

# Finance Handbook

**Incorporating:**  
**Financial Procedure Manual**  
**Financial Scheme of Delegation (incl approval levels)**  
**Anti-Fraud Policy**  
**Reserves Policy**  
**Gifts and Hospitality Policy**  
**Charging and Remissions Policy**  
**Lettings Policy**  
**Staff and Trustees Expenses Policy**

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<b>Updates Since Last Policy</b>	<p>Removal of reference to Responsible officer and replace with Internal Audit.  Change from EU rules to UK public Sector procurement rules  Trips specifically removed from tendering requirements  Specific mention of not purchasing alcohol.  Added rules around Equals Card  Added the following to the gifts and hospitality policy "If parents decide to "club together" to provide a class teacher with a gift the value must be less than £40 per child."  Added the investment policy as approved by the Trustee via e-mail in Jan 2024  Added Staff Expenses Policy  General updates to conform to IA/EA issues and to match current working practices – these are of a general nature only and have not materially affected processes.</p>

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## **1. Introduction**

- 1.1 The purpose of this handbook is to ensure that the Trust and the academies within it maintain and develop systems of financial control which conform with the requirements of propriety and good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.2 The Trust and academies must comply with the principles of financial control outlined in the academies guidance published by the DfE and the EFA, most notably in the annually updated Academies Handbook. This manual provides detailed information on the Trust and its accounting procedures. It should be read by all staff involved with financial systems and budgeting decisions.

## **2. Organisation**

- 2.1 The Trust has defined the responsibilities involved in the administration of Trust and academy financial administration to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

### **2.2 The Board**

The Board has overall responsibility for the administration of the Trust finances. The main responsibilities of the Board are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust scheme of government. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget;
- appointment of the CEO and
- appointment of the CFO, in conjunction with the CEO.

### **2.3 The Finance and Resources Committee**

- 2.3.1 The Finance and Resources Committee is a committee of the Board. The Finance and Resources Committee meets at least three times per year.
- 2.3.2 The main responsibilities of the Finance and Resources Committee are detailed in written terms of reference which have been authorised by the Board. The main responsibilities include:
- the initial review and authorisation of the annual budget;
  - the regular monitoring of actual expenditure and income against budget;
  - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
  - authorising the award of contracts up to £150,000
  - authorising changes to the academy personnel establishment and
  - reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board.
- 2.3.3 The Finance and Resources Committee will also take on Audit responsibilities -
- To assist the Board in fulfilling its oversight responsibilities with particular reference to strategic financial reporting, internal control, risk management and external audit.
  - To make appropriate comments and recommendations on such matters, to the Board on a regular basis and to refer major issues to the full Board for ratification.

### **2.4 The CEO**

Within the framework of the Trust development plan, as approved by the Board, the CEO has overall executive responsibility for the Trust activities including financial activities. Much of the financial

responsibility has been delegated to the CFO but the CEO still retains responsibility for:

- staff appointments in line with the scheme of delegation, except for any senior staff posts which the Board have agreed should be approved by them;
- authorising contracts up to £50,000 in conjunction with the CFO
- approving payments in conjunction with the CFO or other authorised signatory.

#### **The Chief Finance Officer**

2.4.2 The CFO works in close collaboration with the CEO through whom he or she is accountable to the Board. The CFO also has direct access to the Directors via the Finance and Resources Committee. The main responsibilities of the CFO are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Board ;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- authorising orders up to £10,000 in conjunction with headteachers.
- authorising payments in conjunction with the CEO or other authorised signatory and
- ensuring forms and returns are sent to the EFA and DfE in line with the timetables and guidance issued by the EFA and DfE.

#### **2.5 Internal Audit**

2.5.1 The Internal Auditor/function (IA) is appointed by the Board and provides Directors with an independent oversight of the academy's financial affairs. The main duties of the IA are to provide the Board with independent assurance that:

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

2.5.2 The IA will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board they may also undertake other reviews to ensure the Trust is managing other risks effectively. A report of the findings from each visit will be presented to the Finance and Resources Committee.

#### **2.6 Other Staff**

Other members of staff, primarily the Finance Manager/Officer, the Finance Assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

#### **2.7 Register of Interests**

2.7.1 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trust Directors, Members, LGBs and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection. The register should include all

business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Director or a member of staff by that person.

- 2.7.2 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the Board or a Committee. Where an interest has been declared, Directors and staff should not attend that part of any Committee or other meeting.

### **3. Accounting system**

- 3.1 All the financial transactions of the Trust must be recorded on the Trust's accounting system.

#### **3.2 System Access**

- 3.2.1 Entry to the system is password restricted and the CFO is responsible for implementing such a system.
- 3.2.2 Access to the component parts of the system can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

#### **3.3 Back-up Procedures**

- 3.3.1 The CFO is responsible for ensuring that there are effective back up procedures for the system. This is controlled by the IT services team or software provider if held externally.
- 3.3.2 The CFO should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Trustees and Executive team of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

#### **3.4 Transaction Processing**

- 3.4.1 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be documented on the appropriate journal form, recorded appropriately and authorised by the CFO prior to being input to the accounting system. Bank transactions should be input by the Finance Assistant and the input should be checked, and signed to evidence this check, by the Finance Manager.
- 3.4.2 Detailed information on the operation of the Finance system can be found in the user manuals held in the Finance Office.

#### **3.5 Transaction Reports**

The CFO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system.

#### **3.6 Reconciliations**

- 3.6.1 The Finance Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;

- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.

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

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

4.1 The Trust and academies within it must prepare both medium term and short-term financial plans.

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

4.3 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

4.4 The form and content of the development plan are matters for the Trust to decide but due regard will be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

#### **4.5 Borrowing**

4.5.1 Academy trusts **must** obtain ESFA's approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit cards **must** only be used for business expenditure, and balances cleared before interest accrues.

4.5.2 The Secretary of State's general position is that academy trusts will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. For example, the Department's Condition Improvement Fund for capital projects, and the Salix scheme designed to support energy saving, are available to trusts.

#### **4.6 Annual Budget**

4.6.1 The CFO is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO, Finance and Resources Committee and the Board.

4.6.2 The approved budget must be submitted to the DfE. The CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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

4.6.4 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable,
- review of other income sources available to the Trust to assess likely level of receipts,
- review of past performance against budgets to promote an understanding of the Trust cost base,

- identification of potential efficiency savings; and
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

#### **4.7 Balancing the Budget**

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

#### **4.8 Finalising the Budget**

4.8.1 Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO, the Finance and Resources Committee and the full Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

#### **4.9 Monitoring and Review**

4.9.1 Regular financial reports will be prepared by the CFO. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO, Chair of the Board and the Finance and Resources Committee.

4.9.2 Any potential overspend against the budget must in the first instance be discussed with the CFO.

4.9.3 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements over £50,000 must be authorised by the Finance and Resources Committee.

### **5. Payroll**

5.1 The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

#### **5.2 Staff Appointments**

5.2.1 The Board has approved a personnel establishment for the academy. Changes can only be made to this establishment in line with the scheme of delegation. Local Governing Bodies and the Finance, and Resources Committee must ensure that adequate budgetary provision exists for any establishment changes.

5.2.2 The Trust Board, CEO and Local Governing Bodies have authority to appoint staff in line with the scheme of delegation. The Headteacher of individual academies will maintain personnel files for all

members of staff which include contracts of employment.

### **5.3 Payroll Administration**

- 5.3.1 The academy payroll is administered by NYC.
- 5.3.2 All staff are paid monthly by NYC and the payroll system is managed by them. A master file is created for each employee which records:
- salary;
  - bank account details;
  - taxation status;
  - personal details and
  - any deductions or allowances payable.
- 5.3.3 Headteachers will approve and report all new appointments, variations or terminations to the Finance Manager and HR.
- 5.3.4 Before the payroll is processed review of all data will be undertaken using trust software to do a Payroll reconciliation this will be reviewed and approved by each Headteacher for accuracy, existence and completeness.

### **5.6 Payments**

- 5.6.1 The output of the payroll reconciliation be reviewed and authorised together by the CFO and the CEO.
- 5.6.2 All salary payments are made by BACS by NYC.
- 5.6.3 NYC will automatically calculate the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.
- 5.6.4 After the payroll has been processed costings will be made both to the payroll control account and to individual cost centres. The CFO should review the payroll control account each month to ensure the correct amount has been posted, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

## **6. Purchasing**

- 6.1 The Trust will seek to achieve the best value for money. This means to obtain goods and/or services in the correct quality, quantity and time at the best price possible. Purchases will be paid for with public funds and the purchase of these must follow the general principles of:
- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
  - **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
  - **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

All procurement must be carried out in compliance with the principles of the Public Contracts Regulations 2015. For most goods and services where contracts will have a value over their lifetime in excess of approximately £50,000 (€80,000) further regulations apply and a full tender or similar may be required through <https://www.find-tender.service.gov.uk> frameworks are also available to Academies, but in any case contracts above this value should be referred to the CFO to ensure compliance with prevailing legislation.



