



Financial Procedures & Policies 2018/2019

Effective from 1 September 2018

Nene Education Trust Financial Policies and Procedures 2018-2019

CONTENTS	Page No.
Foreword	3-4
1. Introduction	4
2. Organisation	4-6
3. Audit and Risk Committee	6-7
4. Finance Committee	8-9
5. Appointment and Roles of Auditors	9
6. Chief Executive Officer's Responsibilities	9-10
7. Director of Business and Finance	10
8. Conflict of Interest	10
9. Gifts and Hospitality Policy	11
10. Register of Business Interests	12
11. Business Integrity	13
12. Financial Planning and Monitoring	14
13. Investment Policy	14
14. Reserves Policy	14
15. Charging & Remissions Policy	15-17
16. Bursary Policy	17-19
17. Income	19-21
18. Accounting System	21-22
19. Procurement Policy	22-26
20. Financial Scheme of Delegation	26-28
21. Tender Process	29-32
22. Bank Accounts	32
23. Payroll	32-34
24. Fixed Assets and Leases	34-35
25. Capitalisation & Depreciation of Assets Policy	36-37
26. Acquisition and Disposal of Assets Policy	37-38
27. Fraud Policy	38-39
28. Whistleblowing Policy	39-40
Appendix A The Seven Principles of Public Life	41
Appendix B NET Whistleblowing Policy	42-47
Appendix C Self Employed Status Form	48
Appendix D NET Summary Procedures	49-50
Appendix E Declaration of Gift or Hospitality	51

FOREWORD

The Academies Financial handbook 2018 has been released by the ESFA (Education and Skills Funding Agency) and takes effect from 1 September 2018.

This handbook is a key document that sets out the financial framework for academy trusts reflecting their status as companies, charities and public bodies. It balances requirements for effective financial governance and management of funds, with the freedoms needed over their day-to-day business.

Compliance with the handbook is a requirement in trusts' funding agreements with the Secretary of State and we recommend that you take the time to review the updates.

The key changes listed in the handbook for 2018 are as follows:

- Highlighting directions the Secretary of State may make in relation to members, trustees and other individuals;
- Referring to the Charity Commission's role in addressing non-compliance;
- Greater emphasis on trustees applying high standards of governance, the role of the chair, working with ESFA, and updated references to church academies;
- Updating the description of the role of members to align with the Governance Handbook;
- Removing the term 'ex-officio' to avoid suggesting an academy trust's senior executive leader would automatically act as a trustee;
- Explaining reporting requirements if the board meets less than six times a year;
- Confirming that trusts must apply robust cash management;
- Setting clearer requirements for budgeting;
- Recommending the national deals for schools;
- Strengthening expectations about the process for setting executive pay and highlighting gender pay gap reporting;
- Clarifying the section on the risk protection arrangement;
- Emphasising the proper handling of whistleblowers;
- Confirming reporting requirements in relation to internal scrutiny;
- Explaining new requirements for related party transactions and arrangements with dioceses. We are also moving to the conventional term 'related' parties;
- Focusing on the importance of acting on audit advice;
- Highlighting how ESFA may take action where trusts do not comply with requirements for submitting financial information.

In the foreword to the handbook, Lord Agnew highlights the following points.

- If you are a trustee, the handbook explains that you must oversee the trust's financial affairs and hold the executive leadership to account;
- The executive leader, as accounting officer, is required to ensure regularity, propriety and value for money;
- Their chief financial officer must ensure appropriate financial arrangements operate day to day;
- I am keen that chairs of trusts reflect on their key role in promoting high standards of governance in their trust;
- There are certain financial disciplines that any well-run organisation should be expected to deploy, including:
 - having rigorous procedures for preparing and monitoring financial plans
 - delivering effective operational control
 - maintaining a system of internal scrutiny to remain compliant
- Effective deployment of financial resources can have a dramatic impact on raising educational outcomes. I urge boards to constantly challenge how effective your organisation is in this respect;

Nene Education Trust Financial Policies and Procedures 2018-2019

- Autonomy in the hands of well-run organisations can deliver dramatically positive results. The handbook describes a range of financial freedoms that apply, and their limits. But with freedom comes accountability. Careless or improper actions can cause significant damage, both financially and reputationally. You must be confident that the decisions taken when exercising your freedoms (for example when reviewing procurement options or when setting pay) can withstand public scrutiny;
- The benefits of an independent audit are considerable. It provides transparent evidence about the quality of trusts' accounting and financial reporting systems. If you are an auditor, you play an important role in supporting our sector. Most academy audits show that standards are good. However, where concerns are identified auditors need to ensure they are communicated clearly. I want trusts to address any lessons learned from this process in a timely and constructive manner;
- The Academies Financial Handbook should instil confidence in the handling of your financial and governance duties. This will enable you to make the best use of public money. In 2015/16, £18bn was paid out to academies to run a growing part of our educational system. Strong governance will ensure that the remarkable progress made in the past 8 years continues.

1. INTRODUCTION

The purpose of this manual is to ensure that Nene Education Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department of Education (DfE) / Education and Skills Funding Agency (ESFA).

The duties and obligations of the Academy Trust are set out in The Academies Financial Handbook 2018 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/714474/Academies_Financial_Handbook_2018.pdf).

The handbook, together with the funding agreement describes the financial relationship between the ESFA and the academy Trust. The handbook covers all of the requirements under the financial accountability system for the academy Trust.

Nene Education Trust's Financial Policies and Procedures manual expands on ESFA guidance and provides detailed information on the Academy's accounting procedures and systems.

2. ORGANISATION

Nene Education Trust (NET) is a Multi Academy Trust currently comprising five schools: Manor School Sports College, Stanwick Primary School, St Peters Church of England Academy, Newton Road School, Windmill Primary School. It has in place a simple and unified management structure to ensure efficiency. The structure consists of four levels:

- Trust Board
- Local Governing Boards
- Principals and Senior Leadership Team
- The Middle Leadership Team

The Trust Board channels specific business through sub-committees, including the Audit & Risk Committee and the Finance Committee (see items 3 and 4).

The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

Nene Education Trust Financial Policies and Procedures 2018-2019

The Members, Trustees, Governors and Chief Executive Officer fulfil a largely strategic role. They adopt the NET Development Plan, approve the 3 year Financial Plan/Annual Budget, monitor the Trust's performance and, make decisions about the strategic direction of NET including capital expenditure and senior staff appointments.

Members

As a charitable company limited by guarantee the Trust has Members who have a similar role to the shareholders of a company limited by shares. They:

- are the subscribers to the Trust's memorandum of association (where they are founding Members);
- may amend the articles of association, subject to any restrictions in the articles, the funding agreement or charity law;
- may, in certain circumstances, appoint new members or remove existing members;
- have powers to appoint and remove trustees in certain circumstances;
- may, by special resolution, issue direction to the trustees to take a specific action;
- appoint the Trust's auditors and receive the Trust's audited annual accounts (subject to the Companies Act);
- have power to change the name of the company and, ultimately, wind up the academy trust.

The DfE's minimum requirement before entering into a funding agreement is that academy Trusts have at least three Members, although the recommendation is for Trusts to have at least five Members wherever possible. Employees of the Trust must not be appointed as Members.

Trustees

The Board of Trustees has wide responsibilities defined under statute, regulations and the FA. These are set out in the role of the Trust and its governance arrangements. These include:

- Agreeing the long term financial objectives of the Trust;
- Being familiar with the contents of the Academies Financial Handbook to a sufficient degree to ensure full compliance;
- Ensuring that Grants from the DfE are used only for the purposes intended;
- Delegating each Academy's budget to the Local Governing Body (LGB);
- Delegating day-to-day financial management of the trust to the Chief Executive Officer (CEO);
- Approval of the annual budgets and any material changes;
- Receiving reports on the expenditure against budget;
- Making decisions on actual financial requests from LGBs and committees;
- Appointment of internal and external auditors;
- Reviewing the reports of auditors;
- Authorising contracts according to approved limits;
- Approval of the annual accounts;
- Designating in writing its Accounting Officer, being the chief executive or executive principal of the Trust in line with 1.5.2 of the Academies Financial Handbook;
- Appointment of the Chief Executive Officer in line with para 1.5.1 of the Academies Financial Handbook;
- Agreeing the membership of the Local Governing Bodies, Finance and Audit committee annually including the chairperson;
- Reviewing annually the Finance Policy and Scheme of Delegation;
- Reviewing annually the terms of reference of Finance and Audit Committee;
- Approval of any companies, subsidiaries or joint ventures;
- Ensuring regularity and propriety in the use of the Trust's funds, ensuring economy, efficiency and effectiveness – the 3 elements of Value for Money.

Nene Education Trust Financial Policies and Procedures 2018-2019

The Academies Financial Handbook clarifies that the Trust must not have de facto trustees (as defined in appendix 1 of the Charities SORP2015) or shadow directors (as defined in section 251(1) of the Companies Act 2006). The Handbook also highlights that trustees must apply the highest standards of governance, take full ownership of their duties and they must comply with the Trust's charitable objects, with company and charity law and with their funding agreement.

The handbook refers to the three core functions of governance on which trustees should focus:

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

3. THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has delegated powers from the Board of Trustees and meets at least once a term but more frequent meetings can be arranged if necessary.

Terms of Reference for the Nene Education Trust Audit Committee

The board of Trustees (the **Trust Board**) of Nene Education Trust (the **Academy Trust**) has established a committee of the Board to be known as the Audit and Risk Committee (the **Committee**). These are its terms of reference.

Membership

The Committee will be appointed by the Trust Board and will comprise no more than five and no fewer than three members, of whom a majority will be Trustees.

The Board will appoint one of the members of the Committee as its Chair.

The Committee will be supported by the Trust Company Secretary.

Attendance

The Committee may ask the Chief Executive and the Director of Business & Finance and any other senior executive to attend meetings of the Committee either regularly or by invitation, to provide information.

The Committee will have at least one annual meeting, or part of one meeting, with the external auditor in attendance.

Voting

The quorum for each meeting shall be one half of the members of the Committee rounded up. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

Meetings

The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time as the Trust Executive Administrator shall specify at the request of any member of the Committee.

Meetings can be requested by the external or internal auditors if they consider that one is necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than five working days prior to the date of the meeting.

Minutes

The Trust Executive Administrator will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Nene Education Trust Financial Policies and Procedures 2018-2019

Minutes of each Committee meeting will be sent to all members of the Committee and the Trust Board within seven working days of the meeting.

Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary.

Duties

The duties of the Committee shall be:

- to discuss with the external auditor before the audit commences the nature and scope of the audit
- to review and approve the annual financial statements on behalf of the Trust Board, focusing particularly on:
 - any changes in accounting policies and practices
 - areas involving a significant degree of judgement
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with legal requirements
 - the clarity of disclosures
 - the consistency of accounting policies from year to year
- to discuss problems and reservations arising from the audit and any matters the external auditor may wish to discuss (in the absence of the management where necessary)
- to act as the body to whom the head of internal audit reports on the internal audit function and to discuss any issue that the head of internal audit may wish to raise (in the absence of the management where necessary)
- to review the internal audit function, consider the major findings of internal audit investigations and the management's response, and ensure co-ordination between the internal and external auditors
- to keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and the management's response
- to develop and keep under review risk management and measurement strategies across the Academy Trust together with the procedures for monitoring the adequacy and effectiveness of those processes
- to review the action and implementation of risk management policy across the Academy Trust
- to consider the Academy Trust's risk profile relative to current and future Academy Trust strategy and identifying any such trends, concentrations or exposures and any requirement for policy change
- to receive and review risk management and relevant regulatory information and reports
- to consider material breaches of the agreed risk limits, review the actions taken in response and to prevent a repeat occurrence
- to consider the effect on the rights of the Academy Trust of the findings of the internal audits or the external audits
- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

In discharging its duties, the aims of the Committee are to:

- liaise effectively with the other Committees
- facilitate good communication between the Academy Trust and its external auditor
- increase the credibility and objectivity of financial reporting
- strengthen the independence of the audit function
- improve the quality of the accounting and auditing functions.

