



**THE BAY
LEARNING TRUST**

Financial Framework

The Bay Learning Trust

The Lodge

Ripley St Thomas

Ashton Road

Lancaster

LA1 4RR

t 01524 581872

e admin@baylearningtrust.com

website baylearningtrust.com

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The Bay Learning Trust Financial Framework

Introduction

The aim of The Bay Learning Trust (BLT) is to give children and young people from all backgrounds an education that will transform their lives. Key to the achievement of this is the effective use of resources, achieving strong financial management and achieving value for money.

BLT is a single legal entity that is responsible and accountable for the appropriate use of public funds and ensuring that all children and young people receive good quality education.

It is a legal requirement that BLT complies with both company and charitable law. In addition, we must meet the requirements of our external regulators; Department for Education (DfE) and Education & Skills Funding Agency (ESFA).

The key documents that determine the financial framework in which we must operate include:

- The Academy Trust Handbook (also known as the Academies Financial Handbook)
- The Bay Learning Trust Master Funding Agreement and Supplemental Funding Agreements
- The Bay Learning Trust Articles of Association

The returns submitted to the ESFA are based on the information contained within our financial systems. We must therefore ensure all financial information is accurate and up to date.

About this document

Section One: Schedule of Financial Delegations

Section Two: Financial Regulations

Section Three: Operating Framework

We have developed this framework using interdependent key financial documents so everyone is clear about what is required to work successfully within the Financial Framework of BLT.

The documents provide clarity about the financial regulations and who has the authority to approve transactions that have a financial impact on the Trust to ensure we operate with appropriate internal controls in place. They set out the transactional tasks that need to be undertaken, and by whom, on a daily, weekly and monthly basis.

The Financial Framework will be reviewed in line with the development of our overall strategic plan. We will also seek input where relevant from a wider group of stakeholders.

Section One:

Schedule of Financial Delegations

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Schedule of Financial Delegations

These Delegations set out who has the authority to approve transactions that have a financial implication on behalf of The Bay Learning Trust. They apply across all Academies unless the Chief Executive determines that lower financial thresholds are to be established for individual Academies e.g. where there are financial management concerns where the following thresholds may not be appropriate. These Delegations need to be read in conjunction with guidance in the Financial Framework on the procedure to be followed for each process.

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
Procurement section							
1.	<p>Approve a Purchase Order or a Non-Purchase Order Invoice.</p> <p>Note that these limits apply to the total value of the commitment and not just the amount due over one year.</p>	Section Two: Procurement	Up to £5,000 (excl. VAT)	Up to £25,000 (excl. VAT)	Up to £25,000 (excl. VAT)	<p>Up to £175,000 (excl. VAT)</p> <p>£175,000 to £250,000 Finance and Resources Committee >£250,000 Board</p> <p>NB not payroll or externally funded capital schemes</p>	<p>Up to £175,000 (excl. VAT)</p> <p>£175,000 to £250,000 Finance and Resources Committee >£250,000 Board</p> <p>NB not payroll or externally funded capital schemes</p>
			<p>Quotes and Tender Limits for above</p> <ul style="list-style-type: none"> Up to £5,000 – 1 quote required. 				

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
			<ul style="list-style-type: none"> £5,000 to £75,000 – 3 written quotes required with a documented rationale for the decision made. This should be attached to the quotes received. Items over ££75,000 to be formally tendered with approval of the tendering process needed in writing from the Trust Accountant as per financial regulations. Items over the threshold limits to be subject to the Public Contracts Regulations 2015. 				
Payments Section							
2.	Approve a BACS Payment Run – all must be listed as signatories to the bank mandate	Section Two: Cash Management	<p>Up to £5,000 per transaction – with 1 other signatory from the Academy or Central Team.</p> <p>Can load any value of payments onto the system but needs approval from other signatories in all cases.</p> <p>Maximum of £5,000 per transaction within BACS</p>	<p>Up to £25,000 per transaction – with 1 other signatory from the Academy or Central Team.</p> <p>This could be delegated to another member of the Senior Leadership Team, however review of payments must have been completed by Principal or higher delegation</p>	<p>Up to £25,000 per transaction – with 1 other signatory from the Academy or Central Team.</p>	<p>Up to £50,000 per transaction with 1 other signatory from the Academy or Central Team.</p> <p>>£50,000 per transaction with 2 signatories from the Central Team up to £175,000.</p> <p>NB not payroll or externally funded capital schemes</p> <p>Above £175,000 with Finance and Resources</p>	<p>Up to £50,000 per transaction with 1 other signatory from the Academy or Central Team.</p> <p>>£50,000 per transaction with 2 signatories from the Central Team up to £175,000.</p> <p>NB not payroll or externally funded capital schemes</p> <p>Above £175,000 with Finance and Resources</p>

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
						Committee approval. Above £250,000 with Board approval.	Committee approval. Above £250,000 with Board approval.
			<p><i>Control of Access to the Banking System:</i></p> <p>Individuals access to the banking system is to be controlled centrally by an administrator approved by the CEO signed off by another member of the Central Team.</p>				
3.	Sign cheques – all must be listed as signatories to the bank mandate.	Section Two: Cash Management	Up to £5,000 per transaction – with 1 other signatory at the Academy or Central Team.	Up to £25,000 per transaction – with 1 other signatory from the Academy or Central Team.	Up to £25,000 per transaction – with 1 other signatory from the Academy or Central Team.	Up to £50,000 per transaction – with 1 other signatory from the Academy or Central Team.	Up to £50,000 per transaction with 1 other signatory from the Academy or Central Team.
						> £50,000 per transaction 2 signatories from the Central Team up to £175,000	> £50,000 per transaction 2 signatories from the Central Team up to £175,000

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
			<i>Bank Mandate Signatories for the Above:</i> <ul style="list-style-type: none"> Academies: AP. Members of the Senior Team nominated by the AP or CEO. Central Team: Chief Executive. CFO. AN Other (<i>Prof Crewdson</i>) 				
4.	Approve employee expenses (<i>Must be signed by member of staff higher in the structure and not by the employee</i>)	Section Four: Appendix B	Up to £250	Up to £500	Up to £500	Over £500	Over £500
5.	Approve Academy Principal's expenses	Section Four: Appendix B	No delegation	No delegation	All expenses	All expenses	All expenses
6.	Approve payments using purchasing cards	Section Two: Procurement	Up to £1,000 for a single transaction	Up to £2,000 for a single transaction	Up to £2,000 for a single transaction	Up to £5,000 for a single transaction (facility in place to increase at Central Team level)	Up to £5,000 for a single transaction (facility in place to increase at Central Team level)

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
7.	Any payments made outside of employment terms and conditions – ex gratia, severance and compensation payments	Section Two: Other Transactions	No delegation	Up to £10,000 for any single transaction with approval from the LGB/AIB Chair	No delegation	Up to £50,000 for non-statutory element. Over £50,000 for non-statutory element Board and ESFA approval required	Up to £50,000 for non-statutory element. Over £50,000 for non-statutory element Board and ESFA approval required
Budgets and Income Section							
8.	Commit to ESFA/DfE grant funding agreements for income to the Trust	Section Two: Income	No delegation	No delegation	Up to £25,000	Up to £50,000	Unlimited
9.	Approving grant funding claims and ESFA Returns		No delegation	No delegation	No delegation	Unlimited	Unlimited
10.	Approving increases to revenue budget headings that are within the overall budget	Section Two: Financial Planning	Up to £10,000 - to be reported to the Principal/Head of Academy as	Up to £25,000 - to be reported to the LGB/AIB as part of budget	Up to £25,000 – to be reported to the CEO.	Up to £25,000 – to be reported to the CEO.	Unlimited - to be reported to Finance and Resources Committee

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
			part of budget monitoring	monitoring and CFO			
11.	Approving an increase in the overall budget for an academy or Central Team. This is to cover issues outside of the annual budget setting process	Section Two: Financial Planning	No delegation	No delegation	No delegation	No delegation	Up to £20,000 > £20,000 Finance and Resources Committee (must be in line with the Trust's Reserves Policy and will require Board approval if outside of this)
Other Financial Limits							
12.	Purchase or sale of freehold or leasehold property	Section Two: Fixed assets	No delegation	No delegation	No delegation	No delegation	To seek approval from the Board and the ESFA
13.	Disposal of fixed assets All to be reported to the Board annually	Section Two: Fixed assets	No delegation	Up to £20,000 To be reported to the LGB/AIB	Up to £20,000 To be reported to the CEO	Up to £20,000 To be reported to the CEO	Up to £20,000 To be reported to Finance and Resources Committee

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
14.	Bad debt write offs All to be reported to the Board annually	Section Two: Income	No delegation	Up to £250	Up to £5,000	Up to £5,000	£5,000 to £45,000 Finance and Resources Committee >£45,000 Board and ESFA approval
15.	Any guarantees, indemnities or letter of comfort	Section Two: Other Transactions	No delegation	No delegation	Up to £5,000	Up to £5,000	£5,000 to £45,000 Finance and Resources Committee >£45,000 Board and ESFA approval
16.	Committing to equipment leases, leasehold agreements and tenancy agreements	Section Two: Other Transactions	No delegation	No delegation	Up to £50,000	Up to £50,000	Over £50,000
17.	Novel or contentious issues	Novel payments or other	No delegation	No delegation	No delegation	No delegation	To seek approval from the ESFA

