



Finance Policy

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1. Bad Debts

The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

An invoice will be issued for services or goods once these have been received or, in the case of a booking, part way through the period of bookings. In the case of parental contributions, a letter will be issued requesting payment prior to the trip.

However to ensure sound internal control, staff who raise invoices or payment letters, do not also have the authority to write off debts. All debts will be recorded and non-payment will be followed up by issuing reminders at the following intervals:-

- 3 weeks from date of account - 1st reminder
- 6 weeks from date of account - 2nd reminder
- 8-10 weeks from date of account - Final reminder

The final reminder is sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

After 10 weeks from the date of the account, where the debt is still outstanding, legal action will be considered, and the debtor will be informed of this in writing.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:-

- a. The Finance Director on behalf of the Academy Trust must provide 30 days notice to the Secretary of State for Education of its intention to write off any debts owed to it as set out in Section 83 of Schools Funding Agreement. This notice is required whether or not the circumstances require the Secretary of State for Education's approval (see below).
- b. Those debts *below* the value set out in the Annual Letter of Funding (£250) can then be approved and written off by the Finance Committee and reported to the next meeting of the Governing Body in accordance with section 2.67 of the Academies Financial Handbook.
- c. Any proposed write off of debts *above* the value set out in the Annual Letter of Funding require the prior written consent of the Secretary of State for Education in accordance with section 82 of Schools Funding Agreement.



The Academy will retain a Bad Debt Write-Off Summary.

2. Finance Procedures

The purpose of this policy is to ensure that the academy 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)/Education Funding Agency (EFA). The academy must comply with the principles of financial control outlined in the academies guidance published by the DFE/EFA.

2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

2.2 The Governing Body

The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DFE and in the academy's scheme of government. The main responsibilities include:

- Ensuring that grant from the EFA is used only for the purposes intended;
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
- Approval of the annual budget;
- Appointment of the Headteacher and
- Appointment of the Finance Director/Business Manager (FD), in conjunction with the Headteacher.

The Finance & Premises Committee

2.3 The Finance Committee is a committee of the governing body and meets at least termly.

2.4 The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the governing body. 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 2006 and the DFE guidance issued to academies;
- Authorising the award of contracts over £20,000
- Authorising changes to the academy personnel establishment and
- 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 body.

The Headteacher

2.5 Within the framework of the academy/school development plan as approved by the governing body the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the FD but the Headteacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- Authorising contracts between £5,000 and £20,000 in conjunction with the FD
- Signing cheques in conjunction with the FD or other authorised signatory.

The Finance Director/Business Manager (FD)

2.6 The FD works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The FD also has direct access to the governors via the Finance Committee. The main financial responsibilities of the FD are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- 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 academy;
- Preparing documents to assist external auditors so that DofE requirements for academy schools are met
- The preparation of monthly management accounts;
- The preparation of medium term financial plans, to help inform decision making by Leadership Team and Governors
- Authorising orders below £5,000 in conjunction with budget holders
- Authorising orders over £5,000 in conjunction with the Headteacher and Governors where required
- Signing cheques in conjunction with the Headteacher or other authorised signatory
- Authorising all BACS transactions



- Ensuring forms and returns are sent to the EFA in line with the timetable in the DFE/EFA guidance.
- Ensuring best value is obtained

The Responsible Officer

- 2.7** The Responsible Officer (RO) is appointed by the governing body from within the membership of the Main Governing Body, not from within the Finance Committee. He/she provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:
- The financial responsibilities of the governing body are being properly discharged;
 - Resources are being managed in an efficient, economical and effective manner;
 - Sound systems of internal financial control are being maintained and
 - Financial considerations are fully taken into account in reaching decisions.
- 2.8** The RO will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. Reviews may be outsourced to a suitable company (currently School's Choice). A report of the findings from each visit will be presented to the Finance Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A.

Other Staff

- 2.9** Other members of staff, primarily the Finance Officer, the Finance Assistants and budget holders will have some financial responsibility. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests

- 2.10** 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 academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.



- 2.11** 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 academy. 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 governor or a member of staff by that person.
- 2.12** The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting System

- 3.1** All the financial transactions of the academy must be recorded on the academy accounting system i.e. FMS. The academy system is operated by the Finance Department and consists of:
- Journals
 - Nominal Ledger Bank
 - Transactions
 - Purchases Ledger Sales Ledger Payroll System
 - Automatic update
 - Manual update
 - VAT records

System Access

- 3.2** Entry to the FMS system is password restricted and the Director of Finance is responsible for implementing a system which ensures that passwords are changed at least every 3 months. When passwords are changed the new password should be placed in a sealed envelope and passed to the FD to keep in the safe.
- 3.3** Access to the component parts of FMS can also be restricted and the FD is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.4** The FD is responsible for ensuring that there are effective back up procedures for the system in conjunction with the IT Managers



- 3.6** A hard copy of the nominal ledger and audit trail should be printed each month and should be stored separately from the accounting system in a fireproof container.
- 3.7** The FD should also prepare a disaster recovery plan, working in conjunction with the IT Managers, in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 3.8** All transactions input to the accounting system must be authorised in accordance with the procedures specified in the finance manual. Bank transactions and authorisations should be input by different finance staff ie. the Finance Assistant and Finance Officer.
- 3.9** Detailed information on the operation of FMS can be found in the user manuals held in the Finance Office.
- 3.10** BACS transfer payments will be used where appropriate, using a system to ensure a delegation of duties and authorisation following invoicing being entered on the system as for cheques. 2 members of the finance team need to authorise each BACS batch on the Lloydslink system.
- 3.11** A charge card in the name of the Headteacher and FD will be used where appropriate, up to a limit of £4,000 a month. Transactions will be processed on line by a member of the finance team and authorised by the Headteacher and FD or FO.

Transaction Reports

- 3.12** The FD 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:
 - The monthly audit trail reports;
 - Master file amendment reports for the payroll, purchase ledger and sales ledger;
 - Management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

- 3.13** The Finance Officer is 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.

3.14 Any unusual or long outstanding reconciling items must be brought to the attention of the FD.

4. Financial Planning

4.1 The academy prepares both medium term and annual financial plans.

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

4.3 The School Development Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year allowing for:

- A review of past activities, aims and objectives - "did we get it right?"
- Definition or redefinition of aims and objectives – "are the aims still relevant?"
- Development of the plan and associated budgets – "how do we go forward?"
- Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- Feedback into the next planning cycle – "what worked successfully and how can we improve?"

Annual Budget

4.4 The FD is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance Committee and the governing body.

4.5 The approved budget must be submitted to the EFA by 30th September (or as required) each year

4.6 The annual budget will reflect the best estimate of the resources available to the academy 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.



4.7 The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of EFA grant receivable;
- Review of changes in education funding likely to affect academy income, including Post 16 funding
- 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
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
- Review of capital income grants and expenditure on capital projects

Balancing the Budget

4.8 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

4.9 Following approval of the budget, it should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.10 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

4.11 Accounts are prepared on an accruals basis, year-end journals are used to ensure income received and expenditure incurred is accounted for in the relevant financial year in line with regulations and Charity SORP guidelines. Accruals under £500
£1000 will be considered not material.