4. THE FINANCE COMMITTEE

Terms of Reference for the Nene Education Trust Finance Committee

The board of Trustees (the **Trust Board**) of Nene Education Trust (the **Academy Trust**) has established a committee of the Board to be known as the Finance Committee (the **Committee**). These are its terms of reference:

Membership

The Committee will be appointed by the Trust Board and will comprise no more than five and no fewer than three members, of whom a majority will be Trustees.

The Board will appoint one of the members of the Committee as its Chair.

The Committee will be supported by the Trust Company Secretary.

Attendance

The Committee may ask the Chief Executive and the Director of Business & Finance and any other senior executive to attend meetings of the Committee either regularly or by invitation, to provide information.

Voting

The quorum for each meeting shall be one half of the members of the Committee rounded up. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

Meetings

The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time as the Trust Company Secretary shall specify at the request of any member of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than five working days prior to the date of the meeting.

Minutes

The Trust Executive Administrator will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of each Committee meeting will be sent to all members of the Committee and the Trust Board within seven working days of the meeting.

Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary.

Duties

The duties of the Committee shall be to:

- develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy
- consider the Academy Trust's indicative funding, once notified by the ESFA and to assess its implications for the Academy Trust, in consultation with the CEO and the Director of Business & Finance in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees
- consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees

Nene Education Trust Financial Policies and Procedures 2018-2019

- monitor any variances from the budget and ensure the ESFA is notified as required;
- receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances and with particular attention to funding for estates work, ensuring the compatibility of all such proposals with the development priorities set out in the Academy Trust development plan
- liaise with and receive reports from the Human Resources Committee, the Educational Standards and Performance Committee, Audit Committee to make recommendations to those committees about the financial aspects of matters being considered by them
- monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board
- monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement
- oversee preparation of the annual financial statements by the executive, for review and approval by the Risk & Audit Committee
- ensure the Academy Trust's commercial and fundraising activities are carried out effectively
- examine and review new initiatives for financial development, including fundraising
- oversee significant investment and capital financing decisions
- approve and keep under review the Academy Trust's investment policy
- approve and keep under review the Academy Trust's reserves policy
- promptly notify the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust
- advise generally on the provision of resources and services to the Academy Trust
- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness

5. APPOINTMENT AND ROLES OF AUDITORS

Auditors are appointed by the Board of Trustees (through the Audit and Risk Committee). The main responsibility of the Auditors is to provide the Trustees with independent assurance that;

- The financial responsibilities of the Board are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained;
- Financial considerations are fully taken into account when reaching decisions;
- The risk of fraud or financial irregularity is reduced through a proportionate internal control environment ("first line of defence") and effective management oversight ("second line of defence");
- The findings are reported to the Audit and Risk Committee.
- The Board is presented with the Annual Accounts for submission to Companies House
- Professional support and advice is provided
- VAT returns are appropriately completed and submitted.

6. CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES (THE ACCOUNTING OFFICER)

The CEO is the Accounting Officer with responsibility for the propriety and regularity of the public finances for which they are answerable. The responsibilities are outlined in the Academies Financial Handbook and include:

- Personal responsibility to Parliament and ESFA's accounting officer for the financial resources under the Trust's control;
- Assurance to Parliament and the public of high standards of probity in the management of public funds;
- Adherence to the seven principles of public life;

Nene Education Trust Financial Policies and Procedures 2018-2019

- Oversight of financial transactions, ensuring: (i) that the Trust's property and assets are under Trustees' control, (ii) measures exist to prevent losses or misuse, (iii) bank accounts, financial systems and financial records are operated by more than one person, (iv) full and accurate accounting records are kept to support the annual accounts.
- Completing and signing a statement of regularity, propriety and compliance for submission to the ESFA;
- Compliance with other responsibilities outlined in section 1.5.7 of the Academies Financial Handbook.

More detailed guidance on the role of the Accounting Officer is set out in chapter 3 of HM Treasury's Managing Public Money.

7. THE DIRECTOR OF BUSINESS & FINANCE

The Director of Business & Finance operates as the Chief Financial Officer and works in close collaboration with the Chief Executive Officer. The Director of Business & Finance also has direct access to the Members and Trustees via the Audit and Risk Committee, Finance Committee and the Board of Trustees. The main responsibilities of the Director of Business & Finance are:

- The management of the Academies' financial positions at a strategic and operational level
- The maintenance of effective systems of financial control;
- Submitting grant applications, reports and returns to the DfE, ESFA, the Teacher's Pension Agency and HMRC;
- Ensuring that annual accounts are properly presented and adequately supported
- Overseeing the preparation of monthly consolidated management accounts;
- Virement decisions within agreed budgets, within Committees and Local Governing Body (LGB) delegated powers;
- Authorising orders, payments and the award of contracts within agreed limits.
- Reviewing and signing off all bank reconciliations on a monthly basis
- Monitoring the monthly budget reports and acting on overspends or risk, escalating to the CEO/Accounting Officer as appropriate.
- Review of the VAT return prepared by the Trust Finance Officer.

8. CONFLICT OF INTEREST

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 Members, Trustees, Governors of local governing bodies and staff with significant financial or spending powers are required to declare any financial or pecuniary interests they, or their 'close family members' as defined by the Academies Financial Handbook, have in companies or individuals irrespective of whether the Trust may buy or sell goods or services with them. The register is available on the Trust website. Where potential conflicts are declared, there should be a clear process for considering the declaration and recording whether any action needs to be taken to manage the conflict. In most instances this may just involve the Academy Principal. However, where more sensitive or significant issues arise the declaration may need to be considered by the Trust's Finance Committee.

The requirements of the Academies Financial Handbook with respect to transactions with connected parties must be adhered to.

It is important that the Trust, Governors and staff not only act impartially, but are also seen to act impartially. The Trust, LGBs, Committees and Academy staff have a responsibility to avoid any conflict between their business and personal interests and affairs and those of the trust and academies. There is a legal duty on all Governors to declare an interest likely to lead to questions of bias when considering any item of business at a meeting and for the governor concerned to withdraw whilst the matter is considered.

9. GIFTS & HOSPITALITY POLICY

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

To accept gifts should be the exception. Small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value may be accepted. The Director of Business & Finance should be notified of any gift over this value.

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

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

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

If there is any doubt about the acceptability of any gift or offer of hospitality the Chief Executive Officer or Director of Business & Finance must be consulted.

A gauge of what is acceptable in terms of hospitality is whether Nene Education Trust would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
 - sponsored cultural and sporting events, or other public performances, as a representative of the school;
 - special events or celebrations.
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Chief Executive Officer or Director of Business & Finance must be consulted, or in the case of the Chief Executive Officer, with the Chair of the Trust.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- Staff visiting a company to view equipment that the school is considering buying, should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the school's purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the school must be agreed in advance with the Chief Executive Officer or in the case of the Chief Executive Officer with the Chair of the Trust. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.
- Any invitation accepted should be made in a professional/working capacity as a representative of the school.

Any change in policy requires the approval of the Board of Trustees.

10. REGISTER OF BUSINESS INTERESTS

Trust & LGBs

To help put this duty into practice, the Trust and Governing Body is required to establish and maintain a register indicating individuals' business/pecuniary interests. This should include, where applicable, the company by whom they are employed, directorships, significant shareholdings or other appointments of influence within a business or other organisation which may have dealings with the Academy.

The register includes an entry for all of the Trust Members, NET Trustees, Local Governors, the CEO, the Principals, and the Clerk to the Governing Body.

- Individuals should include their own interest and those of any member of their immediate family (including partners) or other individuals known to them who may exert influence.
- The Academies Financial Handbook clarifies "The register must also identify any material interests arising from close family relationships between the academy trust's members or trustees, and relationships between members of the trustees and employees. These relationships include, but are not limited to, a child, partner, spouse or civil partner"
- The register sheet must be signed and dated by the individual and countersigned by the Chair of the Trust/CEO/Chair of the LGB to indicate that he/she has noted any declarations.
- The Clerk to the Governing Body should ensure that the register is up to date and complete. Dated nil returns are also required.
- The forms must be renewed annually.
- Individuals must be made aware of the requirement to inform the Trust immediately should any relevant details change between annual form updates.
- The completed register will be kept up to date by the Trust Clerk, but retained in the NET finance office made available on request to the Trust, Finance Committee, LGBS, Principal, staff, parents, and auditors.
- The form completed by the Chair of the Trust should be countersigned by the CEO.
- The form completed by the CEO should be countersigned by the Chair of the Trust.

The register enables the Trust to demonstrate that in spending public money individuals do not benefit personally from decisions that they make.

A detailed set of instructions and guidance is provided with the forms for the various categories of staff/members to complete.

The Academies Financial Handbook clarifies that in the interest of transparency, an academy trust must publish on its website up-to-date details of governance arrangements in a readily accessible format as well as certain details from the register of interests.

Other staff with financial responsibility

It is also a requirement for all individuals in a position to influence financial decisions within the Trust and academies, to complete a form declaring any business/pecuniary interests. These forms should be countersigned by the CEO and the Principal to indicate that he/she has noted any declarations. Where a staff member is also a Governor, Associate Member of the Governing Body or is Clerk to the Governing Body, their form should be countersigned by the Chair of the LGB who should bring any declared interests to the attention of the Principal.

Opportunity to declare interests at meetings

There is a standing agenda item at every meeting (including committee meetings) called "Declaration of Interests" to allow the Trust and Governors the opportunity to declare ANY interests relating to items on the agenda.

In any instances of doubt, the prudent approach would be to make a declaration.

11. BUSINESS INTEGRITY

All Members, Trustees, chief Executive Officer, local governors of academies and staff with significant spending powers must declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of loyalty in a Declaration of Interest which is maintained on the Academy website. This Declaration should be regularly drawn to Members attention at least once a year and amended as needed.

The Declaration of Interest should include all business interests such as directorships, shareholdings, trusteeships and governorships at other educational institutions or charities or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include material interests arising from close family relationships between academy Trusts' Members or Trustees, and relationships between Members or Trustees and employees.

Where an interest has been declared, Members/Trustees/Governors and staff should not attend that part of any committee or other meeting.

As Nene Education Trust is a company limited by guarantee and an exempt charity, the Members as named in the Memorandum of Association are the legal Trustees of the charity. This confers certain obligations upon the Trustees to protect the assets, property and good name of the charity. The legal requirements of Trustees are set out below.

Members/Trustees have full responsibility for the charity and must:

- act together and in person and not delegate control of the charity to others;
- act strictly in accordance with the Trust's governing documents;
- act in the Trust's interest only and without regard to their own private interests;
- manage the Trust's affairs prudently throughout the life of the Trust
- not derive any personal benefit or gain from the Trust of which they are Trustees; and
- take proper professional advice on matters on which they are not themselves competent;
- adhere to "the seven principles of public life".

The Trustees have statutory duties as company directors as set out in the Companies Act 2006. These comprise the duties to:

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

The Trust Board has overall responsibility for the administration of the Trust's finances. The main responsibilities of NET Members /Trustees/Governors are prescribed both in the Funding Agreement between NET and the DfE and in the Academies Financial Handbook 2018. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget and annual accounts
- appointment of the Chief Executive Officer
- appointment of the Director of Business & Finance, in conjunction with the Chief Executive Officer
- appointment of Principals and Vice Principals.