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
		<p>transactions are those of which the Academy Trust has no experience, or are outside the range of normal business activity for the Trust.</p> <p>Contentious transactions are those which might give rise to criticism of the Trust by Parliament, and/or the public, and/or the media</p>					To be reported to Audit and Risk Committee
18.	Borrowing	Section Two: Other Transactions	No delegation	No delegation	No delegation	No delegation	To seek approval from the Board and the ESFA
19.	Giving of gifts	Section Two: Other Transactions	No delegation	No delegation	No delegation	No delegation	Up to £200 per item and no more than £1,000 in any one year PROVIDED THAT gifts of low intrinsic value (less than £30)

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
							may be given without prior referral providing that the terms of the Trust's Gifts and Hospitality Policy are not compromised
20.	Receiving of gifts and hospitality	Section Four: Appendix C	Must be in line with the Trust's Gifts and Hospitality Policy and Procedures – section 10 of the Financial Regulations, the Trust's Anti-Corruption and Bribery Policy set out in Appendix D and the Trust's Anti-Fraud Policy set out in Appendix E.				
Staffing and Payroll							
21.	Authority to fill funded posts of Academy Principal	Accountability framework and Trust policies. All recruitment will be managed through adherence to central HR process	No delegation	No delegation	No delegation	No delegation	With involvement in the decision making process from the LGB/AIB/AIB subject to ratification by the Board

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
22.	Authority to fill funded posts except Academy Principal on the approved establishment with permanent and/or temporary staff	<p>Accountability framework and Trust policies.</p> <p>All recruitment will be managed through adherence to central HR process</p>	No delegation	<p>SLT under the approved delegation of the CEO.</p> <p>LGB/AIB Chair/delegated member approval required on key appointments. CEO/AP and LGB/AIB Chair to agree on key appointment definition</p>	No delegation	No delegation	All Central Team posts
23.	Authority to appoint staff to post not on approved staffing establishment	<p>Accountability framework and Trust policies.</p> <p>All recruitment will be managed through adherence to central HR process.</p> <p>Decision needs to consider the impact on the</p>	No delegation	AP with ratification of the LGB/AIB and CEO	No delegation	No delegation	Central Team - with ratification by the Board

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
		annual budget and reserves. Ref 10 and 11 applies					
24.	Authority to set up initial payroll for each Academy for submission to payroll	Accountability framework and Trust policies	No delegation	No delegation	Any new payrolls	Any new payrolls	Any new payrolls
25.	Authority to approve standing data forms affecting pay, new starters, changes and leavers	Accountability framework and Trust policies	No delegation	All Academy changes	All Central changes	All Central changes	All Central changes
26.	Authority to approve additional hours/overtime (required in advance of the hours being worked)	Accountability framework and Trust policies	As directed by the AP	All Academy changes	All Central changes	All Central changes	All Central changes
27.	Authority to approve that pre-approved hours/overtime has been worked	Accountability framework and Trust policies	Delegation for staff managed directly by ABM	Delegated to Departmental Heads	Delegated to Line Managers	Delegated to Line Managers	Delegated to Line Managers

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
	NB Claimant must be subordinate to the authorising officer Budget provision needs to be agreed before hours worked						
28.	Authority to negotiate and approve termination payments	Section Two: Other Transactions	No delegation	Up to £10,000 for any single transaction with the approval of the CFO and thereafter reported to the Board	No delegation	No delegation	Up to £50,000 for non-statutory element Over £50,000 for non-statutory element Board and ESFA approval required
29.	Authority to sign off the legal contract for termination payments	Section Two: Other Transactions	No delegation	LGB/AIB Chair up to £10,000	No delegation	No delegation	CEO over £50,000 – Board and ESFA approval required
30.	Authority to instruct the payroll provider to process BACS payments for each pay run	Section Two: Payroll	Delegated authority for Academy payroll with approval from AP	To sign off the pay run created by the ABM	Delegated authority for Central payroll	Delegated authority for Central payroll	Delegated authority for Central payroll
			No delegation			For Central payroll	

Ref	Process	Refer to	Delegation Limits				
			Academy Business Manager (ABM), Trust Finance Manager (TFM)	Academy Principal (AP)	Trust Accountant (TA)	Chief Finance Officer (CFO)	Chief Executive Officer (CEO)
31.	Authority to instruct the payroll provider to make BACS reductions or recalls	Section Two: Payroll		For Academy payroll	For Central payroll		For Central payroll

Section Two: Financial Regulations

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Dispensation from Financial Regulations

1. Introduction

- 1.1 The purpose of these regulations is to ensure that the Trust maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. These regulations form part of the Financial Framework, which has been designed to meet the requirements of the ESFA Financial Handbook and our Master and Supplemental Funding Agreements with the Department for Education (DfE). The Trust provides training to members of staff involved in financial transactions to ensure that the Financial Framework is embedded and operating effectively.

2. Organisation

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

The Directors

- 2.2 The Directors (who have duties as Directors under company law and duties as Trustees under charity law) have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Directors are prescribed in the Master and Supplemental Funding Agreements between the Trust and the DfE and in the Trust's Accountability Framework. The main responsibilities include:
- ensuring that grant from the DfE is used only for the purposes intended;
 - ensuring economy, efficiency and effectiveness in the use of funds;
 - approval of the annual budget;
 - the regular monitoring of actual expenditure and income against budget;
 - authorising expenditure against capital grants;
 - ensuring that the annual audited accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to Academies;
 - authorising changes to the Trust's approved staffing structure;
 - appointment of the Chief Executive Officer and the Chief Finance Officer.
 - reviewing the reports of the Internal Auditor/Responsible Officer on the effectiveness of the financial procedures and controls.

Local Governing Bodies/Academy Improvement Boards (LGB/AIBs)

- 2.3 The LGB/AIBs are a key part of the overall system for school accountability, playing a vital role to drive up performance and ensuring that resources are used well to give every child the best

possible education. Every Academy will have a dynamic LGB/AIB that understands its responsibilities and focuses tightly on its core strategic functions, with all members actively contributing relevant skills and experience. A clear and robust system of accountability is vital to driving up the quality of education delivered in our Academies. Our LGB/AIBs will provide strong strategic leadership and to hold their Academy leaders to account.

Chief Executive Officer (CEO)

2.4 The CEO has overall executive responsibility for the Trust's activities including financial activities and is the Trust's accounting officer. The CEO has responsibility for:

- human resource issues as delegated by the Board;
- authorising contracts in accordance with the Schedule of Financial Delegations;
- signing cheques in conjunction with other authorised signatories in accordance with the Schedule of Financial Delegations;
- assuring the Board of Trustees that there is compliance with the Academies Financial Handbook, the Master and Supplemental Funding Agreements and all relevant aspects of company and charitable law.

Chief Finance Officer (CFO)

2.5 The Chief Finance Officer works in close collaboration with the CEO through whom (s)he is responsible to the Trust Board. The main responsibilities of the Chief Finance Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- the maintenance of effective systems of internal control;
- the day to day management of risks;
- efficient use of assets and resources across the Trust;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each Academy within the Trust;
- the preparation and monitoring of the annual budget
- the preparation of monthly financial reports;
- ensuring compliance with company and charity financial regulations;
- processing electronic payments and signing cheques in conjunction with the other authorised signatory; and
- ensuring forms and returns are sent to the DfE on time.

Internal Scrutiny

2.6 The Trust has in place a process for independent checking of financial controls, systems, transactions and risks. The Audit & Risk Committee reviews the risks to internal financial control and agrees a programme of work that will address these risks. The management of the programme of risks will be undertaken via a combination of:

- the work of an internal audit service;
- the work of the Trust's external auditors in preparing the annual report and accounts;
- the work of a responsible officer who coordinates the internal audit work.

2.7 A regular programme of reviews is undertaken to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings and actions from each review is produced and presented to the Audit & Risk Committee.

Other Staff

2.8 Academy Business Managers (including those Academy Business Managers who may be referred to as the Director of Business and Finance in an academy) and budget holders have financial responsibilities and these are detailed in the following sections of these regulations. All staff have responsibility for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's Financial Framework.

Register of Interests

2.9 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, Directors, governors, and staff with significant financial or spending powers are required to declare any interests they have in companies. The register is formally updated on an annual basis, with a requirement to update where significant changes in circumstances change during the year. The register is published on the Trust's website with links to each Academy's website.

2.10 The register includes all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation. The disclosures will also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee, governor or a member of staff by that person.

- 2.11 The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board. Where an interest has been declared, Trustees and staff will not attend that part of any meeting.

Please refer to Appendix D for the Trust's Conflicts of Interest Policy, Appendix E for the Trust's Anti-Corruption and Bribery Policy and Appendix F for the Trust's Anti-Fraud Policy

3. Accounting System

- 3.1 All the financial transactions of the Academy must be recorded in Sage Accounting and Tucasi, or appropriate software.

