

Salendine Nook High School (Academy)

Financial Management Manual

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Produced by:	Mrs V.Wood
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All items & policies in this document were approved as part of the manual.

Circulation: All Governors and staff

1. ORGANISATIONAL STRUCTURE OF FINANCIAL RESPONSIBILITY

Salendine Nook High School (Academy) has a simple and unified management structure to optimise efficiency. The structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Management Team. The aim of this structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

The Governors fulfil a largely strategic role. They adopt the School Development Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of the Academy, its capital expenditure and senior staff appointments.

The trustees should focus on the three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing and ensuring effective financial performance.

The governors **must** apply the highest standards of governance and take full ownership of their duties. They **must** comply with the trust's charitable objects, with company and charity law, and with their funding agreement. The duties of company directors are described in sections 170 to 181 of the Companies Act 2006, but in summary are to:

- act within their powers
- promote the success of the academy
- exercise independent judgement
- exercise reasonable care, skill and diligence
- avoid conflicts of interest
- not to accept benefits from third parties
- declare interest in proposed transactions or arrangements

The duties of charity trustees are described in the Charity Commission's guidance *CC3: the essential trustee: what you need to know, what you need to do*. Trustees should also be aware of other Charity Commission guidance.

The trustees **must** apply the highest standards of conduct and ensure robust governance, as these are critical for effective financial management. They should follow the [Governance Handbook](#), which describes the following features of effective governance and will aid compliance with the Academies Financial Handbook:

- **strategic leadership** that sets and champions vision, ethos and strategy
- **accountability** that drives up educational standards and financial performance
- **people** with the right skills, experience, qualities and capacity
- **structures** that reinforce clearly defined roles and responsibilities
- **compliance** with statutory and contractual requirements
- **evaluation** of governance to monitor and improve its quality and impact

The governors **must** ensure regularity and propriety in use of the academy's funds, and achieve economy, efficiency and effectiveness – the three key elements of value for money. The trustees must also take ownership of the trust's financial sustainability and its ability to operate as a going concern

Established trusts should include an annual assessment, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.

The SLT consists of the Principal, , Vice Principal, 4 Assistant Principals, including the Director of Finance & Resources. These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than the Principal appointment for which the Full Governing Body is responsible.

The middle leadership consists of the Heads of Departments. As a group the middle managers have responsibility as budget holders.

The Principal is the Accounting Officer and the Director of Finance & Resources is the Principal Finance Officer

The financial policies and procedures adhered to by the Academy have been prepared with reference to the Education Funding agency's Academies Financial Handbook 2019. The Governors will ensure compliance with this key handbook as required by the Secretary of State.

Provision of information

The Academy **must** notify DfE of the appointment or vacating of the positions of:

- Accounting Officer and Chief Financial Officer including direct contact details
- Chair of Governors including direct contact details
- member, trustee and local governor

within 14 days of that change. Notification **must** be through the governance section of DfE's Get Information About Schools register, accessed via Secure Access. All fields specified in Get Information About Schools for the individuals **must** be completed. The Academy **must** ensure its record on Get Information About Schools for the individuals remains up to date.

If the Academy does not return the information ESFA requires by the specified deadline, or that the information is not of acceptable quality, ESFA may conduct investigations to collect it. ESFA may deduct the cost of the investigations from the Academy's recurrent funding. ESFA may take further actions it deems necessary, such as publication of the names of late returners, to enforce compliance where trusts fail to fulfil their duties to provide information.

2. FINANCIAL RESPONSIBILITIES

GOVERNORS RESPONSIBILITIES

The Academies Financial Handbook 2020 states that Members must not be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis. This requirement is effective from 1 March 2021.

It is important for members to be kept informed about trust business so they can be assured that the board is exercising effective governance. This must include providing the members with the trust's audited annual report and accounts.

The Academy has a Finance Committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern.

The Governing Body must:

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to ESFA
- as part of its management of the trust's funds, explain its policy for holding reserves in its annual report. Information on how the trust must report on reserves is set out in the Accounts Direction.

The board and its committees **must** meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management arrangements. Board meetings **must** take place at least three times a year (and business conducted only when quorate). If the board meets less than six times a year it **must** describe in its governance statement, accompanying its annual accounts, how it maintained effective oversight of funds with fewer meetings.

The Academy **must** establish a robust control framework that includes:

- ensuring delegated financial authorities are complied with
- maintaining appropriate segregation of duties
- co-ordinating the planning and budgeting process
- applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- planning and oversight of any capital projects
- management and oversight of assets
- regularity, propriety and value for money in the organisation's activities
- reducing the risk of fraud and theft

- independent checking of financial controls, systems, transactions and risks

The board must also appoint, in writing, a named individual as its accounting officer. This should be the senior executive leader. The individual must be a fit and suitable person for the role. The roles of senior executive leader and accounting officer must not rotate. The accounting officer should be employed by the trust. The trust must obtain prior ESFA approval if it is proposing, in exceptional circumstances, to appoint an accounting officer who will not be an employee. At Salendine Nook High School (Academy) the Accounting Officer is the Principal.

The board must appoint a chief financial officer (CFO), who is (and whose job title may instead be) the trust's finance director, business manager or equivalent, to whom responsibility for the trust's detailed financial procedures is delegated. The CFO should play both a technical and leadership role. The CFO should be employed by the trust, and the trust must obtain prior ESFA approval if it is proposing, in exceptional circumstances, to appoint a CFO who will not be an employee. At Salendine Nook High School (Academy) the CFO is the Director of Finance & Resources and is part of the Senior leadership Team.

The CFO and their finance staff must be appropriately qualified and/or experienced. Trusts must assess whether the CFO, and others holding key financial posts, should have a business or accountancy qualification and hold membership of a relevant professional body, dependent on the risk, scale and complexity of financial operations. CFOs should maintain continuing professional development and undertake relevant ongoing training. At Salendine Nook High School (Academy) the CFO holds the appropriate qualifications and memberships of professional bodies.

School resource management self-assessment tool

All trusts **must** complete the [School resource management self-assessment tool](#) and submit their completed checklist to ESFA by the specified annual deadline.

The Clerk to the Board The Academy Trust must appoint a clerk to support the board of trustees who is someone other than a trustee, principal or chief executive of the trust. A clerk can help the efficient functioning of the board by providing:

- guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
- advice on procedural matters relating to operation of the board.

Budgeting

The academy trust **must** submit to ESFA, in a form specified by ESFA:

- a budget forecast return outturn by 21 May
- a 3-year budget forecast return by 30 July

These **must** be approved by the trustees before submission. ESFA has produced guidance on both returns.

The Governing Body, and any separate committee responsible for finance, **must** ensure rigour and scrutiny in budget management.

Budget setting – The Governing Body **must** ensure that budget forecasts, for the current year and beyond, are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets, and are reflective of lessons learned from previous years. It should challenge and review termly pupil number estimates as these will underpin revenue projections. Boards are encouraged to take an integrated approach to curriculum and financial planning, so that they are confident about planning the best curriculum for their pupils and delivering the trust's educational priorities with the funding they have available. Boards should also refer to DfE's material on improving school resource management including the top ten planning checks for governors.

Budget monitoring – The Academy **must** prepare management accounts every month setting out its financial performance and position, comprising budget variance reports and cash flow forecasts with sufficient information to manage cash, debtors and creditors. Managers **must** take appropriate action to ensure ongoing viability. Management accounts **must** also be shared with the chair of trustees every month irrespective of the size of the trust, and with the other trustees six times a year. The board **must** consider these when it meets. The board **must** ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.

The format of management accounts should be adjusted to be suitable for different users including summaries and supporting narrative as appropriate.

The trust **must** select key financial performance indicators and measure its performance against them regularly, including analysis in its annual trustees' report as explained in the Accounts Direction.

Where the board has concerns about financial performance, it should consider whether additional financial reporting is appropriate.

Cash Management

The Academy **must** manage its cash position robustly. It **must** avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing. It may be required to report on its cash position to ESFA where there are concerns about financial management.

PRINCIPAL RESPONSIBILITIES

To advise the Full Governing Body on the discharge of its responsibilities.

To ensure the efficient, economic and effective management of the Academy's resources and expenditure, including funds, capital assets and equipment, and staff.

To ensure the maintenance of sound financial controls.

To ensure that financial considerations are taken fully into account in reaching decisions and in their execution.

To be responsible for signing, with the Chair of the Governors, the approved budget and annual accounts ensuring they are properly presented and causing records to be maintained relating to the accounts.

To ensure that all financial reports to the ESFA/DfE, Governors, SLT and all other budget holders are accurate and on time.

To review from time to time with the Director of Finance & Resources, the financial regulations for the supervision and control of financial procedures accounts, income and expenditure of the school (see Financial Operating Procedures Manual)

To receive regular reports on the Academy's income and expenditure, showing a comparison of these against annual budget.

To fulfil the role of Accounting Officer

DIRECTOR OF FINANCE & RESOURCES

To provide such assistance to the Full Governing Body as necessary for the satisfactory completion of their financial responsibilities, including access to all financial documents and accounting systems.

To ensure with finance staff that all aspects of academy financial management requirements are implemented, especially in the critical area of periodic reporting of the Academy's financial position to the ESFA/DfE, Companies House and Charities Commission

To provide regular reports of the Academy's financial position to the Chair of Governors, Full Governing Body, Finance, Staffing & General Purposes Committee and SLT, reporting variations in the budget

To ensure full and complete observance by the finance team of financial procedures and arrange for these to be amended in the light of changing requirements.

To ensure that all financial activities are seen to be fair and honest.

To agree with the Principal funds to be delegated to budget holders taking into account any forecast requirements.

To prepare monthly management accounts to the Chair of Governors and Chair of Finance, and half termly reports to the Finance, Staffing & General Purposes Committee.