12. FINANCIAL PLANNING AND MONITORING

The Trust prepares and monitors budgets and financial plans to ensure ongoing financial health, in accordance with section 2.3 of the Academies Financial Handbook.

Notable procedures outlined in the Handbook include:

- The Board of Trustees must approve a balanced budget for financial years ending 31st. August;
- The Trust must submit both a Budget Forecast Return Outturn and a 3 year Budget Forecast Return by specified deadlines each year. These must be approved by Trustees;
- Budget forecasts must be compiled accurately and be based upon realistic assumptions;
- The Trust must prepare management accounts each month setting out financial performance and position and including variance reports and cash flow forecasts;
- Management accounts must be shared with the Chair of Trustees every month and with other Trustees six times a year to consider and ensure that appropriate action is being taken to maintain financial viability.

13. INVESTMENT POLICY

The Trust needs to maximise income from bank deposits without exposing itself to inappropriate or unacceptable risk. Any investments of the Trust surplus funds will be made at the high interest facilities offered by its Bankers currently Lloyds Bank.

The following policy applies to the investments:

- To ensure that exposure to investment products is tightly controlled so that the security of funds takes precedence over revenue maximisation.
- To identify funds surplus to immediate cash requirements and transfer the funds to the Nene Education Trust deposit account bearing a higher interest rate.
- The Chief Executive Officer and Director of Business & Finance as part of the schedule of delegation can move £300,000 between Lloyds bank accounts. Such transactions will be reported to Board of Trustees /Finance Committee.
- To review periodically and at least annually interest rates and compare with other investment opportunities.
- To review periodically and at least annually the Trusts current policy to only invest funds in immediately accessible deposit accounts offered by Lloyds and other banks which do not pose any inappropriate or unacceptable risk.
- Any change in policy requires the approval of the Board of Trustees /Finance Committee.

14. RESERVES POLICY

The purpose of the policy is to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the school, such as delays between spending and receipt of grants or unexpected emergencies.

- To regularly review the nature of income and expenditure streams and the need to match income with commitments.
- To maintain the appropriate level of free reserves currently approved by the Trustees to be approximately £200,000.
- To consider the set aside of funds for significant projects that cannot be met by future income alone.
- Any change in policy requires the approval of the Board of Trustees.

15. CHARGING & REMISSIONS POLICY

The charging and remissions policy adopted by the Trust Board ensures that the statutory requirements are met and is intended to reflect the general principles of the Education Act which identifies activities for which:

- 1) Charges will not be made
- 2) Charges will be made
- 3) Charges will be waived

Voluntary contributions

The Trust will seek voluntary contributions for any activity in order to benefit the school or support a school activity whether during or outside school hours, residential or non-residential and including inviting parents to pay for materials or ingredients where they wish to own the finished product. However all requests for voluntary contributions will emphasise their voluntary nature and the fact that students of parents who do not make such contributions will be treated no differently from those who have. Such contributions will be genuinely voluntary.

There is no limit to the level of voluntary contributions which parents or others can make to school activities, nor is there any restriction placed on the use which can be made of such contributions, provided they are used for the purpose specified in the request for them. They could, for example, be used to subsidise student from low-income families, or the cost of travel for accompanying teachers.

The Law says that:

- If the activity cannot be funded without voluntary contributions the parents will be notified of this from the outset.
- No child will be excluded from an activity because the parents are unable to pay.
- If insufficient contributions are raised the trip or activity may have to be cancelled.
- If a parent is unwilling or unable to pay their child will be given an equal chance to go on the visit.

Education Provided Within School Hours

Education provided by any maintained school for its registered students should be free of charge if it takes place wholly or mainly during school hours, school hours being those hours when a school is actually in session and not including the break in the middle of the day. This means that neither the student nor his or her parents or guardian may be required to pay for, or to supply, any materials, books, instruments or other equipment for use in connection with education provided during school hours.

Education Provided Out of School Hours

Where education is provided out of school hours, charging is permitted, except where the education is provided:

- a) to fulfil any requirements specified in the syllabus for a prescribed Public examination; or
- b) specifically to fulfil statutory duties relating to the National Curriculum;
- c) to fulfil duties relating to Religious Education.

In these cases the only charge that may be made is for board and lodging or for residential trips.

Is an activity in or out of school time?

If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on a trip it is deemed to have taken place during school hours (even if some of the activities take place in the evening). Whatever the length of the school day, regulations require that the school day is divided into 2 sessions. A 'half day' in this context means any period of 12 hours ending with noon or midnight on any day.

A statutory minimum is the complete remission of board and lodging charges to student whose parents receive Income Support, Child Tax Credit, Income Based Job Seekers Allowance and support under part of Immigration and Asylum Act 1999 but not Working Tax Credit even if it is paid with other benefits e.g. Child Tax Credit. If the activity is deemed to take place during school hours, or is out of school hours but is covered by the criteria set out above, the Trust Board may not charge for anything unless it has drawn up a statement for general policy on charging.

Music Tuition

The main exception to the principle of free education, which the law allows is that a charge may be made in respect of individual tuition in playing any musical instrument, even if such tuition takes place during school hours. Parental agreement must be obtained before a student is given that tuition.

Activities run by a Third Party

The Act permits an organisation other than the Trust Board to levy a charge directly on parents for activities organised in school hours by a non-school organisation. The school will not be involved in collection of charges on behalf of the third party organisation. Where students are granted leave of absence to attend these activities it would be for parents and any staff Members similarly released to satisfy themselves about the adequacy of the arrangements made by the third party to secure the safety and welfare of the children.

Charging Policy

a) If a charge is made for each student it should not exceed the actual cost. If further funds are needed for additional costs e.g. to help hardship cases this must be by voluntary contributions for general fund raising.

b) The permitted charge may include an allowance for the costs of teachers from the school who supervise the activity.

Board and Lodging on Residential Visits

Board and lodging on residential visits may be charged for whether or not the visit takes place within school time and whether or not the activity is provided to fulfil the requirements of;

- the syllabus of a prescribed public examination; or
- of the National Curriculum; or
- to fulfil statutory duties relating to religious education.

Charges for board and lodging must not exceed the actual cost.

'Optional extra' Activities

'Optional extra' activities are those which take place wholly or mainly outside school hours, but which are not provided as part of the syllabus for a prescribed public examination and are not required in order to fulfil statutory duties relating to the national curriculum or to religious education.

Participation will be on the basis of parental choice and a willingness to meet such charges as are made. Any charge made in respect of individual student may include an appropriate element for the following: a student's travel costs; a student's board and lodging; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to museums, theatres etc.; insurance costs.

It should be noted that any charge for an 'optional extra' activity, as distinct from a request for a voluntary contribution, should not exceed the actual cost of providing that activity, divided equally by the number of student willing to participate. It may not, therefore, include an element of subsidy for any other student wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

VAT and School Journeys

To enable schools to reclaim VAT on school journeys the visit should be part of the curriculum and the school should have purchased all elements, apart from accommodation directly and from tour operators who operate the Tour Operators Margin Scheme (TOMS)

Public Examination Entries

The Trust Board Body is required to enter a student for each examination in a syllabus for a prescribed public examination for which the student has been prepared. A student is regarded as having been prepared for the syllabus at the school if the school has provided any part of the necessary preparation. The requirement to enter a student may only be lifted where, in the opinion of the Board of Trustees, there are educational reasons for not entering the student, or where the student's parents request in writing that the student should not be entered.

Nene Education Trust Financial Policies and Procedures 2018-2019

If a student fails, without good reason, to complete the examination requirements for any public examination for which the Board of Trustees has paid or is liable to pay an entry fee, that fee can be recovered from parents.

Transport

Trust **cannot** charge for:

- transporting registered students to or from the school premises, where the Trust Board or local education authority has a statutory obligation to provide transport;
- transporting registered students to other premises where the Trust Board or local education authority has arranged for students to be educated;
- transport that enables a student to meet an examination requirement when he has been prepared for that examination at the school; and
- transport provided in connection with an educational visit.

Breakages and Fines

There is nothing to prevent the Trust from asking parents to pay for the cost of replacing a broken window or defaced, damaged or lost textbook where this is the result of a student's behaviour. Parents cannot, however, be taken to court for this money.

Any change in policy requires the approval of the Board of Trustees.

16. BURSARY POLICY

Introduction

The bursary fund is designed to help those young people between the ages of 16-19 who face the greatest barriers to continuing in Post-16 Education.

The Bursary award has two main elements the Vulnerable Student Bursary and the Discretionary Bursary. Nene Education Trust only receives 16-19 bursary fund allocations for discretionary bursaries only. The funding for vulnerable student bursaries are held centrally by the Learner Support Service and the Trust can draw down funding on demand.

To be eligible to receive a bursary in the 2018 to 2019 academic year the student must be aged 16 or over but under 19 at 31 August 2018.

Vulnerable Student Bursary

This bursary is available to students who fall under one of the following vulnerable groups:

- Young person in care
- Young person in receipt of Employment Support Allowance
- Disabled Young People in receipt of Employment Support Allowance who are also in receipt of Disability Living Allowance

The Trust is responsible for identifying and assessing a young person's eligibility and must ensure that it has seen appropriate evidence, and keep copies of the evidence for audit, before funding is drawn down.

Making an Application

Applications are made using the Bursary application form.

Students must provide evidence that they themselves fall into one of the categories above by providing official evidence. Initial applications for the vulnerable student bursary must be made before October 31st. This does not prohibit students from applying should they fall into the vulnerable group within the year. Students will then be allocated the bursary 'pro-rata' based on the number of school weeks left (based on 30 school weeks a year). To draw down vulnerable student bursary funding, the Trust must complete a funding claim form downloaded from the DfE and submit it to the Learner Support Service by email.

Nene Education Trust Financial Policies and Procedures 2018-2019

Payments

Nene Education Trust will split the bursary into 3 school terms with £400 value of educational resources being provided each term. Please see policy or the range of educational resources for which can be claimed. Vulnerable bursary applicants must use all of their bursary allocation by the end of the academic year. Students may wish to purchase the resources themselves, provide an original receipt and then claim the monies back or to put an application in for the school to purchase the resource for them on their behalf. Receipt of the bursary is conditional on the student meeting agreed standards relating to attendance and behaviour.

Discretionary Bursary

This bursary is available to all students who are facing financial difficulty it is targeted at students who cannot stay in education without financial help. As funds are limited, students who are deemed most in need will be given priority. Families may provide evidence to support their claim such as household income statements (P60's), FSM statements, Tax Credit Award Notice, recent redundancy notices, long term illness evidence or lone parent maintenance. This evidence shall be retained by the Head of Sixth Form.

Qualifying for the Bursary

In order to qualify for the discretionary bursary the student must meet the following criteria:

- The student must be aged over 16 but under 19 at 31 August before the academic year in question
- Adherence to the Post-16 Learning Contract as described in the student planner
- Attendance of 95% or above
- Performance reflecting commitment to sixth form study

Evidence that a student has seen and agreed to the conditions above should be kept for audit

Students aged 19 or over are only eligible to receive a discretionary bursary if they are continuing on a study program they began aged 16 to 18 or have an Education, Health and Care Plan (EHCP).

Making an Application

Applications are made using the Bursary Fund application form. Students must detail both the difficulty they are facing to provide the resource and the resource they would like purchased and the purpose of the resource.

Payments

Please see the policy for the range of educational resources you may claim for. The Trust will then either purchase these resources on the student's behalf or students may wish to purchase the resources themselves, provide an original receipt and then claim the monies back.

Appeals Procedure

Any appeals to the bursary awarded must be made in writing to the Principal/Vice Principal within 7 days of the non-award.

