staff as appropriate.

### **Payments**

507 Before the payroll runs, an electronic file of salary payments by individual and showing the

amount payable in total is received from the payroll provider. The file must be reviewed and authorised, together with authority to release payment, by the relevant staff in accordance with individual school finance procedures.

- 508 All salary payments are usually made by BACS, in exceptional circumstances cheques will be issued following confirmation of amount from the payroll provider.
- 509 Finance staff should prepare and sign off the reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.
- 510 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and authorised for payment by the due date.
- 511 All academies shall send a copy of the approved file to the Trust Business Office. This will ensure that there is data backing up each payroll file being withdrawn from the Advance Trust bank account.
- 512 After the payroll entries have been posted to the finance system the nominal ledger will be automatically updated. Postings will be made both to the payroll control account, individual cost centres and inter-company balance sheet. The Business Director/Management Accountant should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres/nominals have been correctly updated and to identify any amounts posted to the suspense account.
- 513 On an annual basis the Business Director and finance staff should check, for each member of staff, the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

#### **Long Term Service Awards**

- 514 The long service of employees is acknowledged by the Trust and in recognition of this, employees with over 25 years service are eligible for a gift up to the value of £250.00 .
- 515 The cost is borne by the establishment for which they work, when the 25 years is achieved.
- 516 The long service can be accrued through TUPE from the Local Authority when the school converts into an academy, and also through roles across the academies within Advance Trust.

## 6. Purchasing

601 Where possible the Trust will obtain quotes as a group to facilitate economies of scale or items such as insurance, goods and services.

### **Pecuniary and Non-Pecuniary Interests**

602 All academies must maintain a register of the business interests of all those involved with financial management and administration eg Directors, Governors and Senior Leadership staff

603 It is important that anyone involved in spending public money can demonstrate that they do not benefit personally from the decisions they make. They must declare:

Any links they have with firms or organisations from which the school may wish to buy good or services.

Any links to organisations that, whilst not directly beneficial financially, could be considered to conflict with their role in the running of the school

604 An individual must regard themselves as having a personal interest in a matter if they anticipate that a decision upon it might reasonably be regarded as affecting the well being or financial position of:

Themselves, a member of their family or a friend

A body which employs those persons, or for which those persons have any degree of ownership, control or management

The Trust Pecuniary Interest Form can be found in Appendix 9.

605 The Trust desires to achieve the best value for money from all purchases. This means obtaining what is required for correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and they 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 Trust;
- **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

### **Routine Purchasing**

606 As a general principle the procedure for purchasing should ensure that purchases are as required and are for bone-fide purposes and value for money is obtained in respect of all goods and services.

607 No single individual will order, take delivery and pay for goods and services. Orders will be placed by the Assistant Business Managers, upon receipt of a request (written or electronic) from an appropriate staff member and authorised by the senior staff as per agreed limits in Appendix 7. Orders placed over the telephone will be confirmed by official order or email.

608 Official orders must not be used to procure goods for private purposes.

609 When placing orders it is the responsibility of the initiator to ensure that Financial Regulations and Standing Orders are adhered to.

- 610 Budget holders, where applicable, will be informed of the budget available to them and it is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
- 611 For orders in respect of the supply of goods and services the following procedures shall be adopted unless the Executive Principal or Business Director is satisfied that it would not be practicable to do so (in which case a record of each waiver to this instruction must be authorised by the Chair of the Trust Board and retained on file):
- 612 (a) Up to £2,500 -At least 3 prices to be examined wherever possible, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- 613 (b) £2,501 - £10,000 – a minimum of three prices shall be obtained and the details retained for the financial year
- 614 (c) £10,001 – £25,000 – independent written evidence of at least 3 prices shall be retained for examination. Independent written evidence means quotations provided on suppliers' headed notepaper.
- 615 (d) Over £25,000 – Formal Tender
- 616 Tender opening, two people from the following list the Executive Principal, Business Director, Chair of Trust Board.

### **European Rules**

- 617 All Public Sector contracts, no matter what their value within European Union, are covered by a treaty which incorporate the free movement of goods and services, which prevents discrimination against firms on the grounds of nationality.
- 618 The Directives and Regulations require organisations to follow detailed procedures for all procurement above a financial threshold. The thresholds are reviewed every year.
- 619 A specific tender notice must be placed in the supplement to the Official Journal of the European Union (OJEU) to give all suppliers in the EU an equal opportunity to tender.
- 620 Tenders must be invited in accordance with one of the prescribed procedures (open, restricted, negotiated – there are also two separate urgency procedures).  
Standing Orders for contracts for goods and services over 207,000 Euros (£172,514) or works over 5,186,000 Euros £4,322,012
- 621 In the event that the academy wishes to place a contract worth over £172,514, (for the lifetime value – not just a single year), the purchasing rules are complicated and the Policy, Finance and Operations Committee and Director of Finance and Operations should review the purchase in accordance with the OJEU rule. (Website reference [ipo.gov.uk/about/supply/supply-european.htm](http://ipo.gov.uk/about/supply/supply-european.htm))

### **Contract agreement**

- 622 Contracts with a lifetime value of up to £50,000 may be approved by the Executive Principal or delegated to authorised staff up to £5,000
- 623 All contracts with a lifetime value of over £50,000 must be approved by the Chair of Trust Board.