To sign off bank reconciliations with the Principal

INTERNAL SCRUTINY Delivering assurance through independent challenge (internal audit)

The academy will manage a programme of risk review and checking of controls in the way most appropriate to their circumstances. This will include:

- a supplementary programme of work by the external auditor

The Academy **must** confirm in its governance statement, accompanying its annual accounts, the above options it has applied and why. The outcome of the work will also inform the Accounting Officer's statement of regularity in the annual accounts.

The audit process can support academies by helping identify key areas that may require improvement. The Governing Body **must** ensure there is an appropriate, reasonable and timely response by the Academy to any findings by auditors, taking opportunities to strengthen the trust's systems of financial management and control.

The findings from the above programme of work **must** be made available to all trustees promptly. The trust **must** send the ESFA an annual summary of the findings and conclusions from our existing programme of internal scrutiny

Internal scrutiny **must** focus on:

- **evaluating** the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed
- **offering advice and insight** to the board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
- **ensuring all categories of risk** are being adequately identified, reported and managed.

The trust **must** identify on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly. For example, this may involve greater scrutiny where procedures or systems have changed. The Academy **must** have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

The Academy **must** deliver internal scrutiny in the way most appropriate to its circumstances. Options include:

- employing an in-house internal auditor
- a bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance
- the appointment of a non-employed trustee
- a peer review by the [chief financial officer](#) from another academy trust. The trust should satisfy itself that the trust supplying the reviewer has a good standard of financial management and governance and should minute the basis for its decision. The peer reviewer should be independent of the trust.

The Academy may combine the above options. The trust may also use other individuals or organisations where specialist non-financial knowledge is required.

The Financial Reporting Council's revised Ethical Standard states that a firm providing external audit to an entity shall not also provide internal audit services to it. The Standard includes transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. In order to minimise threats to objectivity and independence in the internal scrutiny of academy trusts, ESFA considers that the term internal scrutiny should be viewed in the same way as internal audit.

The Academy must submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions (as presented to the audit and risk committee by the person(s) or organisation(s) carrying out the programme of work) to ESFA by 31 December each year when it submits its audited annual accounts. If the trust uses additional individuals or organisations where specialist non-financial knowledge is required, as permitted, it should reflect their findings, recommendations and conclusions as part of the summary document submitted to ESFA. The trust must also provide ESFA with any other internal scrutiny reports if requested.

Directing internal scrutiny – the audit committee

The trust does not have a formal Audit committee, as this function is combined with the Finance, Staffing & General Purposes Committee

Employees should not participate as members when audit matters are discussed.

The governors and in particular the Accounting Officer are ultimately responsible for the finances of the Academy and accordingly need to do whatever they consider necessary. For a small non-complex academy an unpaid Responsible Officer or peer review may be considered sufficient. However, for a larger more complex trust such as Salendine Nook High School (Academy), the governors agreed on a more formal scheme of work involving an external auditor would be required.

The governors have based this decision on two considerations. Firstly, there are adequate controls in place for the risks identified. Secondly, those controls are operating as designed.

The governors must:

- direct the trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

The Academy agreed at the meeting of the Finance, Staffing & General Purposes Committee on the 20th January 2016 to continue with external professional help to review the controls in place to determine whether they are fit for purpose. The governors agreed that the controls are operating as designed, so it was not necessary to pass this to a Responsible Officer or peer review. External assistance was considered to be good practice on a biannual external review basis, which would include the annual audit of the Academy Accounts.

External audit oversight and findings – the audit and risk process

The audit process can support trusts by identifying areas that may require improvement. The board of trustees, **must** ensure there is an appropriate, reasonable and timely response by the trust's management team to findings by external auditors, taking opportunities to strengthen systems of financial management and control.

Specifically the audit and risk process **must**:

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor comments and recommendations in relation to key areas
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's use of technology

- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

4. FINANCE, STAFFING & GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

Terms of Reference

Salendine Nook High School Academy Governing Body Finance, Staffing and General Purposes Committee

Purpose

To provide support and challenge to the Principal and to hold him to account in relation to the use of resources to support the priorities of the school including: the school budget; the leadership of teaching and learning; the employment and development of staff and the premises.

Quorum

3 Governors

Reporting to the Full Governing Body

A précis of the business conducted by this committee will be communicated to the full Governing Body by its Chair at the next full Governing Body meeting following a committee meeting, followed by the production of minutes.

Committee Procedure

- It is ultimately the responsibility of the Chair of the committee to be aware of these Terms of Reference and to ensure that they are followed and that meetings are scheduled and agendas formulated to deal with relevant issues as they arise in the school year;
- The Chair shall encourage all members of the committee to receive appropriate training to carry out their role professionally and in line with legislation, it is the responsibility of individual committee members to obtain the required training;
- In line with our Articles of Association Chairs and Vice Chairs of committees will be elected at the start of each school year. Subject to the Governors as a whole being satisfied with their performance and in the interests of training and succession planning no Chair or Vice Chair is expected to serve for more than six years before standing down.
- This committee will meet no less than 6 times in each academic year;
- In the absence of the Chair, the committee shall choose an acting Chair for that meeting from among them;
- In the absence of the Clerk the committee shall choose a Clerk for that meeting from among their number or a member of staff excluding the Principal;
- In line with Article 101, when deemed appropriate, the membership of this committee may include persons who are not Governors, provided that a majority of members shall be Governors. The Governors may determine whether such Associate Members shall be entitled to vote;

- Any decisions taken must be determined by a majority of votes of committee members present and voting. No vote can be taken unless the majority of those present are governors;
- In line with Article 101 of the Articles of Association the constitution, membership and proceedings of this committee shall be determined by the Governors and its establishment, terms of reference, constitution and membership shall be reviewed at least once in every twelve months;
- In line with Article 102 the Governors may delegate to any Governor, committee, the Principal or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be subject to any conditions the Governors may impose and may be revoked or altered.

Terms of Reference

Finance

- To oversee the longer-term 3 year strategic planning of the school's finances;
- To oversee the preparation of the annual budget plan and ensure it links to the school development plan priorities agreed by the Governing Body;
- To recommend the final accounts, annual report and annual return for approval to the full Governing Body in line with Articles 126, 127 and 128 of our Articles of Association;
- To monitor the budget, ensure accurate accounts are kept and present a report to each scheduled meeting of the Governing Body. Significant anomalies from the anticipated position will be reported to the full Governing Body;
- To oversee provisions within our Articles of Association, Funding Agreement and the Academies Financial Handbook and to ensure the school and Governing Body comply with these provisions;
- To agree the level of delegation to the Principal for the day-to-day financial management of the school;
- To monitor expenditure and ensure corrective action is taken where necessary;
- To evaluate spending to ensure the school meets the relevant statutory requirements in relation to best value;
- To monitor income and expenditure of all public funds;
- To ensure key financial decisions are properly recorded;
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body including a review of the audit report of such funds;
- To establish procedures for Governors to claim expenses and to ensure the probity of any claims made;
- To ensure a register of pecuniary and business interests for Governors and staff is kept and is open to inspection;

- To monitor compliance with, review and approve / recommend approval to the full Governing Body statutory and non-statutory policies and procedures pertaining to finance (see appendix);
- To make decisions in respect of service agreements and contracts;
- To ensure compliance of auditing/accounting requirements as an Academy in line with our Articles of Association, Funding Agreement and the Academies Financial Handbook;
- To monitor returns to Company House and EFA as required;
- To make decisions on expenditure following recommendations from other committees, ensuring as far as is practical, that Health and Safety issues are appropriately prioritised;
- To deal with all other aspects pertaining to Finance not detailed above.

Staffing

- To make recommendations to the Governing Body on staffing levels and the leadership and management structure;
- To review the development plan arising out of the annual performance management of all staff;
- To consider the Principal's recommendations on teachers' salaries and determine levels of pay of staff in accordance with the Pay Policy;
- To monitor compliance with, review and approve / recommend approval to the Full Governing Body statutory and non-statutory policies and procedures pertaining to staffing (see appendix);
- To ensure that DBS, Police and List 99 checks are completed satisfactorily;
- To ensure that all central record of recruitment and vetting checks are in place;
- To keep under review, staff work/life balance, working conditions and well-being, including the monitoring of absence;
- To ensure proper arrangements are in place to consider any appeal against a decision on pay issues;
- To decide matters of early retirement.
- To meet the Governing Body's responsibilities under the Disability Discrimination Act, especially in the area of employment.
- To provide, support, guidance and accountability to the Principal on all personnel matters;
- To deal with all other aspects pertaining to Staffing not detailed above.

NB: The responsibility for the recruitment and appointment of all teaching and non-teaching staff has been delegated to the Principal, except for the appointment of a Vice Principal or the Principal whose recruitment is covered by separate legislation.