Qualifying Educational Resources

Students may make an application to the bursary fund for resources that will help them stay in education or help them achieve the best possible grade in their subject area. Resources may include the following:

- Transport costs
- Educational Visit costs
- Texts books/ folders / stationery / other equipment
- Meals
- School clothing and/ or protective clothing
- Extended learning costs (Open day transport or accommodation / summer school costs or accommodation)
- Childcare support
- Living costs

This list is by no means exhaustive and any application made by a student to help them remain in education will be considered on its own merit.

Misuse and Fraud

It is the responsibility of the Trust to investigate instances of fraud when students are applying for a bursary. Where evidence is found that misleading or fraudulent information has been knowingly submitted, by a student or parent, resulting in the student receiving a bursary that they should not have, then the institution should attempt to recover the overpayment from the student.

If significant fraud is identified it must be reported to the ESFA. Significant fraud involves one or more of the following:

- The amount of money is over £5,000
- The particulars of the fraud are novel, unusual, systemic or complex
- There is likely to be great public interest because of the nature of the fraud or the people involved.

Student and /or their families should sign a declaration when they apply for either a vulnerable or discretionary bursary. This should include confirmation that any evidence given in support of the application is correct and complete to the best of their knowledge and belief. Students and their families should be made aware that by signing the declaration they are agreeing to all the conditions and eligibility criteria of the scheme. Students and their families should be made aware that giving false or incomplete information which results in an overpayment will mean that the Trust will stop any future payments, and seek repayment of anything paid so far. The matter may also be referred to the police with the possibility of the student and/or their family facing prosecution.

Paying Bursaries

The bursary is paid directly to the student by BACS transfer in to the student's bank account. Bursary payments will not be paid into another person's account, except in exceptional circumstances where a student is unable to administer their own account

Appeals Procedure

Any appeals to the bursary awarded must be made in writing to the Principal/Vice Principal within 7 days of the non-award.

Any change in policy requires the approval of the Board of Trustees.

17. INCOME

In many respects Academies are funded on the same basis as maintained schools and receive annual funding allocations from the ESFA;

- All schools and academies receive most of their funding based on the total number of students. Student numbers are derived annually from the October school census (of the previous year) or the estimated school numbers, in the case of new academies, as stipulated in the funding agreement;
- Academies are funded through the Education and Skills Funding Agency (ESFA). They receive the same amount of money as the Local Authority (LA) schools in the area. This is calculated using an LA formula. The LA agrees the funding formula factors and rates in consultation with the schools Forum. It incorporates student-led factors such as basic entitlement, deprivation, prior attainment, mobility rates and English as an additional language (EAL). These factors are combined with others based on the institution, such as a lump sum for premises costs. This is the core budget and is received as the general annual grant (GAG);
- 2018-19 marks the first year of funding through the 'new funding formula'. This was initially intended to be a three year transition from the previous funding formula. This period has recently been increased and the full impact of the funding revision will not now be received until financial year 2021/22
- For the three years 2018-19 through to 2020/21 the Local Authority retains the power to redistribute the funding in accordance with its own priorities and as such, the full benefits of the new funding formula may not be received by the individual academies. The LA has applied this option in their allocation of the 2018-19 grant, with a total in the region of £950k top-sliced from the inward grant prior to the redistribution to schools and academies;
- The notional Special Educational Needs (SEN) budget for academies is also worked out the same way as for local schools and is received directly from The LA. The formula usually gives more money to schools that have more students on free school meals and those that are not doing as well with English and Mathematics. It is

Nene Education Trust Financial Policies and Procedures 2018-2019

recommended that the notional SEN budget is used to pay for up to £6,000 worth of provision to meet students' SEN. If it can be shown that a student with SEN needs more than £6,000 worth of special educational needs provision, the LA will consider providing top up funding to meet these needs;

- The ESFA provides funding for Academies from September to August, in line with the academic year;
- Academies receive extra funding, to cover the cost of services previously provided by the LA. This is allocated through the education services grant (ESG);
- Capital and pupil premium allocations are paid outside the GAG but directly from the ESFA. The pupil premium is additional funding given to publicly funded schools and academies in England to raise the attainment of disadvantaged students and close the gap between them and their peers;

As part of the reconciliation procedures, the Director of Business and Finance will ensure that the monthly budget allocations to the Bank Account are made on time by the ESFA, and all other relevant agencies.

The Director of Business and Finance is responsible for ensuring that all other allocations of money due to the Trust are made on time by the ESFA and all other relevant agencies.

Cash and Cheque Management

Although cash and cheque collection is now kept to a minimum, the following procedures apply when it is unavoidable:

- All income received should be recorded immediately and a receipt issued.
- All income shall be acknowledged by the collector to the payer, this will be by a system generated receipt. A receipt should always be issued for income in accordance with the scheme of delegation.
- When a receipt is issued, a copy will be given to the payer and the duplicate copy kept at the Academy.
- All monies received must be retained securely, i.e. within insurance limits, and banked intact as soon as is practicable.
- All cheques banked must be entered on the bank paying-in slip and recorded in PS Financials;
- For normal day-to-day transactions, the Academy Business Manager or equivalent will be responsible for receiving income and banking of income.
- The Director of Business and Finance shall periodically check that all the monies due to the academies have been collected and banked.

Personal cheques will not be cashed from money received and due to the Trust.

The Academy Business Manager or equivalent will ensure that all VAT on income is treated in accordance with appropriate VAT procedures.

The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Director of Business & Finance who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- students, mainly for trips and catering;
- the public, mainly for sports lettings;
- grants, LEA and public organisations.

Trips

A lead teacher is appointed for each trip to take responsibility for the collection of sums due. Payments for trips are managed through the online payment facilities WisePay (Manor School, St Peter's Academy and Stanwick Primary) and ParentPay (Windmill Primary and Newton Road). All trip payments are automatically receipted against the individual Student's account. Amounts paid and any outstanding amounts due can be viewed by both parents and the Finance office. Payment reports are sent to the lead teacher on a monthly basis and the lead teacher is responsible for chasing the outstanding amounts.

Catering Income

The income received weekly by the Catering Department at Manor School must be reconciled against the revolve machine reports by a Catering Assistant, who will then complete a bank paying in slip. The income is then taken to

Nene Education Trust Financial Policies and Procedures 2018-2019

the Finance Office for safe custody prior to banking. The Finance Officer is responsible for inputting the income details from the paying in slip onto the accounting system.

Online payments (WisePay/ParentPay) for trips, meals and invoice payments are reconciled to the bank statement and input into the accounting system on a monthly basis.

Sports Lettings

The Leisure Centre Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. Details of organisations using the sports facilities should be sent by the Leisure Centre Manager to the Manor School Finance Assistant who will establish a sales ledger account and produce a sales invoice from the PF Financials accounting system. Details of payments made and outstanding accounts will be forwarded to the Leisure Centre Manager at the beginning of each week and the Leisure Centre Manager is made aware of outstanding debts and ensuring no use is made of the facilities unless payment has been made.

The income received by the Leisure Centre must be reconciled against the till printouts by a Duty Manager, who will then complete a bank paying in slip. The income is then taken to the Manor School Finance Office for safe custody prior to banking.

No debts should be written off without the express approval of the Board of Trustees /Finance Committee (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). Organisations using the sports facilities should be instructed to send all payments to the Finance Office.

Debit/Credit Card Income

The Trust has two Cardnet terminals for debit/credit card payments. Access to the terminals are restricted to the finance office staff, catering counter staff and leisure centre staff. All merchant copies of card receipts are kept secure at all times in either till drawers or in the main safe. The Finance Office at Manor School ensures that the Trust fully complies with the Payment Card Industry Data Security Standard (PCI DSS) and that this compliance is validated on an annual basis. Debit/Credit card income is reconciled against the monthly bank statement and input onto the accounting system.

18. ACCOUNTING SYSTEM

All the financial transactions of the academies and Central Trust must be recorded on the PS Financials accounting system. The PS financials system is administered by the Central Trust and operated in the individual academies.

PS Financial Administration

The PS Financial Software allows users to be set up with appropriate access levels. Access to these settings is restricted to the Director of Business and Finance.

These access levels can be used within the system to restrict access to the nominals and accounts depending on the roles of the users. The ability to create new nominal and account codes is restricted to the central Trust administrator role.

Authorisation of requisitions is currently a manual process that takes place outside of the available software.

Transaction Processing

Finance staff, both in the central Trust office and in the individual academies, are responsible for processing manual requisitions, purchase orders, sales invoices, petty cash, income and purchase invoices.

Management Accounts

The Director of Business and Finance will access and review various summary and transaction reports to ensure that transactions are posted to the accounting system correctly.

The Director of Business and Finance will produce Management Accounts reports, including cashflow projections, on a monthly basis. These reports will be reviewed monthly by the CEO of the Trust and shared with the Chair of

Nene Education Trust Financial Policies and Procedures 2018-2019

Trustees. Finance Committee members will have access to the monthly Management Accounts through a shared area within the Trust's systems.

Reports will show income and expenditure against budget for all areas of the Trust and will provide sufficient information to enable trustees to assess the financial viability of the Trust going forward.

Reconciliations

Responsibility for ensuring the following reconciliations are performed each month will ultimately rest with the Trust's Business and Finance Director, who will designate appropriately. In the case of Bank Reconciliation, as the Trust operates one central bank account, this will be performed at the Trust Central Office:

- Bank reconciliation, including a review of unreconciled items;
- Sales ledger control account;
- Purchase ledger control account;
- Payroll control account;
- Petty cash control account;
- Credit card accounts;
- VAT control account

BACS payment runs are prepared in the academies or Trust office and are authorised by the Director of Business and Finance, who will access the Lloyds Commercial Banking site to provide the first approval. Payments are then only released from the bank following a second approval by the CEO or, in his absence, by the Principal at Manor School who has delegated authority for processing BACS payments arising from Manor School activities. Password/keypad systems are operated such that one individual cannot effect these payments.

Where cheques are raised, these are signed in accordance with the individual bank mandate, normally requiring at least two signatures.

A complete audit trail is maintained on the PS Financial accounting system which for reviewed by the Director of Business and Finance as appropriate.

19. PROCUREMENT POLICY

All academy trusts must carry out procurement as part of their daily activities. Procurement is the term used to describe the whole process of buying anything. This includes the first step of identifying what it is that you need, finding out what different suppliers can offer you, and then choosing, purchasing and using your goods or managing your services, right through to disposing of the used goods, or the end of the contract.

Academy trusts rely on public funding to carry out their work and meet their objectives. As such they have to understand and follow basic procurement rules whenever they spend that money. These rules aim to ensure that taxpayers' money is used in ways that are demonstrably open, fair, and good value.

Understanding and following these rules and guidance will provide protection from being criticised for wasting public money or using it inappropriately. It will give all suppliers an equal opportunity to seek business and make competitive offers, and ensure that spending choices and decisions are transparent and defensible.

Poor procurement skills impact on the Trust's ability to meet its objectives – bad spending decisions mean that the total budget simply won't go as far as it can and should. But they can also result in legal challenges, cancellation of contracts, financial penalties and damages, and loss of reputation. Suppliers who compete unsuccessfully for business can be especially keen to challenge the legality of the procurement process. Good procurement is simply a mix of common sense, planning upfront, and knowing and following the basic UK and EU legal requirements governing all public sector spending. From basic everyday purchases to the most complicated and costly one-off decisions - the key elements of good procurement are:

- Planning - taking the time up-front to get the information needed to make a good, informed decision. The DfE's 'deals for schools' can help the planning process, making buying simpler and quicker and providing better value for money in a range of categories.
- Information – knowing and understanding the basics – such as the legal requirements that must be followed for any high-value spending. There is a requirement to obtain ESFA approval before any novel or contentious

payments are made. The ESFA has made it clear in its regulatory publications that any spending on alcohol from any academy funds, for any amount is considered inappropriate for an academy. Other spending on expenditure such as staff entertaining is also often likely to be viewed as contentious depending on exact circumstances.