- 4.12** Accounts are prepared on a Fund basis, with separate funds for GAG, Restricted Funds, Unrestricted Funds, Capital and Pension Funds in line with EFA guidance. Restricted income and expenditure is monitored monthly to ensure income is spent in accordance with terms of grants.

4.13 RESERVES POLICY

The Academy Trust recognises the change in rationale and the nature of reserves which followed conversion from an LA run school. The purposes of reserves are to ensure the Academy Trust operates as a going concern, and that it can provide sufficient working capital, cover unforeseen eventualities in line with risk management recommendations, and ensure capital maintenance both in the current financial year and in future years. The Academy will achieve this by building unrestricted funds and retaining income which is unrestricted as far as possible.

It is the intention of the Governors to maintain free reserves at £543,000 in 2015 and £321,000 in 2016, in order to guard against funding reductions and reducing student numbers due to demographic patterns, the reduction in PAN and the pressure from new neighbouring schools and VI Form Colleges. As a percentage of GAG this equates to approximately 9%. The reserves policy is reviewed annually, plus medium term financial plans are reviewed termly in the light of changing student numbers and grant funding.

- 4.14** Monthly reports will be prepared by the FD. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance Committee. 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

- 4.15** The accounting system will not allow payments to be made against an overspent budget without the approval of the FD.

- 4.16** Restricted fund expenditure will be limited to the terms of the grant and monitored separately

5. Payroll

- 5.1** The main elements of the payroll system are:

- Staff appointments;
- Payroll administration and
- Payments.

- 5.2** The academy payroll is administered by Schools' Choice Payroll, and payroll transactions are entered/imported to FMS operated in the Finance Office. Access to the system is password controlled. Password control procedures and backup arrangements are described in section two of this manual.



- 5.3 All staff are paid monthly, currently through Schools' Choice Payroll.
- 5.4 A monthly staff return which provides details for all staff in the section of sickness and other absences during the month and any new appointments or terminations will be prepared by the FD.
- 5.5 Before the payroll is processed a print of all data input should be obtained and this should be checked against source documentation by the Finance Officer and then reviewed and initialled by the FD

Payments

- 5.6 After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained from the system. The print must be reviewed and authorised together with authority to release payment by the FD.
- 5.7 All salary payments are made by BACS.
- 5.8 The Finance Officer should prepare a reconciliation between the salary payments and commitments with explanations/amendments for discrepancies from the contract of employment.
- 5.9 The calculation of gross to net pay is delegated to the Schools' Choice Payroll, the FD checks regularly to ensure that the payroll system is operating correctly. This is reconciled monthly against the Schools' Choice spreadsheet by the FO.
- 5.10 After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control account and to individual cost centres. The Finance Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

6. Purchasing

- 6.1 The academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible ensuring:
 - **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;



- **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

Routine Purchasing

- 6.2** Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 6.3** Routine purchases up to £1,000 can be ordered by budget holders, subject to the limits of their budgets. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the FD.
- 6.4** All orders must be made, or confirmed, in writing using an official order form. Orders must bear the signature of the budget holder and must be forwarded to the Finance Office.
- 6.** Orders are entered on the finance system in a timely fashion and within five days whenever possible, recorded in the orders placed book, allocated a reference number and dispatched to the supplier by the Finance Assistants.
- 6.6** On delivery, any discrepancies or rejected goods should be discussed with the supplier of the goods without delay.
- 6.8** All invoices should be sent to the Finance Office. Invoice receipt will be recorded by the Finance Assistants in the purchase ledger. The Finance Assistant will stamp copy invoices with a grid against which the correct receipt of the goods are checked by the budget holder and returned to the Finance office.
- 6.10** If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.11** At the end of every week the Finance Assistants will produce a list of outstanding invoices from the purchase ledger and pass this for payment in accordance with the agreed terms or 30 days from invoice date.



- 6.12** The Finance Officer will then authorise payments to be made to the purchase ledger. The cheques or BACS payments and associated paperwork must be authorised by two of the nominated cheque signatories.
- 6.13** Cheques will be dispatched to suppliers by the Finance Assistants who will also complete the invoice and then place it in the appropriate file. BACS payments will be notified via email as generated by FMS system.

Orders over £1,000 but less than £10,000

- 6.14** Budget holders will use best value principals when choosing suppliers, And the Finance Team will check these against their knowledge of costs, by obtaining telephone quotes or by checking internet websites.

Orders over £10,000 but less than £50,000

- 6.15** Three written quotations should be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

Orders over £50,000

- 6.15** All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures. Purchases over £99,000 may fall under EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

Preparation for Tender

- 6.17** Full consideration should be given to:
- Objective of project
 - Overall requirements
 - Technical skills required
 - After sales service requirements
 - Form of contract.



- 6.18** 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

- 6.19** 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.

Tender Acceptance Procedures

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

Tender Opening Procedures

- 6.22** All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders.
- 6.23** 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

- 6.24** The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 6.25** 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.
- 6.26** Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee.



- 6.27** Where required by the conditions attached to a specific grant from the EFA, the department's approval must be obtained before the acceptance of a tender.
- 6.28** The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

7 Income

- 7.1** The main sources of income for the academy are the grants from the EFA. The receipt of these sums is monitored directly by the FD who is responsible for ensuring that all grants due to the academy are collected.
- 7.2** The academy also obtains income from parents for a range of student services including catering, transport, music fees, and school trips and from services provided to other schools such as IT Services and vocational courses taught at the NSSA, as detailed in the annual accounts.

Trips

- 7.3** A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due and payments made. A copy of the record must be kept as a record.
- 7.4** A receipt must be issued for all cash collected over £5, and the value of the receipt and the number of the receipt recorded against the student making the payment. Receipt books are supplied by the finance office.

Sports Lettings

- 7.6** The FO is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation.
- 7.7** Details of organisations using the sports facilities and details of payments made and outstanding accounts are maintained by the FO/FA with paper copies maintained in the Finance Office.

Custody

- 7.10** Official, pre-numbered academy receipts should be issued for all cash received where no other formal documentation exists. All cash and cheques must be kept in the FO safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed £2,000



- 7.11** Monies collected must be banked in their entirety in the appropriate bank account. The FO is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

+pay with ParentMail

- 7.12** The FO is responsible for the setting up and processing of the +pay system within the school. Teaching staff providing trips must ensure that all relevant information regarding students, costs and dates are provided in ample time to be processed. It is intended that as the system becomes more established the majority of income for trips, music fees, production etc will be processed via this system. Payment reports must be sent to teachers at regular intervals during the payment period & kept on file for reconciliation purposes. FO to maintain monthly reports. FD to reconcile items via bank statements.