General Purposes

- To advise the Governing Body on priorities, including Safeguarding, Risk Assessments, Health and Safety for the maintenance and development of the school's premises including the establishment and review of the Health and Safety Policy;
- To oversee arrangements for repairs and maintenance in conjunction with the school's PPP providers;
- To make recommendations on premises-related expenditure;
- In consultation with the Head Teacher to oversee premises-related funding bids;
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to Governing Body policy;
- To establish and keep under review a Building Development Plan in conjunction with the school's PPP providers;
- To ensure that the relevant insurances are in place as per the Academy's Financial Handbook;
- To ensure that the responsibilities of the Governing Body regarding litter, refuse & dog excrement are discharged according to Section 89 of the Environmental Protection Act 1990 so far as it is practicable;
- To monitor compliance with, review and approve / recommend approval to the Full Governing Body statutory and non-statutory policies and procedures pertaining to General Purposes (see appendix);
- To ensure that all members of the committee receive appropriate training to carry out their role professional and in line with legislation;

Appendix

Policies and Procedures Connected to the Finance, Staffing and General Purposes Committee

Policy	Stat on Non Stat	Needs full GB Approval	Review Freq.
Charging & Remissions	Stat	No	Bi-Annual
Data Protection	Stat	No	Bi-Annual
Disability Accessibility Plan	Stat	No	3 Yearly
Disciplinary Procedures for Staff	Stat	No	Bi-Annual
Disclosure and Barring	Stat	No	Bi-Annual
Health and Safety	Stat	No	Bi-Annual
Staff Discipline, Conduct & Grievance	Stat	No	Bi-Annual
Finance Manual	Non Stat	No	Bi-Annual
Risk Management	Non Stat	No	Bi-Annual
Emergency Plan	Non Stat	No	Bi Annual
Whistleblowing	Non Stat	No	Bi-Annual
Governors' Allowances	Non Stat	No	Bi-Annual
Business Continuity Plan	Non-Stat	No	Bi-Annual
Induction for New Staff	Non Stat	No	Bi-Annual
Staff Attendance Management Plan	Non Stat	No	Bi-Annual
Support Staff Pay	Non Stat	No	Bi-Annual
Support Staff Performance Appraisal	Non Stat	No	Bi-Annual
Teacher Appraisal	Non Stat	No	Bi-Annual
Teaching Staff Pay	Non Stat	No	Bi-Annual
Site Traffic Management Plan	Non Stat	No	Bi-Annual

Lone Worker	Non Stat	No	Bi-Annual
PAT Testing	Non Stat	No	Bi-Annual
Protection of Biometric Info	Stat	Yes	Annual
Retention	Non Stat	No	Bi-Annual
Sharps	Non Stat	No	Bi-Annual
Staff Wellbeing	Non Stat	No	Bi-Annual
Water Testing & Legionella	Non Stat	No	Bi-Annual

5. FINANCE POLICY

The purpose of the policy:

- To define the responsibilities within the school
- To provide guidance on the application of regulations
- To identify procedures to ensure integrity of internal controls
- To set out guidelines to ensure effectiveness of resources

Rationale and Accountability

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

The role of the Full Governing Body is to:

- approve the budget
- set the terms of reference for the Finance, Staffing & General Purposes Committee
- **must** ensure its decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. No individual can be involved in deciding his or her remuneration.

The Governing Body **must** discharge its responsibilities effectively, ensuring its approach to pay is transparent, proportionate and justifiable, including:

- process - that the procedure for determining executive pay is agreed by the Governing Body in advance and documented. The trust **must** publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, as an extract from the disclosure in its financial statements for the previous year ended 31 August. Benefits for this purpose include salary, other taxable benefits and termination payments, but not the trust's own pension costs. In the case of employees who are trustees, their salary and other benefits will also be disclosed in £5k bandings in the trust's financial statements, as set out in the model trustees' remuneration note in the [Academies Accounts Direction](#).

- independence - decisions about executive pay reflect independent and objective scrutiny by the board and that conflicts of interest are avoided
- robust decision-making - factors in determining pay are clear, including whether performance considerations, and the degree of challenge in the role, have been taken into account
- proportionality – pay is defensible relative to the public sector market
- commercial interests – ensuring the board is sighted on broader business interests held by senior executives, and is satisfied that any payments made by the trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction
- documentation - the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained
- a basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term
- understanding that inappropriate pay and benefits can be challenged by ESFA, particularly in instances of poor financial management of the trust.

The Academy will comply with the requirements under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 to publish information on its website about the gender pay gap in their organisation.

The academy trust **must** ensure its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance about the employment arrangements of individuals on the avoidance of tax. This is described in HM Treasury's [Review of the Tax Arrangements of Public Sector Appointees](#) which explains that senior managers with significant financial responsibilities should be exclusively on payroll, and therefore subject to Pay As You Earn with income tax and NI contributions deducted at source. Failure to comply with these requirements can result in a fine by HM Treasury.

The role of the Finance, Staffing & General Purposes Committee is to:

- prepare the annual budget for approval by the Full Governing Body
- to ensure the annual financial statements and accounts are produced in accordance with the Companies Act 1985 and the ESFA/DfE guidance issued to academies
- review and maintain finance policies

- monitor the annual budget and make recommendations to the Full Governing Body
- set levels of authority for spending and budget transfers
- advise the Full Governing Body on the affordability of the School Development Plan
- consider the impact of student numbers on the budget over short, medium and long term
- receive and review half termly finance reports/management accounts
- receive and respond to auditors' reports

The role of the Responsible Officer has been deemed not to be appropriate at the Academy. The Chair of Finance is provided with bi-annual reports from the external auditors, which is subsequently presented to the remaining Board of Governors. These audits will cover:

- Review the internal and external financial statements and reports to ensure that they reflect best practice
- Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff
- Consider all relevant reports by the appointed external auditor and/or any other authorised auditor, including reports on the school's accounts, achievement of value for money and the response to any management letters
- Review the effectiveness of the school's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner
- Ensure that the school's internal audit meets or exceeds the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets the agreed levels of service
- Consider and advise the Full Governing Body on the school's annual and long-term audit programme
- Consider internal audit reports, including value-for-money reports and the arrangements for their implementation
- Review the operation of the school's code of practice for Governors and code of conduct for staff
- Consider any other matters where requested to do so by the Full Governing Body and
- Report at least once a year to the Full Governing Body on the discharge of the above duties.

Budgets and authority levels:

The Governors shall plan the school finances through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.
- To aim to prepare a medium term Financial Plan of at least three years, updated annually

The timetable for preparation, presentation and approval of the Budget and School Development Plan is included in the Financial Calendar.

Authority to incur expenditure consistent with the budget

- The budget holder with responsibility for a cost centre can approve expenditure up to the limit of their budget. System controls are in place to a) prevent any overspending and b) to advise budget holders when their total annual budget spend is approaching its limit (usually set at 95% of total budget).
- See below schedule for delegation levels agreed by the Finance, Staffing & General Purposes Committee.
- Spending limits are set in line with the tendering policy as detailed below.

Purchase of alcohol

The trust's funds **must not** be used to purchase alcohol for consumption, except where it is to be used in religious services.

Purchasing

The Full Governing Body shall maintain a policy of Best Value for all purchases. All purchases must be made through the school's ordering system. The finance team will keep records of all purchases made including quotations received but not accepted.

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

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

The DfE strongly recommends the deals for schools that make buying simpler and quicker, and can provide better value for money in a range of categories. There is also guidance on how to plan and run an efficient procurement process. Additional guidance is available in their document of Managing Public Money. Advice on relevant procurement thresholds is also provided in the Official Journal of the European Community (OJEU).

Values for delegation as determined by the Finance, Staffing & General Purposes Committee

Purchases of single items / contracts - Authorisation to purchase

	Commitment to purchase	Virements
Governing Body	No limit within a balanced budget	

Finance, Staffing & General Purposes Committee	Up to £350,000 per item/contract within balanced budget	
Principal	Up to £150,000 per item / contract, to follow purchasing procedures	Virement within the agreed budget - required to report to Finance, Staffing & General Purposes Committee
Budget holder	Within agreed budget , to follow purchasing procedures	No authority to vire

Procedure to follow with regard to purchasing high value single items:

<u>Value of item / contract</u>	<u>Action to take</u>
Up to £2,500	Proceed with contract on basis of official order
£2,501 - £5,000	Obtain three verbal quotes, which should be documented, then one written quotation to ascertain value for money.
£5,000 - £20,000	For any procurement below £20,000 (goods and services), the Director of Finance & Resources may use any reasonable means to select potential Suppliers. Reasons must be kept to justify the decision taken. Proceed with contract on basis of official order
£20,000 to £79,999	At least 3 written quotations to ascertain value for money. Best value principles applied to ensure most appropriate offer chosen. Proceed with contract on basis of official order
£80,000 +	Put business out to tender, following JCT (Joint Contracts Tribunal) code of practice in respect of building contracts. In circumstances where the work is a continuation of previous work already won in tender, new work may be negotiated with the current contractor using the first contract as a basis for agreeing the cost.

Note: If the meeting cycle is such that the reports cannot be presented in time then the Chair of Governors and Chair of Finance are to be informed and Chair's powers sought.

Delegated authorities

The financial freedoms and limits applying to academy trusts.

Requirement to obtain ESFA approval

The academy trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts **must** obtain prior [ESFA](#) approval. A schedule of delegated authorities is included as an Appendix . Trusts **must** ensure they are familiar with these requirements and ESFA may intervene where trusts do not seek the required ESFA approval in advance.

CONTRACT PROCEDURE RULES

INTRODUCTION

These Contract Procedure Rules aim to promote the highest standard of probity, integrity, and impartiality in making a clear, understandable and fair selection of suppliers to the School. Equally important is the delivery of best value through competitive procedures, and the avoidance of practices which may restrict, prevent or distort competition.

These processes cover the procurement of all Supplies (goods, works and services).

In implementing them, the overriding objectives are supported by the detailed rules, but these must be viewed with a degree of proportionality, recognising the value of and risk associated with the proposed action.

These procedure rules must be complied with strictly. They are minimum requirements. A more thorough procedure may be appropriate for particular supplies.

EU Procurement Rules, which are often more onerous also apply to the procurement of all works, goods and many services exceeding the EU Threshold, and where there is a conflict between these Contract Procedure Rules and the European Directives, the European Directives prevail.