## **6.2 Routine Purchasing**

- 6.2.1 Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A regular print detailing actual expenditure against budget will be supplied to each budget holder and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 6.2.2 For the avoidance of doubt, Academy funds should never be used to purchase alcohol – unless for religious services
- 6.2.3 Routine purchases up to £5,000 can be ordered by budget holders through local office staff. A quote or price must always be obtained before any order is placed. The budget holder must strive to achieve maximum value for money from every purchase and retain evidence to justify purchasing decisions made.
- 6.2.4 All order requisitions must be raised via the computerised finance system. If this is not possible, there should be some prior approval of the expenditure by the relevant budget holder. Where an order is in excess of specified routine purchase limits or the budget provision does not exist, CFO approval will be required.
- 6.2.5 The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt of any order, the recipient must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. The recipient should then mark the goods as received on the computerised finance system.
- 6.2.6 All invoices should be sent to the Finance Office. Invoices received will be recorded by the Finance Assistant in the computerised financial system.
- 6.2.7 At the end of every week the Finance Manager will produce a list of invoices due for payment from the purchase ledger together with supporting documentation.
- 6.2.8 The Finance Manager will then input details of payments to be made to the purchase ledger and generate the payment required. The associated BACs paperwork must be authorised by two of the nominated account signatories. NB it is the policy of the Trust not to pay suppliers by cheque – this will only be done in exceptional circumstances.

## **6.3 Orders over £5,000 but less than £50,000**

- 6.3.1 At least three written quotations should be obtained for all orders between £5,000 and £49,999 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes.
- 6.3.2 Trips are exempt from this requirement however, it is expected that best value is sought in all cases to ensure costs passed on to parents are reasonable.
- 6.3.3 There may be very rare occasions where the required goods or services are only available from a single supplier either regionally or nationally. In these occasions a common sense approach will be taken by the CFO and the CEO, a waiver form completed and referred to the, LGB, or Trust Finance and Resources Committee (or Board) where appropriate. In all cases the decision will be documented.

## **6.4 Orders over £50,000**

6.4.1 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures. Purchases over £150,000 may fall under a specific set of public sector procurement rules. Any contract or series of contracts above this threshold must be discussed and procured along the advice of the CFO.

6.4.2 There may be very rare occasions where the required goods or services are only available from a single supplier either regionally or nationally. In these occasions a common sense approach will be taken by the CFO and the CEO, a waiver form completed and referred to the Finance and Resources Committee or Full Board where appropriate. In all cases the decision will be documented.

## 6.5 Forms of Tenders

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs,
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
  - the above methods have resulted in either no or unacceptable tenders,
  - only one or very few suppliers are available,
  - extreme urgency exists,
  - additional deliveries by the existing supplier are justified.

## 6.6 Preparation for Tender

6.6.1 Full consideration should be given to:

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

6.6.2 After all requirements have been established, they should be ranked (e.g. mandatory, desirable and additional) and an evaluation scheme devised based on awarding marks to suppliers on fulfilment of these requirements to help reach an overall decision. This scheme will need to allocate weights to the financial (cost) aspects of bids as well as their fit against the requirements (quality).

## 6.7 Invitation to Tender

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

6.7.2 An invitation to tender should include the following:

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

## **6.8 Aspects to Consider**

### **Financial**

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

### **Technical/Suitability**

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

### **Other Considerations**

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.

## **6.9 Tender Acceptance Procedures**

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

Electronic submissions are also acceptable but should broadly follow the points above.

## **6.10 Tender Opening Procedures**

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

- Two of the budget holder, the CFO or the CEO;

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

## **6.11 Tendering Procedures**

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

- 6.11.2 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 6.11.3 A clear record of the process, individual scores and final decisions must be retained. This is essential to justify the decision in case of a procurement complaint from an unsuccessful party or an audit or similar enquiry.
- 6.11.4 Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
- 6.11.5 The accepted tender should be the one that offers best value to the Trust in terms of the defined evaluation scheme (see 6.6.2 above). All parties should then be informed of the decision.

## **7.1 Income**

- 7.1.1 The main sources of income for the Trust are the grants from the EFA, DfE and Local Authorities. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Trust are collected.
- 7.1.2 The Trust also obtains income from:
- Students, mainly for trips and purchase of equipment/books
  - The public, mainly for lettings
  - Other Schools
  - Donations

## **7.2 Trips**

- 7.2.1 A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the SBM/Office Manager/Office Staff.
- 7.2.2 The SBM/Office Manager/Lead teachers – is responsible for ensuring that the trip finances/costs/income are in compliance with the prevailing guidance and/or charging and remissions policy (contained in the appendices to this document).
- 7.2.3 The SBM/Office Manager/Office Staff should maintain an up to date record for each student showing the amount paid and the amount outstanding. The lead teacher is responsible for chasing the outstanding amounts.

## **7.3 Community Lettings**

- 7.3.1 The School Business Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation.
- 7.3.2 The Finance Manager will establish a sales ledger account and produce a sales invoice from the accounting system based on instructions from the School Business Manager. The Finance Manager is responsible for chasing outstanding debts.
- 7.3.3 No debts should be written off without the express approval of the Board (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).
- 7.3.4 Sports facilities at Fulford School are run by a third party. On a termly basis the Finance Manager will obtain a listing of bookings and payments due and raise an invoice to recover the MAT share of the

income as per the agreement

#### **7.4 Custody**

7.4.1 Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the a safe prior to banking. Banking should take place monthly via the approved courier. In exceptional circumstances staff may take cash directly to the bank.

7.4.2 Monies collected must be banked in their entirety in the Trust bank account. The Finance Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the CFO.

### **8. Cash Management**

#### **8.1 Bank Accounts**

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

#### **8.2 Deposits**

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

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

#### **8.3 Payments and withdrawals**

8.3.1 All cheques and other instruments including BACs authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- CEO;
- CFO;
- Finance Manager,

8.3.2 This provision applies to all accounts, public or private, operated by or on behalf of the Board of the Trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure as budget holder.

#### **8.4 Administration**

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

- all bank accounts are reconciled to the Trust's cash book;
- reconciliations are prepared by the Finance Manager;
- reconciliations are subject to an independent monthly review carried out by the CFO or in their absence the Responsible Officer (RO) and
- adjustments arising are dealt with promptly.

## **8.5 Petty Cash Accounts/Equals Card**

It is Trust policy not to use petty cash. However the Trust does use an equals card for use abroad on school trips

- The card will have a pre-loaded balance of £1,000 and this will be maintained
- The only expenditure allowed is
  - Preauthorised Expenditure (i.e. those items known but not possible to incur prior to the visit
  - Emergency Expenditure (medical, transport etc)
- All receipts must be kept and cardholders sign the cards out.

## **8.6 Credit Cards**

Credit cards are provided to Trust head teachers and other identified senior staff as appropriate. These must be approved by the CEO and CFO. A limit of £5,000 (in line with budget approval levels) will be set with the exception of the CEO, CFO who may increase this in line with their levels of approval.

All spend on credit cards must be for business use and an approval form and receipts obtained and signed off by the credit card holder for each purchase/spend. Where this isn't possible a single form for a full months statement signed and approved by the holder is acceptable.

A copy of the bill and supporting receipts and approval forms should be sent to the Finance Team at the end of each month.

## **8.7 Deposits**

All cash receipts for whatever reason should be paid directly into the bank via the monthly collections.

## **8.8 Payments and Withdrawals**

Higher value payments should be made by BACs directly from the main bank account as a cash book payment.

## **8.9 Administration**

Regular as well as unannounced cash counts should be undertaken by the Finance Manager to ensure that the cash balances held are minimal.

## **8.10 Physical Security**

Cash should be held in a safe.

## **8.11 Cash Flow Forecasts**

The CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds as per the investment policy

## **8.1 Investments**

8.1.1 Investments must be made only in accordance with written procedures approved by the Board.

8.1.2 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of

purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **9. Fixed assets**

### **9.1 Asset register**

9.1.1 All individual items purchased with a value over the Trust's capitalisation limit of £5,000 must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location

9.1.2 The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- the external auditors to draw conclusions on the annual accounts and the Trust's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

### **9.2 Security of assets**

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

9.2.2 All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

### **9.3 Disposals**

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

9.3.2 The Trust is expected to reinvest the proceeds from all asset sales, for which capital grant was paid, in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.

9.3.3 All disposals of land must be agreed in advance with the Secretary of State.

### **9.4 Loan of Assets**

9.4.1 Items of Trust property must not be removed from Trust premises without the authority of the

CEO/CFO/Headteacher. A record of the loan must be recorded in a loan book and booked back in when it is returned.

- 9.4.2 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.



## Appendix1

### Trust Financial Scheme of Delegation

The South York Multi- Academy Trust company number is 11082297. Trustees appointed to this company are responsible under statute, regulations and Funding Agreements for all schools within the MAT.

Predominantly, Trustees are responsible for ensuring that the MAT's funds are used only in accordance with the law, our Articles of Association, our Funding Agreements and the latest Academies Financial Handbook. The Trust Board must discharge its responsibilities reasonably and in a way that commands broad public support. It is responsible for the proper stewardship of MAT funds and for ensuring value for money.