8 Cash Management

Bank Accounts

- 8.1** The opening of all accounts must be authorised by the governing body who must set out, in a formal memorandum, 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

- 8.2** Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. 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

- 8.3** All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories, three for over £5,000:
- Headteacher;
 - FD
 - Deputy Headteacher;
 - Assistant Headteacher
 - Director of VI Form



- Finance Officer
(See example signatures in Finance Office)

8.4 This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

8.5 The FD 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 academy's cash book;
- Reconciliations are prepared by the FD
- Reconciliations are subject to an independent monthly review carried out by the Headteacher or in his absence the Responsible Officer (RO) and
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

8.6 The academy maintains a maximum cash balance of £350. The cash is administered by the FO and is kept in the Finance office safe.

Deposits

8.7 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.

Payments and Withdrawals

8.8 In the interests of security, petty cash payments will usually be limited to £35. Higher value payments should be made by cheque/BACS directly from the main bank account as a cash book payment. Higher limits, for example petty cash advances for trips, may be authorised by the FD/FO/Headteacher.

Administration

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



Physical Security

8.10 Petty cash should be held in a locking cash box which is put in the safe overnight.

Cash Flow Forecasts

8.11 The FO is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. Potential problems are to be advised to the FD who will take measures such as adjusting payment dates, seeking an advance from the EFA and advising the Finance Committee as required.

9 Fixed Assets

Asset Register

9.1 Purchases will be capitalised (transferred to the balance sheet) if they have a value of over £1,000, or form part of a project totalling more than £1,000, and have a life- span longer than the financial year they are purchased in. Depreciation will be using the straight line method.

The asset register should include the following information:

- Asset description
- Asset number
- Date of acquisition
- Asset cost
- Source of funding
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the asset

9.2 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;
- To enable annual accounts to be prepared noting the net book value of assets
- To calculate depreciation and support year end depreciation journals



- Help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

- 9.3** Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 9.4** All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

- 9.5** Items which are to be disposed of by sale or destruction must be authorised for disposal by the FD and, where significant, should be sold following competitive tender. The academy must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 9.6** Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.
- 9.7** The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the EFA a proportion of the sale proceeds.
- 9.8** All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

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



- 9.10** 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 academy's auditors.

10 Fraud

The Academy requires all Staff and Governors to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. The Academy will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The Academy is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

10.1 Some definitions of fraud:

Theft - Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act 1968). This may include the removal or misuse of funds, assets or cash.

False Accounting - Dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act 1968).

Bribery and Corruption - The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers (Prevention of Corrupt Practices Act 1889 and 1916).

Deception - Obtaining property or pecuniary advantage by deception (Sections 15 and 16 of the Theft Act 1968 (and obtaining services or evading liability by deception (Sections 1 and 2 of the Theft Act 1978).

Collusion - The term "collusion" in the context of reporting fraud to the Treasury is used to cover any case, in which someone incites, instigates aids and abets, or attempts to commit any of the crimes listed above.

Facilitation - Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.



10.2 Avenues for Reporting Fraud

The Academy has in place avenues for reporting suspicions of fraud. Governors and members of staff should report any such suspicions in line with the Academy's Whistle Blowing Policy. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998. This statute protects the legitimate personal interests of staff. The Academy's Whistle Blowing Policy provides further information. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

10.3 Responsibilities

The Academies Financial Handbook is the Department for Education's financial guide for the governing bodies and managers of academies. Drawing on the overall financial requirements specified in academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

The Academies Financial Handbook sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department makes available and specifies the financial reporting/budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

The Headteacher as the **Accounting Officer** is responsible for establishing and maintaining a sound system of internal control (see appendix F) that supports the achievement of the Academy's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the Academy faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

Overall responsibility for managing the risk of fraud has been delegated to the FD.

The responsibilities of the FD therefore include:

- Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current;



- Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile;
- Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting significant incidents of fraud to the Accounting Officer;
 - external reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations.
 - coordinating assurances about the effectiveness of anti-fraud policies to
 - support the Statement of Internal Control;
- Liaising with the Governing Body, the Audit Committee or Finance Committee on issues of fraud prevention, detection, and management;
- Making sure that all staff are aware of the organisation's anti-fraud policy and know what their responsibilities are in relation to combating fraud;
- Developing skill and experience competency frameworks;
- Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Taking appropriate legal and/or disciplinary action against perpetrators of fraud;
- Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud;
- Taking appropriate disciplinary action against staff who fail to report fraud;
- Taking appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.



10.4 All managers are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing and testing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

10.5 The Responsible Officer is responsible for:

- Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the Academy promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the department's operations;
- Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting management in conducting fraud investigations;
- Reporting to Academy's Governing Body or the Audit Committee or Finance & General Purposes Committee on the efficiency of controls for the prevention, detection and management of fraud.

10.6 Every member of staff is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the Academy's decision making bodies;



- Conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee “Standards in Public Life”. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

10.7 Members of the Governing Body are responsible for:

- The Chair is responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- All members are responsible for abiding by the Academy’s policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations

10.8 The Academy’s Audit Committee:

The role of internal audit is performed by the Finance Committee through the Responsible Officer Governor (RO), who has experience of financial matters. External audit is performed by the Academy’s auditors appointed by the Governing body. The responsibilities of the Audit function of the Finance Committee will overlap with those of the Accounting Officer. It is envisaged that the RO will normally attend all meetings of the Audit Committee, unless, exceptionally, his or her own performance is being discussed.



11 Redundant Equipment

11.1 Surplus Equipment

The Governing Body has the authority to declare equipment, furniture or other assets or stores, surplus to requirements and to make arrangements for their sale or write off, provided that the items concerned were purchased in whole or in part with a grant from the Secretary of State for Education.

A Disposal of Equipment form will be completed for all items which are to be disposed of and internal control will be exercised to ensure that the asset is no longer of use (i.e. it is obsolete) and that obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold.

Where the estimated disposal value of surplus or redundant assets (equipment) is less than £100 or sale is to be by public auction or competitive tendering, disposal can be authorised by the Head Teacher.

The prior approval of the Governing Body will be required if;

1. The estimated disposal value is between £100 and £500 and the sale is not to be by public auction or competitive tendering;
2. The estimated disposal value is above £500 or;
3. The sale is to be to a Governor or employee of the Academy.

The prior written consent of the Secretary of State for Education is required in accordance with section 89 of the School Funding Agreement as follows;

1. Before the disposal of any asset for which a grant of over £20,000 was made, or land and buildings which had been transferred from the Local Authority at no cost to the academy.
2. Before the sale or disposal by other means, or reinvestment of proceeds from the disposal of an asset or group of assets, for which a capital grant in excess of £20,000 was paid.

As set out in section 93 of the School Funding Agreement the Academy will provide 30 days written notice to the Secretary of State for Education of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State for Education's consent as detailed above.



If within any one year (September – August) the Academy disposes of items which collectively originally attracted a grant of more than £20,000 then the Secretary of State for Education will be informed in accordance with section 2.87 of the Academies Financial Handbook.

11.2 In accordance with section 2.88 of the Academies Financial Handbook the Academy will reinvest the proceeds from all asset sales for which a capital grant was received and hence any income from the sale of assets will be maximised. Where the asset disposal requires the consent of the Secretary of State for Education then the plan for the reinvestment of the proceeds will be agreed at the same time. If the sale proceeds cannot be reinvested the Academy will repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

The proceeds from the sale of assets acquired with a grant from the Secretary of State for Education will not be used as the Academy's contribution to future grant aided projects or purchases.