PRE CONTRACT PROCESS REQUIREMENTS

The Director of Finance & Resources must ensure:-

(1) the procurement is justified by a business case;

- (2) the procurement is likely to be within budgetary provision;
- (3) the process can be adequately resourced;

QUOTATIONS: SUPPLIER SELECTION

Quotations can be obtained:-

- a) By inviting Quotations from selected potential Supplier;
- b) By open Quotation;
- c) See schedule above

With regard to specialist or complex works and purchases, the academy may choose to appoint an independent professional third party/professionally indemnified organisation to carry out the tender process on its behalf. This will be in conjunction with the school's current PPP provider. The third party will be expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are met.

Approval of contracts over £50,000 will only be made following this tendering procedure.

Invitation to submit tenders will be made by appropriate means, i.e. invitation to tender, advertising, trade journals etc. Due regard must be given to the expected total valuation of the contract (spanning all years in the case of multi-year contracts) and publication within the Official Journal of the European Union (OJEU) will be necessary if relevant financial thresholds are met.

The invitation to submit tenders will include the nature and purpose of the contract, where further details can be obtained and the last date and time on which tenders can be received, normally not less than fourteen days after the invitation is published. All tenders received must be in a plain sealed envelope bearing only the words "tender" and the subject to which the tender refers.

The independent professional third party will open all tenders at the same time and details of contractor, tendered amounts and any other details recorded at the time of opening. Tenders received after the closing date and time will not be considered.

No contractor will be allowed to amend the tender after the date and time fixed for receipt of tenders. However, if genuine and obvious errors are found in tenders, contractors will be allowed to withdraw, confirm or amend the tender as appropriate.

In reviewing and accepting any tender, the Governors will receive an analysis from the independent professional third party who will compare all possible options to make sure value for money is obtained. This analysis of the tender will be undertaken, at cost, by professionally indemnified organisations (independent third party) as part of their contract

with the academy – for example, tenders for building works may be opened and assessed by the architects employed by the academy to help manage the building programme.

The Full Governing Body may not necessarily accept the lowest tender – when it does, the reasons for its acceptance must be documented, and reported to the Full Governing Body. All decisions made must be recorded in the minutes of that meeting for future reference.

Acceptance of any tender will be confirmed to the contractor in writing and no work should be started until this has been done. Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning directly or indirectly, to any other person or contractor, any portion of the contract without the written permission of the Full Governing Body. All ongoing contracts will be reviewed and renegotiated at regular intervals.

Governors and school staff must declare their personal interests whether pecuniary or non-pecuniary in any proposal to call for tenders for supply of goods, materials or services or in the decision making process to accept any such tender.

Internal Controls

Internal delegation will be as follows:

	Certifying officers:
Expenses forms	Principal. The Chair of Governors will certify the Principal's expenses
Approval of purchase requisition orders	Budget holder/SLT Link/Director of Finance & Resources
Goods received notes	Finance Assistant
Invoice approval	Director of Finance & Resources
Cheques and BACS payments	Two cheque signatories (see below)
Overtime and/or additional hours claims	Principal
Payroll submission for overtime, additional hours, etc.	Principal

All cheques require two signatories from:

- Principal
- Senior Vice Principal
- Director of Finance & Resources

Financial reporting:

Frequency	Report	Prepared by	Issued to
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On demand	Budget/Cost Centre Reports	System generated	Budget Holders
Monthly	Management accounts and monthly report/commentary	Director of Finance & Resources	Principal, Chair of Governors, Chair of Finance
At least half termly	Management accounts and monthly report/commentary	Director of Finance & Resources	Finance, Staffing & General Purposes Committee
Twice in the year	Audit Scrutiny Report	External Auditors	Finance, Staffing & General Purposes Committee
Annually	Statutory accounting returns	Director of Finance & Resources and Accountants	Finance, Staffing & General Purposes Committee & statutory bodies
Annually	Draft & final budget plan	Director of Finance & Resources and Principal	Finance, Staffing & General Purposes Committee
Annually	Final Budget Plan	Director of Finance & Resources and Principal	Full Governing Body

Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

Transactions with related parties

This part of the handbook deals with goods or services provided by or to individuals or organisations related to the Academy

Principles applying to related party relationships

Academy trusts **must** be even-handed in their relationships with related parties by ensuring that:

- governors comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements
- no member, trustee, local governor, employee or related individual or organisation uses their connection to the Academy for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- there are no payments to any governor by the Academy unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant

agreement with the Secretary of State. The Academy will consider these obligations where payments are made to other business entities who employ the governor, are owned by the governor, or in which the governor holds a controlling interest

- the Charity Commission's approval is obtained where the Academy believes a significant advantage exists in paying a governor for acting as a governor
- any payment provided to the persons referred to above satisfies the 'at cost' requirements in this handbook
- The Academy should be aware of the Charity Commission's guidance for trustees CC11: Trustee expenses and payments.

The Governing Body **must** ensure requirements for managing related party transactions are applied across the Academy. The Chair of Governors and the Accounting Officer **must** ensure their capacity to control and influence does not conflict with these requirements. They **must** manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The Academy **must** recognise that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the Chair of Governors and the Accounting Officer
- payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- relationships with external auditors beyond their duty to deliver a statutory audit

The Academy **must** keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

Reporting of related party transactions to ESFA

The Academy **must** report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's [related](#)

[party on-line form](#). This requirement applies to all such contracts and agreements made on or after 1 April 2019.

Approval of related party transactions by ESFA

The Academy **must** obtain ESFA's prior approval, using ESFA's on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August

For the purposes of reporting to, and approval by, ESFA, transactions with related parties do not include salaries and other payments made by the Academy to a person under a contract of employment through the Academy's payroll.

Novel, contentious and/or repercussive related party transactions are subject to separate arrangements. Trusts **must** obtain ESFA's prior approval for any contracts and other agreements with related parties that are [novel, contentious and/or repercussive](#), regardless of value. Approval **must** be sought using ESFA's [enquiry form](#), not through the related party on-line form. Trusts should carefully consider the impact of this requirement and its relevance to transactions involving the board chair and/or the accounting officer.

Register of interests

The Academy's register of interests **must** capture relevant business and pecuniary interests of members, trustees, local governors of academies within the Academy and senior employees, including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began

The register **must** identify any relevant material interests from close family relationships between the Academy's members, trustees or local governors. It **must** also identify relevant material interests arising from close family relationships between those individuals and employees.

The Academy should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees must keep their register of interests up-to-date at all times. The Academy **must** publish on their websites relevant business and pecuniary interests of members, trustees, local governors and accounting officers. The Academy has the discretion over the publication of interests of any other individual named on the register. The Charity Commission offers guidance in Manage a conflict of interest in your charity and CC29: Conflicts of interest: a guide for charity trustees.

At cost requirements

The Academy trust **must** pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include contracts of employment):

- any member or governor of the Academy
- any individual or organisation related to a member or governor of the Academy. For these purposes the following persons are related to a member, or governor:
 - a relative of the member or governor. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
 - an individual or organisation carrying on business in partnership with the member, governor or a relative of the member or governor
 - a company in which a member or the relative of a member (taken separately or together), and/or a governor or the relative of a governor (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
 - an organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a governor or the relative of a governor (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation given the right under the Academy's articles of association to appoint a member or governor of the Academy; or any body connected to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual or organisation

A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body

The 'at cost' requirement does not apply to the Academy's employees unless they are also one of the parties described above.

While these provisions do not apply to contracts of employment, the same principles of securing value for money and using public money properly, including managing conflicts of interest, still apply. Salaries should be appropriate to the individual's skills and experience and to rates in the wider market.

The 'at cost' requirement applies to contracts for goods and services from a related party agreed on or after 7 November 2013.

The 'at cost' requirement applies to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. For these purposes, where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

In relation to organisations supplying legal advice or audit services to the Academy, the 'at cost' requirement applies where the organisation's partner directly managing the service is a member or governor of the Academy but not in other cases for those organisations. The published ethical standards for auditors also prevent partners or employees of the audit firm from acting as a governor of their client trust, but not of other trusts.

The Academy **must** ensure that any agreement with an individual or organisation referred to above to supply goods or services to the Academy is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the Academy confirming their charges do not exceed the cost of the goods or services, and
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services, and **must not** include any profit. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services)
- indirect costs (a proportionate and reasonable share of fixed and variable overheads)

6. BUDGETARY PLANNING & CONTROL

Organisational structure

Full Governing Body	Authorise Budget
Finance, Staffing & General Purposes Committee	Propose Budget to Full Governing Body
Principal & Director of Finance & Resources	Provisional Budget
SLT/ Budget Holders	Input
School Staff	Input

THE BUDGET

The Budget planning process consists of four phases:

- planning
- budgeting
- monitoring
- review

Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of the Academy's economic health. Success in meeting the budget aims can only be achieved if care has been taken in determination of policies and expenditure is strictly controlled throughout the budget life span.

A continuous review of the aims and priorities of the strategy should follow from monitoring and analysis of performance. Responsibility for control of budgetary affairs ranges from the Chair of Governors through the Principal, the Director of Finance & Resources and Budget Managers to colleagues directly concerned in the classroom or in supporting roles.

Budget planning

The size of the school and the wish to retain wide representation suggests the separation of the budget into distinct and manageable categories. Budgets are prepared within the context of the School Development Plan and agreed staffing levels taking forecast funding levels and other external factors into account.

The budget will, after endorsement by the Finance, Staffing & General Purposes Committee and the Principal, go forward as the suggested budget for authorisation by the Full Governing Body.

A clear statement of the assumptions made and detailed calculations/spreadsheets supporting the budget will be developed and maintained by the Director of Finance & Resources.

This budget is based on department/cost centre expenditure plans rather than by nominal/ledger code income & expenditure reports. The processes for determining the capitation levels for each skill area/subject are detailed in the finance operating procedures manual.

Budget control and monitoring

Budget Holders retain responsibility for routine control and monitoring of their budget expenditure. Variations to predicted expenditure are investigated by the Director of Finance & Resources and if significant, the Principal is informed.