System Access

- 3.2 Entry to the accounting system is password restricted and the Chief Finance Officer/Academy Business Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.3 The Chief Finance Officer is responsible for ensuring that there are effective back up procedures for the system.
- 3.4 The Chief Finance Officer also prepares a Business Continuity Plan in the event of loss of accounting facilities or financial data. This links in with the annual assessment made by the Trust Board of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 3.5 All transactions input into the accounting system must be authorised in accordance with the Financial Framework and Schedule of Financial Delegations.
- 3.6 Support on the use of Sage Accounting is provided through the Trust Finance Manager and use of a helpdesk facility.

Reconciliations

- 3.7 Reconciliation of control accounts is a key financial control. The Trust Accountant, Academy

Business Manager and Trust Finance Manager are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are appropriately cleared:

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

3.8 Any unusual or long outstanding reconciling items, or any old or negative purchase or sales ledger balances must be brought to the attention of the Chief Finance Officer. The Academy Business Manager/Trust Finance Manager will review and sign all reconciliations as evidence of his or her review.

4. Financial Planning

4.1 The Trust and each Academy will prepare both short term and medium term financial plans.

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

4.3 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year. The annual budget will be used as a base for completing 3-year financial forecasts with detailed assumptions.

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

Academy Development Plan (for each Academy)

4.5 The development plans set out the future aims and objectives of each Academy and how they are to be achieved; matching the objectives and targets to the resources expected to be available.

- 4.6 Individual plans are determined by the Principal of each Academy, drawing top level content from the Academy improvement framework, with due regard to matters included within the guidance to Academies and any annual guidance issued by the DfE. Ultimately, the aim of each plan is to deliver the best outcomes for pupils, according to the local context of the Academy, within the budget envelope available.
- 4.7 Each year the CEO proposes a planning cycle and timetable to the Trust Board regarding the plans which allows for:
- a review of past activities, aims and objectives - "did we get it right?"
 - definition or redefinition of aims and objectives – "are the aims still relevant?"
 - development of the plan and associated budgets – "how do we go forward?"
 - implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
 - feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.8 The timetable specifies the deadlines for the completion of work as described above. Lead responsibility for the completion of each of the stages will be assigned by the CEO
- 4.9 Each completed development plan includes detailed objectives for the coming academic year and outline objectives for the following two years. In addition, the plan includes the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievements can be measured.
- 4.10 For each objective, the lead responsibility for ensuring progress is made and delivered is assigned to a manager within each Academy. The responsible manager is required to monitor performance against the defined success criteria throughout the year and report to the Senior Leadership Team on a quarterly basis. The Senior Leadership Team will report to the LGB/AIB and Trust Board and, if there is a significant divergence from the agreed plan, will recommend an appropriate course of action.

Annual Budget

- 4.11 The Principal is responsible for preparing and obtaining approval for the annual budget. The budget for each Academy must be approved by the Trust Board, following agreement by the relevant LGB/AIB.
- 4.12 The approved budget must be submitted to the Education & Skills Funding Agency by the

required date. The Chief Finance Officer will implement a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

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

4.14 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- review of other income sources available to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the cost base;
- identification of potential efficiency savings;
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes;
- review of the main expenditure headings in light of utilising grants / donations and their intended purposes;
- A plan for levels of reserves in accordance with the parameters of the Trust's Investment and Reserves Policy (see Appendix B) or develop a recovery plan for approval by the Trust Board where an anticipated deficit cannot be avoided due to exceptional / extraordinary circumstances; and
- Scrutiny by the Finance and Resources Committee and approval by the Board.

Balancing the Budget

4.15 A monthly comparison of budgeted income and expenditure and actual income and expenditure will identify any potential surplus or shortfall in funding in year. If shortfalls are identified opportunities to increase income will be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will be revised until recurring levels of income and expenditure are in balance. If a potential surplus is identified, this may contribute to the levels of reserves in accordance with the Trust's Investment and Reserves Policy (see Appendix B) as an aid to medium term planning.

Finalising the Budget

4.16 Once the different options and scenarios have been considered, an individual Academy

budget will be drafted by the Academy Business Manager and Principal for approval by the CFO/CEO in liaison with each LGB/AIB. Subsequently, each Academy budget passes to the Trust Board for final approval. The budget is then communicated to all staff who have responsibility for budget lines so everyone is aware of the overall budgetary constraints.

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

Monitoring and Review

- 4.18 Monthly narrative reports will be prepared by the Academy Business Manager using Sage Accounting and provided to the Trust by the deadline of the 5th working day after month end. The reports will detail actual income and expenditure against budget for budget holders and at a summary level for the CEO/Chief Finance Officer and LGB/AIB.
- 4.19 In some cases there will be unforeseen financial challenges which could lead to an overspend against the budget. For example, a water/gas leak or a loss to some aspect of the asset. As a result, the Chief Finance Officer will discuss the situation with the Principal and Academy Business Manager to seek a resolution.
- 4.20 Purchase orders which create an overspend on a budget will only be approved with a clear business case and the prior approval of the Principal and Academy Business Manager with due regard to the Schedule of Financial Delegations. This may need approval from the Trust Board depending on the amounts involved.
- 4.21 The budget monitoring process will be effective and timely in highlighting variances in the budget so any anomalies can be investigated and action taken where appropriate. For example, if a budget overspend is forecast, actions will be agreed to mitigate the financial impact through planning to underspend on another element of the budget.
- 4.22 If the monitoring process identifies an overspend during the year which would result in a deficit position and/or a significant variance to the budget at the end of the year this will be reported at the earliest opportunity to the Trust Board with a proposed recovery plan.
- 4.23 The Trust Finance Manager will prepare consolidated monthly Management Accounts with the Chief Finance Officer for review by the Chair of the Board, CEO and the Chair of the Finance and Resources Committee on a monthly basis and for review by the Board of Directors and

Finance and Resources Committee on a termly basis.

5. Payroll

5.1 The main elements of the payroll system are:

- staff appointments;
- terminations
- pension deductions;
- national insurance and tax deductions;
- payroll administration and
- third party payments

Staff Appointments

5.2 See Scheme of Delegation for each Academy.

5.3 All appointments are subject to the structure being affordable and any appointments outside of the approved establishment need be contained within the annual budget. Any staffing changes that may require the use of Academy reserves need to be approved by the Principal.

5.4 The CEO has the authority to appoint staff within the Central Trust Functions subject to appointments or changes to structure being affordable within the central budget.

5.5 The Academy Business Manager/Trust HR Team shall maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Academy Business Manager/Trust HR Team.

Payroll Administration

5.6 All staff are paid monthly using documentation held on personnel files for each employee, which records key data including:

- contractual information including salary, weekly hours, paid weeks;
- bank account details;
- taxation status;
- personal details and
- and deductions or allowances payable.

5.7 Changes to this key data in payroll can only be submitted by the Nominated employees with the express approval of the Principal. Advice from the Chief Finance Officer should be sought

prior to salary changes as a result of re-evaluation of roles, whether permanent or temporary. Any key data amendments must be authorised by the Principal. Changes to key data will be checked against approved documentation by the Academy Business Manager and signed off by the Principal before the payroll is processed for payment.

- 5.8 Payroll production requires the Academy to comply with the necessary deadlines for the production of both the support staff and teachers' payroll.
- 5.9 In line with the payroll calendar, draft reports will be produced for checking by the Academy Business Manager and Principal. The process must include, but is not limited to, a check for contract changes, appointments, the absence of leavers from the previous month, additions to and deductions from pay, occupational and statutory sick pay and parental pay and ad hoc payments
- 5.10 A print of salary payments by individual employee, showing the amount payable in total will be included in the draft reports. The Principal must check a minimum of 5% of teacher and support staff salaries and initial each check to confirm that the salary is correct.
- 5.11 The Academy Business Manager will submit any corrections to payroll within the specified deadline.

Payroll Payments

- 5.12 After any further amendments have been processed, the final reports, including the Bank Reconciliation, will be released to the academy. The Bank Reconciliation Report must be checked and signed by the Academy Business Manager and Principal, and returned to the Business Development Officer by the specified timescale to authorise the release of the payment(s). The final Employee Detail report, in line with the Trust's records retention policy, must be checked and signed by the Academy Business Manager and Principal to confirm the totals agree with the draft report. Where changes have been made from the draft report the Principal must initial such changes.
- 5.13 All salary payments are to be made by BACS. In exceptional circumstances, cheques will be issued following confirmation of the amount from the Academy Business Manager. Cheques will be raised and signed in line with the Scheme of Financial Delegations.
- 5.14 The Academy Business Manager must ensure suitable arrangements are in place to reconcile

the current and previous month's gross salary payments, showing adjustments made for new appointments, resignations, contractual changes, pay increases etc. This reconciliation must be reviewed and signed by the Principal to evidence that the checks have been completed and any variances highlighted.