The net income (i.e. excluding VAT) from sales of surplus or redundant assets purchased from the Academy budget will be credited back to the Academy budget.

11.3 A list of any equipment disposed of will be presented to the Governing Body at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.

The Academy's inventory will be amended to show disposals and such entries will be endorsed by the Head Teacher.

12. Whistle-blowing

12.1 Introduction Every academy governing body has a responsibility to ensure that the academy is managed to the highest standards of probity, and that its decision making and administration is conducted in such a way as to be above any suspicion of malpractice.

Clear policies, standards and procedures for making decisions, particularly those which entail significant expenditure, or decisions which significantly affect employment at the academy are essential elements in creating and sustaining an atmosphere of openness and trust in academy management. Such an atmosphere is the best way of forestalling suspicion or complaint.

Under the Public Interest Disclosure Act 1998 employees who raise concerns about malpractice within their place of work have statutory protection against victimisation for making such a disclosure, provided the disclosure is made in good faith and otherwise qualifies as a protected act.



By the adoption and publication of this procedure an academy may demonstrate its commitment to high standards of conduct in its affairs and establish a basis on which any employee can properly raise genuine concerns without prejudice to his/her personal position.

This procedure has been subject to consultation with all recognised trade unions and has their support.

12.2 Purpose of the procedure

The purpose of this procedure is to encourage any employee who has a genuine concern that practices in their academy do not meet the required standards of probity to raise that concern at an appropriate level and in an appropriate manner.

This procedure is also intended to guide any employee who genuinely believes that s/he has a disclosure to make about malpractice in their academy in making that disclosure. It sets out to whom malpractice (or suspected malpractice) should be reported and how it should be reported.

The procedure also sets out the safeguards that the academy will offer to any employee who makes a disclosure in the recommended way and in good faith.

12.3 Definitions and exclusions

The term “malpractice” may cover a broad range of acts, omissions, or practices. What employees may wish to report will usually be a specific instance or instances of wrongdoing on the part of an individual or a group of individuals. However, in certain circumstances, employees may wish to report bad practice which, if it were to continue, would be likely to lead to wrongdoing.

The following examples indicate the type of actions which would normally be inappropriate use of an academy’s delegated budget:

- disregard of proper tendering procedure for contracts;
- manipulation or falsification of accounting records;
- making decisions for personal gain;
- inappropriate (e.g. private) use of academy assets;
- abuse of position for personal advantage or gain.

The academy’s Funding Agreement and Finance Policy, sets out the standards of good practice in academy management and administration to determine whether or not academy governors and employees have acted properly.



An action does not have to constitute a criminal offence in order to be classified as “malpractice”, although clearly anything that constitutes a criminal offence would almost certainly amount to malpractice.

This procedure is not intended to substitute for other procedures through which employees may raise specific concerns or complaints about their personal treatment. Complaints by employees about their personal treatment by others or about the way in which employment policies and practices have been applied to them (including decisions about pay and grading) should be raised under the academy’s grievance procedure, the harassment/bullying procedure or under any other appropriate procedure. Complaints about the protection of children should normally be raised under the separate procedures designated for that purpose. This procedure would not normally be appropriate for raising concerns about health and safety issues, unless they were related to a broader complaint of malpractice.

12.4 Procedure for making a disclosure

The means of making a disclosure will depend to some extent on the nature and seriousness of the concern, the sensitivity of the issues and the individual, or individuals, thought to be involved in the malpractice reported.

As a general rule, an employee wishing to make a disclosure (the “informant”) should raise his/her concerns in the first instance with the Headteacher or the Chair of the academy’s Governing Body. This would be the normal channel where the concern is about the conduct or practice of immediate colleagues – e.g. a concern that the academy’s policies and procedures are not being properly or fairly applied. This will enable the issue to be addressed immediately at academy level.

Where an informant genuinely believes that s/he cannot approach the Headteacher or the Chair of Governors, the concern should be raised with the EFA. This course of action would be appropriate if the disclosure were about the conduct or practice of the Headteacher or the Governing Body.

A disclosure may be made verbally (e.g. by telephone) or in writing. An informant should normally identify him/herself and should make it clear that s/he is making a disclosure within the terms of this whistleblowing procedure. Concerns raised in casual conversation do not constitute a disclosure.

An informant raising a concern verbally will normally be expected to support and substantiate those concerns in writing, unless there are special circumstances indicating that this is inappropriate. Informants who feel unable to commit their concerns to writing will normally be asked to meet with an appropriate senior officer, who will compile a written note of the disclosure.



The informant may be accompanied by a trade union representative or friend at any meeting either with the person to whom a disclosure is being made or who has been authorised to conduct an investigation into an allegation of malpractice.

It is not necessary for an informant to produce conclusive evidence to support his/her disclosure. Suspicion may be valid grounds for raising a concern. However, the informant should normally have direct information about, or knowledge of, the malpractice alleged or know where such evidence is located. The informant's concern should be based on more than hearsay, gossip, or the reports of others.

Other than in very exceptional circumstances, disclosures should not be made to the press, radio, television or other news media. The recommended internal reporting channels should be used. Employees have certain rights under the Public Interest Disclosure Act to report malpractice to specified external agencies (e.g. an employee who suspects that a criminal act has been committed may inform the Police). However, it would be expected that an informant would make any disclosure in the first instance either within the academy or to the EFA, as set out above.

12.5 Responding to a disclosure

The response to an informant's disclosure will depend on a number of factors such as the seriousness and complexity of the allegations made. Allegations may be:

- investigated within the academy.
- referred to the Academy's Responsible Officer and or auditors;
- referred to the Police;
- referred to another independent form of enquiry;

(or any combination of the above).

Disclosures will be subject to initial enquiries in order to decide whether a full investigation is necessary and, if so, what form it should take, who should conduct it, and whether any reference to another agency is necessary or desirable. Some concerns may be resolved through agreed action without the need for further investigation.

If the informant's concern falls within the scope of an alternative procedure, s/he will be advised to pursue it through that procedure.



An informant who presents his/her disclosures in writing will receive written acknowledgement, and will be informed of the outcome of any investigation. The extent of the information given to informants will depend upon a number of factors, e.g. whether the investigation is referred to the Police and leads to criminal prosecution. Where an investigation is protracted, the academy or officer dealing with the matter will normally report to the informant on the progress of the investigation.

Where an informant is unwilling to identify him/herself, any person receiving a complaint about malpractice should log the incident and consult the Headteacher/Chair of Governors to decide whether or not any investigation should be undertaken.

12.6 Safeguards for informants

The decision to report malpractice can be a difficult one for an employee, who may possibly fear subsequent victimisation or harassment. No action will be taken against an employee who has raised a concern in good faith, even if that concern is seen to be unfounded after investigation.

However, informants who are themselves the subject of investigation or action under formal procedure (e.g. discipline, capability or harassment) should not necessarily expect that the procedure will be discontinued as a result of their disclosure.