Review of budget

This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and, in particular the action taken on variances, are prepared by the Director of Finance & Resources and reviewed by the Principal and SLT. Any further action taken must be clearly documented.

Financial responsibility

The Full Governing Body has delegated responsibility for routine control to the Finance, Staffing & General Purposes Committee which meets on a half termly basis.

Conclusion

A realistic and achievable budget is fundamental to school planning.

Budget planning and control requires decentralisation of responsibility, therefore all budget holders responsibly help the Director of Finance & Resources in managing the consolidated budget. The budget needs consideration by the Finance, Staffing & General Purposes Committee and the Principal before going to the Full Governing Body and a suggested time scale for Budget progression is included in the Financial Calendar. The Finance, Staffing & General Purposes Committee has delegated authority from the Full Governing Body to exercise control and advice over financial affairs.

7. FINANCIAL CALENDAR

Key

	Census related
	Audit related
	Finance related

Date	Description	Explanation
1st September	Start of new financial year	
30th September		Provisional outturn statement - I&E for previous financial year
30th September	Teachers pension audit	To be fully audited no later than this date
October	Pupil census	
October	Audit	Accountants annual audit and preparation of final accounts
October/November	School workforce census	
Mid Nov/Early Dec	Review of audited accounts	Audited accounts to be approved by Finance, Staffing & General Purposes Committee
December	Full Governing Body	Approval of audited accounts
31st January	Financial statements & AR (Accounts Return)	Balance sheet and I&E summary to be submitted to ESFA
31st January	Audited accounts	Hard copy of audited accounts - Governors annual report and signed financial statements - to DfE
January	Pupil census	
March	Responsible Officer visit	
31st March	GAG indicative funding letter	Indicative funding for the following year should be received from ESFA
30th April	Teachers pensions	Teachers pensions end of year certificate to be submitted (audited or unaudited)
16th May	LGPS pensions	Year end data for support staff pensions
May	Pupil census	
30 th July		Final budget to ESFA.
31st August	End of financial year	

8. INVESTMENT POLICY

The purpose of the policy is to consider the management of the academy's funds bearing in mind the responsibilities that come with the receipt of central government funding. The school's budget and cash flow are known for each academic year, so any question of reserves should be longer term.

- To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and cheque/BACS payments runs) and that the current account has adequate balances to meet forthcoming commitments.
- To endeavour to maintain a working balance of a minimum of £100,000 to respond to unexpected financial demands. (n.b. in reality £500,000 is held in the bank account as a minimum working balance for certain times of the month to cover salary payments and regular monthly supplier payments).
- To avoid the Academy's current account(s) going overdrawn.
- To identify funds surplus to immediate cash requirements and transfer the funds to an appropriate account bearing a higher interest rate.
- To review interest rates periodically and compare with other investment opportunities.
- To review the Academy's current policy to only invest funds in risk free and readily accessible interest bearing accounts.
- Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

9. RESERVES POLICY

The purpose of the policy is to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the school, such as delays between spending and receipt of grants or unexpected emergencies. N.b. the school has guaranteed income from the ESFA each month, which is known at the start of each academic/financial year.

- To regularly review the nature of income and expenditure streams and the need to match income with commitments.
- To endeavour to maintain the appropriate level of free reserves currently approved by Governors to be between 2% and 3% of the total annual revenue income budget excluding any funds held. It should be noted that during times of national funding restrictions this may not be possible.
- To consider the set aside of funds for significant projects that cannot be met by future income alone.
- Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

10. CAPITALISATION & DEPRECIATION OF ASSETS

Policy

Depreciation is provided on a straight line basis on the **cost** of tangible fixed assets, to write them down for their estimated residual value over their expected useful lives. No depreciation is provided on freehold land.

The principal annual rates used are:

	Annual rate
Leasehold Land	125 years
Freehold Land	40 years
Freehold buildings	40 years
Long leasehold property	40 years
Plant & Machinery	5 years
Furniture & Equipment	5 years
Computer equipment & Software	3 years
Motor vehicles	5 years
Capitalisation level	£1,000

Background

International Accounting Standard (IAS) 16, defines Fixed Assets as “assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably”.

The purpose of the above is to ensure that the academy’s balance sheet correctly reflects the assets and liabilities of Salendine Nook High School (Academy).

The treatment of Non-Current, Current, Tangible and Intangible Fixed Assets and related procedures are included in the Financial Procedures Manual.

A combined Fixed Asset and Inventory Register will be maintained on detailed spreadsheets and reconciled to the financial statements of the school. Items below the capitalisation limit will be recorded on the inventory list not the fixed asset register.

Fixed Asset Register

The Fixed Asset Register consists of a list of items valued at or above £1,000 and are considered to have a life longer than the financial year of their purchase.

Fixed Assets are categorised as follows:

- a. Land and Buildings
- b. Plant and Machinery
- c. Furniture and Equipment
- d. Computer Equipment and Software
- e. Motor vehicles

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

The appropriate accounting transactions will be processed for all capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

All attractive and portable items that have been included on the Fixed Asset Register will be security marked, where practicable, as the property of the school. This will mainly consist of IT equipment.

Physical checks will be undertaken against the Fixed Asset Register annually, whilst a physical count of all assets will also be undertaken and the evidence presented to the Finance, Staffing & General Purposes Committee

Discrepancies between the physical count and the records held will be investigated promptly by the Director of Finance & Resources. Any discrepancies over the value of £500 are reported to the Finance, Staffing & General Purposes Committee.

All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements.

All working papers for the purchase of assets, including invoices, will be retained.

Attractive and portable items of equipment that fall below the capitalisation limit of £1,000 will be recorded in the asset register but will not appear on the balance sheet.

Depreciation

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

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

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

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

11. DISPOSAL OF ASSETS POLICY

Assets are defined in the Depreciation and Capitalisation Policy.

It shall be the responsibility of the Principal or Budget Holder to identify any assets which are surplus to requirements to the Director of Finance & Resources who upon endorsing the identification shall recommend disposal to the Principal.

The disposal of an asset with a carrying amount (cost less accumulated depreciation) of £1,000 or more must be approved by the Principal and the Finance, Staffing & General Purposes Committee. Items between £100 and £999 will be written off with the approval of the Director of Finance & Resources.

Where possible surplus assets will be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets noted.

Equipment is not normally disposed of to staff because it is difficult to provide evidence that the school obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software etc. must be legally transferred to the new owner. Pecuniary/Business Interests must also be considered at all times.

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

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

Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

12. ANTI FRAUD AND CORRUPTION POLICY

Background

The United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. Salendine Nook High School (Academy) Governors share these high standards and reputation and is committed to protecting the public funds entrusted to it so that the maximum amount of resources can be used for their intended purpose.

As part of the Full Governing Body's commitment to protecting public funds, and to make the most efficient and effective use of the resources it is responsible for, it is essential that the risk of financial losses due to fraud, corruption and financial impropriety are minimised.

Commitment

The Full Governing Body is committed to ensuring that the affairs and business of the academy are conducted in accordance with the highest standards of probity and accountability. As part of this commitment, the Full Governing Body is committed to combating fraud, corruption and other financial impropriety (e.g. theft) wherever it may arise in relation to any of the academy's activities or services, and, in achieving this aim, realises this involves any Director, employee or school appointed worker, or member of the public or any other third party associated with the school's activities.

Standards

The Full Governing Body expects Governors, its employees and any school appointed worker to demonstrate the highest standards of honesty, probity, openness and integrity in the discharge of their functions.

This includes:

- Compliance with appropriate legislation, Codes of Conduct, Delegation Scheme, Conditions of Service, standards of appropriate professional bodies, and any other standards, guidelines or instructions which are relevant to that particular service or activity,
- Providing a framework within which counter fraud arrangements will flourish, and
- Promoting an anti-fraud and corruption culture.

Likewise, the Full Governing Body expects that all external individuals and organisations that it deals with e.g. suppliers, contractors, partners, service providers, parents and members of the public etc., will act with honesty and integrity and without thought or actions involving fraud, corruption or financial impropriety. In such relationships the principles outlined in this Policy must be applied. Where external third parties become aware of any fraud and corruption they should report their concerns promptly to the Academy or the DfE.

Implementation

The Full Governing Body is committed to establishing and maintaining effective arrangements to prevent fraud, corruption and financial impropriety. The Full Governing Body recognises, however, that these cannot always be prevented and so effective arrangements have been established to detect, report and investigate all incidents or situations where they are suspected.

The Full Governing Body is committed to creating and maintaining an anti-fraud and corruption culture which promotes the highest standard of conduct and which enables Governors, employees and any school appointed workers and other external parties to express concerns and suspicions without fear of repercussion or intimidation and in the knowledge that the information will be treated confidentially and will be investigated fully and rigorously. This includes established reporting arrangements through the school's Whistle-blowing Policy.

The Full Governing Body will not tolerate dishonesty on the part of any governor, employee or school appointed worker or any person or organisation involved in any way with the academy.

Where fraud or corruption is detected the academy will rigorously pursue appropriate action against the persons concerned including legal and/or disciplinary action, and wherever possible and deemed appropriate, will take action to recover any losses suffered.

The Full Governing Body is committed to working constructively with the police and other relevant agencies in relation to combating fraud, corruption and financial impropriety within the academy or within the wider public sector.

Awareness

The Full Governing Body will seek to ensure that its stance on anti-fraud and corruption is widely publicised both internally and externally to the school. All Governors, employees and other associated bodies/persons with whom the school conducts its business will be appropriately briefed as to this policy.

13. GIFTS & HOSPITALITY POLICY

Employees of the Academy should take guidance from the following general rules relating to the receipt of gifts and hospitality as an employee of the Academy:

To accept gifts should be the exception. Small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers may be accepted. The Director of Finance & Resources must be notified of any gift for entry in the Register of Business Interests.