The South York MAT, as a company, **must** prepare an annual report and accounts, incorporating accounting policies approved by the MAT Board. These accounts must be audited by a statutory auditor. The accounting period will report to a 31 August year end and the audited accounts for this period **must** be submitted to ESFA by 31 December each year.

Annual accounts must be filed with Companies House for public access and made available to anyone who requests them. They must also be published on the MAT website no later than the end of January following the financial year to which the accounts relate.

The MAT Board **must** approve a balanced budget, and any significant changes to that budget, for the financial year to 31 August. This can draw on unspent funds brought forward from previous years.

The MAT **must** establish a committee, appointed by the MAT Board, to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. As the South York MAT operates a combined finance and audit committee, staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions.

The MAT **must** publish a register of interests which details the relevant business and pecuniary interests of Members, Trustees, Local Governors and of senior employees within the MAT, 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 MAT is able to amalgamate a proportion of its general grant funding (GAG) from its schools to form one central fund. This fund can then be used to meet the needs and normal running costs at any of its constituent academies within the trust. In all funding decisions, the MAT Board **must** give individual consideration to the funding needs and allocations of each constituent school, and **must** have an appeals mechanism in place to deal with any funding complaints. If a school feels that they have been unfairly treated, they should first appeal to the MAT Board. Where this issue has not been resolved to the satisfaction of the school, a further appeal may be made to the Secretary of State, via ESFA, whose decision will be final.

The MAT Board of Trustees must designate, in writing, a named individual as its Accounting Officer. The appointment of an Accounting Officer does not remove the responsibility of the MAT Board, both individually and as a Board, for the proper conduct and financial operation of the South York Multi-Academy Trust.

The Chief Executive is the appointed Accounting Officer of the South York Multi-Academy Trust. The role of Accounting Officer includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to the EFA's Accounting Officer, for the financial resources under the MAT's control. Accounting Officers must be able to assure Parliament, and the public, of high standards of probity in the

management of public funds.

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

Whilst the Accounting Officer is accountable for the MAT's financial affairs, for keeping proper financial records, and for the management of opportunities and risks, the delivery of the MAT's detailed accounting processes will be delegated to a chief financial officer (CFO), who will perform the role of Director of Finance and Business.

The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the MAT Board that there is compliance with the Academies Financial Handbook and the Funding Agreements.

An accounting officer's statement on regularity, propriety and compliance **must** be included in the academy trust's annual report. A review of the accounting officer's statement **must** be included within the remit of academy trusts' external auditors. The auditor's conclusions on regularity **must** be addressed jointly to the trust and to the Secretary of State through ESFA.

The Accounting Officer will delegate the management of specific budgets to individual budget holders and LGB committees within the schools. These budget holders must follow the agreed South York MAT Financial Regulations and Procedures approved by the MAT Board of Directors.

#### **Scheme of Financial Delegation**

The Scheme has been developed to clarify the responsibilities and powers of the (MAT) Members, Trustees, Local Governing Bodies (LGB) and key staff. This delegation scheme is in accordance with the South York Multi-Academy Trust Memorandum and Articles of Association and the Academies Handbook.

The delegations set out in this Scheme are delegated to the specified Committees or post holders employed in the South York Multi-Academy Trust.

## Financial Approvals

It is expected that all purchases of goods and services will be raised via a purchase order on the Trust's financial systems or if this is not possible, there should be some prior approval of the expenditure by the relevant budget holder, this may take the form of a signed request or e-mail.

At Trust primary schools there is no requirement for an order to be raised below £5,000 but a hard copy order form may be held by the school). It is appreciated that some categories of spend this may not be possible (e.g direct debits and contracted spend).

For the avoidance of doubt the limits below cover a single contract or group of contracts. Splitting an order to avoid breaching these limits is not acceptable. There will be exceptional cases where this is not possible/feasible (i.e. existing arrangements/licences/systems or single regional/national suppliers). In these cases a common sense approach will be followed but always authorised/documentated in line with the limits set out below.

It is expected that for each order a copy of the results of the tender or quotation exercise is kept on the finance drive to ensure that a full and complete audit trail exists.

Delegated Duty	Value	Delegated Authority	Comment
<b>Authority to accept other than lowest quotation/tender</b>		<b>Approval required in accordance with the delegated authority set out below.</b>	
Ordering goods and services (including advertising of tenders and award of contracts)	Up to £5,000	Primary - Head Secondary - Budget Holder (e.g. Dept Head)	If within approved budget level For orders up to the specified threshold at least a single written quotation is required.
	£5,000 - £9,999	Primary - Head Secondary - Head and CFO	If within approved budget level Orders above the threshold £5,000 and up to £9,999 require 3 written quotations. If this requirement cannot be met sign-off will be made by CEO and CFO.
	£10,000 - £49,999	Primary - Head Secondary - Head and CFO and CEO	If within approved budget level Orders over £10,000 and up to £49,999 require 3 written quotations. If this requirement cannot be met sign-off will be made by the relevant LGB, CEO and CFO.

	£50,000 - £149,999	CEO and CFO and Trust Board/Finance Committee	If within approved budget level. Orders over £50,000 to be put out to tender. If this requirement cannot be met sign-off will be made by the Finance Committee and/or Trust Board.
	£150,000 and above	CEO and CFO and Trust Board	If within approved budget level  Contracts over these values may be subject to specific procurement rules and the advice of the CFO must be sought.
Delivery receipts		Budget holder/Office	
Authorising monthly salary payments	Unlimited	CEO/CFO	Report to Board on any anomalies
Payroll absence and additional hours		SLT authorise pay for absence/additional hours: processed and verified upon payment by Business Manager/Head	
Payroll – contract variations		Business Manager/Head	
Signatures for Cheques, BACS payment authorisations and other bank transfers	Up to £10,000	Any two signatures in line with the Bank Mandate (A or B) (Head/Deputy or CEO/CFO/Finance Manger)	
	Any amounts over £10,000	Two signatures in accordance with the bank mandate and one must be from the A list (CEO/CFO/Finance Manager)	
Signatories for grant claims and DfE Returns	Unlimited	CFO and one of: CEO Chair of Trust	Two signatories, or as required by DfE / YPLA
Virement of budget provision between budgets	Up to £30,000	Head or CEO and CFO	Reported to LGB
	£30,001 - £50,000	CEO and CFO	Reported to LGB
	Over £50,000	Trustee and CEO and CFO	Reported to LGB and Trust Board
Virement of budget provision between schools		Trust Board	
Petty cash limit – individual payment	N/A		
Petty cash - float	N/A		
Credit Cards	In line with purchasing budget above	Credit card form required with receipts. Cardholder to authorise.	

Disposal of assets	Up to £20,000	CEO and CFO	CFO to report to Trust Board
	Over £20,000	CEO, CFO, Board and DfE	DfE approval required for disposal of assets funded with more than £20,000 of DfE grant or transferred from the LA at nominal consideration
Write off bad debts	Up to £1000	CEO and CFO	Report to LGB
	Over £1000	Trust Board, CEO, CFO, DfE	
Write off over-payments to staff	Up to £1000	CEO and CFO	Report to LGB
	Over £1000	CEO, CFO and Trust Board	
Purchase or sale of freehold property	Any	Trust Board, CEO, CFO and DfE	
Granting or taking up of any leasehold or tenancy agreement exceeding 3 years	Any	Trust Board, CEO, CFO and DfE	
Any guarantees, indemnities and letters of comfort entered into	Any	Trust Board, CEO, CFO and DfE	
Settlement/COT3 agreements	Up to £49,999	CEO, CFO, Trust Board in line with Academies Handbook requirements	
Settlement/COT3 agreements	£50,000 and above	CEO, CFO, Trust Board and DfE in line with Academies Handbook requirements	
Ex-gratia payments	Any	Trust Board, CEO, CFO and DfE	

## Appendix 2

### South York Multi Academy Trust Financial Reserves Policy

#### 1. Context

The South York Multi Academy Trust (MAT) has established a reserves policy to provide a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the MAT.

The reserves policy and the establishment of ranges is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities undertaken by the MAT for its beneficiaries.

#### 2. Types of Reserves

##### 2.1 Unrestricted Reserves

Unrestricted Reserves (including Designated Reserves) are derived from income funds, grants or donations that can be spent at the discretion of the Trustees in furtherance of any of the MAT's objectives.

If part of an unrestricted income fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Trustees' discretion to spend the fund. Unrestricted Reserves will be achieved through operational efficiencies and any trading activities undertaken by the MAT.

Unrestricted Reserves are generally defined as funds held after excluding:

- Endowment funds (permanent & expendable); Restricted funds; and
- Funds that can only be generated on the sale of fixed assets and used for charitable purposes.

The cumulative target range for Unrestricted Reserves has been established at between 2% and 5% of unrestricted income for each financial year of the combined General Annual Grant (GAG) and Top-Up funding of constituent schools in the Trust.