- 5.15 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print. Payments to the deducting organisations are made by BACS payment.
- 5.16 The Payroll and Pensions Manager will select three employees at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 5.17 After the payroll has been processed the nominal ledger will be updated using a journal posted by the Academy Business Manager. Postings will be made both to the payroll control account and individual cost centres. The Academy Business Manager must review the payroll control account each month to ensure the correct amount has been posted from the payroll system and matches the net pay being made to employees and deductions paid to HMRC etc. Differences must be investigated and corrected on a monthly basis with a clear record of how the difference arose and how it was dealt with.
- 5.18 On an annual basis the Academy Director of Business and Finance/Academy Business Manager, or delegated officer, must check for each member of staff that the gross pay per the payroll system agrees with the contract of employment (adjusted to reflect current rates) held on the personnel file
- 5.19 Any contract for the services of a Payroll Service Provider will be reviewed regularly to ensure that the Trust is getting value for money and that the provider is giving adequate service.

6. Purchasing

- 6.1 The Trust aims to achieve the best value for money from all purchases, getting what is required in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and the Trust must maintain the integrity of these funds by following the general principles of: Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust; Accountability, the Trust is publicly accountable for its expenditure and the conduct of its

affairs; Fairness, that all those dealt with by the Trust are dealt with on a fair, transparent and equitable basis.

- 6.2 Please refer to Appendix D for the Trust's Anti-Corruption and Bribery Policy and Appendix E for the Trust's Anti-Fraud Policy.

Routine Purchasing

- 6.3 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds are available to meet any purchases.
- 6.4 Routine purchases up to £5,000 (excl. VAT) can be approved by the Academy Business Manager. In the first instance a supplier should be chosen where possible from a list of preferred suppliers to be maintained by the Trust. These suppliers will have already been subject to a procurement process to ensure value for money is obtained. For purchases of any single item between £5,000 and £75,000, three written quotes must always be obtained before any order is placed. Record of the decision must be made to show the rationale. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the preferred supplier list the reasons for this decision must be documented.
- 6.5 All orders must be made, or confirmed, in writing using an official form. Orders must bear the signature of the budget holder or be confirmed by email, and must be forwarded by email to the Chief Finance Officer/Academy Business Manager who will check to ensure adequate budgetary provision exists. The Chief Finance Officer/Academy Business Manager will review all outstanding orders and cancel any that are no longer required.
- 6.6 Purchase orders are not required for utility costs and service level agreements that are renewed on an annual basis and have been approved as per the Schedule of Financial Delegations. Where the actual final cost is dependent upon the amount of work undertaken e.g. charges for agency staff then a purchase order is to be raised using the estimated total time and the agreed price per hour or per day.

Orders up to £75,000

- 6.7 One quote required up to £5,000 with best value being realised. At least three written quotations should be obtained for all orders between £5,000 and £75,000 to identify the best source of the goods /services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. The Principal must approve a justification

statement where three written quotations cannot be secured, or if the decision is to go with a quote other than the lowest cost option.

Orders over £75,000

6.8 All goods/services ordered with a value over £75,000, or for a series of contracts, which in total exceed £75,000, must be subject to formal tendering procedures and made in accordance with the Procurement Section. This is the total value of the contract and not the annual cost. Advice must be sought from the Chief Finance Officer if any goods or service contracts will exceed this threshold.

6.9 Refer to the Procurement Section for information on the various forms of tender and the procedures to be followed. *All purchases above £75,000 are to be referred to the Trust Accountant for a tender reference number and guidance on the appropriate procurement method to be used.*

Goods Received and Invoicing

6.10 The Trust will define on all orders the appropriate arrangements for the delivery of goods to the Academy. On receipt, a detailed check of the goods received against the goods received note (GRN) will be undertaken and a record made of any discrepancies between the goods delivered and the GRN. Discrepancies must be discussed with the supplier of the goods without delay.

6.11 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, The Academy Business Manager must be notified. The Academy Business Manager will keep a central record of all returned goods.

6.12 All invoices must be sent to The Academy Business Manager/Trust Finance Manager. The budget holder will certify that the goods have been received and that the invoice is authorised for payment. Before signing the invoice, the ABM must make a detailed check against the order and the GRN and these documents must be attached to the invoice. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

6.13 If a budget holder is pursuing a query with a supplier, The Academy Business Manager/Trust Finance Manager must be informed of the query and kept up to date on progress on a weekly basis.

- 6.14 At the end of every week The Academy Business Manager/Trust Finance Manager will produce a list of outstanding invoices from the purchase ledger to determine which invoices should be paid.
- 6.15 Where bank account details have changed for a particular supplier, the Academy Business Manager/Trust Finance Manager will phone the supplier to verify the change. This will be done using the phone number available on the supplier's website/the contact details already recorded in the accounting system – not the contact details provided on the invoice.
- 6.16 The Academy Business Manager/Trust Finance Manager or other delegated member of staff then generates the cheques/BACS required. The cheques/BACS and associated paperwork must be authorised by two of the nominated cheque signatories listed on the bank mandate and in line with the Scheme of Financial Delegations.
- 6.17 The Academy Business Manager/Trust Finance Manager will dispatch cheques/BACS remittances to suppliers.
- 6.18 There may be exceptional circumstances where purchases are to be made outside the documented process. The budget holder must provide a written business case/justification to the Principal and the Academy Business Manager before any purchases are made. The Academy Business Manager will keep a record of all exception transactions.

Purchase Cards / Commercial Cards / Credit Cards / Debit Cards

- 6.19 Purchase/Commercial /Credit Cards are not considered to infringe the borrowing restrictions imposed on Academies, providing any balance is cleared in full at the end of each month. Holders of such cards are to follow the Trust's Cards Policies (see below).
- 6.20 The Trust Finance Manager, as directed by the CFO, will be appointed to administer the signing in and out of cards and will maintain a list of those staff members who are authorised signatories.
- 6.21 A direct debit will be set up between the bank and Multipay card provider to clear the monthly balance in full from the relevant Academy bank account.
- 6.22 All purchases made using a card must be evidenced as being authorised per the Schedule of Financial Delegations prior to the purchase being made.

- 6.23 Purchase receipts will be returned from card users to the Academy Business Manager as soon as is practically possible, and they will reconcile receipts on a monthly basis against the statements and subsequently against the bank direct debit charge.
- 6.24 When not on loan to staff members all cards will be kept in the school safe.
- 6.25 A card-holder must not review and sign off the expenditure on their own card statement; this must be performed on a monthly basis by another member of the senior team within the Academy.
- 6.26 Purchase/commercial/credit cards details must not be lodged with a supplier.
- 6.26 Please refer to Appendix A for the Cards Policy.

7. Income

- 7.1 The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Academy Business Manager and Chief Finance Officer who are responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- Students, mainly for catering, trips and music tuition
- The public, mainly for lettings, use of facilities, Academy events
- Private donations

- 7.2 Where required, sales invoices will be issued by the Academy Business Manager. Due regard must be given to ensure that VAT is accounted for appropriately. The Academy Business Manager is responsible for issuing sales invoices.
- 7.3 The Academy Business Manager shall ensure that all sales invoices are properly accounted for and that all monies due to the Academy have been collected.
- 7.4 Any bad debt write-offs are to be referred to the Chief Finance Officer in the first instance.
- 7.5 All income received will be entered onto the financial accounting system to meet the financial reporting timetable.

- 7.6 Official receipts must be completed for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit in the Finance Office safe.
- 7.7 Monies collected must be banked in their entirety in the appropriate bank account. The Academy administrative staff are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared before each banking and must be reviewed and certified by the Academy Business Manager.
- 7.8 Any lettings of Trust premises must be arranged strictly in accordance with the Trust's Letting Policy set out in Appendix G.

8. Cash Management

Bank Accounts

- 8.1 The opening of all accounts must be authorised by the Trust Board. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must be subject to a high level of control. The Chief Executive will appoint a member of the Central team to act as administrator of the banking system. Access to the banking system by Academy and central staff will be approved centrally.

Deposits

- 8.2 Particulars of any deposit must be entered on the paying-in slip and the counterfoil. Cash and cheques must be checked and signed for by two members of staff. The details on the counterfoil should include:
- the amount of the deposit and
 - a reference, such as the number of the receipt.

Payments and Withdrawals

- 8.3 All cheques and other instruments authorising withdrawal from Trust and Academy bank accounts must bear the signatures of two of the authorised signatories listed on the bank mandate.
- 8.4 This provision applies to all accounts, public or private, operated by or on behalf of the Trust

Board. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

8.5 The Academy Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a weekly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Academy's cash books;
- reconciliations are prepared by the Academy Business Manager/Trust Finance Manager and evidence is kept on file to show that the Principal has reviewed them.
- reconciliations may be subject to a review carried out by the Chief Finance Officer or designated senior finance officer.
- adjustments arising are explained and dealt with promptly.

Petty Cash Accounts

8.6 The Trust maintains a maximum cash balance of £500 at each Academy. The cash is administered by the Academy Business Manager and is kept in the Finance Office safe. The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

8.7 Expenditure paid through petty cash should not exceed £40 on any one item, and not exceed £200 in any one week to any one individual. Higher value payments should be made by BACS directly from the main bank account as a cashbook payment. Requests for amounts above this limit can only be authorised by the Principal upon receipt of an appropriate business case and rationale.