### **Use of Preferred Suppliers**

624 The Trust have agreed that the suppliers detailed in Appendix 1 may be used without the need to obtain competitive quotes for all work up to a financial limit of £5,000. This list to remain valid until 31.8.2015. Periodic alternative quotes will be obtained to check suppliers remain competitive.

### **Director involvement**

625 As well as ensuring that the above have been adhered to, it is the responsibility of the Business Director to ensure that the Trust Board are consulted in the following circumstances:-

- On purchasing decisions when the estimated cost of one item exceeds £10,000
- Review of quotations obtained where estimated costs exceed £10,000 where practical
- Review of quotations when the lowest quote is not the most suitable

Agreement can be given by the Chair of the Trust Board to place the order.

626 Orders are submitted by email or in writing to the Business Office by staff authorised to requisition or those responsible for expenditure as per the School development plan. Further authorisation to be sought by finance staff as appropriate. All orders placed with suppliers must be made or confirmed electronically or with an official purchase order by a member of finance staff.

627 Purchase orders are recorded on the PS Financials accounting system, allocated a reference number and dispatched to the supplier as necessary by finance staff.

628 The Assistant Business Manager must make appropriate arrangements for the delivery of goods to the school if applicable. On receipt an appropriate staff member must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

629 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Business Office should be notified. The Assistant Business Manager will keep a record of all goods returned to suppliers on the finance system.

630 Invoices should be sent to the relevant ordering academy or to the Advance Trust Business Office.

631 The invoice should then be checked by the receiver of goods and signed to authorise payment these checks must be undertaken without delay.

632 If a budget holder is pursuing a query with a supplier the Advance Trust Business Office must be informed of the query and periodically kept up to date with progress.

633 The Assistant Business Manager will then input details of payments to be made to the purchase ledger and generate the cheques/BACs required. The BACs run must be authorised by Assistant Business Manager / Business Director/ Executive Principal/ Head of School in line with the bank mandate and cheques signed by two of the nominated signatories.

634 When necessary cheques will be dispatched to suppliers by the Assistant Business Manager who will ensure all invoices are scanned and filed.

### **Forms of Tenders**

635 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 Executive Principal and Business Director will discuss and agree 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 the nature of the goods are such that only specific suppliers can be expected to supply the academy'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**

- 636 Full consideration should be given to:
- objective of project
  - overall requirements
  - technical skills required
  - after sales service requirements
  - form of contract.

637 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 fulfilment of these requirements to help reach an overall decision.

#### **Invitation to Tender**

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

639 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 and
- 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?
- Retention

### ***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**

- 640 The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. 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 be accepted.

## **Tender Opening Procedures**

- 641 All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons from the following list the Executive Principal, Business Director, Chair of Trust Board, should be present for the opening of tenders.
- 642 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**

- 643 The evaluation process should involve at least two appropriate 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.
- 644 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.
- 645 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Trust Board.
- 646 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.
- 647 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

## **VAT**

- 648 Input VAT can be claimed by the Trust. This will be administered by each academy at the end of each month as part of the month end process via the VAT 126 claims.
- 649 The Trust office will monitor that the levels of external chargeable services, made by the Trust as a whole, is within the current HMRC VAT registration threshold, and will register the Trust if the turnover exceeds the threshold.

## **Credit/Charge/Debit Cards**

- 650 The Credit/Charge/Debit card is to be issued by the Trust's main bank account holders - Lloyds Bank.
- 651 The overall control of the card usage is to be monitored and maintained by the Local Finance Office but final approval of costs are to be authorised by the Head.
- 652 Each card issued will be in the name of an individual on behalf of the Trust and each card will have a different code number for ease of identification.
- 653 Each member of staff who has a card issued to them is to be made aware of the limit of their individual card.
- 654 Any staff member who has been issued with a card and subsequently terminates their employment within the Trust must return their card which will be destroyed on receipt.
- 655 Any staff member who is found to be mis-using the card in any way will have the card removed from them and appropriate action taken, i.e. a report will be made to the Trust Board for them to act on.
- 656 Use of the card is at the discretion of the holder, however receipts for any purchases must be submitted (VAT receipts where applicable) to the relevant Finance Office for reconciliation.
- 657 No cash withdrawals are allowed from all cards.

- 658 No personal purchases are to be made on the cards.
- 659 With the introduction of “chip and pin “transactions, a PIN number will be issued to the individual card holder for exclusive use.
- 660 If a credit card is lost, the cardholder must:
- Contact Lloyds immediately. A 24 hour service is provided for this purpose – telephone number 0800 096 9779, quoting card number. A delay in contacting Lloyds may result in —unauthorised use of the credit card for which the Trust may hold the card user liable.
  - Inform the Trust Business Office as soon as the loss is discovered.
  - Inform the police if loss is a result of theft, obtaining a report number.

## **7 Income**

- 701 The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Business Director / Management Accountant who are responsible for ensuring that all grants due to the Trust are collected.
- 702 The Trust also obtains income from:
- The Local Authority for SEN Top up funding and boarding provision
  - students, mainly for catering and trips
  - provision of school meals to other establishments
  - the public, mainly donations or lettings.
- 703 Income if received electronically from parents should be taken via the Payments4Schools system as the preferred supplier. This should be reconciled each month.

### **Academy Trips & Catering Income (Dinner Money)**

- 704 Classroom staff/trip leaders will take responsibility for collection of sums due.
- 705 Students should make payments to the member of staff responsible or via the online payment system. A payment card or a class record must be used for all monies collected.
- 706 The responsible member of staff must record the payments and hand all monies to the business office at the earliest opportunity (monies are not insured). Assistant Business Manager/staff are to check and log receipt of all monies and obtain the signature of the responsible member of staff.
- 707 For trips where payments may be made in instalments, the responsible member of staff should maintain an up to date record for each student showing the amount paid and the amount outstanding.