##### 2.2. Restricted Reserves

Restricted Reserves (including Designated Reserves) may be restricted income funds, grants or donations that are spent at the discretion of the Trustees in furtherance of some particular aspect(s) of the objects of the MAT; or where the nature of expenditure has been defined by the donor; or they may be endowment funds, where the funds or assets are required to be invested or retained for actual use, rather than spent. This will include the donations made towards educational visits.

Restricted Reserves are only available for expenditure once the MAT has met its commitments and other planned expenditure and is in accordance with the limitations outlined in the original funding. The cumulative target range for Restricted Reserves (Revenue) has been established at between 2% and 5% of total income for each financial year, excluding the impact of the Pension Deficit/Surplus.

Restricted Reserves also are inclusive of capital items and are defined as Restricted Fixed Asset Reserves. This reserve is specifically held for capital purposes in furtherance of some particular aspect of the objectives of the MAT. The cumulative target range for all Restricted Reserves has been established at between 2% and 5% of total income for each financial year.

All Restricted Reserves will be generated through improved operational efficiencies and effective manpower planning and resourcing in addition to a proactive programme to identify relevant sources of grant funding.

### **2.3. Designated Reserves**

Designated Reserves are reserves that have been set aside at the discretion of the Trustees in furtherance of any of the MAT's objectives.

Where a designation has been identified, the purpose and timing of any expenditure must be explained.

The target range for any Designated Reserve will be determined by the nature of the designation itself; the reserves will be derived from unrestricted and restricted funds where applicable.

### **2.4. Pension Reserve**

The risks surrounding the MAT's pension liability have been taken into consideration when calculating the target ranges. The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to the MAT.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the MAT in the form of an increase or decrease in employers' pension contributions over a period of years. The MAT is confident that it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities.

The MAT continues to calculate its reserves without setting aside a Designated Reserve to cover the pension liability.

## **3. Management of Reserves**

Reserves held in excess of the target percentage will be reviewed by the MAT on a regular basis and an appropriate range of options will be considered which might include releasing the funds into the revenue budget in furtherance of the MAT's objectives; assigning funds to appropriate designated reserves as may be determined by the MAT; or investing the funds to generate further income to allow expansion of the MAT's work.

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of the MAT, or the appropriate sub-committee where delegated authority has been provided by the Board of Trustees, subject to the restrictions which will remain attached to Restricted Funds (Revenue and Capital) and their use.

The movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds. This will not be the case in the management of educational visits donations. Where donations for trips exceed the actual costs and this surplus amounts to £10 or less per head. The remaining balance will be transferred into unrestricted reserves. Where surplus are above these amounts they will be returned to the donor.

## Appendix Three

### South York Multi Academy Trust Investment Policy

#### Purpose and scope

To set out the processes by which the Trust can invest funds surplus to day-to-day operational requirements and to ensure that investment risk is properly and prudently managed.

In doing so, Trustees must:

- Act within their Charity's power to invest
- Set investment objectives
- Set the parameters that deposit counterparties need to meet
- Consider the level of liquid cash required to be held either overnight or within current accounts
- Approve the type of products that the Trust can invest in and seek external guidance if required
- Define processes to manage and make investment decisions
- Monitor and review investments on a regular basis

#### Responsibility

The Trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the **CFO** to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

#### Objectives

To identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives.

Any investment decisions must be supported by a cashflow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

#### Counterparty risk

Following the Banking Crisis in 2008, The Bank of England have (through the FSA and latterly, the FCA) implemented changes to stress testing and capital requirements of UK FCA registered banks to ensure the stability of the UK Banking system.

As such, the Trust can only make deposits with Banks or Building Societies with a UK banking licence and regulated by the FCA and PRA.

#### Counterparty limits

For Institutions with a "good" or better credit rating or implied credit rating (also known as Investment grade), the Trust will deposit a maximum of £1,000,000 (plus interest accrued) with any single institution, in sterling only. These ratings include:

- Baa3 / P-3 or better (Moody's) or
- BBB- / A-3 or better (S&P) or
- BBB- / F3 or better (Fitch) or
- An implied rating of BBB- or better

The Credit rating or Implied Credit Rating will be checked with Insignis at the time of placing a deposit with a new bank.

It is worth noting that Implied Credit Ratings are usually the 'long term' position, however, the Trust will only by depositing 'short term' in deposits with a maturity date or notice period of 12-months or



less.

It is recognised that our current account balance(s) may exceed the deposit limits stated above. For the purpose of this investment policy, current account balances are excluded from the counterparty limits detailed above.

Overview:

Rating	Moody's		S&P		Fitch	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Investment grade: Highest (Triple A)	Aaa	P-1 (Prime-1)	AAA		AAA	
Investment grade: Very high	Aa1		AA+	A-1+	AA+	F1+
	Aa2		AA		AA	
	Aa3		AA-		AA-	
Investment grade: High	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-		A-	F2/F1
Investment grade: Good	Baa1	P-2 (Prime-2)	BBB+	A-2	BBB+	F2
	Baa2	P-3/P-2	BBB		BBB	F3/F2
	Baa3	P-3 (Prime-3)	BBB-	A-3	BBB-	F3
Speculative grade: Speculative	Ba1		BB+		BB+	
	Ba2		BB		BB	
	Ba3		BB-	B	BB-	B
Speculative grade: Highly speculative	B1		B+		B+	
	B2		B		B	
	B3		B-		B-	
Speculative grade: Very high risk	Caa1	Not Prime	CCC+		CCC	
	Caa2		CCC			
	Caa3		CCC-			
Speculative grade: Very near to default	Ca		CC	C	CC	C
			C		C	
			C		C	
In default	C		SD/D	D	RD/D	RD/D

### Assessing liquidity needs

The Trust should ensure that a sufficient balance must be held across accounts with instant access so that the Trust's financial commitments can be met without the risk of the current account going overdrawn.

It should also allow enough flexibility to deal with reasonable, one off events should they occur.

The Trust's cash flow forecasts will dictate how much is available for investment and for how long.

The cashflow forecasts should be reviewed monthly as part of the management accounts cycle and on maturity of fixed term deposits.

### Investment Products

The Trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:

Overnight (instant access)

Notice accounts (typically from 30-days to 100+ days)

Fixed term deposits (typically from 1-month to 12-months)

Investments should not exceed 12-months in term.

### Investment Decisions

The **CFO** is responsible for producing reliable cash flow forecasts as a basis for decision making.

The **CFO** is responsible for making investment decisions that comply with this Policy.

The opening or closing of bank accounts should be authorised in line with the current Financial Regulations Manual.

### **Monitoring & Reporting**

The **CFO** will report investments held and the performance of investments against objectives to the **Risk & Audit Committee** for review **each time it meets or when requested to do so**. The reporting should include:

- Funds invested
- Maturity dates
- Interest rates
- Current market rates
- Blended returns achieved against expected performance and policy benchmarks
- Latest cash flows showing 12-month liquidity requirements
- Recommendations for the next **3 months**.

## Appendix Four

### South York Multi Academy Trust Anti-Fraud and Corruption Policy

#### 1. Introduction

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

#### 2. Definitions

##### 2.1 What is Fraud?

2.1.1 Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006.

2.1.2 Fraud can be defined as an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and / or cause a loss to another. It can take place in many ways; withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates a financial gain for one party and / or a loss for another.

2.1.3 Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent. In the same way, using the Trust's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them, is also fraudulent.

##### 2.2 Corruption

Corruption will normally involve the above with some bribe, threat or reward being involved.

##### 2.3 Bribery

2.3.1 The Bribery Act 2010. There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

2.3.2 Bribery is not tolerated. It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;

- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;

#### 2.4 Facilitation Payments

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

#### 2.5 Gifts and Hospitality

This policy is not meant to change the requirements of the Trust's approach to gifts and hospitality as set out within the Gifts and Hospitality Policy which is included in this handbook.

Other useful definitions:

- **Theft** - Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act 1968). This may include the removal or misuse of funds, assets or cash.
- **False Accounting** - Dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act 1968).
- **Deception** - Obtaining property or pecuniary advantage by deception (Sections 15 and 16 of the Theft Act 1968) and obtaining services or evading liability by deception (Sections 1 and 2 of the Theft Act 1978).
- **Collusion** - The term "collusion" in the context of reporting fraud to the Treasury is used to cover any case in which someone incites, instigates, aids and abets, or attempts to commit any of the crimes listed above.

### 3. Procedure for Reporting Fraud

Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported in accordance with the Trust Whistle-Blowing Policy.