8.8 All purchases made through petty cash should be pre-authorised by the Budget Holder or the Academy Business Manager or Principal.

8.9 The Academy Business Manager is responsible for ensuring the prompt entry of transactions on to the accounting system. The Academy Business Manager will be responsible for the monthly reconciliation of petty cash.

8.10 The Academy Business Manager and Trust Finance Manager are responsible for entering all transactions into the petty cash records on a regular basis as well as unannounced cash counts must be undertaken by the Academy Business Manager to ensure that the cash balance reconciles to supporting documentation.

8.11 Petty cash must be held in a locking cash box kept in the safe overnight.

Cash Flow Forecasts

8.12 The Academy Business Manager and Trust Finance Manager are responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day-to-day operations. Any potential for the Academy to become overdrawn must be notified to the Trust Accountant at the earliest opportunity for remedial action to be put into place.

Investments

8.13 Investments will be made in accordance with the approval of the Trust Board, congruent with the Charity Commission's guidance on the investment of charitable funds (CC14).

8.14 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. Information regarding the date of purchase, cost and description of the investment will be maintained centrally. Additional procedures may be required to ensure any income receivable from the investment is received.

8.15 For the Trust Investment Policy, please see Appendix H.

9. Fixed Assets

Asset Register

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

- asset description;
- asset number;
- serial number;
- date of acquisition;
- asset cost;

- source of funding (% of original cost funded from DfE grant and % funded from other sources);
- expected useful economic life;
- depreciation;
- current book value;
- location;
- the name of the member of staff responsible for the asset.

9.2 The Asset Register helps:

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

Security of assets

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

9.4 All items in the Asset Register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the Register must be investigated promptly and approved in line with the Schedule of Financial Delegations.

Inventories of Trust property should be kept up to date and reviewed regularly.

Where items are used by the Trust but do not belong to it this should be noted.

Disposals

9.5 Items which are to be disposed of by sales or destruction must be authorised for disposal by the Principal and, where significant, should be sold following competitive tender. Assets inherited on the establishment of an academy are assumed to be fully depreciated and not included in the accounts. An Academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

- 9.6 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.
- 9.7 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.
- 9.8 All disposals of land must be discussed and agreed by the Board and approved in advance by the Secretary of State.

Loan of Assets

- 9.9 Items of Trust property must not be removed from Trust premises without the authority of the Principal or Academy Business Manager. A record of the loan must be recorded and signed for in a loan book and booked back in when the item (items) is (are) returned.
- 9.10 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Chief Finance Officer.

Statutory Accounting Fixed Asset and Depreciation Policy

- 9.11 For statutory accounting purposes all individual items costing more than £5,000 and with an expected useful life exceeding one year are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to the Restricted Fixed Asset Fund (on the Statement of Financial Activities and carried forward in the Balance Sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Grants provided to acquire fixed assets may be paid either to an Academy or directly to meet the cost of the fixed asset. Where costs have been paid directly and are part of the capital project, they have been recognised as restricted fixed asset funding.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of the fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use, at the following annual rates:

- | | |
|-----------------------------------|---------------------|
| • Furniture and equipment | 33% Straight Line |
| • Computer equipment and software | 33% Straight Line |
| • Leasehold land and buildings | Over 125 year lease |
| • Motor vehicles | 25% Straight Line |

Leased Assets

- 9.12 Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

10. Other Transactions

- 10.1 This section outlines transactions reserved for the approval of the CEO and often requiring approval from the ESFA. Transactions of this nature include:

- Guarantees, indemnities or letters of comfort.
- Equipment leases, lease agreements and tenancy agreements
- The CEO can approve up to £50,000 for the cumulative cost of the lease
- Any payments made outside of employment terms and conditions – ex gratia, severance and compensation payments
- Novel or contentious items.
- Borrowing of any kind.
- Giving or receiving of gifts (see below for Gifts and Hospitality Policy).
- Approving grant funding claims and returns to the ESFA
- Approving grant funding agreements from the ESFA

When managing transactions of this kind due regard must be given to the Master Funding Agreement, Supplemental Funding Agreements, ESFA Financial Handbook, the Schedule of Financial Delegations and any Trust policies.

11. Dispensation from Financial Regulations

The procedures set out in the Financial Regulations should be followed at all times. However, there may be exceptional circumstances where a dispensation from Financial Regulations is permitted. The circumstances are set out below:

11.1 Emergency Action

In the event of an emergency, the CEO or Chairman of the Board are empowered to authorise all necessary actions. The CEO and/or Chairman of the Board shall notify the Chief Finance Officer, in writing, of the circumstances and estimated financial impact and report formally to the next Finance and Resources Committee / Trust Board meeting.

11.2 Operational Issues

Where the CEO considers that there are justifiable reasons for dispensing with Financial Regulations, they may do so, in consultation with the Chief Finance Officer provided that they obtain the agreement of the Chairman of the Board.

The circumstances must be reported formally to the next Trust Board meeting.

11.3 The CEO or Chairman of the Board shall use reasonable endeavours to seek endorsement from the relevant Local Governing Body before dispensing with the Financial Regulations.

11.4 The Academy Business Manager must seek approval for departure from these Financial Regulations and maintain a file note to justify such of any departures. They must approach the Chief Finance Officer for advice in the first instance. The Chief Finance Officer will ensure that a dispensation register is maintained and records all the reasons and circumstances of dispensations granted under these Financial Regulations.

11.5 If any member of staff feels that they are being forced to act against these Financial Regulations they must make this clear to their line manager in the first instance and consider using the Trust's Whistleblowing Policy.

Section Three:

Operation Framework

Contents

Academy Business Manager

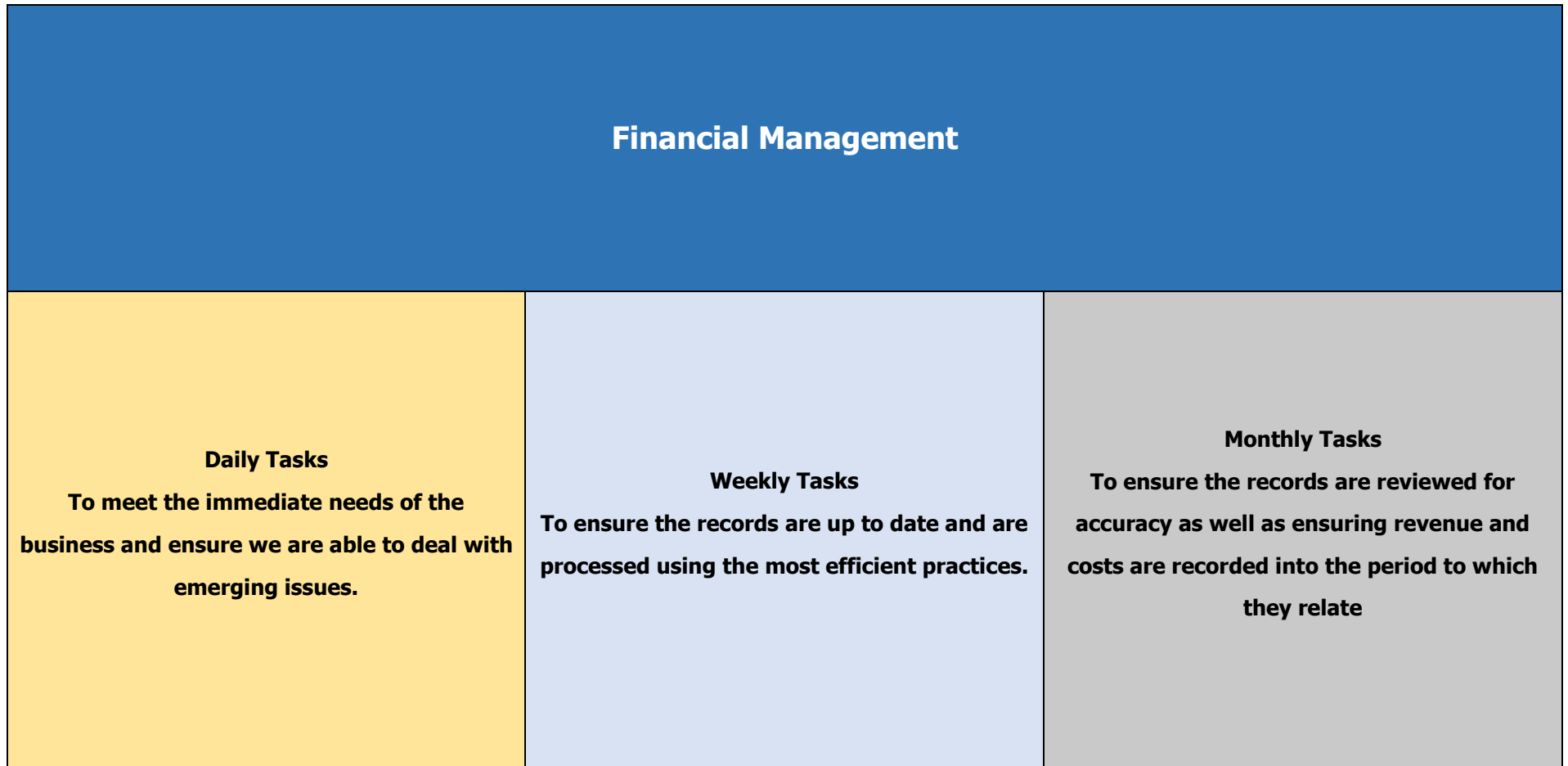
Principal

Governance

BLT Central Team

Operating Framework

For each group we consider:-



Academy Business Manager

Daily Tasks – Local Level

Review the bank balance to ensure a credit balance is maintained at all times

Consideration – If you are going to make any payments will you have sufficient cash to cover this? If not, then do not process the payment but contact the CFO