Victimisation or harassment of an employee who has raised a concern in good faith, or any other attempt at reprisal either by an employee whose conduct is the subject of investigation or others, will be considered a disciplinary offence.

Where informants do not wish to be identified to others in the course of an investigation that wish will be respected in so far as it is reasonably practicable. However anonymity cannot be guaranteed. The process of investigation may reveal the identity of informants and, especially in serious cases, informants may be required to give evidence, either by the academy, the EFA, or the Police. Any person subject to disciplinary action or prosecution would have access to such evidence. Informants who are subsequently required to give evidence will be given all reasonable and practicable support and protection from reprisals.

The academy and the EFA will take all reasonable steps to minimise any difficulties informants may experience as a result of raising a genuine concern. Informants who are required to give evidence in disciplinary or criminal proceedings may seek advice from the EFA on procedural aspects of this obligation. The academy will consider sympathetically requests from informants for special leave, counselling or other support.



12.7 False or malicious allegations

If an allegation is made or a concern is raised in good faith, no action will be taken against an informant. However, malicious, or vexatious allegations, or disclosures made for personal gain will be considered as disciplinary offences and are likely to result in disciplinary action being taken against the informant.

13. Gifts & Hospitality

13.1 This is the Academy's approved Code of Conduct relating to the offer and/or acceptance by staff of gifts and hospitality of whatever nature from outside individuals or organisations.

Within the terms of the Code, staff and governors are expected to exercise common sense. If they are in any doubt they must consult the Headteacher and Chair of Governors and in every case declare the **offer and/or acceptance** of a gift or hospitality in the register kept by the Academy, using the Academy's 'Declaration of Gifts and Hospitality' form.

The process set out is designed to safeguard governors and staff from any misunderstanding or criticism.

The general principles which govern gifts and hospitality are:-

- a) Offers of hospitality should only be accepted if there is a genuine need to represent the Academy.
- b) Gifts should only be accepted in **exceptional** circumstances.
- c) The Code of Conduct applies to all governors, and staff of the Academy.
- d) To determine whether a gift or hospitality is acceptable, the 'PROVEIT' test should be applied by staff and referred to the Headteacher/Chair of Governors if in doubt. See Appendix E.
- e) Registers are accessible for viewing by the following appropriate officers: Headteacher, Governors, Reporting Officer, Finance Director, External Auditors, and Responsible Officer.
- f) Any request by a member of the public to view the Register of Declarations of Gifts and Hospitality will be referred to the Headteacher. In considering any request, they will balance the requirement for the Academy to be open and transparent against the requirements of the Data Protection Act 1998.



13.2 Hospitality

The following principles should be followed in deciding whether or not to accept hospitality:-

- (1) (a) Staff and governors should ask themselves whether members of the public, knowing the facts of the situation, could reasonably think that they might be influenced by the hospitality offered. If the answer is yes, the hospitality should be declined. In making judgements, relevant facts to take into account include the person or organisation offering the hospitality, its scale and nature, and its timing in relation to decisions to be made by the Academy.
Care should be taken to avoid situations in which an individual governor or member of staff is the sole person invited to partake of hospitality or where it creates a pattern of receiving hospitality from that organisation.
- (2) Examples of when it may be proper to accept hospitality (always depending upon the particular circumstances) are as follows:-
 - (a) Attendance at conferences, events and demonstrations of equipment organised by outside bodies where there is a service interest.
 - (b) Attendance at events or functions where there is a demonstrable need for the Academy to be represented to either give or to receive information or to participate as part of the Academy's corporate image.
 - (c) Attendance at events or functions which are part of the civic, cultural or sporting life of the Academy.
 - (d) Working lunches where this is an appropriate and effective way of conducting business and the refreshments provided are on a reasonable level.

Overnight hospitality linked to any of the above should **not** be accepted.

13.3 Gifts

All personal gifts should be refused or donated to charity unless they come within the categories set out in 3(1) or 3(2) below.

- (1) Gifts of the following type may be accepted:- modest gifts of a promotional character, eg calendars, diaries and other similar articles. See also point 4; and gifts on the conclusion of any courtesy visit to an outside organisation of a sort normally given by that organisation. Gifts up to £10 in value may be accepted as they are not considered to constitute an influence over purchasing decisions.



- (2) Gifts which are intended for the Academy as a corporate body or intended for an Academy can be accepted but must not be retained by the individual who receives them. Such gifts should be passed to the Academy as appropriate.

13.4 Registration of Gifts and Hospitality

Staff must, within 28 days of accepting any gift or hospitality, provide written notification to the Headteacher using the 'Declaration of Gifts and Hospitality' form. All offers accepted should be recorded in case of any queries, in particular through FOI requests.

The Declaration of Gifts and Hospitality forms must be completed in full, setting out full details of the offer or the gift and or hospitality received as well as:

- estimated or actual value;
- an indication from the Headteacher as to why acceptance of the offer is authorised;
- the employee's/governor's printed full name (not typed) and signature; and
- the Headteacher's printed full name (not typed) and signature.

13.5 Monitoring

The Academy maintains a register of gifts and hospitality accepted.

If there are no declarations of gift/hospitality, a nil return should be made. The pro-forma, detailing the individual declarations, and nil returns should be obtained. Copies of these forms should be attached to the annual declaration that confirms that the Register is up to date.

The Academy monitors the Register annually and reports the outcome to the Full Governing Body/Finance Committee. Any concerns/issues identified should be noted and an action plan put in place.

13.6 Penalties for breaching the Code

The Academy's disciplinary procedures may be applied where it is found that breaches of the Code have occurred.

13.7 Full Governing Body – Monitoring of the Code

As part of its role in promoting high standards of conduct, the Full Governing Body/Finance Committee will receive annual reports on the monitoring of the Code.

13.8 Retention of Documentation

Documentation in the Register will be kept for seven years.



14. Lettings

Prior to the letting taking place, this document and the Academy's Policy for Health and Safety should be provided to the hirer who must confirm that they have read and accepted these terms and conditions.

14.1 Definitions

Hirer	The person or organisation entering into the contract with the Academy
User	Those people making use of the premises hired under a letting agreement between the Academy and the hirer
Steward	person or persons 'supervising' or organising the users

14.2 GENERAL CONDITIONS

- Lone working procedures need to be in place to cover the person unlocking/locking up and other support activities.
- The hirer is responsible for the health and safety issues, not the Academy. All statutory requirements must be observed and Academy specific requirements complied with.
- Lettings may occur during the hours of darkness. Adequate and sufficient lighting is provided inside and outside the premises to assist with safe access and egress, including around the car park. As the hirer is in control of such lighting, they will be shown where the switches are. Stewards must have torches to assist in the event of an evacuation as there is no internal emergency lighting.
- Details of vehicle and pedestrian entrances and exits, parking facilities, toilets etc. are made known to the users.
- The Academy will accept no responsibility for damage howsoever caused to vehicles and other property while the user is on the academy site. Parking is made available only on the basis that it is at the vehicle owner's risk. The hirer is asked to arrange for users to park in designated areas only.
- The hirer must ensure that only that part of the building actually hired is used and must observe any instructions given by the site supervisor/ member of academy staff concerning the area available.
- Hirers are responsible for signing in and for monitoring persons on site, so that in the event of an emergency, all persons can be accounted for.