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

Gifts or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract with the academy, seeking employment with the academy or is in dispute with the academy, even if you are not directly involved in that service area.

Where items purchased for the Academy include a 'free gift', such a gift should either be used for academy business or handed to the Director of Finance & Resources to be used for charity raffles.

If there is any doubt about the acceptability of any gift or offer of hospitality the Principal or Director of Finance & Resources must be consulted

A gauge of what is acceptable in terms of hospitality is whether e Salendine Nook High School (Academy) would offer a similar level of hospitality in similar circumstances.

Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost. Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other school/organisation guests at sponsored cultural and sporting events, or other public performances, as a representative of the school or at special events or celebrations.

However, staff should consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Principal or Director of Finance & Resources must be consulted, or in the case of the Principal, with the Chair of Governors.

Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation.

Staff visiting a school to view equipment that the school is considering buying, should ensure that expenses of the trip are paid by the school. Acceptance of refreshments and/or a

working lunch may be acceptable, but care must be taken to ensure that the school's purchasing and/or tender procedures are not compromised.

Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.

Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the school must be agreed in advance with a Principal or in the case of the Principal with the Chair of Governors. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.

Any invitation accepted should be made in a professional/working capacity as a representative of the school.

Any change in policy requires the approval of the Finance, Staffing & General Purposes Committee

14. WHISTLEBLOWING POLICY

INDEPENDENT REPORTING OF CONCERNS AT WORK

Introduction

Our employees will often be the first to notice if there is something seriously wrong within their workplace. Sometimes it may seem difficult to speak up because of feelings of disloyalty, or because of a fear of harassment or victimisation.

We expect the highest standards of behaviour and all employees have a responsibility to voice any concerns they have, normally with their manager or a member of the Senior Leadership Team

This Whistleblowing procedure is independent and confidential. It can be anonymous if you wish. We will make sure that you will not be victimised or suffer disadvantage if you report your genuine concerns.

It allows employees to bring to the attention of those who can make a difference any practice which they believe or suspect:

- is unlawful;
- is a serious breach of the school's policies, procedures and rules (for example, the school's financial procedures);
- falls substantially below established standards of practice;
- amounts to improper conduct.

It is difficult to come up with a complete list of issues which might cause concern, but you should report known or strongly suspected fraud, corruption, bribery, theft or financial irregularities; the physical, mental or sexual abuse of clients; unfair discrimination; abuse of power; dangerous practices; criminal conduct; serious damage to the environment; negligence; unprofessional behaviour and evasion of statutory responsibilities.

The malpractice might be carried out by school employees, contractors, consultants, or council staff.

This procedure is not to be used if you are generally dissatisfied at work or as a replacement to your existing employment rights with the school. If you make any allegations maliciously or for personal gain, you may be disciplined.

This policy is in line with the council policy. The Academy **will** ensure that all concerns raised with them by whistleblowers are responded to properly and fairly. ESFA has published procedures for dealing with complaints about academies.

How to raise a concern

a) Through your manager

Normally you should first speak to your immediate manager. If you feel that you can't do this – for example if you believe that they are involved – then you should speak to a member of the Senior Leadership Team.

b) Through your trade union

You may find it helpful at this stage to contact your trade union representative or someone who you trust to advocate on your behalf.

c) Through a named trustee

The Governing Body has appointed a named trustee who staff can contact or report concerns. This will be the Chair of Governors.

d) Through the Whistleblowing route

If you do not feel able to contact any of these people you should call the council's Whistleblowing answerphone – ring 860 5030 or 01484 225030 or email whistleblowing@kirklees.gov.uk

You should give as much information as you can, including names, dates, places, history and why you are concerned. You are encouraged, but not required, to leave your name and contact details – it is much easier to investigate a concern if we can speak to you directly and confidentially.

All messages on the answerphone and email will be heard and seen only by the council's Corporate Customer Standards team. They will then review all messages confidentially, and contact either the Head of Audit and Risk or the Head of HR.

How your concerns will be dealt with

All allegations will be investigated: how and by whom depends on how serious they are and who they involve. The investigation may be handled internally, or referred to an external agency such as the police or the council's external auditor.

If you raise your concerns under this policy then we will write to you within 10 working days saying:

- what we intend to do;
- how long we think this will take;
- whether any more information is required from you.

We will let you know the outcome of the investigation, so that you can see that the matter has been properly addressed.

Raising your concerns elsewhere

This Whistleblowing policy has been drawn up so that you can have your concerns dealt with properly, independently and confidentially by the school, but if you have no faith in this process, then you may consider contacting:

- the police – phone 101 from any phone (9 then 101 from school phones);
- the council's external auditor (currently the Audit Commission at www.audit-commission.gov.uk) or phone 0845 052 2646 (the Audit Commission's own Whistleblowers' Hotline);
- Public Concern at Work – an independent authority on whistleblowing at www.pcaaw.co.uk or phone 020 7404 6609

School employees have a responsibility not to undertake any action which might bring the school into disrepute. If you do decide to report your concerns outside the school, you must ensure that you have a good reason for doing so and you must not disclose confidential information.

The trustees **must** agree the whistleblowing procedure and publish it on the trust's website.

15. GOVERNORS (DIRECTOR) EXPENSES POLICY

1.0 INTRODUCTION

- 1.1 In accordance with the Academies Financial Handbook governors may claim for all reasonable out of pocket travel, accommodation or other expenses legitimately incurred by them in connection with their attendance at meetings or in carrying out their duties as governors of the Academy.
- 1.2 Governors are not entitled to receive remuneration for their work as governors and may not claim for actual or potential loss of income or be paid attendance allowances.
- 1.3 Salendine Nook High School believes that paying governor' expenses, in the specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of Academy funds.
- 1.4 Any exceptions to this policy need to be justified to and approved by the Finance and General Purpose Committee before any reimbursable costs are incurred and reimbursements made.

2.0 ENTITLEMENTS

- 2.1 All governors of Salendine Nook High School (Academy) will be entitled to claim the actual costs they incur for the following:
 - i. The cost of travel relating only to and from the governors home address to meetings/training courses provided such costs do not exceed Her Majesty's Customs and Revenue approved mileage rates. These rates currently are :
 - a) 45 pence per mile for cars and vans
 - b) 24p per mile for motorcycles
 - c) 20p per mile for cycles
 - ii. For public transport from the governor's home address, the actual costs incurred. Where more than one class of fare is available, the rate shall be limited to second class fares. The cost of travel by taxi will be reimbursed only in reasonable circumstances.
 - iii. Subsistence , if additional expenses are incurred because work as a governor requires taking meals (i.e. breakfast, lunch or dinner) away from the Academy. Reimbursement will be made for reasonable items bought on the day of the claim.
 - iv. Telephone charges, photocopying, stationery, postage or other reasonable out of pocket expenses. Where practical however Governors are expected to make use of administrative facilities made available within the school.

- v. Childcare or babysitting allowances (excluding payments to a current/former spouse or partner) with prior approval of the Finance, Staffing & General Purposes Committee.
- vi. Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner) with prior approval of the Finance, Staffing & General Purposes Committee.
- vii. Costs incurred in performing governor duties either because they have special needs or because English is not their first language with prior approval of the Finance, Staffing & General Purposes Committee.
- viii. Any other justifiable expenses with prior approval of the Finance, Staffing & General Purposes Committee.

3.0 SUBMITTING CLAIMS

- 3.1 Governors wishing to make claims under these arrangements, should complete a claims form (attached and available from the Director of Finance & Resources), attaching receipts where applicable, and return it to the Academy Director of Finance & Resources. Claims should be submitted at least half termly. The Director of Finance & Resources will submit for approval by the Chair of Governors or Chair of the Finance, Staffing & General Purposes Committee.

4.0 TRANSPARENCY

- 4.1 The total value of claims paid per year to Governors will be declared in a note to the Academy Financial Statements at the end of each financial year.
- 4.2 Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Vice Chair in respect of the Chair of Governors) if they appear excessive or inconsistent.

5.0 MONITORING, EVALUATION AND REVIEW

- 5.1 The Finance, Staffing & General Purposes Committee will review this policy every two years and assess its implementation and effectiveness.

Claims Form for Governor Expenses

Name:	Date:
Address:	
Post Code:	Claim Period:

	£	P
Travel to Meetings/training courses (include date and place of meetings):		
Travel/Subsistence to national meetings or training events:		
Telephone Charges:		
Postage:		
Stationery and Photocopying:		
Childcare/babysitting Expenses:		
Care arrangements for an elderly or dependent relative:		
Support for Governors with special needs:		
Support for Governors whose first language is not English:		
TOTAL EXPENSES CLAIMED		

I claim the total sum of £ for governor expenses as detailed above. I have attached relevant receipts to support my claim.

Signed: Date:

Approved by: Date:

16. CHARGING & REMISSIONS POLICY

See separate policy

17. FINANCIAL SUPPORT POLICY

Introduction

The Full Governing Body recognise that education places financial demands on parents and there are some occasions when parents/carers will find it hard to meet these demands. Although funds are very limited the school would like to support parents/families where possible.

We realise that it is hard for parents/carers to ask for financial support but funds are very limited so the school will have to apply certain criteria in deciding whether or not support can be given.

Criteria

Consideration will be given to students whose parents/carers are:

- Eligible for Free School Meals
- In receipt of Employment Support Allowance
- In receipt of Disability Living Allowance
- Experiencing temporary situations which are causing difficulty, for example caused by recent job loss, bereavement or other serious and unforeseen circumstances

Priority will be given to parents/carers who have not already been supported by this policy.