### **Lettings**

- 708 The finance staff are responsible for maintaining records of bookings of lettings and for identifying the sums due from each organisation. Payments should be made in advance for the use of facilities.
- 709 No debts should be written off without the express approval of :
- the Executive Principal up to a limit of £500
  - Chair of Governors up to a limit of £1,000
  - Trust Board may authorise write-off of debts of £1,001 and over
  - The DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter.

710 Organisations using the facilities should be instructed to send all payments to the Business Office.

### **Custody**

711 Official receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the £1,000 cash, insurance limit on the safe.

712 Monies collected must be banked in their entirety in the appropriate bank account. The finance staff are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations must be prepared promptly after each banking.

## **8 Cash Management**

### **Bank Accounts**

801 The opening of all accounts must be authorised by the Trust Board who must set out, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **Deposits**

802 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or logged on the finance system as appropriate. The details should include:

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

### **Payments and withdrawals**

803 All cheques authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- Executive Principal;
- Business Director;
- Head of School/ Headteacher

804 These provisions apply to all accounts, public or private, operated by or on behalf of the Trust Board.

### **Administration**

805 The Business Director must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the accounting system

- reconciliations are prepared by the Management Accountant and subject to an independent monthly review carried out by the Business Director or in his/her absence their RO and adjustments arising are dealt with promptly.

### **Petty Cash**

- 806 The academies maintain a maximum cash balance as per locally agreed limits, which are increased in exceptional circumstances with prior agreement from the Executive Principal e.g. summer activities. The cash is administered by finance staff and is kept in a safe on site.
- 807 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.
- 808 In the interests of security, petty cash payments will be limited to £100, however every effort should be made to make all payments via cheque or the BACS system.
- 809 Administration of petty cash is the responsibility of Finance staff, who are required to enter all transactions into the records on a regular basis and regular, as well as unannounced, cash counts should be undertaken by another member of the finance team to ensure that the cash balance reconciles to supporting documentation.

### **Cash Flow Forecasts**

- 812 The Management Accountant/Business Director are responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds having given consideration to all planned projects e.g. major building works. Similarly plans should be made to transfer funds from another bank account or to re-profile annual spending plans to cover potential cash shortages.

### **Investments**

- 813 The Business Director can deposit up to £200,000 in a 'no risk' investment account (mindful of compensation scheme limits) for a period that is deemed suitable to satisfy the cash flow of the academy. All interest made is to be invested into the Trust budget. Academies can also request this of the Business Director if they feel they have sufficient monies left over, to enable the efficient funding of day to day operations.
- 814 The Executive Principal can authorise up to £250,000 to be invested as above.
- 815 The Trust Board will authorise all investments above £250,000 on the recommendation of the Business Director/Executive Principal.

## 9 Fixed assets

### Asset register

901 All items purchased with a value over the Trust's capitalisation limit (individual value of £500 but lower if desirable assets e.g. ipads) must be entered in an asset register. The asset register should include the following information if available:

- 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

902 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 Trust's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

### Security of assets

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

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

### Disposals

905 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. The Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

- 906 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.
- 907 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.
- 908 All disposals of land must be agreed in advance with the Secretary of State.

#### **Loan of Assets**

- 909 Items of academy property must not be removed from the premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in when it is returned.
- 910 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.

#### **Depreciation**

- 911 Depreciation rules are applied across the Multi Academy Trust, on a straight line basis, as follows:

Buildings	50 years
Motor Vehicles	4 years
Fixtures, Fittings & Equipment	5 years
Computer Equipment	3 years

The individual academies are responsible for applying the monthly depreciation rule on the PSF system.

## Appendix 1 – Current Approved Suppliers

Alternative Provision	Archway Community College Aztec Watersports Barnado's Wheels Longlands Care Farm CIC Worcester YMCA YDC Your Ideas Ltd
Building contractor:	MJR Services
Catering Suppliers	Creed Pershore Produce Pelican Oils Nisbets Little Lunch Box Co Sally Ann's Pantry
Drainage Contractor	Aquajet Rod
Electrical contractor:	Ford Electrical Severn Electrical
Flooring contractor	Dorrells of Malvern
Furniture/Furnishings	British Thornton John Knight Interiors
Gas contractor:	EMS Spa Gas
Glass contractor	Roman Glass The Glasshouse Worcester Glass Centre
Tools	Axminster Tools

## Appendix 2 - Procurement - Best Practice Checklist

1. **Policies and procedures for procurement should be documented and adhered to**, to ensure that the process is being carried out on a fair, open and best value basis. The documentation should describe:
  - **roles and responsibilities** of those involved in procurement (eg Trust Board, Executive Principal, Business Director, other senior managers and the Academy Business Office);
  - **delegated authority levels**, in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the Trust Board;
  - **arrangements to ensure segregation of duties**;
  - **how purchases are recorded** (papers records and computer records (e.g. accounting system arrangements)).

In all cases it is important to ensure that the procedures that are set out are followed, both for routine day to day procurement, and for periodic high value items.