- Hirers will be acquainted with the emergency and evacuation procedures (which are on display), including the location of the fire alarms, extinguishers and emergency exits and muster points during a premises familiarisation session in advance of the actual hiring. Once completed the hirer takes responsibility for briefing other users associated with the hiring. They must also carry out their own fire drills. Fire appliances must not be removed or tampered with other than for fire fighting purposes. The hirer will ensure that the users' activity is not so loud or otherwise obtrusive as to render the fire alarms ineffective. The hirer is responsible for drawing up specific evacuation plans for any disabled people. Procedures are in place in the event of a fire alarm call point being set off accidentally. Fire exits must not be blocked or locked, nor should furniture, equipment, or other obstructions be placed in corridors during the hiring. Hirers may legitimately request to see the academy's fire risk assessment.
- Rooms that are made available to hirers are checked periodically (not less than once per term) to ensure that they are in a suitable condition for the specific activity that any lettings will involve. Records of such inspections are kept. The Academy is not responsible for the users' activities, but is assured that the activity and the hired room/equipment available are compatible.
- Any precautions required to ensure the users' safety when using equipment are the responsibility of the hirer. Equipment will be provided by the hirer and not by the academy. All mains powered electrical equipment brought onto the premises must be safe and evidence may be required that it has a valid test and inspection certificate (the certificate should not be less than one year old for earthed equipment, or less than 4 years old for double insulated equipment). Lower voltage equipment must also be safe and in good condition.
- The cost of any maintenance or repair work which is necessary because of the hirer's/user's activities will be borne by the hirer.
- It is the responsibility of the hirer to provide first aid equipment and trained personnel.
- Smoking is not allowed in any part of the Academy premises.
- The hirer shall not allow so many users into the premises as to exceed the seating and/or dancing capacity of the premises. Even if the stated capacity is not exceeded, the hirer will not use the space provided in such a way as to create conditions of over-crowding or to impede safe and effective escape from the premises in an emergency.
- The hirer shall provide a sufficient number of stewards as may be necessary to ensure adequate and efficient supervision of the users during the letting.



- The Headteacher reserves the right to have a member of Academy staff present throughout the letting and to put a stop to any event that is not properly conducted.
- The hirer is responsible for providing access to a mobile telephone for emergency purposes.
- Hirers must have regard to the national standards of qualification, experience and overall competence of instructors/supervisors/coaches for sporting and other activities.
- The hirer must ensure that risks associated with the activity are properly controlled throughout the hire period and that the premises are returned to the control of the Academy in a clean and satisfactory condition including replacing any furniture that has been moved. Any specialist cleaning or disinfection required as a result of the hirer's/user's activity in the premises will be the sole responsibility of the hirer.

14.3 INSURANCE

- It is the responsibility of the hirer to effect suitable public liability and other relevant insurance cover. As a general rule cover up to £5 million is required.

14.4 IN THE EVENT OF AN INCIDENT, FIRE OR NEAR MISS

- The Academy will ensure that Incident Report forms are made available to the hirer who in turn, must ensure one is completed whenever necessary. The Academy will follow up the report to ensure that it is completed correctly and that an investigation is undertaken. A review of the risk assessment for the activity will be required from the hirer.

14.5 LICENSE

- The hirer is responsible for ensuring that any necessary licenses required for a particular event have been obtained (such as theatre, performing rights or cinematograph licenses).

15 Pecuniary Interests

The public is entitled to expect the highest standards of conduct from all employees who work for the Academy. Under the Academy's Code of Conduct, all staff, including temporary employees, are required to disclose to the Headteacher the interests set out below. This must be done within 28 days of the interest becoming apparent.



15.1 Register of Relationships with Contractors and Suppliers of Goods and Services

(a) Award of orders and contracts

Employees who are responsible for the award of orders and contracts should make known, in writing, to their Headteacher all relationships of a business or private nature that they have with contractors and other suppliers of goods and services. An explanation as to the exact nature of the relationship should be made and whether or not the company or business has in the past or currently supplies goods or services to the Academy or has a contract with the Academy.

(b) Relationships in a private or domestic capacity

Employees who, in the course of their job, engage or supervise contractors or have any other official relationship with contractors and/or have had, or currently have, a relationship in a private or domestic capacity with contractors (or their senior staff) should make this known to their Headteacher.

15.2 Personal Interests

Employees must declare in writing to their Headteacher any financial or non-financial interests which could reasonably be considered to conflict with the Academy's interests.

Academies should ensure:

- (a) that employees and governors (including temporary employees) are regularly advised of the need to make such declarations,
- (b) that employees personally print and signs their name on the declaration,
- (c) that employee's give their declaration of interest form to their Headteacher for authorisation,
- (d) that the Headteacher personally signs the declaration forms and prints their name,
- (e) that the Registers are kept up to date,
- (f) that the Full Governing Body is advised annually that the register is up to date and the name of the person responsible for the register and where they can be located.



15.3. Ongoing disclosures

Ongoing disclosures need to be submitted in every return, even if they have been previously disclosed. The Register is a living document and the previous returns form part of the Register. The returns should be kept for seven years.

The 'keeper' of the register should ensure that they obtain either a nil return, or a pro-forma which provides the details of the individual declarations.

The Register is accessible for viewing by the following appropriate officers during office hours: Headteacher, FD, FO.

Any request by a member of the public to view the Register of Officers' Interests will be referred to the Headteacher. In considering any request, he will balance the requirement for the Academy to be open and transparent against the requirements of the Data Protection Act 1998 and of Article 8 of the Human Rights Act, and reach a judgement in each specific case.

15.4 Examples of situations where it might be necessary for an officer to declare an interest:

There is a legal requirement for the Academy to maintain a Register of Officers' Interests. In declaring any interests you have, you are protecting yourself from any false accusation of bias or corruption.

In considering whether you have an interest, you should ask yourself whether a member of public, knowing the facts of the situation, could reasonably think that a relationship or interest you have, might conflict with the interests of the Academy. The list below is not exhaustive and **it is also important to note that you may not always need to declare an interest**. Examples are given below. If in doubt, please speak to your line manager in the first instance.

- Are you related to a county or district councillor?
- Are you a member of a parish, town or community council? Are you related to a member?
- Are you a school/academy governor or related to a school/academy governor?
- Are you a partner, company secretary or non-executive chairman of a company which does business with the Academy?
- Are you employed by a body which carries out work for the Academy, or were you recently so employed, or are you related to someone who is so employed?
- Do you do part-time or occasional work for a company which undertakes work for the Academy or which competes with the Academy for work?
- Are you undertaking any business ventures in your own time that could conflict with the Academy's interests?



- Are you related to or friends with anyone who tenders for work from the Academy?

16.VAT This section outlines Bungay High School's VAT procedures following the School's conversion to Academy Status with effect from 1st August 2011.