Qualifying Resources

Application for financial support will be considered for:

- Obligatory items of school uniform
- Costs of educational visits that are integral to the curriculum
- Educational equipment e.g. text books

Making an Application

Applications are made using the Financial Support application form. This can be completed by the parent/carer or a member of staff in their place. Evidence should be provided to support the eligibility criteria.

All information provided on this form will be kept in the strictest confidence.

Notification

If support is agreed, the parent/carer and the Finance Office must be notified.

Any change in Policy requires the approval of the Finance, Staffing & General Purposes Committee

18. LETTINGS POLICY

As the school is a PFI school, lettings are managed by Spie

19. BEST VALUE STATEMENT

Introduction

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the School Improvement Plan. Governors need to secure the best possible outcome for students, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

What is Best Value?

Governors will apply the four principles of *best value*:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's student performance and financial performance compare with all schools? How does it compare with LEA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

Why the statement is needed

Best Value is a statutory duty to secure continuous improvements in the way that services and functions are exercised by the most economic, efficient and effective means possible. Whilst best value does not apply statutorily to school governing bodies, schools are expected to demonstrate that they are following best value principles in their expenditure of public money, and as part of their evaluation of standards, the curriculum, and partnership with parents and management. This is not a new process, but an opportunity to build on what the school has already achieved.

The benefits of a Best Value Statement

The introduction of a Best Value statement provided a number of key benefits to schools. This is no longer a separate statement, but now forms part of the Academy's annual accounts statement.

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

The Governors' approach

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

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

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas. Therefore governors and school managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services

Governors, and the school managers, will:

- make **comparisons** with other/similar schools using data provided by the LA and the Government, e.g. benchmarking tools, quality of teaching & learning, levels of expenditure
- **challenge** proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual student achievement targets
- require suppliers to **compete** on grounds of cost, and quality/suitability of services/products/backup
- **consult** individuals and organisations on quality/suitability of service we provide to parents and students, and services we receive from providers

This will apply in particular to:

✓ **Staffing**

Governors and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-student ratio, and curriculum management.

✓ **Use of Premises**

Governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

✓ **Use of Resources**

Governors and school managers will deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning.

✓ **Teaching**

Governors and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and students with:

- a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, the LA Agreed RE Syllabus, and the needs of students
- teaching which builds on previous learning and has high expectations of student's achievement

✓ **Learning**

Governors and school managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual student achievement targets and striving to improve on or maintain previous years exam results and attendance

✓ **Purchasing**

Governors and school managers will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures ;
- suitable procedures for obtaining quotes for goods and services for high value products;
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)
- annual budget prepared in line with the needs identified within the School Development Plan.
- Regular monitoring and review of all aspects of finance through the Finance, Staffing & General Purposes Committee, with full financial statements being discussed.

✓ **Students' Welfare**

Governors and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

✓ **Health & Safety**

Governors and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors.

Monitoring

These areas will be monitored for best value by:

- In-house monitoring by the Senior Leadership Team and curriculum managers, e.g. classroom practice, work sampling;

- Target setting meetings between the Senior Leadership Team and curriculum managers;
- Annual Performance Management ;
- Annual Budget Planning;
- School Development Plan;
- Analysis's of school student performance data against similar schools;
- Analysis of financial data against benchmark data for all schools, LA schools, similar schools;
- Analysis of DfE student performance data;
- OFSTED Inspection reports;
- Governors' meetings (full or committee) including; a review of 'Best Value' at appropriate points in the year Governors' Finance Monitoring & Review;
- Accessibility of information to parents.

20. STATEMENT OF INTERNAL CONTROL

Scope of responsibility

Governors have overall responsibility for ensuring that there is an effective and appropriate system of control in place. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Full Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Salendine Nook High School (Academy) and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Full Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the effect should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place since the school's incorporation as an Academy on 1st February 2012.

Capacity to handle risk

The Full Governing Body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the school's significant risks that has been in place since incorporation as an Academy on 1st February 2012. This process will be regularly reviewed by the Full Governing Body.

The risk and control framework

The school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

- budgeting and monitoring systems with an annual budget
- periodic financial reports which are reviewed and agreed by the Full Governing Body;

- regular reviews by the Finance, Staffing & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works, and expenditure programmes;
- setting targets to measure financial and other performance;
- purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Statement of internal control

The Full Governing Body has appointed Gibson Booth Ltd as auditors.

21. PAY POLICY

See separate policy

22. BUSINESS CONTINUITY PLAN

See separate policy

23. RISK MANAGEMENT

Risk Management Policy

Background

The Academies Financial Handbook 2019 states:

Risk management

2.38 The trust **must** manage risks to ensure its effective operation and **must** maintain a risk register:

- Overall responsibility for risk management, including ultimate oversight of the risk register, **must** be retained by the board of trustees, drawing on advice provided to it by the audit and risk committee. (n.b. at Salendine Nook High School (Academy) we do not have a designated Audit and Risk Committee, as this is part of
- Other committees may also input into the management of risk at the discretion of the board.
- Aside from any review by individual committees, the board itself **must** review the risk register at least annually.
- Risk management covers the full operations and activities of the trust, not only financial risks.

The trust's management of risks **must** include contingency and business continuity planning.

Risk Management objectives

The objectives for managing risk across the Academy are:

- To comply with risk management best practice;
- To ensure risks facing the Academy are identified and appropriately documented;
- To provide assurance to the Full Governing Body that risks are being adequately controlled, or identify areas for improvement and
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks.

Risk Management strategy

The strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored and
- Ensure appropriate levels of awareness throughout the Academy

Roles and responsibilities

The SLT has overall responsibility for risk management. The Director of Finance & Resources has lead responsibility for risk management processes and the Academy-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Preparation of periodic reports to the Finance, Staffing & General Purposes Committee and Full Governing Body.

The Risk Register is formally reviewed each term by the relevant SLT link for each governing body sub committee and the Full Governing Body, which has this as an agenda item for each meeting.

Identification of risks

The Risk Management Standard states that risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.

Our approach to risk management is linked to the Academy's strategic aims and objectives and encompass:

- High achievement and high value added
- Outstanding staff, leadership and management
- Outstanding infrastructure
- Financial strength
- Inspiring and supportive culture
- Strong community and partnerships

The structure and organisation of the Academy's risk register follows the above structure to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

Evaluation of risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.

The Academy uses a 3x3 matrix to assess impact and probability as high, medium or low, as illustrated in the diagram below:

PROBABILITY	3	3	6	9
	2	2	4	6
	1	1	2	3
		Low	Medium	High
		1	2	3
		IMPACT		

Probability Description	Definition
High (3)	Risk is likely to occur
Medium (2)	Risk may occur (but is not inevitable)
Low (1)	Risk is unlikely to occur (i.e will only occur in exceptional circumstances)
Impact Description	Definition
High (3)	Risks resulting in – Extensive permanent or long term injuries / sick, loss of life, long or medium term interruption to school activities, adverse national publicity, negative consequences for most pupils, staff or parents, litigation almost certain and difficult to defend, material financial loss, breaches of law punishable by imprisonment or issues considered critical by OFSTED Inspectors.
Medium (2)	Risks resulting in – Medical treatment required, short term interruption to school activities, negative consequences for many pupils, staff or parents, litigation to be expected, significant financial loss, breaches of law punishable by fines or issues considered important by OFSTED Inspectors, breaches of national or professional regulations/standards.
Low (1)	Risks resulting in – No injuries beyond “first aid” level, minor or no significant disruption to school activities, difficult to handle local press interest, negative effects on a few pupils, staff or parents only, unlikely to cause complaint/litigation, negligible financial loss, breaches of local procedures/standards.

Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Full Governing Body, Senior Leadership Team and auditors that the Academy is effectively managing its risks and has a robust system of internal controls.

Risk register

The reporting mechanism will be the Academy’s Risk Register and Risk Management plan. This will highlight the key risks facing the Academy, as well as a breakdown for each key

strategic aim. The Risk Management Plan will be monitored by the Finance, Staffing & General Purposes Committee on at an annual basis or as necessity requires a review.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified in Full Governing Body or SLT meetings, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

Communicating Risks

The Finance, Staffing & General Purposes Committee monitors the risk management plan. The Director of Finance & Resources will ensure that any perceived new or increased risks or significant failure of risk management control measures are reported to the Finance, Staffing & General Purposes Committee, along with a summary of actions taken and considered by the Full Governing Body.

The Director of Finance & Resources will endeavour to raise awareness that risk management is a part of the Academy's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks
- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

Annual risk review and assessment

The Financial & General Purposes Committee will allocate a governor to review an annual assessment of the effectiveness of the Academy's management of risk.

The Director of Finance & Resources will prepare an annual review of the risk management plan for the Finance, Staffing & General Purposes Committee who will report to the Full Governing Body on:

- The significant risks facing the Academy
- The effectiveness of the risk management processes
- That the Academy has published a risk management policy covering risk management philosophy and responsibilities

Insurance Cover

The Academy **must** have adequate insurance cover in compliance with its legal obligations or be a member of the academies risk protection arrangement (RPA). Not all risks are covered in the RPA.

The Academy will consider the RPA unless commercial insurance provides better value for money. If the trust is not a member of the RPA, it will determine its own level of commercial insurance cover to include buildings and contents, business continuity, employers' and public liability insurance and any other cover required.

24. CREDIT CARD POLICY

It is recognised that there are many occasions when the Academy will need to make direct payment for goods through internet/telephone services to companies that offer best value for money. On occasions, there are also companies who will not accept a standard purchase order and wait to be paid after the goods or services are supplied. To address these situations the Full Governing Body has approved the use of credit cards.

The primary method of payment remains invoicing and this will generally be used in preference to credit card purchases.

The Full Governing Body has delegated the operation of credit cards to the Principal.