2. Where appropriate, **individuals with relevant experience including the end-users (e.g. ICT managers, teachers) should be involved** when putting together invitations to tender, or making key decisions. This will not only aid selection of the best solutions for the Trust, but may also help achieve buy-in by the end-users.
3. **Procurement decisions should be clearly recorded** to ensure that the decision has been reached fairly and to provide a clear audit trail:
  - minutes should be taken of all relevant meetings;
  - the options available should be recorded;
  - the basis for scoring/ranking should be set out;
  - the individuals responsible for scoring/ranking should be identified;
  - the outcome of the scoring and the final decision should be recorded;
  - the reasons on which the decision was reached should be clearly documented.
4. **All key documents should be retained together by the Trust/Academy.** This includes:
  - invitations to tender;
  - tenders received from bidders;
  - quotes obtained for smaller purchases;
  - papers/minutes documenting the procurement decision;
  - signed copies of the contracts awarded;
  - invoices.

Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, the Trust/academy prior to cessation of the contract with the project management company.

5. **An asset register of all capital items should be established in an appropriate format and should be updated on a continual basis as assets are purchased.** The register should include:

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

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of “attractive items” (i.e. items with a cost below the Trust’s capitalisation threshold) such as minor office equipment.

6. **Fitness for purpose should be a key consideration in any procurement decision** (e.g. ICT should be of the correct specification; fixtures and fittings should be of adequate durability).
7. Opportunities should be taken for **bulk purchase discounts**, for example by combining similar orders.
8. When ordering goods an assessment of likely **delivery timeframes** should be made, to ensure that appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.

## Appendix 3 – Responsible Officer Checklist

The purpose of the Responsible Officer is to provide the Trust Board with on-going independent assurance that:

1. The financial responsibilities of the Trust Board are being properly discharged
2. Resources are being managed in an efficient, economical and effective manner
3. Sound systems of internal control are being maintained
4. Financial considerations are fully taken into account in reaching decisions.

The Trust Board needs to approve the programme that the Responsible Officer review will cover. The proposed programme is:

- a) Review of monthly bank reconciliations
- b) Review of monthly payroll
- c) Check of a sample of orders (5) to delivery notes and invoices
- d) Check of a sample of payments (5) to invoices, orders and delivery notes
- e) Review of a sample of expense claims
- f) Review income receipts
- g) Review invoices raised
- h) Review of returns to the EFA
- i) Review VAT returns
- j) Spot checks of petty cash
- k) Review all major contracts and ensure formal tendering procedures exist and are being adhered to?
- l) Review the risk management processes.

## Appendix 4 – Best Value Strategy

### 1 Introduction

1.1 This establishes the Trust's Best Value Strategy for purchasing. It sets out:

- Why a best value strategy is needed;
- The benefits to the Trust of having a best value strategy;
- The key approaches to best value.

1.2 The strategy will, at this stage, concentrate on obtaining best value in purchasing. This can be extended to other key areas, such as the delivery of curriculum; at a later date should the Trust Board feel this would be beneficial.

### 2 Why the strategy is needed

2.1 Best Value is a statutory duty on local authorities to secure continuous improvement in the way that services and functions are exercised by the most economic, efficient and effective means possible. Whilst best value does not apply statutorily to the Trust Board it is expected to demonstrate that it follows best value principles in the expenditure of public money, and as part of evaluating standards, the curriculum, partnership with parents and management.

2.2 In managing their budgets all Trusts should be striving to utilise available funding in the most efficient and effective manner for the school. Key to this is seeking to obtain best value for all purchases being made.

2.3 The principles of Best Value have received a significant level of exposure to the general public. This higher profile has resulted in a far greater level of awareness, understanding and expectation by parents and in many cases the students of the Trust. The Trust has a duty to be open in ensuring that all stakeholders are aware of how it intends to ensure best value is obtained.

2.4 The DfE's Fair Funding Scheme establishes a requirement on Trusts to consider best value. As part of the scheme there is a requirement on all academies to submit, along with their annual plan, a best value statement. This should set out the steps being taken in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the Best Value regime. The formulation of a strategy will help the academy meet these requirements.

2.5 Finally, the development and introduction of a best value strategy, would give the Trust the opportunity to be at the forefront, leading on an area other Trusts will have to become involved in over the next few years.

### 3. The benefits of a Best Value strategy

3.1 The introduction of a Best Value strategy will provide a number of key benefits to the academy.

- The strategy will formally establish, and help to highlight, the directors' commitment to creating a best value culture throughout the Trust.
- The strategy will raise awareness of the benefits the Trust can obtain from working towards a best value culture.
- The strategy will help to clarify directors and staff responsibilities in relation to best value.
- The strategy will provide a framework within which the Trust can work towards creating a best value culture.

### 4. Approach to Best Value

- 4.1 The aim of the Best Value strategy is to help the Trust achieve continuous improvement in the way it carries out its purchasing function. The approach used to ensure such improvements are achieved is to carry out a regular programme of review by applying the four key principles of best value:
- Challenge -why, how and by whom the service is provided
  - Compare -performance against others
  - Consult -with key stakeholders
  - Compete -the use of competitive measures, wherever practicable, to secure efficient and effective provision.
- 4.2 By applying these principles to all aspects of the purchasing procedures, the Trust can ensure that it is working positively towards establishing a process that will deliver, monitor and improve the efficiency and effectiveness of the purchases being made.

## **Appendix 5 – Risk Management Policy**

### **Rationale**

The risk management policy is to be read in conjunction with the Risk Register.