16.1 Responsibilities

The Academy's Director of Finance is responsible for:-

- accurate accounting of the VAT return
- regular submission of the VAT return
- annual review of the methods of apportionment
- annual review of this policy with input from the review of methods of apportionment
- liaising with Auditors/Accountants regarding changes to VAT regulations and the effect of such changes upon the school.

16.2 Processing

The finance officer will process the VAT 126 reimbursement claim, reconcile the VAT control account and re-imburement payments on a monthly basis.

16.3 Accounts Receivable

Bungay High School is not VAT registered therefore no VAT will be added to debtor invoices relating to services provided by the Academy.

16.4 Accounts Payable

VAT, where charged, will be paid in full by the Academy. VAT will be reclaimed monthly from HMRC using form V126 backed up by a detailed breakdown of the claim.

- **Non-Business VAT reclaims** (i.e. goods/services purchased for the provision of free education services) VAT will be reclaimed in full.
- **Business VAT reclaims** (i.e. services/goods purchased for financial gain to the school). This includes Sports Centre facility hire, School facility lettings. VAT will not be reclaimed.

Where costs are incurred for both business and non-business activities, the VAT will be apportioned on a fair and reasonable basis, as set out below.



16.5 Sports Centre Lettings (utilities)

The Sports Centre provides free education services during the school day and is open to the public for financial gain for up to 6 evenings per week, 37 weeks per year. The apportionment of occupancy costs has been calculated on the basis of the ratio of the floor area attributable to the Sports Centre adjusted to reflect the number of hours that it is open to the public. The assumptions used are as set out below.

Academy			%
Total Floor area	9305	square metres	
Open to students 38 weeks per year, 7 hours per day 5 days per week	1330	hours per year	
Sports Centre			
Floor area	775	square metres	8.33
Open to public 37 weeks per year, 3 hours per day 4 days per week	444	hours per year	
Adjustment factor based on hours open	0.33		2.78

On this basis VAT will be reclaimed on mixed use (business and non-business) occupancy costs at 97.22%.

16.6 General Services (miscellaneous costs for apportionment)

Invoices received relating to services provided across business and non-business use, not covered above, will be apportioned in a fair and reasonable manner. The method of apportionment used will be relevant to the nature of the service provided. These methods may include:

Ratio of staff numbers (HR/Payroll related services)

Ratio of floor area of buildings (Professional services)

Ratio of business income received against total income

As part of any VAT reclaim, we will identify the apportionment method used.

This list of apportionment methods will be updated upon review of this policy.



NB HMRC state that there should be no de-minimis limit in this respect so even if the business proportion is considered to be insignificant, an apportionment will still be carried out.

APPENDIX A

Suggested Guidance for Issue to Responsible Officers (ROs)

The Role of the Responsible Officer

1. The role of the Responsible Officer (RO) is to provide the governing body (GB) with an on-going independent oversight of the academy's financial affairs. Most public sector organisations, and a growing number of private sector organisations, are required to have an internal audit service but due to the relatively small size of academies this requirement is thought to be too onerous.

In the absence of an internal audit service it falls to the RO to provide the GB with independent assurance that:

- the financial responsibilities of the GB are being properly discharged;
 - resources are 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.
2. The RO should be a governor (but not the chairman), or an appropriately qualified and experienced individual not on the academy's staff, with the necessary financial interest and skills to be able to perform the role competently. The RO is not expected to do the detailed accounting work personally, but will be required to check some transactions to ensure that the correct procedures have been followed. The RO will need to be sufficiently familiar with the finances of the academy to be able to report to the GB, and hence indirectly to the EFA, that the above requirements have been met.

Performance of the RO Role

3. The conditions of YPLA grant, and the financial procedures which the EFA expect the academy to follow, are described in the DfE Academies Financial Handbook, which expands upon the academy's funding agreement with the Secretary of State. Further details may be set out from time to time in financial circular letters, and in the annual funding letters. The main purpose of the RO role is to ensure that these requirements are followed.
4. Responsible Officers are often consulted before significant financial decisions are taken and provide a useful source of advice for academies. However, the RO should also perform a wider role by visiting the academy at least once a quarter and undertaking a series of detailed tests to confirm the



operation of the main financial systems. Details of the expected checks are shown overleaf.

5. Written records of the checks performed by the RO should be maintained.

Suggested Systems Checks to be Undertaken by the RO Each Year

Payroll

- Select 5 employees from the payroll and check salary details back to personnel records to confirm that the amount paid is correct;
- Check 5 amendments to the payroll to ensure that appropriately authorised source documentation exists;
- Review the final payroll print for one month to ensure it has been appropriately authorised.

Purchases

- Select 5 payments made within the quarter and ensure:
 - the payment is correctly authorised;
 - the payment is correctly recorded in the accounting system;
 - the invoice is correctly authorised;
 - the invoice agrees to the order;
 - that goods or services have been certified as received;
 - the order is correctly authorised;
 - that the order has been placed with an appropriate supplier.
- Obtain details of any contracts let with a value over a prescribed limit and review documentation to ensure correct quotation/tender procedures have been followed;
- Review progress against any significant capital contracts to ensure payments made are appropriate and progress is satisfactory.

Income

- Review receipts from the YPLA and sponsors and check that the amounts received agree to source documentation;
- Select one category of “miscellaneous receipts” and ensure:
 - appropriate action has been taken on any overdue amounts;
 - primary records of amounts due reconcile to records of monies collected;
 - monies recorded as collected have been banked promptly and in full;
 - ensure monies collected are correctly recorded in the accounting system.

Accounting System

- Review bank reconciliations to ensure that they have been correctly prepared and authorised;



- Review control account reconciliations to ensure that they have been correctly prepared and authorised;
- Review through sample checks the procedures used to prepare financial reports issued to governors and officers of the Academy and YPLA financial returns to be satisfied that they are completed accurately and promptly.

APPENDIX B

THE PUBLIC INTEREST DISCLOSURE ACT 1998

This legislation aims to protect workers who make “qualifying disclosures” of malpractice in their organisation from victimisation as a result of making such a disclosure. It is automatically unfair to dismiss an employee or select him/her for redundancy because s/he made a disclosure, provided that the disclosure qualifies under the Act.

A “qualifying disclosure” must relate to:

- a criminal offence;
- a failure to comply with any legal obligation;
- a miscarriage of justice;
- danger to health and safety of any individual;
- damage to the environment;
- an attempt to cover up any of these.

Any disclosure must be made in good faith and not for personal gain. The employee does not have to prove that malpractice has occurred, simply that s/he has a reasonable belief that it took place or was about to take place.

The Act directs workers to raise their concerns internally in the first place, wherever their employer has a procedure for doing so. In certain cases the Act also protects disclosure to “prescribed regulators” such as the Audit Commission.

The Act only protects wider disclosure (e.g. to the media, an MP etc) if:

- the employee reasonably believed they would be victimised if they had raised the matter internally or with a prescribed regulator;



- there was no prescribed regulator and they reasonably believed the evidence would be concealed;
- the concern had already been raised with the employer or prescribed regulator;
- the concern was exceptionally serious.