#### 3.1 Responsibilities

The Academies Financial Handbook is the Department for Education's financial guide for the governing bodies and leaders and managers of academies, it provides detailed guidance on a wide range of financial management, funding and accounting issues. It describes the key systems and controls that should be in place and specifies the financial reporting/budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

The Chief Executive Officer as the **Accounting Officer** is accountable for establishing and maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the Trust faces. The system of internal control is based on an on-going process designed to identify the principal risks, to

evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

### **3.2 Overall responsibility for managing the risk of fraud is delegated to the CFO.**

The responsibilities of the CFO include:

1. Developing a risk management plan as part of the risk management process and undertaking a regular review of the fraud risks associated with each of the categories in order to keep the risk management plan current;
2. Establishing and maintaining an effective Fraud Policy and Fraud Response and Investigation Plan, commensurate to the level of fraud risk identified in the risk management plan;
3. Designing an effective control environment to prevent fraud commensurate with the risk management plan through a system of internal controls;
4. Establishing appropriate mechanisms for:
  - a. reporting fraud risk issues;
  - b. reporting significant incidents of fraud to the Accounting Officer;
  - c. external reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations;
  - d. coordinating assurances about the effectiveness of Fraud policies to support the Statement of Internal Control;
  - e. Liaising with the Finance and Resources Committee on issues of fraud prevention, detection, and management;
  - f. Making sure that staff are aware of the Fraud Policy and know what their responsibilities are in relation to combating fraud;
  - g. Ensuring that appropriate Anti-Fraud training and development opportunities are available to appropriate staff;
  - h. Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
  - i. Making recommendations about legal and/or disciplinary action against perpetrators of fraud;
  - j. Making recommendations about disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud;
  - k. Making recommendations about disciplinary or legal action against staff who fail to report fraud;
  - l. Taking appropriate action to recover assets;
  - m. Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

### **3.3 All head teachers and school business managers are responsible for:**

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

### **3.4 The Responsible Officer and the External Auditor are responsible for:**

1. Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that The Trust promotes an Anti-Fraud culture;
2. Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the Trust's operations;
3. Ensuring that the Executive Leadership Team has reviewed its risk exposures and identified the possibility of fraud as a business risk;
4. Assisting the Executive Leadership Team in conducting fraud investigations;
5. Reporting to the Resources Committee on the efficiency of controls for the prevention, detection and management of fraud.

### **3.5 Every member of staff is responsible for:**

1. Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the School's decision-making bodies;
2. Conducting themselves in accordance with the seven principles of public life set out in the first report on Standards in Public Life by the Nolan Committee. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
3. Being alert to the possibility that unusual events or transactions could be indicators of fraud;
4. Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
5. Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

### **3.6 The Board of Directors**

**The Chair** is responsible for ensuring that an adequate system of internal control exists and that controls operate effectively.

**All Directors** are responsible for:

- Abiding by the Trust's policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations

## **4. Fraud Response and Investigation Plan**

The Trust has a Fraud Response and Investigation Plan that sets out how to report suspicions, how investigations will be conducted and concluded

### **4.1 Introduction**

The purpose of this plan is to define the responsibilities for action in the event of a suspected fraud. Its focus is to:

- establish responsibilities for investigating the incident and taking appropriate action
- establish and secure evidence for disciplinary and/or criminal action
- prevent further loss
- recover losses
- establish lines of communication with the police.

### **4.2 Procedure**

#### 4.2.1 Action of employees/governors/directors

**4.2.1.1** If you become aware of a suspected fraud or irregularity, you should write down your concerns immediately. Make a note of all relevant details, such as what was said on the telephone or during other conversations, the date, the time and the names of anyone involved. Report the matter immediately to the School Business Manager (if appropriate), the CFO or in their absence the Head Teacher (if appropriate) or Chief Executive Officer. When you report your concerns you must be prepared to hand over any notes or evidence you have already gathered. Confidentiality is of paramount importance throughout the process.

**4.2.1.2** A member of staff, governor or director may choose to report concerns anonymously and such anonymity will be respected. It should be noted that if the report suggested criminal activity and the case is referred to the police, the identity of the person reporting the details will be needed at a later date if criminal proceedings are to be pursued effectively. Identification is preferred and will assist the investigation.

**4.2.1.3** You must not do any of the following:

- contact the suspected perpetrator in an effort to determine the facts and demand answers
- discuss the case facts, suspicions or allegations with anyone other than members of the Finance and Resources and their nominated investigators.
- attempt to personally conduct an investigation of your own.

#### 4.2.2 Malicious allegations

If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

#### 4.2.3 Action by the Trust

**4.2.3.1** Members of the Executive Leadership Team must immediately inform the Chief Education Officer of any concerns reported to them.

**4.2.3.2** The MAT **must** notify EFSA as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, **must** also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the MAT to prevent recurrence
- whether the matter was referred to the police (and if not, why)
- whether insurance cover or the risk protection arrangement have offset any loss

**4.2.3.3** The Finance and Resources Committee will convene an extraordinary meeting in the event of a suspected Fraud situation.

**4.2.3.4** Any member of staff who reports a suspected fraud should feel confident they will be listened to seriously and sensitively. They should be given a fair hearing and they should feel reassured that they will not suffer because they have voiced their suspicions.

**4.2.3.5** If any of the member of the Finance and Resources Committee are personally implicated in the suspected fraud, it should be reported instead directly to the Chair of The Trust and the Chair of the Finance and Resources Committee. In such circumstances, the Chair of the Trust will determine, in consultation with the Chair of the Finance and Resources Committee, the procedure for examining the facts of the suspected fraud, any subsequent investigation and for deciding action.

**4.2.3.6** The Director of Finance will call a meeting of the Finance and Resources Committee at the first available opportunity, ideally within 24 hours of the suspected fraud being reported. Where members of Finance and Resources Committee are not available, suitable alternatives can be appointed by the Trust Board.

**4.2.3.7** The Finance and Resources Committee will consider the report of suspected fraud and decide: whether to instigate an investigation to establish the facts of what has taken place whether to:

- recommend to the Chief Executive Officer that the matter is reported to the police
- recommend to the Head Teacher to suspend the individual(s) suspected pending further investigation (see 3. below).

**4.2.3.8** In circumstances where immediate action is required decisions will be taken by the Chief Executive/CFO in discussion with the Trust Chair/Chair of Finance and Resources. Where further evidence is required before deciding whether to instigate an investigation, the Finance and Resources Committee will commission the gathering of further evidence and reconsider the position in order to make a decision.

### **4.3 Suspension pending investigation**

**4.3.1** Where time allows, the Finance and Resources Committee will consider whether to make a recommendation to the Chief Executive Officer to suspend the individual(s) suspected pending further investigation. The prime consideration in this respect is to prevent further loss and/or the destruction or removal of evidence. Where immediate action is required this will be taken in line with the delegation in the paragraph above.

**4.3.2** Where an individual is to be suspended they should be approached unannounced and asked to attend a meeting, where the suspension is confirmed and explained. Wherever possible, they should be given the opportunity to be accompanied at the meeting by a trade union representative or work colleague. If it is not possible for them to be accompanied, the meeting may proceed nonetheless so that action can be taken to prevent further loss and/or the destruction or removal of evidence. Following suspension, the individual(s) will be supervised at all times before leaving the premises. Only personal property may be removed and all keys must be surrendered. The Network Manager will be informed and access to Trust and school IT systems denied immediately. The individual will be sent confirmation of the suspension, in writing.

**4.3.3** Suspension pending investigation of suspected fraud does not imply that it has been established that fraud has taken place and does not represent disciplinary action. Members of staff will remain on full pay during the period of suspension. Any action taken will be in line with Trust HR policies.

### **4.4 Investigation of suspected fraud**

**4.4.1** The Finance and Resources Committee will normally commission an internal investigation of the suspected fraud, but will have authority to appoint other experts to conduct the investigation where necessary. All investigations will be conducted in line with the Trust's HR policies.

**4.4.2** The Trust, its employees and Directors, will make available to the investigator all such information and records as are necessary to pursue the investigation.

**4.4.3** The matters investigated will be kept confidential in so far as this does not hinder or frustrate the investigation process.

**4.4.4** The investigator will prepare a report setting out their findings from the investigation. The report will cover:

- an opinion on whether a fraud has been committed and the reasons and summary evidence in support of the opinion



- where the opinion is that a fraud has been committed, description of the fraud, value of loss, people involved and the means by which the fraud was perpetrated
- measures already taken or to be taken to prevent recurrence
- any recommendations for action to strengthen future responses to fraud.

**4.4.5** The Finance and Resources Committee will consider the report and determine whether it demonstrates that a fraud has been committed and who may be responsible. In the light of their conclusions, the Finance and Resources Committee will decide the action to be taken, as follows:

- if it is determined on the basis of the evidence that no fraud has taken place, the Finance and Resources Committee will agree action to ensure that all relevant parties are informed. If any individual(s) have been suspended pending investigation, the Director of Finance Manager will be responsible for advising on action relating to the lifting of the suspension in the case of staff.
- if it is determined on the basis of the evidence that a fraud has taken place, the Finance and Resources Committee will refer to the Disciplinary Procedure in the case of staff. The Committee will also agree any action necessary under the Trust's requirements for reporting to external bodies such as the ESFA and Charity Commission.
- The Committee may recommend to the Chief Education Officer that the matter is reported to the police if this has not happened at an earlier stage and/or that civil action is taken to recover losses.

**4.4.6** If the report recommends improvements to the Trust's control systems, the Director of Finance will ensure that these are implemented at the earliest opportunity.

**4.4.7** Where the matter is referred to staff disciplinary procedures, a separate investigation under those procedures will be necessary and evidence from the Finance and Resources Committee's investigation will form part of the disciplinary investigation.