- Common sense - good judgment: for example, allocating more time to one-off high-value purchases, recognising when further help and advice is necessary, or having the confidence and experience to make the decisions. Procurement can range from the everyday, low-value purchases such as classroom supplies and cleaning products, right up to the highest-value, one-off purchases – a major refurbishment project, or letting a three-year contract for catering services. It will not be possible to subject every procurement process to the same level of scrutiny. The more public money being spent, the tighter the controls you need to apply.

Public procurement regulations cover three categories of spend:

- Goods – the term for actual products being purchased, such as stationery, equipment (e.g., IT, catering, furniture), vehicles
- Works – this refers to any building work, including new buildings, extensions, refurbishments or repairs.
- Services – the skills and expertise provided by individuals or companies. Examples include: IT installation and maintenance, catering services, grounds maintenance.

All public sector procurement - including schools and academies - must comply with the Official Journal of the European Union (OJEU) Procurement thresholds, which have been fully ratified into UK law. These Regulations are legally binding on anyone responsible for spending public funds, to safeguard the fair competition principles set out below.

UK procurement law protects five key principles:

- Equality - all suppliers bidding for public sector contracts must be treated equally.
- Non-discrimination - do not discriminate directly or indirectly against suppliers from another European Union state, or their workers.
- Transparency – all procurement of a sufficiently high value must be advertised, to make it possible for suppliers from across the EU to find out about the work and, potentially, bid for it.
- mutual recognition - all European countries must recognise professional qualifications, technical standards and similar accreditation issued by other Member States;
- Proportionality - the means should be proportional to the ends.

The principle of proportionality also applies to an academy's procurement activities. To help decide what steps are appropriate for different values of spending, schools, academies (and other public bodies) need to set and use procurement thresholds – financial limits, with the required procurement protocols set out and agreed for each item of expenditure below or above each threshold.

Propriety

It is essential that propriety is ensured in all financial business. This is necessary to protect the integrity of those involved in spending public money, and minimise the opportunities for errors or impropriety.

One key aspect of this is to avoid any conflicts of interest.

There must be a clear separation of duties within the Trust's procurement and payment processes. The critical element is to ensure that the same person is not responsible for taking the decision to buy something and for authorising/making payments for that purchase.

Ideally a separate member of staff should be responsible for each of the four stages below:

- the authority to make spending decisions
- the authority to approve spending decisions
- certifying the invoice (checking to confirm the invoice details are accurate); and
- authorising payments

Nene Education Trust Financial Policies and Procedures 2018-2019

There must be even-handedness in relationships with connected parties, and goods or services provided by individuals or organisations connected to the trust are provided at no more than cost beyond the limits specified in the Academies Financial handbook.

Data security

Data security and confidentiality are going to be key considerations when dealing with suppliers. In particular, where letting contracts with suppliers to provide services, it is likely that those suppliers will need access to personal data and those of the teachers and the students.

The individual academies and the central trust teams must at all times follow the standards and expectations of the General Data Protection Regulations (GDPR) that came into force during 2018.

The procurement cycle

Procurement is a cyclical process starting where the needs are assessed and the budget made available, and ending with receipt, use and eventual disposal of the goods and services paid for. Between those two points, the steps to take will vary, depending on the amount of money being spent and the relative importance of the procurement (i.e., how relevant this specific purchase is to the academies ability to function). Basically, the more money being spent, the more care must be taken to ensure that the procurement is open, fair, transparent and competitive.

The procurement process overall aims to optimise outcomes and manage risk and strike a balance between the requirement to spend public money in the most efficient, effective and appropriate way, and the need to balance these procurement duties with the wider responsibilities and remit to meet the academies overall objectives:

Low value procurement; most of the day-to-day, low value procurements do not require an elaborate competition process:

- Investigate and get to know the market;
- 'Shop around' to look for good-value deals;
- Comparison to local purchasing consortia, e.g. ESPO;
- Compare prices and options on at least three suppliers, by getting quotations (ideally in writing, by email or at least by telephone), where it is cost-effective and proportionate to do so.

Medium and high-value procurements; the overall steps are broadly similar:

- Identify need - develop an initial briefing note based on current needs for goods, works or services;
- Make a business case for the procurement - the essential planning document for managing the whole procurement process;
- Define the procurement approach - - consider the options for carrying out the procurement;
- Markets and suppliers – understanding the market, identifying potential suppliers;
- Carrying out some form of competition - tender and evaluation – advertising for bids, evaluating tenders, making the right choice;
- Comparing at least three potential suppliers;
- Using a process of impartial evaluation to choose the supplier who meets the requirements at the best value price;
- Letting the other suppliers know they were unsuccessful and if any supplier requests feedback providing it. Bear in mind that an unsuccessful supplier this time might be the best supplier for other business you have in future – and the better they understand how they failed to meet the needs this time, the more they will be in a position to make a better and more competitive offer next time;
- After notifying all the suppliers of the decision there is an obligation to do nothing at all for a period of ten calendar days. This is known as the standstill period and is designed to give all the suppliers the opportunity to consider the decision and decide if they feel they have been treated unfairly and wish to challenge the decision in any way. Providing no challenge is forthcoming after ten days the contract can go ahead and be delivered;
- Awarding the contract – agreeing and signing the formal legal agreement, taking delivery of your goods or services;
- Contract management – to ensure the goods or services paid for, securing best value for money;

Nene Education Trust Financial Policies and Procedures 2018-2019

- Closure - lessons learned – at the end of the contract, what lessons will be taken forward to the next procurement.

The main difference between medium- and high-value procurements is the requirement to make the competition part of the process more formal and open, by advertising the business and considering all interested suppliers on the same open terms. This is tendering, which is described in more detail later on.

For emergency situations, set thresholds may be exceeded, but such instances should be reported to the Finance Committee.

Frameworks

For any value of procurement, it is possible to use an existing framework agreement to identify and secure a competitive deal with a reliable supplier. Frameworks are a set of umbrella agreements that have been drawn up by another public sector body, such as Local Authorities and their public sector buying consortia, or by central Government Departments such as DfE and Crown Commercial Service.

These agreements are with a 'panel' of suppliers of similar goods or services. Suppliers on a framework are approved to provide certain services, with an assurance of competitive rates guaranteed, and with the basic legal and other checks (financial stability, track record, etc.) having already been carried out by the 'owner' body. These allow the placing of orders for goods, works or services. A 'mini-competition' amongst the relevant suppliers on a framework is usual but this is typically a quicker and simpler process than setting up a new contract from scratch. For example, within DfE the Project Management and Education Services Framework provides a select pool of suppliers with good experience in supporting the initial and ongoing work involved in Academy and Free School projects. By running a mini-competition within this framework, academies can secure the right professional services for their specific needs at guaranteed good rates, quickly and efficiently.

In the event of a critical issue arising where the continuity of business is threatened by following the full procedure above, the Chief Financial Officer has the authority to permit the individual academy to place an order through an existing framework or directly with an established supplier who has previously provided these services to the academy. This contract will be for no more than the minimum available period and will subsequently follow the full procedure at the next renewal date.

Markets and suppliers

Outside of frameworks, all procurement will involve researching and understanding the wider open marketplace of suppliers for the goods and services, and making a cost-effective, impartial choice within that market.

When several suppliers are competing, they will try to attract the available customers by offering good-value deals and discounts. One of the key ways to achieve value for money is through encouraging competition amongst potential suppliers, by making sure as many as possible are aware of the business and are competing to get it. And this is easier to do following some basic research and understanding the market, which will help to target potential suppliers, and identify the best value options. This process is called market sounding.

Supplier open days

Before committing to any procurement, a selection of suppliers can be invited to meet and give their collective input on the procurement project. This will help to raise supplier awareness of the new business opportunity. The aims of the procurement can be outlined directly, and the suppliers will be able to say what is or isn't feasible and what else needs to be considered.

Contract management

A contract should be managed over its lifespan. The contract manager, will take responsibility for ensuring that every aspect of the contract is functioning as planned and as effectively as possible. An example of good contract management is available on GOV.UK It covers service level agreements, getting value for money, contract renewals and how to draw up a content management plan.

Closure and lessons learned

This is the final step in the procurement cycle; the need to consider how to dispose of any goods that have reached the end of their useful life, or when any contract that is currently running comes to its end, and how to

deal with the possible impact. For example, leasing equipment such as photocopiers – what happens when that contract ends? Or, with contracts for cleaning or catering services how long will it take to run a competition for a new contract?

Exit strategy

An exit strategy is a plan for ending a contract earlier than originally intended. It outlines what actions need to be taken by the organisation at that point. Every project must have one.

The exit strategy must include contingency plans. For example, if a supplier goes out of business, what will the academy do to ensure services are still received?

End of contract review

At the end of a contract a formal review, taking on board the views of stakeholders and users of the product or service should take place. Then update the business case with lessons learned during the life of the contract. Anyone managing similar procurements in the future can take these into account.

Managing the end of the contract process

If future arrangements require a full procurement process, then adequate time must be allowed for this to happen. For example, if you need a new canteen supplier, the procurement process must start before the old contract expires, or there will be the potential to be without a canteen services until the new contract is put in place.

Purchasing Quotations and Authorisation Levels

The following guidelines should be followed within the Trust in relation to purchasing and authorisation in line with the Trust’s Scheme of Delegation:

Routine Purchasing

It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Details of actual expenditure against budget will be supplied to budget holders, who are encouraged to keep their own records of orders placed but not paid for.

Routine purchases up to £1,000 can be ordered by Finance staff in the schools and up to £2,000 by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Trust. A quote or price must always be obtained before any order is placed. It is the budget holder’s responsibility to check to ensure adequate budgetary provision exists before an order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the relevant Finance Officer or Director of Business & Finance.

All orders must be requested in writing using an official requisition form. Orders must bear the signature of the budget holder and must be forwarded to the relevant academy or Trust Finance Office where the details are entered on to PS Financials and a purchase order is raised. Authorisation of purchase orders is in line with the Trust’s Scheme of Delegation, as shown below.

20. FINANCIAL SCHEME OF DELEGATION - MANOR LEARNING TRUST, 1 September 2018

Delegated Duty	Value	Delegated Authority	Method
Purchase Orders - Ordering Goods & Services	Up to £1,000	Finance/Business Managers	Preferred supplier list where possible
	Up to £2,000	As above plus Budget Holders	Preferred supplier list where possible

Nene Education Trust Financial Policies and Procedures 2018-2019

	£2,001 to £10,000	As above plus Principals	2 quotations for orders from £1,000 up to £2,500; 3 quotations from £2,501 up to £10,000
	£10,001 to £25,000	As above plus Director of Business & Finance	3 written quotations
	£25,001 to £50,000	As above plus CEO	3 written quotations
	£50,001 to £100,000	As above plus Audit Committee	Formal tendering process
	Over £100,000	Board of Trustees	Formal tendering process
Signatories for cheques, BACSpayment authorisations and other bank transfers	Up to £25,000	Any 2 signatories from: CEO, Director of Bus. & Finance, Principal (Manor), Vice Principals (Manor), Assistant Principal (Manor)	
	Over £25,000	Any 3 signatories from above list	
Investments - transfers between Lloyds Bank Accounts	Up to £300,000	Director of Business & Finance / CEO	
	Over £300,000	Board of Trustees / Trust Board	
Virement of budget provision between budgets	Up to £10,000	Director of Business & Finance	
	£10,001 to £50,000	As above plus CEO	
	Over £50,000	As above plus Audit Committee	
Disposal of Assets (net book value)	Up to £10,000	Director of Business & Finance / CEO	
	£10,001 to £20,000	As above plus Audit Committee	
	Over £20,000	Board of Trustees	
Write off of Bad Debts	Up to £1,000	Director of Business & Finance	

Nene Education Trust Financial Policies and Procedures 2018-2019

	£1,001 to £5,000	As above plus CEO	
	Over £5,000	As above plus Audit Committee and Board of Trustees	

Budget holders must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods ordered and make a record of any discrepancies. Discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, then Finance Officers should be notified.