APPENDIX C

MANAGING THE ACCEPTANCE OF GIFTS OR HOSPITALITY

The **PROVEIT** test:

Whether or not the offer is acceptable:

Purpose	Token, thanks or seeking a favour? (token or thanks: yes; favour: no)
Rules	What are they? Does this situation conform?
Openness	Is the offer transparent?
Value	Expensive or inexpensive?
Ethics	Does the offer fit with academy ethics? Is this an exceptional circumstance?
Identity	Who has made the offer?
Timing	Are you about to make a decision affecting the giver?



Appendix D

PRO-FORMA DECLARATION OF PECUNIARY INTERESTS

School Name	Bungay High School		
Staff Name		Position	Governor, Head teacher, Teacher, Support, Other Employee
Home Address			

Schools manage a significant proportion of public funds and must demonstrate that no governor, employee or related party benefits personally from the use of funds. Financial decisions must be seen to be made in accordance with the Nolan Committee’s Seven Principles of Public Life :

- Selflessness:** No financial gain or other material benefits for self/family
- Integrity:** Independent of outside influence
- Objectivity:** Decisions made on merit
- Accountability:** Accountable for decisions/actions to the public
- Openness:** Open about decisions and actions taken wherever possible
- Honesty:** Declare private interests, resolve conflicts to protect public interest
- Leadership:** Promote and support principles by leadership and example

These principles apply to decisions with regard to procurements and staffing (including recruitment, contractual changes, casual/additional hours, reimbursements and expenses). Declarations should be made where individuals could have significant influence on any decisions made both at school and with the related party.

Name of Potential Interest (Business/Company/Employee)	Address of Potential Interest	Nature of the Company’s Business	Connection or Interest (Director/Shareholder /Family member/etc)

Signed..... Date.....



APPENDIX E

DECLARATION OF GIFTS AND HOSPITALITY

This form should be completed for all gifts or hospitality accepted within 28 days of the offer being made

Section A (to be completed by the employee)			
Employee Name:			
Name of the person or organisation that made the offer, gift or hospitality:			
Details of the gift or hospitality offered/received, including estimated or actual value:			
The circumstances in which the offer was made or gift/hospitality was accepted:			
Action taken: <i>eg: kept for personal use; personally consumed; donated to Charity; raffled and proceeds donated to Charity</i>			
Date offered:		Date accepted:	
I confirm that I have applied the PROVEIT test overleaf:			
Signed: Date:			
Section B (to be completed by the Headteacher)			
I authorise acceptance of the gifts/hospitality detailed above <i>(delete as appropriate)</i>			
Reason for decision:			
Name:			
Signed: Date:			

This declaration will be retained on the relevant Register of Declarations of Gifts and Hospitality.

APPENDIX F

NSSA Amendment

Context

The North Suffolk Skills Centre Ltd was established as a wholly owned subsidiary of Bungay High School on 6/7/13, company number 08594430. This is a stand alone company, which will operate at arms length from Bungay High School, but the two will work together for mutual benefit. This is as defined in EFA Form C, under which permission was granted to create the subsidiary from the Education Funding Agency (EFA). The NSSA begun trading on 1/9/13 and first accounting period was to 31/8/14.

The NSSA business plan is written so that it remains in credit using its own resources. It will not be subsidised by Bungay High School. All activities will meet the charitable objectives of Bungay High School, in line with the Memorandum of Articles of Association for the NSSA (as attached).

The Company currently has four Directors:

- Angelo Goduti (Headteacher) Bungay High School
- Simon Linger (also Chair of Governors, Bungay High School)
- Mike Osbourne Governors Representative
- Zoe Sprake. Governors Representative

Bungay High School's relationship with the NSSA has three elements, summarised as follows:

- 1) As parent company, as outlined in the Business Plan Proposal to Governors dated 8.11.12.
- 2) As provider of vocational education (currently three areas) at the NSSA, as per sub-lease agreement attached.
- 3) As provider of management services, as detailed below.

Finance Policy

The NSSA will follow the Bungay High School Finance policy, with exception to the VAT regulations (as defined below) and operate under Charities Commission, EFA and Department for Education financial guidelines. This is to be minuted at the first meeting of the NSSA Directors. The NSSA's accounts will be prepared both as a stand-alone company and be consolidated into the Bungay High School accounts each year end from 2014.

Pecuniary interests are to be minuted at each meeting of the NSSA Directors.

All NSSA financial transactions will be processed through the system in SIMS.FMS, administered by the Bungay High School Finance Team. All spending will be authorised by NSSA Directors and staff, in line with policy requirements, before being processed by the Finance Team. All income will be similarly treated, with NSSA Directors and staff providing information to the Finance Team who will raise invoices and collect income in line with the Finance Policy.

All transactions of the NSSA will be included in all required returns to the EFA, Charities Commission, HMRC and other Government bodies. These will be prepared by the FD and agreed by Directors of the NSSA.



Audit

The NSSA will be audited by the Bungay High School audit annually, when all required information shall be made available to auditors. The NSSA will also be included in Responsible Officer audits three times a year, and any other audit as required by Government bodies or their appointed auditors.

Reporting

Monthly reports will be provided by the Finance Director (FD) of Bungay High School to the Directors of NSSA, detailing NSSA income and expenditure against budget lines, cash-flow plus other reports as required. Monthly meetings will take place with Directors of NSSA and the FD, where any queries can be raised and financial risk assessed. This information will be provided termly to the Bungay High School Finance Committee for discussion and report to the Main Governing Body.

Bank Account

The NSSA will operate from Lloyds TSB bank account number 2422160, sort code 30.99.97. No other bank account shall be created or used. Bank statements to be reconciled monthly by the Finance Team. The bank account may not over-draw and the subsidiary has no facilities to borrow money.

Staff

The Finance Team will process pay for staff on joint contracts between BHS and NSSA and administer Bungay High School policy in respect of all Human Resources matters, referring any problems to Directors of the NSSA.

Recharges

Recharges will apply for the actual costs of Bungay High School staff providing management services at the NSSA in respect of running the NSSA, not for the staff employed by Bungay High School as provider of vocational courses except by agreement with the Directors.

The charge will include on costs, use of over-time (time and a half) will be kept to a minimum, but may not avoidable for full time staff as no additional staff have been employed to work on the NSSA. Allowance for these charges has been made in the NSSA budget. Support staff contracted to work at the NSSA will be on joint contracts with Bungay High School.



VAT

Unlike the parent company, The NSSA cannot utilise the VAT concession Section 33b. The NSSA is defined as business exempt, so that it will not charge VAT on invoices out, or claim VAT back on invoices in. VAT returns are not therefore required. The FD will monitor the situation and advise if change is required. Bungay High School is not registered for VAT so will not charge VAT on invoices for recharges to the NSSA.

Surplus Funds

The purposes of reserves are to ensure the NSSA operates as a going concern, and that it can provide sufficient working capital, cover unforeseen eventualities in line with risk management recommendations, and ensure capital maintenance both in the current financial year and in future years. The policy target will be reviewed in the light of review of future developments.