#### **4.5 Recovery of losses**

The Finance and Resources Committee will assess the opportunity for recovering any losses, including taking legal action through the Courts, where appropriate. The Chief Executive Officer will be responsible for ensuring that any legal action is pursued.

The ESFA will not tolerate fraud. It reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any MAT, either as the result of a formal notification from the MAT itself or as the result of other information received, ESFA may involve other authorities, including the police, as appropriate. The ESFA will publish reports in line with its own policy on publishing information.

## Appendix Five

### South York Multi Academy Trust Trustees' and Governors' Expenses Policy

#### Principles and Context

Academy trusts are independent charities. Their Trustees are therefore also charity trustees who must comply with Charity Law. This means that they can only receive payment for carrying out Trustee duties if this payment is specifically allowed by the Trust's governing document or has express authorisation from the Charity Commission. For academies, this power is not currently in the model Articles of Association and any change to allow payment to Trustees would need Charity Commission authorisation. The Charity Commission will only authorise payment to Academy Trustees where it has been clearly shown to be in the charity's interests. They will consider issues like the reasons for payment, whether conflicts of interests are managed appropriately, whether the Principal Regulator (for academies this is the Secretary of State for Education) is agreeable and whether payment of any Trustees is in the longer term interests of the charity.

#### Multi-academy Trusts

Like standalone academy trusts, multi-academy trusts are charities. They usually appoint a local governing body for each academy within the trust. These local governing bodies are not charities themselves, and their members are not usually trustees of the multi academy trust. This means that the charity law restrictions on payment to trustees do not apply to members of a local governing body. However, the government expects voluntary service to remain normal practice for members of local governing bodies. The legality of paying members of a local governing body does not remove academy trusts' duty under charity law to act only in the interests of their charitable objectives. We would expect any multi-academy trust considering paying their local governing body members to review very carefully, whether this is in the best interest of the trust and whether this would be appropriate use of public funds. Trusts must also ensure they manage any conflicts of interest in accordance with their Trust's Articles of Association.

#### Aims

- To make provision for the payment of allowances to governors and associate governors.
- To ensure that allowances must only cover the expenses incurred in a governor's performance of their duties.
- To ensure travel costs will not exceed the Inland Revenue Authorised Mileage Rate guidelines.
- To ensure compliance with all relevant legislation connected to this policy.

#### Paying Allowances

Examples of where a claim may be made for incurred expenses include the following:

- they have special needs;
- English is not their first language.

#### Childcare or babysitting

- Claims for the actual cost of reimbursement to a registered child-minder or babysitter may be made whilst the governor is attending meetings of the governing body or its committees or other agreed activities, such as training events. Appropriate proof of payment should be submitted. This excludes situations where the individual has a spouse, partner or other responsible adult who normally lives in the family home to care for his/her child(ren).

**Care arrangements for an elderly or dependent relative**

- Costs may be claimed for situations similar to those for child care.

**Telephone charges, photocopying, stationery, etc**

- Where a governor is unable to use the school's facilities for any of the above a claim for reimbursement may be made. Receipts must be kept where appropriate; in all other cases a detailed written record should be made and submitted.

**Travel and subsistence**

- Mileage may be claimed for travel beyond reasonable walking distance for the purpose of attendance at meetings of the governing body or its committees or other agreed activities. Claims will be reimbursed at the rate of 40p per mile (this must not exceed the maximum level of the rates published by the Inland Revenue for travel and subsistence).
- Where public transport is used, the actual cost of the expenditure will be reimbursed, up to standard class rail travel. Where it is not possible to use public transport the actual cost of a taxi fare will be reimbursed. Receipts will be required.
- Claims for subsistence allowances, i.e. for meals that would not otherwise have been purchased or car parking charges that would not otherwise have been incurred, will be reimbursed upon the production of a receipt up to a maximum amount of £15.
- This list is not exhaustive and governing bodies should take account of their individual needs. They may, for example, wish to consider the inclusion of other criteria such as reimbursement for the provision of equipment and/or support for governors with special needs or where an individual's first language is not English.

**Making a claim**

- Governors should claim in arrears on a termly basis unless the amount to be claimed is substantial.
- Claims should be authorised by (the Chair of Finance Committee/Chair of governors/Headteacher) and submitted to (school office) for payment.
- The policy and amounts payable will be reviewed every two years.
- This policy applies equally to all categories of governor, including associate members.

**South York MAT Trustees' and Governors' Expenses Claim Form**

**Declaration - MUST READ**  
 This form must only be used for claiming the reimbursement of expenses incurred by trustees and local governors of South York Multi Academy Trust (the Trust) for expenses as outlined and provided for in the South York MAT Trustees' and Governors' Expenses Policy. When an individual returns a completed form to the Trust's Finance Department, they are declaring that they understand that any and all of the expenses they are claiming were solely made for the Trust and in line with the South York MAT Trustees' and Governors' Expenses Policy, that they have provided valid receipts/VAT receipts, that where receipts have not been provided they endeavoured to obtain them, that if any amount claimed is found not to be for the purposes of the Trust they will be repaid to the Trust, that sufficient approval has been sought from the relevant budget holder before the expense was incurred, that fraudulent behaviour may lead to disciplinary action being taken against them.

**Instructions - MUST READ**  
 Once completed and signed by the claimant please pass the form to the school's Office Manager or Finance Office, who will pass it to the South York MAT Finance Department for payment. Payments can take up to two weeks to be made and are usually processed on a Friday.

Before completing this form to claim expenses please ensure you have read the 'Declaration' and 'Instructions' section above, which includes your obligations as a Trustee, or Local Governor, claiming expenses and instructions for completing this form.

<b>Name (Claimant)</b>	
<b>School</b>	
<b>Date</b>	

Item	Purchase Description	VAT Receipt?	Net Value	VAT Value	Gross Value	Finance use	
						Nominal	Account
1					£ -		
2					£ -		
3					£ -		
4					£ -		
5					£ -		

<b>Claimant's bank details</b>	
<b>Account Name</b>	
<b>Account Number</b>	<b>Sort Code</b>
<b>Signed by the claimant</b>	<b>Date</b>

DECLARATION: By signing this form I confirm that I have read the contents of the 'Declarations' and 'Instructions' sections which are part of this spreadsheet (in electronic format), that all the expenses being claimed are/were used solely for the purposes of South York Multi Academy Trust and are in line with the South York MAT Trustees' and Governors' Expenses Policy and that if any expenses claimed were found not to be for the Trust's purposes I must return the monies paid to me as a result.

For Finance Use Only - To complete when received and processed	
<b>Confirmed for receipts attached to the claim form</b>	<b>Date</b>
<b>Authorised First Signatory</b>	
<b>Authorised Second Signatory</b>	

## Appendix Six

### South York MAT Gifts and Hospitality Policy

This outlines the Trust's policy with regard to the receipt of gifts and hospitality by its staff from any third parties arising from duties undertaken on behalf of the Trust or its Schools.

The Trust is committed to ensuring that the governance of the Trust is conducted in accordance with the highest standards of integrity, probity and openness.

The Trust encourages and expects staff and trustees to use their networks and contacts for its benefit. It is however a fundamental requirement, that they must not derive any financial benefits, beyond their agreed salary, from decisions they make or contribute to.

Financial gain from decisions involving the education of pupils or the spending of significant sums from the Trust budget would be considered to be gross misconduct. Therefore staff and trustees shall not use their authority or office for personal gain and will demonstrate that all financial decisions have due regard to propriety and regularity.

#### 1. General Rules

Academy staff must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Staff are asked to immediately report any offer or receipt of such gifts to the Trust CFO to be recorded in the Register of Gifts and Hospitality. If there is any uncertainty the Trust CFO should be contacted so that a decision can be made to safeguard the interests of all parties.

Any employee who becomes aware of a breach of Policy must refer to the Code of Conduct Policy and report the alleged breach immediately to his or her line manager who will instigate investigations as necessary.

For transparency, any personal interest that may impact, or be seen to impact, on an employee's or trustee's impartiality, or conflict with the duty owed to the Trust in any matter relevant to an employee's or trustee's duties shall be declared in writing.

Governors and staff may accept the following gifts/ hospitality without the need to seek the approval of the Academy or formally register receipt:

- Free hospitality at business lunches/dinners or attendance in an official capacity at a public function;
- Incidental promotional gifts such as calendars, diaries or pens;
- Receipt of small items from students, students' families, members of the public, suppliers or contractors as expressions of gratitude such as boxes of chocolate or individual bottles of drink (at a value of less than £40). If parents decide to "club together" to provide a class teacher with a gift the value must be less than £40 per child.
- NB: Care must always be taken to ensure that whenever such gifts/hospitality are accepted no obligation to the person or organisation in question is accepted. In cases of doubt members should consult the Trust CFO.