### **Policy**

The directors shall appoint a suitable person to take overall control of the risk management process; this shall either be a Director or a member of the Leadership Team, whose role gives a global view of the activities of the Trust.

A risk review panel or group shall be appointed from directors and senior leaders most qualified to contribute to the discussion.

The annual meeting may form part of a regular directors' meeting; the first meeting of the Trust Board each academic year may be considered the most appropriate. The risk management meeting should take place before the budget setting process begins. Prior to the meeting, the strategic objectives of the Trust (as stated in the Trust development plan) will be circulated to the panel members, who shall be asked to submit what they consider to be risks to the achievement of those objectives.

Other governors and staff members may be consulted at this stage of the process. The Business Director shall consider the risks and compile a list of the main risks facing the academy.

The objectives of the risk meeting are as follows:

- discuss and agree that all involved are satisfied with the list of risks;
- determine the appropriate response to each risk;
- assess existing controls and determine appropriate action;
- allocate responsibility for action; and
- agree future reporting and review procedures.

The group shall use the model format from the original Academies' Financial Handbook to classify the risks according to potential impact and decide whether to treat, terminate or tolerate each risk, according to impact and likelihood of each risk identified. Value for money shall be considered in formulating an appropriate response to each risk, to avoid the over control of minor risks and the under-control of major ones.

It is likely that the assessment of controls will produce a list of actions required to produce an acceptable internal control system. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the risk register may be circulated to all relevant members of the organisation (directors and leadership team – local level governors) who shall be asked to confirm the accuracy of the register. A copy shall be placed on the Trust's server so that all staff and governors are aware of the risks and the strategies in place to deal with them.

## Appendix 6 – Whistleblowing Policy

### Introduction

People working within organisations are often the first to realise that there may be something seriously wrong in the place where they work. They may be wary of expressing concerns because they feel that it would be disloyal to their colleagues or to their Academy Trust. They may fear harassment or victimisation. In these circumstances it may feel easier to ignore the concern rather than report a suspicion of malpractice.

This Academy Trust is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees and others working at or for the Academy Trust who have serious concerns about any aspect of the work of the academy (described as 'the organisation' hereafter) to come forward and voice those concerns.

Anyone working for or on behalf of the organisation may raise a concern about malpractice.

### Aims of the Policy

This Policy is designed to encourage and enable you to be able to raise concerns you might have about the way the organisation conducts its business. It provides you with an opportunity to raise concerns which you reasonably believe point to serious malpractice in a confidential way, without fear of victimisation, subsequent discrimination or disadvantage. Your concerns may relate to the improper, unethical or illegal conduct of employees, governors or representatives of the organization or others acting on their behalf. **Some examples** of serious malpractice include conduct which:

- is an offence or a failure to comply with a legal obligation;
- allows miscarriages of justice;
- endangers the health and safety of pupils, members of the public or other employees;
- damages the environment;
- involves the unauthorised use of public funds;
- could be possible fraud and corruption;
- involves sexual or physical abuse or harassment of students or other workers;
- raises any concern over the welfare of pupils or other workers;
- is deliberate concealment of malpractice.

Victimisation or harassment of anyone using this policy or discouraging others from coming forward will be deemed to be a disciplinary matter.

This Policy complements complaints and statutory reporting procedures already in place and reflects the legal protection afforded by the Public Interest Disclosure Act 1998. It is not a substitute for the academy's grievance, disciplinary or harassment policies. If you have a personal concern unrelated to malpractice, please use the Grievance Procedure Policy, copies of which are available from the Executive Principal.

### Who is responsible for the Policy?

The Trust Board is responsible for the operation of this policy in matters relating to this multi academy trust.

### **Step 1 – Raising a concern within the Multi Academy Trust**

If you have a concern about malpractice, the Trust Board hopes that you will be able to raise the matter with the Executive Principal. If your concern is connected to a child protection issue, you must follow the Trust's Child Protection Policy.

However, if you feel unable to raise the concern with your Executive Principal, you should speak to the local Chair of Governors or another Trust Director.

Concerns may be raised verbally and/or in writing. If you wish to make a written report, include in your letter the background and history (giving relevant dates) and give the reason why you are particularly concerned about the matter. You may also wish to seek advice from your trade union at this stage.

If you are personally involved in the matter you raise, please tell us at the outset.

You may invite your trade union or a work colleague to be present during any meetings or interviews (which may be arranged away from your normal workplace if you so wish) in connection with the concerns you have raised.

### **What will happen?**

Where appropriate the Executive Principal or governor will refer the matter to the Academy Trust Board regarding actions required.

### **Step 2- Raising a Concern Externally**

We hope this policy gives you the confidence to raise your concern within the organisation. However, we would prefer you to raise your concern with the proper external regulator rather than remain silent.

If you act in good faith reasonably believing that both the malpractice falls within the remit of a regulator and that the information disclosed is substantially true, you may also contact the following:

- The Health and Safety Executive for health and safety dangers;
- The Environment Agency for environmental dangers;
- The EFA, the Audit Commission or External Auditor for concerns about conduct of business value for money, fraud and corruption;
- the Data Protection Registrar.

Finally, if you genuinely believe that the matter cannot or will not be dealt with internally because you believe your complaints have been ignored, or that information will be concealed or destroyed or you will be subjected to victimisation and have evidence to back up your belief, you may consider contacting a non-regulatory external body for example the police, OFSTED, or the DfE. You are strongly advised to seek independent advice before raising any issue outside the Trust.