A Credit Card is issued by Lloyds TSB Bank plc and are repaid monthly in full, by direct debit. Lloyds TSB Bank plc will not issue a generic credit card and hence the card is issued in the name of the Principal. The current limit on the credit card is £6,000.

Credit cards must not be used for personal expenditure in any circumstances nor are cash withdrawals are allowed.

Supporting receipts and transaction details will be retained for all use of the credit card and authorised in accordance with the usual procurement procedures.

The processing procedures are documented in the Procedures Manual and entries and reconciled monthly in accordance with academy procedures.

All orders (telephone or internet) must be delivered to the Academy address as detailed in the procurement procedures.

The cardholder shall authorise the academy to recover the cost of any unauthorised transactions and where reimbursement is not received, then the academy is authorised to make a salary deduction for the unauthorised amount.

25. EBAY USAGE POLICY

Occasionally the Academy will have surplus or redundant assets, materials or items which can be sold to raise funds for the purchase of more appropriate equipment etc. or can be used to supplement departmental budgets or cost centres.

Also, there may be an opportunity to purchase items deemed suitable and necessary more economically than buying brand new. In both occasions, using the eBay website and processes may be the most effective and efficient method.

All equipment or other items must be complete and whole, and have current test certificates and/or verified as being safe to use by students and staff according to our own H&S Policy.

The use of eBay must be appropriately authorised and managed following the academy's finance procedures, including the correct allocation of monies received from any sales to the appropriate budget/cost centre.

Any member of staff using e-Bay on behalf of the academy trust must have clear guidelines on its usage and be fully aware of their responsibilities as well as the consequences for any abuse of the procedures involved.

The final decision and authorisation for sale price will be determined by the Principal or Director of Finance & Resources.

Any member of staff who fails to comply with this policy and associated procedures and/or is found seeking to make personal gain from this process will be subject to the Staff Disciplinary Procedure.

No member of staff is permitted to use their own or other eBay account to sell or procure items on behalf of the Academy Trust.

Items of/for personal use must not be sold or bought via the academy's eBay account.

Procedure for Sales

Any item identified as surplus to requirements and deemed to have potential value could be considered as a potential sale via the use of eBay.

Once this has been determined, the budget holder wishing to sell the items will:

- Move the items to a designated area ready for collection/delivery by the purchaser.
- Set and obtain initial authorisation from the Principal or Director of Finance & Resources for the starting price (minimum acceptable value), i.e. fixed price or auction and the cost centre/budget to receive the proceeds for the sale. Postage costs or "collection only" needs to be identified before approval.

- Arrange for the wording/set-up of the e-Bay sale insertion along with the photos where helpful to the sale and obtain final approval from the Principal or Director of Finance & Resources for the listing on eBay.
- Inform the finance team to place the advert on the eBay website, having outlined a design or wording for the advert listing.

Final advert authorisation to be signed off by the Principal or Director of Finance & Resources. Copies of the authorisation form and listing to be sent to Finance Manager. The listing can then be placed.

The Director of Finance & Resources will then determine how the sale income will be allocated. For this purpose a PayPal account will be opened in conjunction with the most appropriate Bank account. A common password will be set up and only to be used and known by the Director of Finance & Resources, Finance Manager and Finance Assistants

The Asset Register will need to be noted or adjusted for any item involved in this process. The responsibility for this rests with the IT Network Manager.

All auctions must run to the end and not finish early.

Once the auction has finished and a sale agreed, the head of area or budget holder selling the items will organise and fully support the despatch process. This means that the goods in question are appropriately packed, labelled and ready for collection by the courier route selected. This does not mean informing the site team of what needs to happen and then leaving them to complete the process. Where items are to be collected please inform the school receptionist of the details of the person collection the item.

The Director of Finance & Resources will be informed that a sale has been achieved by the member of staff placing the listing on eBay.

Where the sale results in a collection by the purchaser as opposed to a delivery by the School, a receipt of goods by the purchaser will be supervised by a member of the Finance Team. All payments must be made via the designated PayPal account (not cash on collection).

In all cases our preferred courier will be Royal Mail.

Once payment has been received the allocation of funds will be made by the Director of Finance & Resources to the agreed school budget.

Procedures for Purchases

The purchase of any item for the academy trust via E-Bay will be subject to the current financial procedures. It must also be established that there is not a better alternative route to purchase the item(s) in question, via our normal suppliers.

Once an item has been identified as a potential target for purchase, before authorisation, which must be obtained via the Principal or Director of Finance & Resources, the budget holder must check the maximum bid amount, address any the H&S issues if any.

No Purchase Order can be raised without proof of product quality assurance being provided by the budget holder.

Having obtained authorisation the normal purchase order process will take effect.

If appropriate, details of the item acquired will be entered on the asset register.

Payment for any purchases can only be made via the eBay account arrangements as previously mentioned above.

Where the purchase involves the participation in the eBay auction process, clear parameters must be agreed by the Principal or Director of Finance & Resources before any bids are placed. Once agreed these may not be exceeded without further authorisation.

Consideration must also be given to the full cost of obtaining the item(s) including the collection where necessary and staff time/costs involved. Any extra costs of this nature must be added to the full purchase order value.

Salendine Nook High School (Academy)

eBay Authorisation Listing Form

Item for Sale: _____ **Date:** _____

Product Description:

Department/Budget:	
Staff Responsible:	
Staff Placing Listing:	

Starting Price: _____ **£** **Collection:** **or** **Delivery:**
(min acceptable value) (please tick one)

If delivery, postage cost: _____ **£**

Listing Starting Date:	
Length of Auction:	

(all auctions will run to the end)

Approval Procedure:

Head of Skill Area/Budget holder: _____ **Date:** _____

Initial Approval **Director of Finance & Resources:**
Signature: _____ **Date:** _____

Final Approval – Listing Content and Placement Agreed. **Principal**
Signature: _____ **Date:** _____

Copies of this completed form must be passed to the Director of Finance & Resources & person responsible for placing the listing.

RETENTION OF RECORDS TO BE HELD AT SCHOOLS

See separate Policy

The school is required to have a Retention Policy as part of the new General Data Protection Regulations (GDPR), which come into effect on 25th May 2018. The DfE recommended guidance on this is the Information Management Toolkit for Schools (IMRS), which is sponsored by Tribal. The school will therefore follow this toolkit as the academy's Retention Policy.

A more detailed specific list relating to financial procedures is detailed in the below. This too is compliant with the IMRS Toolkit.

The following is a list of documents/records to be held at the school under the Fair Funding arrangements for LMS. It is stressed that these items represent the minimum documentation to be retained as determined by the Inland Revenue, Customs & Excise, D.S.S., and other interested bodies. The retention periods are listed in the right hand column.

TYPE OF RECORD

RETENTION PERIOD

(The period is the current year plus the following number of complete financial years)

A	CASH INCOME RECORDS	
	Receipt books	6
	Till rolls	6
	Sales records	6
	Ticket and receipt control records	6
	Daily cash sheets/ reconciliation sheets	6
	Paying-in voucher	6
	Shorts and overs records	6
	Bank statements	6
	Banking arrangements	6
	All cash books	6
B	CREDIT INCOME RECORDS	
	Copy income accounts	6
	Authorities for debts written off	6
	Any other prime records	6
C	OTHER INCOME RECORDS	
	Legal agreements	6
	Scales of charges	6
	Lettings records	6
	Registers of attendance	6
	Free meals registers	6

School meals records	6
Tuck shop records and reconciliations	6
Postal remittance books	6
Refund forms	6

D EXPENDITURE RECORDS

Goods requisition documents	6
Official orders and copy orders	6
Goods received notes/Delivery notes	6
Inventory additions/deletion documents	6
Inventory register Indefinite	
Payment records [invoices, etc.]	6
Petty cash records	6
Postage records	6
Car allowance log-sheets	6
Cheque books/statements/returned cheques	6
Credit note records	6
Lists of authorised signatories - requisitions	6
- orders	6
- invoices	6
- cheques	6
- acquisition of assets	36
- disposal of assets	6

E STAFF / PERSONNEL RECORDS

Prime payroll documentation [e.g. authorised disbursement documentation]	6
Payroll input data [e.g. computer input forms]	6
Employee personnel files - current	Indefinite
Employee personnel files – leavers	6
Salary / personnel cards	Indefinite
Attachment of Earning records	Indefinite
Approvals for special Leave	6
Sickness records	6
Disciplinary papers	6
Copy timesheets	6
Flexisheets/Signing-in books	6
Copy Medical-in-Confidence forms	6
Copy absence returns	6
Annual Leave records	6
Sick notes	6
Attendance records	6

F CONTRACT RECORDS

All records / correspondence relating to contracts under seal	12
All records / correspondence relating to contracts not under seal	6

G

ACCOUNTING RECORDS

Budget working papers	6
Financial reports	6
Bank reconciliation statements	6
Any other primary accounting record	6

Summary of freedoms and delegations

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required [5.5]
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax [5.10] and [5.14] .
	Ex gratia payments	ESFA agreement required [5.17]
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: <ul style="list-style-type: none"> • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.18] and [5.19]
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required [5.22]
	Disposing of a freehold on land/buildings	ESFA agreement required [5.22]
	Disposing of heritage assets	ESFA agreement required [5.22]
	Other disposals	Trust has full discretion [5.23]
Leasing	Taking up a finance lease	ESFA agreement required [5.25]
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.25] .
	Taking up any other lease	Trust has full discretion [5.26]
	Granting a lease on land and buildings	ESFA agreement required [5.25] .
GAG	GAG carry forward	No limits if trust eligible [5.28] .
	Pooling by MATs	No limits (except PFI) if trust eligible [5.29] .
Borrowing	Loan, overdraft	ESFA agreement required [5.32]
	Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.32]
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 and over associated limits in [5.41] .