Process orders and emails to suppliers

Consideration – As soon as it becomes apparent that goods/services need to be ordered this should be done immediately and forwarded to the Principal for approval

Weekly Tasks (choose a consistent date each week)

Batch process invoices

Consideration – Rather than processing daily it is more efficient to do this on a weekly basis

Contracts Register

Consideration – Are there any payments to be made that are associated with new contracts, if this is the case then these should be logged on the contract register

Bank Reconciliations

Consideration – It is far quicker to reconcile bank transactions on a weekly basis rather than leaving this to month end. This will also identify any issues for resolution earlier

Process BACS payments as per schedule

Consideration – Ensure that payment to suppliers are in line with the agreed payment terms, ordinarily this will be 30 days from the date of the invoice however some payments may require a quicker payment term

Academy Business Manager

Monthly Tasks – (Complete month end file note and retain on file, by signing this document you are evidencing that you have undertaken the necessary checks in accordance with Regulation 5)

<p>Reconcile Supplier Statements (end of the 5th day of the month)</p> <p>Reconcile Petty cash (last working day of each month)</p> <p>Reconcile Bank Accounts (1st working day of each new month)</p> <p>Reconcile Payroll (completed immediately following receipt of payroll load)</p> <p>Finalise fund/project analysis (trips etc.) (second week of the month)</p> <p>Finalise Variance Analysis (by the end of the second week of each month)</p> <p>Outstanding Sales Invoices</p> <p>Controls Accounts</p>	<p>Consideration – Ensuring all costs have been accounted for in the correct period, this will also identify if any invoices are not accounted for</p> <p>Consideration – Reconcile the float to ensure it is at the correct level, and ensure that costs are recorded</p> <p>Consideration – If weekly checks of the bank are completed, this should simplify the reconciliation of the bank account to Financials. Unreconciled items should be dealt with straight away rather than leaving to year-end.</p> <p>Consideration – Check that details are correct, there is consistency between months and that any queries are raised with Trust HR team</p> <p>Consideration – Ensure that income and expenditure is posted to the correct fund/project</p> <p>Consideration – Complete analysis showing monthly variances between budget and actual position, you should provide a commentary that explains why any significant variances have arisen</p> <p>Consideration – Send out statements each month to remind customers of outstanding balances, where debts are over 60 days old refer to Regulation 7</p> <p>Consideration – Review and reconcile control accounts to minimise unreconciled transactions, this will reduce level of input required at year end</p>
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Academy Business Manager

Ad- Hoc Tasks

Process Correction Journals

Consideration – You should always consider why there is a need to complete a correction journal as this should only be necessary when the original transaction was incorrectly posted. At this point consider whether there is a wider learning point and the need to amend current practice

Process Sales Invoices

Consideration – Need to ensure that where others used out facilities or services that they are invoiced in a timely manner to support the Trust's overall cash position

Principal

Daily Tasks – Local Level

Log into Sage Accounting and review any purchase orders requiring approval

Consideration – To ensure that PO are approved in a timely manner and distributed to suppliers before services/products are delivered

Weekly Tasks

Log into Sage Accounting and review any invoices awaiting authorisation

Consideration – You should authorise invoices once you are satisfied and have seen evidence that goods or services have been delivered

Authorise BACS payments as per schedule

Consideration – Before authorising the BACS payment run you must ensure that you are satisfied that each payment reflects a valid charge to the Academy and has been properly authorised. As well as authorising the BACS payments, the BACS payment schedule must be signed and dated. At the point you authorise the BACS payment run you are accountable for the payments being made

Monthly Tasks – (Review month end file note and authorise that tasks have been completed. Once the Principal has authorised the month end file note this should be emailed to the Bay Central Team)

Review monthly reports

Consideration – You should review the financial management information provided, and raise any specific questions with the Trust Accountant in advance of specific governance meetings to ensure that full responses can be provided.

Governance

Monthly Tasks – Local Level

Review monthly reports

Consideration – You should review the financial management information provided, and raise any specific questions with the CFO in advance of specific governance meetings to ensure that full responses can be provided

BLT Central Team

Daily Tasks – Local Level

Undertake treasury management functions

Consideration – Any cash flow issues will be highlighted with the Academy Business Manager and Principal immediately

Weekly Tasks

Processing other payments to Academies (complete within 5 days of receipt)

Consideration – Upon receipt of non-GAG funding is remitted to Academies within 5 days of receipt. At point of remittance this will be posted in the accounts and communicated with ABMs to ensure that they are aware of the detail of the funds remitted

Monthly Tasks

Bank reconciliation

Consideration – Verify that closing bank balance reconciles to Sage Accounting

Process VAT return (completed by the end of the month)

Consideration – Review the accuracy of VAT categories used

Managements Accounts (distributed by the end of the third working week)

Consideration – The completion of these accounts is driven by the receipt of information from Academies. These accounts will provide high level management information and will ensure that future year end processes are streamline

Internal Reviews – central analysis

Consideration – To keep key processing issues on a monthly basis including for example, appropriate use of BACS payments, sequencing of procurement, level of non-order invoices, aged items on control accounts and journal transactions

BLT Central Team

Management Information

Consideration – Provide CEO with management information that identifies level of compliance with Financial Regulations.

Ad-Hoc Tasks

Internal Reviews – sample checking

Consideration – To determine adequacy of internal controls and review a sample of transactions for compliance with Financial Regulations including journal entries. These findings will be reported back to the Principal and Audit and Risk Committee

System Administration

Consideration – Maintaining appropriate levels of access for Sage Accounting users

Financial Training and Development (agree frequency)

Consideration – Providing ongoing CPD opportunities including what details should be recorded in Sage Accounting.

Section Four:

Policy Appendices

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Appendix A – Credit/Debit Card Policy

Appendix B – Expenses Policy

Appendix C – Gifts and Hospitality Policy

Appendix D – Conflict of Interest Policy

Appendix E – Anti-Corruption and Bribery Policy

Appendix F – Anti-Fraud Policy

Appendix G – Lettings Policy

Appendix H – Investments and Reserves Policy

APPENDIX A

CARD POLICY

1. Credit/Debit Card Security

- 1.1 The Trust credit/debit cards are for the use of named individuals and must be held securely by the persons named on the cards. When not on loan to staff members all cards will be stored in the Academy safe.
- 1.2 The credit/debit card-holders for each Academy must be agreed by the CFO.
- 1.3 The credit/debit card-holders for Central Trust fund must be agreed by the CFO.

2. Use of Credit/Debit Card

DEBIT CARDS MAY ONLY BE USED IN EXCEPTIONAL CIRCUMSTANCES AND WITH THE EXPRESS PERMISSION OF THE CEO OR CHIEF FINANCE OFFICER

- 2.1 Use of the credit/debit card will be limited to circumstances:
 - where no other method of purchasing goods or services to be delivered is available from a supplier; or
 - where significant discounts can be obtained by ordering/paying for services on-line; or
 - where a number of lower cost items amounting to over the petty cash limit need to be purchased from a local store (e.g. end-of-term rewards for pupils, normally obtained from supermarkets).
- 2.2 A credit/debit card request form detailing the proposed expenditure must be completed by the budget holder and authorised by two bank account signatories before any transaction may take place. Where the exact cost is not known prior to the transaction (e.g. in supermarket orders) an estimated budget figure will be entered on the form and detailed costs supplied immediately after payment.
- 2.3 When the expenditure is to be debited against the Academy budget a cashbook journal is processed by the Academy Business Manager, or a senior designated finance officer, with the expenses allocated to the relevant Finance software cost centre and ledger codes.

- 2.4 An individual card limit of £5,000 will apply. This may be increased in certain circumstances, e.g. booking air travel. Any such increase shall be with approval from the CFO. Please refer to the scheme of delegation for individual transaction limits.
- 2.5 When purchasing items via the Internet strict controls will apply. All transactions must be done on school computer systems.
- 2.6 When the expenditure is to be debited against the Private Fund the expenditure is posted via the Miscellaneous Expenditure tab within School Cash Office, marked as a credit/debit card payment and allocated to the relevant cost centre.
- 2.7 The credit/debit card must not be used for obtaining cash.
- 2.8 The credit/debit card must not be used for personal transactions.
- 2.9 Cards must not be lodged with suppliers using an ordering system. All transactions must be individually approved with the correct signed approval documentation. In certain exceptional circumstances there may be a business need for the card details to be lodged with the supplier as there is no alternative way to purchase certain goods/services. In this circumstance, a business rationale will be provided to the Trust Accountant who will review and decide whether the goods/services can be purchased in this way.