### **Confidentiality**

The organisation undertakes to protect your identity and will not disclose it without your consent. If it is not possible to pursue your concern without revealing your identity (e.g. the need to give evidence in

court or at a disciplinary hearing), we will discuss with you how and if we can proceed.

### **Untrue Allegations**

If you make an allegation in good faith, but the evidence produced during the investigation does not substantiate it, no action will be taken against you. If, however, you make an allegation maliciously or for personal gain, this may result in disciplinary action being taken against you.

### **The Role of the Trade Unions and Further Advice**

The trade unions recognised by the Trust are committed to the effective use of this policy. If you are considering raising concerns using this procedure you may wish to seek advice from your trade union representative before doing so, particularly if you believe that the only course of action open to you is to raise your concern with an external body.

If you want other independent advice at any time you may contact the independent charity, Public Concern at Work on 0207 404 6609 or email them on [whistle@pcaw.demon.co.uk](mailto:whistle@pcaw.demon.co.uk). Their lawyers will give you free confidential advice on how to raise a concern about serious malpractice at work.

## Appendix 7 - Authorisation Levels

The Trust has levels of authorisation to ensure that monies are handled correctly.

For authorisation of invoices the following limits apply (Subject to change as and when there are changes in personnel);

Trust

Under £500 - Business Director                      Over £500 - Executive Head

Vale of Evesham

Under £500 - Deputy Head or Assistant Head      Over £500 - Headteacher

Kingfisher and Riversides

Under £500 - Business Director                      Over £500 - Executive Principle

Newbridge

Under £500 - Head teacher              Over £500 - Head teacher in agreement with Executive Principle

Two signatories are required for all cheque payments

Current authorisation levels for the bank payments on Lloyds are as follows (Subject to change as and when there are changes in personnel);

### **Advance Trust /Vale of Evesham**

Ann Starr	Alison Young	Stephen Garside	Kellie Hobbs
Rowena Kendrick	Nicky Sentance	David Short	

Up to £10,000 any one person  
Up to £15,000 any two people  
Up to £35,000 any three people

### **King Fisher School**

Ann Starr	Ian Taylor	Jo Doherty	Jodie McCracken
Alison Young			

Up to £ 7,500 any one person  
Up to £15,000 any two people  
Up to £35,000 any three people

### **Riversides School**

J E Davidson	Paul Yeomans	Mary Billington	Ruth Meachen
Ann Starr	Alison Young	Ian Taylor	

Up to £ 7,500 any one person  
Up to £15,000 any two people  
Up to £35,000 any three people

### **Newbridge School**

Ann Starr	Kay Hamilton	Lynn Pocock	Kate Bates
Alison Young			

Up to £ 7,500 any one person  
Up to £15,000 any two people  
Up to £35,000 any three people

## **Appendix 8 – Trust Responsibilities**

### **1. Income**

The Trust receives all member schools income from the EFA and where applicable Worcester County Council due to the systems these establishments operate.

The Trust will transfer all non standard income (standard being ESG, Post 16, Pre 16, 16-19 allocations, additional insurance , SEN top up payments) to the recipient school in a timely manner.

This will be actioned in the form of a Inter Account Transfer authorised as according to the authorisation levels in Appendix 7.

### **2. ESG/Central Contribution**

The Trust retains a percentage or the ESG (whichever is higher) from each member school to support central costs relating to staffing, training, development etc.  
This amount is reviewed annually by the Trust Board.

### **3. Inter-Company Transactions**

To facilitate transactions across the Trust and support consolidation accounting, relating to income received directly into the Trust's bank account; and central expenditure, the use of inter-company balance sheet is utilised.

The management accountant will direct school finance staff with the necessary entries into the finance system.

### **4. Trust Accounts**

The Trust Business Office will produce a set of consolidated accounts which will be filed for the whole of Advance Trust.

## Appendix 9 - Pecuniary and Non-Pecuniary Interest form

Dear Colleague

### Register of Pecuniary and Non-Pecuniary Interests

OFSTED and the Audit Commission recommend in the document "Keeping Your Balance: Standards for Financial Management in Schools" that Educational establishments maintain a register of the business interests of all those involved with financial management and administration eg Directors and Academy staff..

It is important that anyone involved in spending public money can demonstrate that they do not benefit personally from the decisions they make. They must declare:

- Any links they have with firms or organisations from which the school may wish to buy goods or services
- Any links to organisations that, whilst not directly beneficial financially, could be considered to conflict with their role in the running of the school

**In addition to business interests, it is also recommended that personal interests be included.**

An individual must regard themselves as having a personal interest in a matter if they anticipate that a decision upon it might reasonably be regarded as affecting the well being or financial position of:

- Themselves, a member of their family or a friend
- A body which employs those persons, or for which those persons have any degree of ownership, control or management

Would you please complete the declaration below;

Yours sincerely

Clerk to Advance Trust c/o Vale of Evesham School office

—

Declaration of Pecuniary and Non-Pecuniary Interests

From (print name/role).....

a) I declare that I have no links with organisations from which the Trust may purchase goods or services, or with any organisations of which membership could be considered to conflict with my role in the running of the Multi Academy Trust.

b) I declare I have links with the following organisations/personnel:

1.....

2.....

3.....

Signed .....

Date .....

## **Appendix 10 - Charges and Remissions Policy**

### **EDUCATION DURING SCHOOL HOURS**

No charge can be made for admitting pupils to maintained schools. Education provided during school hours is free. This includes materials, equipment, and transport provided in school hours by the Local Authority (LA) or by the school to carry pupils between the school and an activity. "School hours" are those when the school is actually in session and do not include the break in the middle of the school day.