When the invoice is received, it is stamped with a grid stamp and forwarded to the budget holder to authorise payment. Goods and services are checked on receipt to ensure they match the order details. When the authorised invoice is received back, the Finance Assistant enters the invoice details on to PS Financials after checking the following:

- receipt of goods or services cross-referenced to the order number;
- expenditure has been properly incurred and that payment has not already been made;
- prices accord with quotations, tenders, contracts or catalogue prices and is arithmetically correct;
- VAT treated correctly;
- discounts are taken when available;
- the invoice is correctly coded.

If a budget holder is pursuing a query with a supplier the relevant Finance Officer must be informed of the query and periodically kept up to date with progress.

Payments to be made to the purchase ledger and will then be detailed and a BACs pay file prepared. The Payment run, or any necessary cheques and associated paperwork must be authorised by two of the nominated cheque signatories. Remittance advice notes/Cheques will be dispatched to suppliers by Finance officers.

No member of staff may authorise any payments relating to expenditure incurred or services supplied by themselves or their relatives. Any cheque over £25,000 must have three signatures in accordance with the bank mandate.

Declaration of Self-employed Person

Payments for goods / services from individuals will only be made once the supplier has completed a Declaration of Self-employed Status, declaring that they are registered with HMRC as being self-employed and that they agree to inform HMRC of all payments received from the Academy (see Appendix D).

Orders over £1,000 but less than £10,000 - where alternative suppliers exist.

Where an order is over £1,000 but less than £2,500 at least two quotations should be obtained from two different suppliers.

Where an order is over £2,500 but less than £10,000 at least three written quotations should be obtained from three different suppliers

These processes ensure the best source of the goods/services is identified. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed/emailed confirmation of quotes has been received before a purchase decision is made.

21. TENDER PROCESS (Orders over £50,000):

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. Where possible the Trust will use purchasing frameworks and will follow DfE advice ([Buying for schools - Guidance - GOV.UK](https://www.gov.uk/guidance/buying-for-schools)) on how to plan and run an efficient procurement process to buy goods, works or services.

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 Director of Business & Finance 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 Trust's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

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

After all requirements have been established they are ranked (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

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.

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;

Nene Education Trust Financial Policies and Procedures 2018-2019

- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

Where possible this will be managed through a consultancy company. 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.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. The Director of Business and Finance and CEO should be present for the opening of tenders. Tenders between £50,000 and £100,000 should be opened in the presence of a Finance Committee member and for any tenders in excess of £100,000, a member of the Board of Trustees should be present.

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 all people present at the tender opening.

Tendering Procedures

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.

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.

Full records should be kept of all criteria used for evaluation and for contracts over £100,000 a report should be prepared for the Board of Trustees/Finance Committee highlighting the relevant issues and recommending a

Nene Education Trust Financial Policies and Procedures 2018-2019

decision. For contracts under £100,000 the decision and criteria should be reported to the Board of Trustees / Finance Committee.

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. The accepted tender should be the one that is economically most advantageous to the Trust. All parties should then be informed of the decision.

If for any reason the minimum number of quotations has not been received in accordance with the details specified above, this must be recorded on the purchase order and signed by both the Director of Business and Finance and the CEO.

EU thresholds

These are financial limits which apply to all public sector procurement across the European Union. They are set by the EU and revised every two years, and every EU country is required to comply with them. The EU thresholds place legal requirements on any public sector body where the value a specific procurement is likely to go over the respective limits ("thresholds") for goods, services or works.

The EU regulations ensure that ALL high-value public sector spending is fair, open, competitive and transparent. All proposed contracts above the thresholds must be advertised widely, open to tenders from all interested suppliers, and awarded without bias to the best-value bid.

Contract opportunities must be advertised in the Official Journal of the European Union (OJEU). The tender process must follow a strict timetable setting minimum time limits for each stage.

Technically, all spend over the EU thresholds is classed as either "Part A" or "Part B" procurement. Broadly speaking, "Part A" purchases are the more common kinds of goods and services (for example, vehicles and transport, telecoms and computers, cleaning and maintenance, consultancy and auditing). "Part B" are more specialist purchases – such as health, legal, cultural and sporting services – and education.

The procurement rules for Part B are slightly less complicated than for Part A – because the more specialist services classed as Part B are likely to have fewer potential suppliers and a smaller market, with less competition across the EU. So the Part B rules do not, for instance, require tenders to be advertised throughout the European Union. In practice, however, it may be better to treat all procurement over the EU thresholds as "Part A" procurement.

Managing the contract

Contract management is how to ensure that the supplier is delivering the contract requirements to specification and cost and that any shortfalls in performance are tackled effectively and quickly.

It is a joint responsibility between the academy and the supplier. A good contract manager builds and maintains a strong working relationship with the supplier and with all relevant partners and stakeholders, checking that the scheduled goods, works or services are being delivered on time and to the required standards set out in the contract.

He or she will be responsible for responding to changes in the wider marketplace or environment, and for addressing any problems as they arise, seeking resolution through informal dialogue as a first step. An effective contract manager will also seek to get better value out of the existing contract – by identifying incentives to encourage higher performance delivery from the supplier, or using cost-effective measures (for example, seeking discounts for very prompt payment of invoices).

Best Value

The Trust is committed to achieving Best Value for Money from all purchases. A large proportion of purchases will be paid for from public funds and must comply with the principles of

Nene Education Trust Financial Policies and Procedures 2018-2019

- Probity; it must be demonstrable that there is no corruption or private gain involved in the contractual relationships;
- Accountability; public accountability for expenditure and the conduct of its affairs;
- Fairness; that all are dealt with fairly and equitably.

The principles of Best Value are applied to securing continuous improvement and will ensure:

- All services are of a high quality that provide good value for money, meet the needs of their users and contribute positively to the general ethos of the academy;
- Resources are deployed to secure the continuous improvement in the means through which the Trust's functions are exercised;
- All expenditure is relevant to the School Improvement Plan and is regularly reviewed;
- Due consideration has been given to Post OFSTED Inspection Plans (if applicable) in compiling the Trust's budgets;
- All premises/supplies and services' contracts agreed by the Trust are reviewed periodically and are the most effective, economic and efficient that are;
- The Trust aims to ensure that it is a well-managed organisation that supports and values the contribution made by its workforce.
- The Trust will not enter into any Finance Leases as these agreements technically constitute borrowing which the ESFA does not allow unless approved by the Secretary of State
- Every proposed lease must be approved by the Director of Business & Finance prior to placing any order
- Leasehold or tenancy agreements can only be entered into in line with the limits and permission detailed in the Academies Financial Handbook.
- There may be instances where purchases of core services such as utility charges are regulated as a single supply across a number of different locations.
- The Trust must report on how value for money has been achieved annually in its financial statements.

Appropriate authorisation limits are reviewed annually and approved by the Trust.

22. BANK ACCOUNTS

The transfer of business to a new banking provider must be authorised by the Board of Trustees who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing and BACS approval arrangements.

Where the cash flow position is such that the bank account might become overdrawn, then the CEO has the authority to request from the ESFA an early advance of the monthly budget allocation. Confirmation that such a request has been made must be notified to the Director of Business & Finance and Chair of the Finance Committee, together with an explanation as to the reasons why and the additional cost to the Trust in terms of interest charged.

Direct Debits will only be made with the authorisation of any two signatories from the Trust's mandate.

Authorisation limits for Direct Debits will be in line with the scheme of delegation above.

23. PAYROLL

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments

The Board of Trustees approve the personnel establishment for the Trust. Changes can only be made to this establishment with the express approval in the first instance of the Board of Trustees who must ensure that

adequate budgetary provision exists for any establishment changes. The Board of Trustees **must** ensure that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. No individual can be involved in deciding his or her remuneration and the Board of Trustees must ensure that its approach to pay is transparent, proportionate and justifiable.

The Principals have authority to appoint staff within the authorised establishment except for Vice Principals and the Director of Business & Finance whose appointments must follow consultation with the Chief Executive Officer and Members /Trustees. The HR Director ensures that personnel files for all Members of staff are maintained, including contracts of employment and confirmation of Disclosure Barring Service (DBS) checks.

Payroll Administration

The Trust currently purchases its payroll service from EPM. All staff are paid monthly through EPM. A master file is created for each employee on the EPM portal which records:

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

New master files can only be created by the HR Director with the express approval of the Chief Executive Officer. Any master file amendments made by the HR Director must be printed out each month prior to the payroll run and must be authorised by the Director of Business & Finance.

Time sheet claim forms and travel claim forms are completed the employee. They are authorised by the line manager responsible for the work that has been carried out. A monthly staff return is completed which provides details for all staff sickness and other absences during the month and any new appointments or terminations. The staff return must be authorised by the nominated budget holder. Authorised staff returns should be sent to the Finance Officer who then files the documents to EPM for payroll processing.

Data input to the payroll system should be undertaken by Finance Officers in the schools and Trust office in accordance with the issued timetable. Before the payroll is processed a print of all data input should be obtained and this should be checked against source documentation by Finance Officers and then reviewed and initialled by the Director of Business & Finance.

Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained from the system. The print must be reviewed and authorised together with authority to release payment by the Director of Business & Finance and the Chief Executive Officer.

All salary payments are made by BACS.

The payroll provider EPM provide a comparison between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed by the Director of Business & Finance.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions this is sent by EPM as part of their contract.

After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The Trust Finance Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

On an annual basis the Director of Business & Finance and HR Director must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel files.

Special Payments

Special payments are transactions that fall outside the Trust's planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. They include:

- staff severance payments
- compensation payments
- ex gratia payments

Severance Payments

Special staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. They are different to ex gratia payments. When considering making a staff severance payment the Trust must consider the following issues before making a binding commitment:

- that the Trustees reasonably consider the proposed payment to be in the interests of the Trust
- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. If there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, then a settlement should not be offered
- if the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award in the circumstances

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

The Trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 (before income tax and other deductions). The ESFA's prior approval is required for non-statutory/non-contractual payments of £50,000 or more before any binding settlement offer is made to staff.

Compensation Payments

Compensation payments are made to provide redress for loss or injury, for example: personal injuries; traffic accidents; or damage to property. When considering making a compensation payment the Trust must base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure value for money will be achieved. The Trust has delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000, where payment is £50,000 or more the ESFA's prior approval must be obtained.

Ex Gratia Payments

Ex gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules. Annex 4.13 of *HM Treasury's Managing Public Money* provides examples, which include payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy. Ex gratia payments are separate to other classes of special payment such as staff severance payments and compensation payments. Statutory and contractual payments made to academy staff in accordance with the Trust's pay and conditions policy would not be ex gratia. Ex gratia transactions must always be referred to ESFA for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction.

24. FIXED ASSETS AND LEASES

Asset register

All items purchased with a value over the Trusts capitalisation limit 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
- name of member of staff responsible for the asset

The purpose of the Asset Register is to:

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

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores. All the items in the register should be permanently and visibly marked as the Trusts 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 Board of Trustees/Audit and Risk Committee. Inventories of the Trust's property should be kept up to date and reviewed regularly.