The following examples of gifts/hospitality require approval and to be formally recorded by the Trust CFO in the Register of Gifts and Hospitality:

- Attendance as a non-paying guest of a commercial organisation or individual at a non-work related cultural or sporting event (at a value of more than £40)

- Promotional gifts worth in excess of £40
- Gifts should not be accepted if they appear to be disproportionately generous, or could be viewed as an inducement to influence a decision or action, whether business, educational or otherwise.
- If not accepting a gift would be regarded as causing offence (such as a sudden and unexpected gift or one where refusal could cause cultural offence) the item should be accepted. The matter should then be brought to the attention of the Trust CFO as soon as possible, who may decide to return the gift, or may donate it to the Academy raffle/fair or a charitable cause.
- Other offers of gifts/ hospitality not falling into any of the above categories.

## **2. Giving of gifts and Hospitality**

It is not expected that the MAT will give gifts to third parties other than potentially the provision of refreshments at meetings. If the MAT does propose to give other gifts then this will only be done in exceptional circumstances and be at the discretion of the CEO and have prior approval.

## **3. Unacceptable Gifts/Hospitality**

The following are examples of offers of gifts/hospitality which should be refused by staff:

- Gifts of money (excluding donations to the Academy)
- Free membership or subscriptions (e.g. sports clubs)
- Foreign travel unless as a specific element of a business, academic or research activity approved by the Academy
- Free goods, services or equipment which are normally provided by a supplier to the Academy at a charge

Any offers of gifts and hospitality falling into any of the above categories should be reported immediately to the Trust CFO.

## **4. Role of the Trust CFO in relation to the Gifts and Hospitality Policy**

- Responsible for ensuring that any offer or receipt of gifts, hospitality or donations to staff is recorded in the Academy's Register of Gifts and Hospitality.
- Reporting any possible conflict of interests arising from the offer or receipt of gifts and or hospitality.

## **5. Role of the School Heads in relation to the Gifts and Hospitality Policy**

- Responsible for ensuring that any offer or receipt of gifts, hospitality or donations to staff is reported to the Trust CFO.

**Gifts Register**

Date	School	Person receiving gift	Description of Gift	Value of Gift	Decision taken by CFO/CEO	Decision of Trust Board

## Appendix 7

### Charging and Remissions Policy

#### Statement of intent

SYMAT is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established the following policy and procedures to ensure that no child is discriminated against by our offering of school trips, activities and educational extras.

In addition, we are committed to adhering to legal requirements regarding charging for school activities, and meeting all statutory guidance provided by the DfE.

#### 1. Legal framework

1.1. This policy will have consideration for, and be compliant with, the following legislation and statutory guidance:

- Education Act 1996
- The Charges for Music Tuition (England) Regulations 2007
- The Education (Prescribed Public Examinations) (England) Regulations 2010
- DfE (2018) 'Charging for School Activities'
- DfE (2017) 'Governance Handbook'
- 'Our Funding Agreement'

#### 2. Charging for education

2.1. We will not charge parents for:

- Admission applications.
- Education provided during school hours.
- Education provided outside school hours if it is part of the national curriculum, part of a syllabus for a prescribed public examination that the pupil is being prepared for by the school, or part of religious education.
- Instrumental or vocal tuition, unless provided at the request of the pupil's parents.
- Entry for a prescribed public examination, if the pupil has been prepared for it at the school.
- Examination re-sits, if the pupil is being prepared for the re-sits at the school.

2.2. We may charge parents for the following:

Materials, books, instruments or equipment, where they desire their child to own them  
Optional extras  
Music and vocational tuition (in certain circumstances)  
Use of community facilities



- 2.3. We may also ask for voluntary contributions to cover the costs of some curriculum enrichment activities that may occur within or beyond the school day (see section 6).

### **3. Optional extras**

- 3.1. We may charge parents for the following optional extras:

- Education provided outside of school time that is not:
  - Part of the national curriculum.
  - Part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school.
  - Religious education.
- Examination entry fees where the pupil has not been prepared for the examinations at the school
- Transport, other than that arranged by the LA for the pupil to be provided with education
- Board and lodging for a pupil on a residential visit
- The provision of any documentation that the school has no statutory obligation to provide
- Any legal costs related to proceedings for the recovery of unpaid charges

- 3.2. When calculating the cost of optional extras, the school will only take into account the following:

Materials, books, instruments or equipment provided in relation to the optional extra

The cost of buildings and accommodation

The employment of non-teaching staff

The cost of teaching staff (including teaching assistants) under contracts for services purely to provide an optional extra

The cost, or an appropriate proportion of the costs, for teaching staff employed to provide vocal tuition or tuition in playing a musical instrument

- 3.3. The school will not charge in excess of the actual cost of providing the optional extra divided by the number of participating pupils. We will not charge a subsidy for any pupils wishing to participate but whose parents are unwilling or unable to pay the full charge. If a proportion of the activity takes place during school hours, we will not charge for the cost of alternative provision for those not participating.
- 3.4. Participation in any optional activity will be on the basis of parental choice and a willingness to meet the charges. Therefore, parental agreement is a pre-requisite for the provision of an optional extra.

### **4. Examination fees**

- 4.1. We may charge for examination fees if:

The examination is on the prescribed list (which includes SATs, GCSEs and A levels), but the pupil was not prepared for it at the school.

The examination is not on the prescribed list, but the school arranged for the pupil to take it.

A pupil fails, without good reason, to complete the requirements of any public examination where the governing board or LA originally paid or agreed to pay the fee.

### **5. Examination re-sits**

- 5.1. Where a pupil is entered for a re-sit examination, we will pay the fee if the pupil is being prepared for the re-sit at the school.
- 5.2. If a pupil or their parents consider it to be in the best interests of the pupil to request that an examination is re-marked, any fees involved must be covered by the pupil or their parents. If the awarding body changes the overall grade of the result, the school will not be charged by the awarding body and the parent/pupil will have their fees refunded.

## **6. Voluntary contributions**

- 6.1. We may, from time-to-time, ask for voluntary contributions towards the benefit of the school or school activities. If an activity cannot be funded without voluntary contributions, we will make this clear to parents at the outset. We will also make it clear that there is no obligation for parents to make a contribution, and notify parents whether assistance is available.
- 6.2. No child will be excluded from an activity simply because their parents are unwilling or unable to pay. If a parent is unwilling or unable to pay, their child will still be given an equal opportunity to take part in the activity. If insufficient voluntary contributions are raised to fund an activity, and the school cannot fund it via another source, the activity will be cancelled.
- 6.3. We will strive to ensure that parents do not feel pressurised into making voluntary contributions.

## **7. Music tuition**

- 7.1. Music tuition is the only exception to the rule that all education provided during school hours must be free. The Charges for Music Tuition (England) Regulations 2007 allow for charges to be made for vocal or instrumental tuition provided either individually or to groups of any size – provided that the tuition is at the request of the pupil's parents.
- 7.2. The charges will not exceed the cost of the provision, including the cost of the staff providing the tuition.

## **8. Transport**

- 8.1. We will not charge for:
  - Transporting registered pupils to or from the school premises, where the LA has a statutory obligation to provide the transport.
  - Transporting registered pupils to other premises where the governing board or LA has arranged for pupils to be educated.
  - Transporting pupils to meet an examination requirement when they have been prepared for the examination at the school.
  - Transport provided for an educational visit.

## **9. Residential visits**

- 9.1. We will not charge for:

- Education provided on any visit that takes place during school hours.
- Education provided on any visit that takes place outside school hours if it is part of the national curriculum, part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education.
- Supply teachers to cover for teachers accompanying pupils on visits.

9.2. We may charge for board and lodging – but the charge will not exceed the actual cost.

9.3. Parents will be exempt from board and lodging costs if they can prove that they are in receipt of one or more of the following benefits:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- Child Tax Credit, provided that they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190
- Working Tax Credit run-on – paid for four weeks after they stop qualifying for Working Tax Credit
- Universal Credit – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits they receive)

## 10. Education partly during school hours

10.1. If 50 percent or more of the time spent on an activity occurs during school hours (including time spent travelling if the travel occurs during school hours), it is deemed to take place during school hours and no charge will be made.

10.2. If less than 50 percent of the time spent on an activity occurs during school hours, it is deemed to have taken place outside school hours and we may charge for the activity; however, we will not charge if the activity is part of the national curriculum, part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education.

10.3. **Residential visits:** If the number of school sessions covered by the visit is equal to or greater than 50 percent of the number of half days (any period of 12 hours ending with noon or midnight on any day) spent on the visit, we will not charge for the activity.

10.4. The remission of charges for board and lodging payments is the responsibility of the school. These costs will be borne by our contingency funds.

## 11. Damaged or lost items

11.1. The school may charge parents for the cost of replacing items broken, damaged or lost due to their child's behaviour.