All three- and four-year-olds are entitled to twelve and a half free hours of nursery education, for 38 weeks per year. The Schools maintained nursery provision, can charge for any additional hours used by the child.

### **EDUCATION PARTLY DURING SCHOOL HOURS**

Sometimes an activity may happen partly during and partly outside school hours. If most of the time spent on a non-residential activity occurs during school hours, that activity counts as taking place entirely in school hours and no charge may be made. (Time spent on travel only counts as being during school hours if the travel takes place during school hours.)

As an example, a long-distance trip might involve much travel before and after normal school hours, but if the time spent at the destination fell mainly within school hours, the trip would count as happening in school time and be free of charge. By contrast, a trip that involved leaving school an hour or so earlier than usual in the afternoon, but then went on until quite late in the evening, would be classified as taking place outside school time. Charges would then be allowed.

### **EDUCATION OUTSIDE SCHOOL HOURS**

Parents can only be charged for activities that happen outside school hours when these activities are not a necessary part of the national curriculum or do not form part of the school's basic curriculum for religious education. In addition, no charge can be made for activities that are an essential part of the syllabus for an approved examination.

Charges may be made for other activities that happen outside school hours if parents agree to pay. The Education Act 1996 describes activities that can be charged for as "optional extras". The LA or governing body providing the activities, decide whether to make a charge.

### **RESIDENTIAL ACTIVITIES**

Special rules apply for residential activities. A trip counts as falling within school time if the number of school sessions missed by the pupils amounts to half or more of the number of half days taken up by the activity. Each school day is normally divided into two sessions and each 24-hour period is divided into two half days beginning at noon and at midnight.

#### **Example 1: Visit during school hours**

Pupils are away from noon on Wednesday to 9pm on Sunday. This counts as 9 half days including 5 school sessions, so the visit is deemed to have taken place during school hours.

#### **Example 2: Visit outside school hours**

Pupils are away from school from noon on Thursday until 9pm on Sunday. This counts as 7 half days including 3 school sessions, so the visit is deemed to have taken place outside school hours

If a **residential activity** takes place largely during school time, meets the requirements of the syllabus for a public examination, or is to do with the national curriculum or religious education, no charge will be made either for the education or for the cost of travel. However, charges can

be made for board and lodging in these circumstances **except for pupils whose parents are receiving:**

- Income Support;
- Income-based Jobseeker's Allowance;
- support under Part VI of the Immigration and Asylum Act 1999;
- Child Tax Credit (providing that they are not entitled to Working Tax Credit and have an annual income, assessed by the Inland Revenue, that does not exceed £16,040 for the year 2014-15);
- the guaranteed element of State Pension Credit.
- an income related employment and support allowance

The headteacher advises all parents of the right to claim free activities if they are receiving these benefits.

### **MUSIC TUITION**

Although the law states that all education provided during school hours must be free, music lessons are an exception to this rule.

The Education and Inspections Act 2006 introduced a regulation-making power which allowed the Department for Children, Schools and Families to specify circumstances where charging can be made for music tuition. The new Regulations, which came into force in September 2007, provide pupils with greater access to vocal and instrumental tuition.

Charges may now be made for teaching either an individual pupil or groups of any appropriate size (provided that the size of the group is based on sound pedagogical principles) to play a musical instrument or to sing. Guidance about these changes to the charging regulations can be viewed [here](#). Charges may only be made if the teaching is not an essential part of either the National Curriculum or a public examination syllabus being followed by the pupil(s), or the first access to the Key Stage 2 Instrumental and Vocal Tuition Programme (Wider Opportunities).

### **PUBLIC EXAMINATIONS**

No charges are made for entering pupils for public examinations that are set out in Regulations. The governing body must enter a pupil for each examination in a public examination syllabus for which the school has prepared the pupil. This does not apply if the governing body thinks there are educational reasons for not entering the pupil, or if the pupil's parents request in writing that the pupil should not be entered. The LA may not override the governing body's decision on whether to enter a particular pupil for an examination.

An examination entry fee may be charged to parents if:

- the examination is on the set list, but the pupil was not prepared for it at the school;
- the examination is not on the set list, but the school arranges for the pupil to take it;
- a pupil fails without good reason to complete the requirements of any public
- examination where the governing body or LA originally paid or agreed to pay the entry fee.

Charges may not be made for any cost associated with preparing a pupil for an examination. However, charging is allowed for tuition and other costs if a pupil is prepared outside school hours for an examination that is not set out in Regulations.

### **ACTIVITIES NOT RUN BY THE SCHOOL OR LA**

When an organisation acting independently of the school or LA arranges an activity to take place during school hours and parents want their children to join the activity, such organisations may charge parents. Parents must then ask the school to agree to their children being absent, just as they would if they wanted to take their children out of school for a family holiday.

However, where an activity is organised by a third party and is approved by the school, is educational, or is supervised by someone authorised by the school, then it is the Department for Children, Schools & Families (DCSF) view that it should be treated as if it were provided by the school and no charge should be made to the parents or pupils. Such an activity, if it takes place outside the school premises, is an “approved educational activity” within the meaning of Regulation 4A (a) of the Education (Pupil Registration) Regulations 1995 (as amended).