3. Controls for use of Credit/Debit Card for Internet Purchases

3.1 Take care of card details online

Secure sites will start with https, not http. Secure sites have an added encrypted transaction layer. Other security systems include Secure Socket Layer (SSL), Secure Electronic Transaction (SET) and Hypertext Protocol Secure (HTTPS). Use these whenever possible.

3.2 Check for a secure connection before you enter your card details

Your browser is the piece of software that enables your computer to access the World Wide Web. A secure browser such as Netscape Navigator version 4.0 or later or Microsoft Internet Explorer version 4.0 or later will show you whether or not the website you are visiting is secure. Internet Explorer uses the padlock symbol while Netscape uses keys.

3.3 Get to know a company before you buy

If you are not familiar with a supplier contact them first and ask for some background information before you buy. Check if the company's registered details are displayed on the

home page or if there is some form of accreditation, which can be verified. If unsure do not buy from them.

3.4 Keep passwords secret

If you register with a particular site you will be asked to enter a user name and password. Keep passwords completely secret – as you would with cash machine PINs.

3.5 Read delivery and returns policy before buying

Read delivery and returns policy on the home page before completing on-line transactions. Check you can return any unsatisfactory items and if you can get a refund. Websites should ideally cover delivery methods, delivery costs, currency applied, taxes applied, returns and refund policy and a contact telephone number or e-mail address.

3.6 Save and print a record of your transaction

APPENDIX B

BLT EXPENSES POLICY

1 SCOPE AND PURPOSE

- 1.1 This policy deals with claims for the reimbursement of expenses.
- 1.2 The purpose of this policy is to:
 - 1.2.1 Define the Trust's policy and procedures relating to travel on school business and related expenditure;
 - 1.2.2 Provide guidance on the types of expenditure that can and cannot be reimbursed by the Trust; and
 - 1.2.3 Inform staff and those approving expenses of their responsibilities.
- 1.3 This policy does not form part of any employee's contract of employment and the Trust may amend it at any time.
- 1.4 In this policy references to personnel/bodies are to the personnel/bodies present within the Academy at which the particular member of staff reading or exercising the policy is engaged.
- 1.5 This policy should be read in conjunction with the Trust's Anti-Corruption and Bribery Policy and the Trust's Anti-Fraud Policy.

2 WHO IS COVERED BY THIS POLICY?

- 2.1 This policy covers all employees at all levels and grades including senior managers, employees, trainees, part-time and fixed term employees undertaking travel and associated activities and incurring personal expenses in the course of their employment. This policy will also apply to persons who are not employees but are travelling on the official business of the Trust (e.g. governors/directors) and to whom permission has been expressly granted to recover expenses under this policy (collectively referred to as staff within this policy).

3 WHO IS RESPONSIBLE FOR THE POLICY?

- 3.1 The Trust has overall responsibility for the effective operation of this policy and for ensuring compliance with any statutory framework.
- 3.2 The Trust has delegated day-to-day responsibility for operating the policy to the Principal. The Principal has a specific responsibility to ensure the fair application of this policy and all members of staff are responsible for ensuring its success.

4 REIMBURSEMENT OF EXPENSES

- 4.1 Each Academy will reimburse expenses properly incurred in accordance with this policy.
- 4.2 Where expenses must be authorised before they are incurred it will be clearly stated within this policy together with information as to who can authorise them. If an expense is not clearly covered by this policy then authorisation must be obtained from the Principal before it is incurred (in the case of the Principal authorisation must be obtained from the CEO).
- 4.3 Expenses will only be reimbursed if they are:
 - 4.3.1 claimed using forms that are available from the school office and submitted to an authorised signatory of more senior status, normally an individual's line manager (claims by the Principal must be authorised by the CEO);
 - 4.3.2 submitted within 3 months of being incurred;
 - 4.3.3 supported by relevant itemised documents where possible (for example, VAT receipts, tickets, and credit or debit card slips); and
 - 4.3.4 where required, authorised in accordance with instructions in force at the time the expense was incurred.
- 4.4 Claims for authorised expenses submitted in accordance with this policy will be paid directly into a member of staff's bank/building society account.
- 4.5 The purchase of classroom/office equipment and sundries must be obtained using the requisition/purchase ordering system and paid for directly by the Academy. As such, an expense claim must not be submitted under this policy for the costs of such purchases.
- 4.6 Claims which have not been approved in compliance with this policy will not be processed and will be returned. Self-authorised claims will not be accepted for payment under any circumstances and if a member of staff attempts to submit a false claim it will be treated as a serious matter which may lead to disciplinary action.

- 4.7 Any questions about the reimbursement of expenses should be put to an individual's Line Manager before the relevant costs are incurred.

5 TRAVEL EXPENSES

- 5.1 The Academy will reimburse the reasonable cost of necessary travel in connection with Academy business. The most economic means of travel should be chosen if practicable/possible. The following are not treated as travel in connection with Academy business:

- 5.1.1 travel between a member of staff's home and usual place of work;
- 5.1.2 travel which is mainly for a member of staff's own purposes;
- 5.1.3 travel which, while undertaken on the Academy's behalf, is similar or equivalent to travel between a member of staff's home and usual place of work;
- 5.1.4 travel costs associated with non-mandatory full-time or part-time academic courses or professional qualifications; and

5.2 Trains

Staff will only be reimbursed for the cost of standard class travel unless expressly authorised by the Principal. A receipt should be obtained for submission with an expenses claim form.

5.3 Taxis

Staff should not take a taxi when there is public transport that would not greatly increase the journey time. However, where it is cost effective or more practical (e.g. several people travelling; time constraints; for reasons of personal security; heavy luggage), staff can travel by taxi may be permitted. A receipt should be obtained for submission with an expenses claim form.

5.4 Car

- 5.4.1 Where it is cost effective or more practical for a member of staff to use their own car for business travel (e.g. several people travelling; time constraints; for reasons of personal security; heavy luggage), and they have been authorised to do so, staff can claim a mileage allowance on proof of mileage in accordance with the current authorised mileage rates authorised by HM Revenue & Customs. These are currently 45p per mile, with a further 5p for additional passengers. Staff can also

claim for any necessary parking costs which need to be supported by a receipt or the display ticket.

5.4.2 Any vehicle used to travel on Academy business must be insured for business travel purposes. A member of staff can be required to evidence this on request.

5.5 **Air travel**

If staff are required to travel by plane in the course of their duties they should discuss travel arrangements with the Principal in advance. Where possible, arrangements will be made by the Academy on the member of staff's behalf but where this is not possible staff will be advised of the documentation that they will need to submit to reclaim expenses.

5.6 The Academy will not reimburse any penalty fares, parking fines or driving offences that staff may incur while travelling on Academy business.

6 **ACCOMMODATION AND OTHER OVERNIGHT EXPENSES**

6.1 If staff are required to stay away overnight in the course of their duties they should discuss accommodation arrangements with the Principal in advance. Where possible, arrangements will be made by the Academy on a member of staff's behalf, but where this is not possible the member of staff will be advised of the documentation that they will need to submit to reclaim expenses.

6.2 When staff are required to stay away overnight in the course of their duties, to the extent that these are not included in the cost of accommodation, the Academy will reimburse their reasonable out-of-pocket expenses provided they are supported by receipts for the following:

6.2.1 breakfast up to a maximum of £10 a day; and

6.2.2 lunch and an evening meal including non-alcoholic drinks up to £10 a day for lunch, £20 a day for an evening meal,

6.3 For the avoidance of any doubt, when the cost of attending an event (such as a conference) involving an overnight stay includes the cost of accommodation and/or meals, additional claims under this policy should not be made for those items.

7 **ENTERTAINING VISITORS**

- 7.1 Staff may entertain visitors and guests where it is within budgetary limits and prior approval has been given by the Principal in accordance with the Trust's Anti-Bribery and Corruption Policy and the Trust's Anti-Fraud Policy.
- 7.2 All claims must be supported by relevant itemised documents (for example, VAT receipts, tickets, and credit or debit card slips) and a list of attendees.

8 GOVERNOR/DIRECTOR RELATED EXPENSES

- 8.1 The Academy considers the following as legitimate Governor/Director expenses, where supported by relevant itemised documents:
 - 8.1.1 the reasonable cost of childcare, or care of other dependants (for example, any elderly parent) whilst attending Governor/Director meetings;
 - 8.1.2 communication support (e.g. translating documents into Braille for a blind Governor/Director, provision of alerting and listening devices, and other special aids for people with a hearing impairment);
 - 8.1.3 providing special transport, equipment or facilities for a Governor/Director with a disability;
 - 8.1.4 cost of reasonable overnight accommodation and subsistence (in line with this policy) while attending Governor/Director meetings or specialist conferences and training courses held at a location other than their respective school.