## 12. Remissions

- 12.1. We have set aside a small fund to enable families in financial difficulty to send their children on visits/activities. The funding is limited and there is no guarantee that all requests can be met. Assistance will be allocated on a needs basis, and if the full cost of the trip/activity cannot be met through assistance funding and voluntary contributions, the trip/activity will be cancelled.
- 12.2. Individual cases of need will be looked at on a needs basis without prejudice – these trips and activities must be directly essential to an examination course.
- 12.3. Parents in receipt of any of the following benefits may request assistance with the costs of activities:
- Income Support
  - Income-based Jobseeker's Allowance
  - Income-related Employment and Support Allowance
  - Support under part VI of the Immigration and Asylum Act 1999
  - The guaranteed element of State Pension Credit
  - Child Tax Credit, provided that they are not also entitled to Working Tax Credit and they have an annual gross income of no more than £16,190
  - Working Tax Credit run on – paid for four weeks after they stop qualifying for Working Tax Credit.
  - Universal Credit – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits they receive)
- 12.4. To request assistance, parents should contact the relevant school office

## Appendix 8

### Lettings Policy

South York Multi Academy Trust regards the school buildings and grounds as a community asset and will make every reasonable effort to enable them to be used as much as possible.

However, the overriding aim of the Multi Academy Trust is to support the schools in providing the best possible education for its pupils, and any lettings of the premises to outside organisations will be considered with this in mind.

In addition to this, whilst the decision on lettings should be taken at Local level by School Management and Local Governing Body, lettings which have the potential to bring the reputation of the MAT into disrepute should not be permitted – if the Local Governing Body is unsure whether this would be the case this should be referred to the Trust Board.

The school's budget (which is provided for the education of its pupils) will not be used to subsidise any lettings by community or commercial organisations. A charge will be levied to meet the additional costs incurred by the school in respect of any lettings of the premises.

As a minimum, the actual cost to the school of any use of the premises by an outside organisation must be reimbursed to the school's budget.

#### Definition of a Letting

A letting may be defined as "any use of the school premises (buildings and grounds) by either a community group (such as a local music group or football team), or a commercial organisation (such as the local branch of 'Weight Watchers')". A letting must not interfere with the primary activity of the school, which is to provide a high standard of education for all its pupils.

Use of the premises for activities such as staff meetings, parents' meetings, Governing Body meetings and extra-curricular activities of pupils supervised by school staff, fall within the corporate life of the school. Costs arising from these uses are therefore a legitimate charge against the school's budget.

#### Types of Lettings

Single lettings are those where an individual or organisation wishes to hire facilities on a one off basis, these lettings should still be subject to a formal lettings agreement and follow the same principles as a continuous letting.

Continuous lettings are those that run for a number of weeks or terms.

#### Letting Agreement

All lettings (even those where no charge is made) must be subject to a letting agreement, this will detail the terms of the letting and must be signed by both the school and the hirer.

A letting should only be confirmed as accepted when a signed letting agreement is in place. Any amendments to an agreement will require a new agreement form to be signed.

#### Charges for a Letting

The Local Governing Body in agreement with the MAT Board is responsible for setting charges for the letting of the school premises.

## Appendix 9

### Staff Expense Policy

#### Principles and Context

This outlines the Trust's policy regarding the reimbursement of staff expenses which are incurred wholly, necessarily and exclusively in the course of the Trust's business. This policy sets out the relevant provisions to ensure the Trust complies with its legal and tax obligations.

Its purpose is:

- To ensure that staff are aware that only by complying with the Policy can the Trust make reimbursements of expenses without the deduction of tax.
- That staff should not gain any personal financial benefit through their employment with the Trust other than their agreed salary from decisions they make or contribute to.
- To ensure staff are aware that public relations and perceptions require the Trust not only has a rigorous, effective and transparent staff expenses policy in place, but also that no misleading or unfortunate impression can be created in the application of this policy.

Accordingly, the Trust's Auditors will be requested to carry out periodic reviews of the application of this policy. The expenses claim procedure ensures that the Trust manages this part of its financial transactions with due diligence. This Policy and procedure are mandatory for all staff. They provide guidance to all individuals claiming reimbursement of travel, subsistence or other expenses incurred in connection with Trust business.

#### Responsibility

The Trust has overall responsibility for the effective operation of this policy and for ensuring compliance with any relevant statutory framework. The Trust has delegated day-to-day responsibility for operating the policy to the Governing Body and Head of each Establishment. The Senior Leadership Team at each establishment has a specific responsibility to ensure the fair application of this policy and all members of staff are responsible for ensuring its success.

#### Who does this policy cover

This policy covers all employees at all levels and grades including senior managers, employees, trainees, part-time and fixed term employees undertaking travel and associated activities and incurring personal expenses in the course of their employment.

#### Reimbursement of Expenses

The Trust will reimburse expenses properly incurred in accordance with this policy. Where expenses must be authorised before they are incurred, it will be clearly stated within this policy together with information as to who can authorise them. If an expense is not clearly covered by this policy, then authorisation must be obtained from the Head of Establishment before it is incurred (in the case of the Head of Establishment, authorisation must be obtained from the Chief Executive for the Trust).

Claims for authorised expenses submitted in accordance with this policy will be paid by BACS payment. It is the staff member's responsibility to make the Finance Team aware of changes to bank account details.

The purchase of classroom/office equipment and sundries should be made using the official purchase ordering system and paid for directly by the Trust. On occasions where it is not possible to use the official purchase ordering system, a staff expense claim can be submitted but must be pre-authorised by the head of department or Head Teacher.

Any questions about the reimbursement of expenses should be put to a member of the Senior Leadership Team before the relevant costs are incurred.

#### Expenses will only be reimbursed if they are:

- Claimed using the official SYMAT Staff Expense Claim form available electronically or from the Finance Office. This must be submitted complete with itemised receipts attached and signed by your Line Manager or a member of the Senior Leadership Team.

- Expense claims for the purpose of School Trips must be pre-authorised by the Educational Visits Coordinator, evidenced on the planning paperwork and included in the School Trip budget so as not to have a detrimental effect the main School Budget.
- Submitted within the term the expense occurred.
- Claims which have not been approved in compliance with this policy will not be processed and will be returned. Self-authorised claims will not be accepted for payment under any circumstances and if a member of staff attempts to submit a false claim it will be treated as a serious matter which may lead to disciplinary action.

### **Public transport**

Wherever possible employees should travel by train or bus, or car share when making the same journey. Where staff use public transport, reimbursement will be on a receipt's basis, provided the expenses are reasonable.

Staff should use the most economical class of travel. In most cases, this will be at standard or economy class unless the cost of first class is at the same cost or less. If such instances arise, all claims must be submitted with the standard and first-class prices. Staff would be expected to take advantage of fare saving deals and not the full standard fare. Travel in London is expected to be undertaken on local bus, train or underground services.

### **Car Parking**

Parking costs incurred in the course of Trust business travel may be claimed, but the costs of parking at the normal place of work may not be claimed.

The Trust will not reimburse the cost of any speeding or parking tickets incurred.

### **Hotel and subsistence expenses**

The Trust does not expect it to be necessary to fund subsistence or hotel expenses as a general rule. However if training courses or meetings are happening at a location/time where this is deemed necessary pre-approval must be sought and given by the relevant establishment Headteacher.. A Headteacher claiming will require approval from the CEO. Any expenses should be incurred at best value – guidance can be sought from the finance team if required.

### **Training courses**

The Trust provides training courses to enable employees to improve their effectiveness at work. All costs and expenses of in-house training courses are borne by the Trust.

Where it is necessary for staff to travel to attend such courses, any travel expenses incurred may be claimed as business expenses under the rules indicated in this Policy.

The Trust will also meet the cost of external courses where the training leads to the acquisition or improvement of knowledge, skills or personal qualities which are likely to prove useful in staff performing the current or potential duties of their employment.

Training courses for which the Trust will pay, must be authorised by the appropriate line manager with the agreement of the Head Teacher/CEO, before the training takes place. A request may be refused, but in these cases a reason will be given.

Courses should usually be booked and invoiced to the school rather than by an individual.

### **Mileage Expenses**

If you use your private vehicle for Trust business, you will be reimbursed at the current HMRC rates. These rates are reviewed and updated regularly by HMRC, and the table below indicates the rates correct as at April 2023:

<b>Vehicle</b>	<b>Up to 10,000 miles</b>	<b>Over 10,000</b>
<b>Cars &amp; Vans</b>	45p	25p
<b>Motorcycle</b>	24p	24p
<b>Bicycle</b>	20p	20p

Travel Claims should be completed on the Mileage Expense form, which is available electronically or from the Finance Office. A separate record of each journey should be kept detailing;

- Date of travel

- Reason for journey
- Postcode for start and end of journey
- Number of miles for journey

Any member of staff using his/her car/motorcycle for business purposes should ensure that the vehicle has Business usage option on their insurance policy. The standard rate per mile is set having considered any additional insurance costs.

Travel to and from your designated place of employment (as determined by your contract of employment) does not qualify for business mileage. HMRC rules state that any payment for the expense of travel (car mileage or fares) to a principal place of employment constitutes a taxable benefit and that travelling to and then on from the regular workplace should constitute two journeys.

Business mileage excludes home to office but travel from home to a business location other than your regular place of employment and return is permissible. When travelling on Trust business by car directly from or to home, you must deduct the home to work base mileage from your claim. (HMRC requirement)

The Trust expects all staff to drive safely, responsibly and legally. The Trust accepts no liability for loss of, or damage to, vehicles being used on Trust business.