## **VOLUNTARY CONTRIBUTIONS**

Although the school cannot charge for school time activities, we may still invite parents and others to make voluntary contributions (in cash or in kind) to make school funds go further. All requests to parents for voluntary contributions must make it quite clear that the contributions would be voluntary. Governing bodies should also make it clear that children of parents who do not contribute will not be treated any differently. If a particular activity cannot take place without some help from parents this should be explained to them at the planning stage.

Where there are not enough voluntary contributions to make the activity possible and there is no way to make up the shortfall, the activity will be cancelled. The essential point is that no pupil may be left out of an activity because his or her parents cannot, or will not, make a contribution of any kind. The school will first decide which class, or group of pupils, will benefit from the activity and then look for voluntary contributions, either for that activity, or by general fund-raising.

## **OPTIONAL EXTRAS**

Charges may be made for some activities that are known as “optional extras” for example before and/or after school activities. Where an optional extra is being provided, a charge **can** be made for providing materials, books, instruments, or equipment. **Optional extras are:**

- education provided outside of school time that is not:
  - a) part of the National Curriculum;
  - b) part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school; or
  - c) part of religious education.
- examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school;
- transport that is not required to take the pupil to school or to other premises where the local authority/governing body have arranged for the pupil to be provided with education; and
- board and lodging for a pupil on a residential visit.

In calculating the cost of optional extras an amount may be included in relation to:

- any materials, books, instruments, or equipment provided in connection with the optional extra;
- non-teaching staff;
- teaching staff engaged under contracts for services purely to provide an optional extra, this includes supply teachers engaged specifically to provide the optional extra; and
- the cost, or a proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, where the tuition is an optional extra.

Any charge made in respect of individual pupils must not exceed the actual cost of providing the optional extra activity, divided equally by the number of pupils participating. It must not therefore include an element of subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

Furthermore in cases where a small proportion of the activity takes place during school hours the charge cannot include the cost of alternative provision for those pupils who do not wish to participate. Therefore no charge can be made for supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit.

**Participation in any optional extra activity will be on the basis of parental choice and a willingness to meet the charges. Parental agreement is therefore a necessary pre-requisite for the provision of an optional extra where charges will be made.**

## **CHARGING POLICY**

The LA or governing body may not charge for anything unless it has drawn up a policy on charging this information is provided to parents in the school brochure, and on request. (Appendix 1 is part of individual activity details sent out in all letters to parents)

If a charge is made for each pupil it should not exceed the actual cost. If further funds need to be raised, for example to help in hardship cases, this must be by voluntary contributions or general fund-raising.

The permitted charge may include an allowance for the costs of teachers from the school who supervise the activity, but only if those teachers have been given a separate contract to provide the optional extra. A contract need not be a formal document. It could be a simple letter to a teacher asking him or her to provide a service on a particular occasion.

## **SCHOOL MINIBUSES**

Only the school's pupils, staff or parents may travel for a charge in a school's minibus.

The school holds permits for each minibus issued under Section 19 of the Transport Act 1985 by the LA, to enable a charge for transport to be made.

Charges may recover some or all of the costs of running the vehicle, including loss of value. But the service may not make a profit, either directly through the fares charged or incidentally as part of a profit-making activity, even if any profit would go into the school's other running costs or for charitable purposes. A charge is any payment made in cash or kind (for example a club subscription) by or on behalf of a person that gives him or her a right to be carried.

## **CHARGES & REMISSIONS POLICY ABBREVIATED STATEMENT FOR SCHOOL ACTIVITIES**

The School aims to provide for all the pupils the best possible educational opportunities within the resources of its Annual Budget.

There are, however, many highly valuable activities, which enhance the educational programme, that remain dependent on voluntary financial contributions in whole or in part from parents. Without some financial support, the School would be quite unable to offer the very wide range of educational visits and activities that are such an important part of the School's tradition. We are determined that any financial contributions are kept to a reasonable minimum and to ensure, wherever possible, that all pupils are able to take part irrespective of their circumstances.

In compliance with the law, charges may be made in certain defined circumstances. It is necessary for the School to identify those activities for which charges will be made and explain the basis on which charges may be reduced or waived for certain pupils – a copy of the full Charges & Remissions Policy is available in school upon request.

**The Policy of the Governing Body is as follows:**

### **1. DAY VISITS**

The School will invite voluntary contributions from parents to meet the costs of visits, which take place during the normal school day. For visits beyond the normal school day, parents will be charged for all allowable cost. Charges may be waived or reduced for children whose parents make application to the Headteacher.

## **2. RESIDENTIAL VISITS**

The School will invite voluntary contributions from parents to meet costs other than children's board and lodgings. Parents will be charged for the full cost of board and lodgings. Charges may be waived or reduced for children whose parents make an application to the Headteacher.

- **Allowable Cost Include:**

- (a) The pupils' travel and subsistence costs
- (b) Costs for teaching and non teaching staff where separately engaged under a contract for services for the visit or activity
- (d) Entrance fees
- (e) Insurance costs

## **3. REMISSIONS**

The Headteacher advises all parents of the right to claim free activities if they are receiving these benefits.

- Income Support;
- Income-based Jobseeker's Allowance;
- support under Part VI of the Immigration and Asylum Act 1999;
- Child Tax Credit (providing that they are not entitled to Working Tax Credit and have an annual income, assessed by the Inland Revenue, that does not exceed £16,190 for the year 2014-15);
- the guaranteed element of State Pension Credit.  
an income related employment and support allowance