Leases

There are two types of lease:

- operating leases: these do not represent borrowing
- finance leases: these are a form of borrowing

The Trust does not require the ESFA's approval for operating leases except for some transactions relating to land or buildings

In line with the Trust's Funding Agreement, the Trust must seek ESFA's prior approval for the following leasing transactions:

- finance leases on any class of asset for any duration from another party
- taking up a leasehold or tenancy agreement on land or building from another part for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land or buildings to another party

The Trust must ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not ESFA's prior approval is required.

Loan of Assets

No Loan of assets can be made without express authorisation of the Trust Board

Any change in policy requires the approval of the Board of Trustees.

25. CAPITALISATION & DEPRECIATION OF ASSETS POLICY

Introduction

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

The purpose of this policy is to ensure that the Trust’s balance sheet correctly reflects the assets and liabilities of Nene Education Trust.

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

A Fixed Asset Register will be maintained on the Trusts finance file and reconciled to the financial statements of the Trust.

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

Fixed Asset Register

The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) valued over £1,000 that are considered to have a life longer than the financial year they were purchased in. Items that fall below the capitalisation limit of £1,000 are recorded in the Trust inventory but will not appear on the balance sheet.

Advice is sought from the auditors as to the best treatment of expenditure, capitalised assets are not necessarily bought on one order; so long as a group of items are purchased within the same accounting period they will be capitalised.

Fixed Assets are categorised as follows:

- a. Land and Buildings
- b. Plant and Machinery
- c. Furniture and Equipment
- d. Computer Equipment and Software
- e. Assets under construction
- f. Property Improvements

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

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

All items that have been included on the Fixed Asset Register will be security marked, where practicable, as the property of the Trust. Physical counts will be undertaken against the Academy Inventory at regular intervals and the evidence presented to the Audit and Risk Committee /Board of Trustees.

Discrepancies between the physical count and the registers are investigated promptly by the Director of Business & Finance. Any discrepancies in Academy Inventory over the value of £500 are reported to the Audit Committee /Board of Trustees.

Nene Education Trust Financial Policies and Procedures 2018-2019

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

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

Depreciation

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

The depreciation charge will be calculated on an annual basis for preparation of the year end accounts. A full year's depreciation charge is made in the year of acquisition and none in the year of disposal.

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

ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building modifications	2% (50yrs) Straight line
Plant and Machinery	20% (5yrs) Straight line with nil residual value
Furniture and Equipment	10% (10yrs) Straight line with nil residual value
Computer Equipment and Software	25% (4yrs) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.
Motor Vehicles / Minibuses	20% (5yrs) Straight line with nil residual value
Property Improvements	10% (10yrs) Straight line with nil residual value

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

Any change in policy requires the approval of the Board of Trustees.

26. ACQUISITION AND DISPOSAL OF ASSETS POLICY

Nene Education Trust must seek and obtain prior written approval from the ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings and
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial standards.

Other than land, buildings and heritage assets, the Trust can dispose of any other fixed asset without the approval of the ESFA. The Trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where assets have residual value.

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

Nene Education Trust Financial Policies and Procedures 2018-2019

It shall be the responsibility of the appropriate Curriculum Lead or Budget Manager to identify any such assets which are surplus to requirements.

The Curriculum Lead or Budget Manager shall identify surplus assets to the Director of Business & Finance who upon endorsing the identification shall recommend disposal to the Principals.

An asset with a carrying amount (cost less accumulated depreciation) above £2,000 must be approved by the Board of Trustees / Finance Committees. Where possible surplus assets shall be sold in a safe environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the Asset Register.

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

Any change in policy requires the approval of the Board of Trustees.

27. FRAUD POLICY

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

The Trust must notify the ESFA, as soon as is operationally practical based on its particular circumstances, of any instances of fraud or theft exceeding £5,000 individually, or £5,000 cumulatively in any 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 Trust to prevent recurrence
- whether the matter was referred to the police (and why if not) and
- whether insurance cover or the risk protection arrangements have offset any loss.

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 academy Trust, either as the result of a formal notification from the Trust itself or as the result of other information received. The ESFA may involve other authorities, including the police as appropriate. The ESFA will publish reports about its investigations and about financial management and governance reviews at academy Trusts in line with its own policy on publishing information. The ESFA also publishes guidance on reducing the risk of financial irregularities. Trusts should refer to this information, and to the findings from ESFA's investigation reports as part of its risk management approach.

It is the duty of all staff and Members/Trustees to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the Audit & Risk Committee, internal and external auditors on the adequacy of the measures taken by the Trust to ensure financial compliance.

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

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

Nene Education Trust Financial Policies and Procedures 2018-2019

Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Nene Education Trust, its staff or Members/Trustees/Governors.

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

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

If in any doubt about whether a matter is an irregularity or not, staff must refer to the Chief Executive Officer or Director of Business & Finance.

Any change in policy requires the approval of the Board of Trustees.

28. WHISTLEBLOWING POLICY

The Board of Trustees is committed to the highest possible standard of operation, probity and accountability. In line with that commitment, employees and others with serious concerns about any aspect of the Trust's work are encouraged to come forward and voice those concerns. The whistleblowing policy makes it clear that employees can do so without fear of reprisals; it is intended to encourage and enable employees to raise serious concerns within the Trust rather than overlooking a problem or alerting anyone external to the Trust. It is recognised that cases may have to proceed on a confidential basis. The Whistleblowing Policy is communicated to all employees upon induction and is available through schools' notice boards.

If employees have any genuine concerns related to suspected wrongdoing or danger affecting any of our activities (a whistleblowing concern) he/she should report it under this policy. All employees have the right to raise concerns, which could be about the actions of other employees, private contractors, Trustees or volunteers. The procedure for raising a concern is described in detail in the policy (Appendix B).

Whistleblowing is the disclosure of information which relates to suspected wrongdoing or dangers at work. This may include:

- criminal activity;
- miscarriages of justice;
- danger to health and safety;
- damage to the environment;
- failure to comply with any legal or professional obligation or regulatory requirements;
- bribery;
- financial fraud or mismanagement;
- negligence;
- breach of our internal policies and procedures
- conduct likely to damage our reputation;
- unauthorised disclosure of confidential information;
- examination fraud
- deliberate concealment of any of the above matters.

Before initiating the procedure employees should consider the following:

Nene Education Trust Financial Policies and Procedures 2018-2019

- the responsibility for expressing concerns about unacceptable practice or behaviour rests with all employees;
- employees should use line manager or team meetings and other opportunities to raise questions and seek clarification on issues which are of day-to-day concern;
- whilst it can be difficult to raise concerns about the practice or behaviour of a colleague, employees must act to prevent an escalation of the problem and to prevent themselves being potentially implicated.

Any change in policy requires the approval of the Board of Trustees.

Appendix A: The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Appendix B Nene Education Trust Whistleblowing Policy

1. Purpose

- 1.1 To set out the Board of Trustees (BoT's policy and procedure for dealing with concerns raised by employees except; allegations of child abuse against teachers and other staff and volunteers which will be dealt with under the "Managing Allegations Against Teachers and Other Staff Policy".

2. Background

- 2.1 As employees are often the first to realise that there may be something wrong within the Academy, it is important that they feel able to express their concerns without fear of harassment or victimisation. Otherwise they may find it easier to ignore the concern rather than report it. The Public Interest Disclosure Act (in force since January 1999) recognises this fact and is designed to protect employees, who make certain disclosures of information in 'the public interest', from detriment and/or dismissal. This policy builds on the provisions of the Act.
- 2.2 The BoD is committed to the highest possible standard of operation, probity and accountability. In line with that commitment, employees and others with serious concerns about any aspect of the Academy's work are encouraged to come forward and voice those concerns. This policy document makes it clear that employees can do so without fear of reprisals; it is intended to encourage and enable employees to raise serious concerns within the Academy rather than overlooking a problem or alerting anyone external to the Academy. It is recognised that cases may have to proceed on a confidential basis.
- 2.3 This policy does not form part of any employee's contract of employment and it may be amended at any time.

3. Aims and Scope of the Policy

- 3.1 This policy aims to:
- provide avenues for employees to raise concerns internally as a matter of course, and receive feedback on any action taken;
 - provide for matters to be dealt with quickly and appropriately; and ensure that concerns are taken seriously;
 - reassure employees that they will be protected from reprisals or victimisation for whistleblowing in good faith;
 - allow employees to take the matter further if they are dissatisfied with the BoD's response.
- 3.2 This policy explains how any Academy employee can raise any concerns s/he may have about working practices and who should be informed about the concerns. It may be that issues raised via this policy will be addressed via other procedures, e.g. anti-fraud and corruption, grievance, disciplinary, harassment and child protection procedures.
- 3.3 A **whistleblower** is a person who raises a genuine concern relating to the matters below. If employees have any genuine concerns related to suspected wrongdoing or danger affecting any of our activities (a whistleblowing concern) he/she should report it under this policy. **Whistleblowing** is the disclosure of information which relates to suspected wrongdoing or dangers at work. This may include:
- (a) criminal activity;
 - (b) miscarriages of justice;

- (c) danger to health and safety;
- (d) damage to the environment;
- (e) failure to comply with any legal or professional obligation or regulatory requirements;
- (f) bribery;
- (g) financial fraud or mismanagement;
- (h) negligence;
- (i) breach of our internal policies and procedures
- (j) conduct likely to damage our reputation;
- (k) unauthorised disclosure of confidential information;
- (l) examination fraud
- (m) the deliberate concealment of any of the above matters.

3.4 Before initiating the procedure employees should consider the following:

- the responsibility for expressing concerns about unacceptable practice or behaviour rests with all employees;
- employees should use line manager or team meetings and other opportunities to raise questions and seek clarification on issues which are of day-to-day concern;
- whilst it can be difficult to raise concerns about the practice or behaviour of a colleague, employees must act to prevent an escalation of the problem and to prevent themselves being potentially implicated.

3.5 All employees have the right to raise concerns, which could be about the actions of other employees, private contractors, Trustees or volunteers.

3.6 Concerns raised by employees about their own conditions of service, should be addressed via the Academy's Grievance Procedure or, if the matter relates to salary, the salary review procedures documented in the Academy's pay policy.

4. Safeguards

4.1 Harassment or Victimisation

4.1.1 The BoD recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The BoD will not tolerate harassment or victimisation and will take action to protect employees when they raise a concern in good faith.

4.1.2 This does not mean that if an employee is already the subject of internal procedures such as disciplinary or redundancy, that those procedures will be halted as a result of that employee raising a concern under the whistleblowing policy.

4.2 Confidentiality

4.2.1 We hope that staff will feel able to voice whistleblowing concerns openly under this policy. The BoD will make every effort to protect an employee's identity if confidentiality is requested. However, it must be understood that should the concern raised need to be addressed through another procedure, e.g. disciplinary procedures, the employee may be asked to provide a signed statement as part of the evidence, thus revealing identity. Failure to provide such a statement may mean that further action cannot be taken by the BoD to address the concern and in some circumstances, the BoD may have to disclose the identity of the employee without their consent, although this will be discussed with the employee first.

4.3 Anonymous Allegations

4.3.1 Employees are encouraged to put their name to an allegation. Allegations expressed anonymously are much less powerful and more difficult to address, but they will be considered at the discretion of the BoD. In exercising the discretion, the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

4.4 Untrue Allegations

4.4.1 If an employee makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against that employee. If, however, we conclude that an employee has made malicious or vexatious allegations, or with a view to personal gain disciplinary action may be taken against that employee.

4.5 Unfounded Allegations

4.5.1 Following investigation, allegations may be confirmed as unfounded. This outcome will be notified to the employee who raised the concern, who will be informed that the BoD deems the matter to be concluded and that it should not be raised again unless new evidence becomes available.

4.6 Support to Employees

4.6.1 It is recognised that raising concerns can be difficult and stressful. Advice and support will be made available, as appropriate, to both the employee(s) raising the concerns and the employee(s) subject to investigation.

5 How to raise a Concern

5.1 As a first step, an employee should normally raise concerns with their immediate manager or their manager's superior. This depends, however, on the seriousness and sensitivity of the issues and who is involved. For example, if an employee believes that their immediate manager or their manager's superior is involved, s/he should approach the Chief Executive Officer or Chair of Trustees. An employee (including the Chief Executive Officer and Members of the leadership team) can by-pass the direct management line and the BoD if s/he feels the overall management and BoD of the Academy is engaged in an improper course of action. In this case please refer to section 7 below.

5.2 Concerns are better raised in writing. The employee should set out the background and history of the concerns, giving names, dates and places where possible, and the reasons why s/he is particularly concerned about the situation. If an employee does not feel able to put the concern in writing, s/he should telephone or meet the appropriate person. It is important that, however the concern is raised, the employee makes it clear that s/he is raising the issue via the whistle-blowing procedure.

5.3 The earlier an employee expresses the concern, the easier it is to take action.

5.4 Although an employee is not expected to prove the truth of an allegation, s/he will need to demonstrate to the person contacted that there are sufficient grounds for the concern.

5.5 In some instances it may be appropriate for an employee to ask their trade union to raise a matter on their employee's behalf.

5.6 At each meeting under this policy the employee may bring a colleague or trade union

representative. The companion must respect the confidentiality of the disclosure and any subsequent investigation.

The Role of Senior Managers

- 6.1 A senior manager may be informed by an employee about concern(s) and that s/he is "blowing the whistle" within the procedure in person; or in writing or over the phone.
- 6.2 The senior manager should respond immediately by arranging to meet with the employee to discuss the concern(s) as soon as possible.
- 6.3 Stage One:
 - 6.3.1 At the initial meeting the senior manager should establish that:
 - there is genuine cause and sufficient grounds for the concern; and
 - the concern has been appropriately raised via the Whistleblowing Policy.
 - 6.3.2 The senior manager should ask the employee, to put their concern(s) in writing, if s/he has not already done so. If the employee is unable to do this the senior manager will take down a written summary of his/her concern/s and provide him/her with a copy after the meeting. The senior manager should make notes of the discussions with the employee. The employee's letter and/or senior manager's notes should make it clear that the employee is raising the issue via the whistle-blowing procedure and provide:
 - the background and history of the concerns; and
 - names, dates and places (where possible); and
 - the reasons why the employee is particularly concerned about the situation.
 - 6.3.3 The employee should be asked to date and sign their letter and/or the notes of any discussion. The senior manager should positively encourage the employee to do this, as a concern expressed anonymously is much less powerful and much more difficult to address, especially if the letter/notes become evidence in other proceedings, e.g. an internal disciplinary hearing.
 - 6.3.4 The senior manager should follow the policy as set out above and in particular explain to the employee:
 - what steps s/he intends to take to address the concern;
 - how s/he will communicate with the employee during and at the end of the process; andthat a written response will be sent out within ten working days.
 - that their identity will be protected as far as possible, but should the investigation into the concern require the employee to be named as the source of the information, that this will be discussed with the employee before their name is disclosed;
 - that the BoD will do all that it can to protect the employee from discrimination and/or victimisation;
 - that the matter will be taken seriously and investigated immediately; and
 - that if the employee's concern, though raised in good faith, is not confirmed by the investigation, no punitive action will be taken against them.
 - 6.3.7 The senior manager should explain to the employee, as a matter of fact, that:

- if clear evidence is uncovered during the investigation that s/he has made a malicious or vexatious allegation, disciplinary action may be taken against them; and
- the investigation may confirm their allegations to be unfounded in which case the BoD will deem the matter to be concluded and s/he will be expected not to raise the concern again, unless new evidence becomes available.

6.4 Stage Two:

- 6.4.1 Following the initial meeting with the employee, the senior manager should consult with the Chief Executive Officer or chair of Trustees to determine whether an investigation is appropriate and, if so, what form it should take. A record should be made of the decisions and/or agreed actions.
- 6.4.2 It may be necessary, with anonymous allegations, to consider whether it is possible to take any further action. When making this decision, senior managers should take the following factors into account:
- the seriousness of the issue(s) raised;
 - the credibility of the concern(s); and
 - the likelihood of confirming the allegation(s) from attributable sources.
- 6.4.3 In some cases, it may be possible to resolve the concern(s) simply, by agreed action or an explanation regarding the concern(s), without the need for further investigation. However, depending on the nature of the concern(s) it may be necessary for the concern(s) to:
- be investigated internally;
 - be referred to the police;
 - be referred to the external auditor;
 - form the subject of an independent inquiry.
- 6.4.4 Senior Managers should have a working knowledge and understanding of other Academy policies and procedures, e.g. disciplinary, harassment, child protection procedures, to ensure that concerns raised by employees are addressed via the appropriate procedure/process. Advice is available from the Academy's personnel advisers.

6.5 Stage Three

- 6.5.1 Within ten working days of a concern being received, the manager receiving the concern must write to the employee:
- acknowledging that the concern has been received;
 - indicating how they propose to deal with the matter;
 - giving an estimate of how long it will take to provide a final response; and/or
 - telling the employee whether any initial enquiries have been made; and
 - telling the employee whether further investigations will take place, and if not why not; and/or
 - letting the employee know when s/he will receive further details if the situation is not yet resolved; and
 - providing the employee with details of whom to contact should s/he be dissatisfied with this response (see 7.1 below).

7. Raising Concerns outside the Academy

7.1 The aim of this policy is to provide an internal mechanism for reporting, investigation and remedying any wrongdoing in the workplace. In most cases the employee should not find it necessary to alert anyone externally. The law recognises that in some circumstances it may be appropriate for the employee to report his/her concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. Employees are strongly encouraged to seek advice before reporting a concern to anyone external. If an employee is not satisfied with the BoD's response, the manager should ensure that s/he is made aware with whom s/he may raise the matter externally:

- 'Public Concern at Work' <http://www.pcaw.co.uk>
tel no 0207 404 6609*;
- recognised trade union;
- a senior LA officer ;
- the external LA Auditor;
- relevant professional bodies or regulatory organisations;
- a solicitor;

7.2 The manager should stress to the employee that if s/he chooses to take a concern outside the Academy, it is the employee's responsibility to ensure that confidential information is not disclosed, i.e. confidential information, in whatever format, is not handed over to a third party.

* *Public Concern at Work is a registered charity that employees can contact for advice to assist them in raising concerns about poor practice at work. The charity also provides advice to employers as to the possible ways to address these concerns.*

8. Monitoring and Review

8.1 The Principal will be responsible for monitoring the implementation and effectiveness of this policy. The policy will be reviewed by the BoD as necessary.

Appendix C



Record of Self Employed Status Form

It is a requirement of Nene Education Trust that we confirm you are responsible for your own tax before we pay you.

Name:- _____

Address:- _____

NI Number:- _____

VAT Registered (Y/N) Yes _____ No _____

Vat No:- _____

Declaration

I declare that I am registered with the Inland Revenue as being self-employed. I agree that it will be my responsibility to inform the Inland Revenue of any payment that I receive from Nene Education Trust and I will notify the school should my employment status change.

Signed:- _____

Date:- _____

Appendix D NENE EDUCATION TRUST SUMMARY PROCEDURES

Financial Year of the Trust

The Financial year in the Trust runs for 12 months from 1st September 2018 to 31st August 2019.

The Trust Statutory Accounts are produced during September each year. Due to the intensive work demands during September, certain Finance operational issues may be deferred during this month. Normal operations will resume after the annual external audit is carried out usually in the second week of October each year.

Budget management

Background

The main element of each constituent academy income comes from the ESFA (Education & Skills Funding Agency) which is part of the Department of Education.

A Trust Budget is part of a 3 year plan prepared by the Chief Executive Officer and Director of Business & Finance and presented to the Academy Board for approval in May each year and this is then passed to the ESFA for approval.

The annual budget is confirmed by the ESFA in a final funding letter which is received in September each year and it is only after this time that the budget can be allocated to departments during October.

The Budget Allocation

The initial Budget Allocation for each constituent academy will be carried out by Chief Executive Officer and Director of Business & Finance. Each constituent academy budget allocation will be delegated to the Principal.

Faculty Budgets will be allocated in Faculties to the Senior Leaders. They will discuss these budgets with Curriculum Leads.

The Budget proforma will be sent to Senior Leaders in October each year for comment. There is an opportunity to move money between departments centres however there will be no additional money to the total allocated.

All Senior Leaders and Curriculum Leaders are requested to attend a budget meeting where the proposed budget and the SLA will be presented for signed agreement.

Finance staff will enter the Budget on the finance system and set up reporting systems for all cost centres.

Budget Reports

Monthly budget reports will be produced showing a department's cumulative expenditure, comparing this to budget and showing any variances between these elements. PS Financials will show any commitments enabling budget holders to be aware of any outstanding items committed against their budgets.

Budget variance

It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A budget holder cannot exceed the amount allocated to a cost centre. The Finance department will not produce orders where this occurs.

However during the financial year budget amounts can be transferred between cost centres but this will require authorisation from the Principal or Vice Principal on completion of a Budget Reallocation form.

Nene Education Trust Financial Policies and Procedures 2018-2019

Budget carried forward

At end of August each year any funds remaining in the Budget will not be carried forward into a new financial year except where surpluses have been created by specific donations from sources inside and outside the Academy. e.g. Music Concert or where an agreement is in place to allow carry forward for specific purchases.

Ordering

For all items and services required a formal company order needs to be issued in order to comply with financial regulations.

To create order budget holders must complete an order requisition in full. This should be passed to Finance staff to create an order which they will send out on behalf of the budget holder.

Suppliers will only accept signed official purchase orders.

Any ordering requirements using the internet or electronic methods should be approved by Principals within the academies and processed by means of the academy's credit card. It should be noted that the ordering process above still applies i.e. order requisition form needs to be completed.

In line with the Academy's procurement and Value for Money policies budget holders need to declare on the order requisition proof of price comparisons for all purchases over £500 as evidence of best value.

Where it is proposed to spend over £1,000 on a new project or initiative where no budget exists then a Business Case is required which needs to be approved by both the Principal and Finance Director.

Payroll

Where staff are claiming additional hours or expenses they will need to complete the appropriate forms which must be approved by the relevant manager or budget holder.

The approved forms need to be passed to Finance officers by the deadline each month to ensure that payment is made in time to meet the next payroll.

Regulation

The Financial policies and procedures above are in line with guidelines set out by the ESFA.

The Academy Trust is monitored to ensure that these procedures are being upheld by the following mechanisms:

- Nene Education Trust Audit and Risk Committee
- Internal Audit reports carried out 4 times per year by External Auditors
- External Audit in respect of the Annual Accounts
- Education & Skills Funding agency
- Value for Money statement in Annual Accounts

Appendix E

Declaration of a Gift or Hospitality

Name:	Position:
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- I have been offered a gift / hospitality which I have declined.
- I have been offered a gift / hospitality which I have accepted.

Date and time of offer:
Place where offered:

Name of organisation / person making the offer and their relationship with the school	Nature of interest / gift / hospitality	Estimated value if applicable

Reason for accepting/ declining gift/ hospitality:
--

Signed: _____ Date: _____

Approved by: _____ Date: _____

Chief Executive Officer / Chair of Governors as applicable

On completion, please return this form to the Director of Business and Finance.

Entered in Register:	Date:	Reference:
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