9 DISCRETIONARY PAYMENTS

- 9.1 There may be expenditure not covered by this policy or incidences where a legitimate claim is over and above the parameters established in this policy. In such cases these must be agreed in advance with the Chair of the Board of Directors or CEO.

APPENDIX C

GIFTS AND HOSPITALITY POLICY

Key Definitions

Gifts – any item, cash or goods, received, given or offered for which no payment or service was given or received in return.

Gifts are deemed to include:

- Goods provided for personal or other private use
- Personal services
- Loans of equipment, vehicles etc for personal use
- The provision of goods or services at preferential cost for personal or other private use
- Vouchers

Hospitality – defined as any food, drink, accommodation or entertainment provided free of charge or heavily discounted.

Scope

This policy applies to all Members, Trustees, Governors, permanent, fixed term and casual staff; contractors, consultants and third parties acting on behalf of the Trust (or any Academy within the Trust); all students (previous and current of any Academy within the Trust) and their families.

This policy should be read in conjunction with the Trust's Anti-Corruption and Bribery Policy set out in Appendix D and the Trust's Anti-Fraud Policy set out in Appendix E.

Gifts

Individuals must consider carefully whether it is appropriate to give or receive a gift. If in doubt, advice should be sought from the CEO regarding the giving of any gift or in line with this Policy regarding the receipt of any gift – before purchase or receipt of any item.

Capitation is allocated for pupil resources and must never be used for the purchase of gifts for paid employees. Budget holders wishing to reward volunteers for providing services to enhance pupils' learning should seek advice from the CEO before making any purchases.

Gifts of low intrinsic value (less than £30) such as promotional calendars, diaries or small tokens of gratitude may be given or accepted without prior referral providing that this policy's conditions are not compromised.

On occasions where it is deemed appropriate (and prior approval has been obtained from the CEO in relation to the giving of any gifts in accordance with the section 6 of the Schedule of Delegations) to give or receive more than one gift in any one academic year and the total value of all gifts exceeds the £30 threshold, the declaration procedure will apply.

Vouchers received over £50 in value should be used as part of an Academy's expenditure.

Staff must base all purchasing decisions and negotiations for contracts solely on the principles of best value to ensure that goods and services are purchased in the most economic, efficient and effective manner to meet an Academy's needs. An Academy requires staff who have official dealings with contractors and other suppliers of goods and services to avoid conducting any private business with them by any means other than through normal commercial channels. If unsolicited gifts of a substantial nature (over £100 in value) arrive from contractors they should be returned with a polite explanation that the Trust's policies do not allow their acceptance. Declined gifts should still be declared.

Hospitality

Hospitality can take a variety of forms, some of which staff may accept, some of which should be declined.

Staff may be offered hospitality as a normal business practice in a way that is directly linked to their role. Examples of this kind of hospitality include the offer of refreshments at business meetings or the offer of lunch or dinner at the end of an official engagement. This kind of conventional hospitality may be accepted.

Staff may also be offered other forms of hospitality which are not related to their role and are not linked to Academy business. This might include substantial offers of social functions, travel or accommodation, offers of tickets and invitations to sporting, cultural or social events. These forms of hospitality should be declined.

If any member of staff is in doubt about whether it is appropriate to accept any offer of hospitality, advice should be sought from the Chief Finance Officer (CFO), who may also seek the advice of the Principal of the relevant Academy and/or the CEO of the Trust.

Staff must never canvas or seek gifts or hospitality.

Declaration Procedure

Members, Trustees, Governors and staff must record the giving or receipt of gifts and hospitality above the £30 threshold by completing a Declaration of Gifts and Hospitality (Annex D1). The declaration should be approved by the Principal for staff at the relevant Academy and CEO, as the Trust accounting officer, for Members, Trustees and Governors. The ABM of each Academy will maintain the Register for Gifts and Hospitality (Annex D2) for declarations over £30 in value on behalf of the Trust and the CEO will maintain such register for the Trust.

Monitoring and Evaluation

The ABM will report the contents of the register to:

- the CEO at the end of each school term.
- the Trust's accountants and auditors as part of the annual year end procedures.

Failure to Comply

In all instances where there is a reasonable belief that there has been a failure to declare, the CEO will conduct a formal investigation of the situation. Employees may be subject to disciplinary procedures to pursue potential matters of misconduct.

It is a criminal offence for an employee of the Trust to corruptly accept any inducement or reward for doing, promising or refraining from doing anything in the course of their employment, or corruptly showing favour or disfavour, in the handling of contracts. In acting corruptly the employee would demonstrate their intention to purposefully act with a lack of probity and with a disregard for the implications of their actions for the Trust

Annex C1

Declaration of Gift or Hospitality

Please indicate by ticking box A, B or C whether you have been offered and declined, have accepted a gift or hospitality, or have given a gift.

Name:	
Position:	

A	I have been offered a gift / hospitality which I have declined
B	I have been offered a gift / hospitality which I have accepted
C	I have given a gift with a value of £30 or above

Declaration details		
Name of external organisation and their relationship with the Trust/Academy.	Nature of interest / gift / hospitality	Estimated value if applicable

I believe my objectivity and independence in relation to the above external organisation has not been impaired in any way by the offer of gifts or hospitality.

SIGNED (Recipient) _____ Date _____

NAME (capitals) _____

SIGNED _____ Date _____
Principal/
Chair of Governors

NAME (capitals) _____

Completed forms should be sent to the Chief Finance Officer to enter in Register.

For office use only

Entered in Register	Date:	Reference:

Annex C2

Declaration of Gifts & Hospitality Register

Date of entry	Name of Trustee, Governor or member of staff	Estimated Value £	Nature of gift / hospitality	Supplier of gift / hospitality	Declaration Form Reference

APPENDIX D

BLT CONFLICT OF INTEREST POLICY

Statement of Intent

This policy establishes the framework for ensuring that the decisions and decision-making processes at The Bay Learning Trust ('the Trust') are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the Trust.

Members, Directors/Trustees, Governors and committee members within the Trust have an obligation to act in the best interests of the Trust and in accordance with its Articles of Association, in order to avoid situations where there may be a potential conflict of interest.

Situations may arise where family interests or loyalties conflict with those of the Trust. Such conflicts create problems, as they can inhibit free discussions, result in decisions or actions that are not in the interests of the Trust and risk the impression that the Trust has acted improperly.

Therefore, the Trust intends to:

- Ensure that every Trustee understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of the Trust.

1. Legal framework

1.1. This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006
- Conflicts of Interest: A Guide for Charity Trustees (The Charity Commission, May 2014)

1.2. This policy must be read in conjunction with the following documents:

- Trustees' Code of Conduct; Academies Financial Handbook; the Articles of Association; the Trust's Anti-Corruption and Bribery Policy; the Trust's Anti-Fraud Policy.

2. Definition

2.1. The Trust adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a Trustee's personal interests or loyalties could, or could be seen to prevent the Trustee from making a decision in the best interests of the Trust.

3. Identifying conflicts of interest

- 3.1. The Trust expects individual Trustees to declare any conflicts of interest at the earliest opportunity.
- 3.2. Individual Trustees who fail to identify and declare any conflicts of interest will be deemed to have failed to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interest of the Trust and its pupils.
- 3.3. The Trustees must ensure that any conflicts of interest do not prevent them from making a decision in the best interests of the Trust and its pupils.

4. Interests that should be declared

- 4.1. Trustees will be expected to declare the following interests:
 - Holding another public office
 - Being an employee, director, advisor or partner of another business or organisation
 - Having a beneficial interest in a Trust
 - Owning shares in another business or organisation which supplies the Trust or may potentially supply the Trust
 - Being a spouse, partner, relative or close friend of someone who has one of these interests

5. Trustee benefits

- 5.1. Trustees can only benefit from their Trust where there is explicit authority in place in the Trust's governing document and in line with the Academies Financial Handbook before any decision conferring Trustee benefit is made.
- 5.2. Trustee benefits include any payments or benefits to Trustees or a connected person, apart from their reasonable out-of-pocket expenses. They also cover situations where a Trustee could receive property, loans, goods or services from the Trust.
- 5.3. Where there is a proposed sale or lease of Trust land to a Trustee, or to a person or company closely connected with a Trustee, this will need to be authorised by the DfE, even if the disposal is at full market value.

- 5.4. The payment of reasonable expenses to Trustees is not a benefit; as such, it does not create a conflict of interest or require authorisation.

6. Register of business interests

- 6.1. Trustees should keep an up-to-date record of any conflicts of interest in the Trust's Register of Interests, which is kept by the Clerk to the Board of Directors at the Trust.

7. Declaring interests

- 7.1. At the beginning of each meeting, Trustees should have a standard agenda item to declare any actual or potential conflicts of interest.
- 7.2. A Trustee should declare any interest which he/she has as an item to be discussed. Declarations should be at the earliest possible opportunity and prior to any discussion of the item itself.
- 7.3. If a Trustee is uncertain whether or not he/she is conflicted, he/she should declare the issue and discuss it with the other Trustees.
- 7.4. If a Trustee is aware of an undeclared conflict of interest affecting another Trustee, then he/she should notify the other Trustees or the chair.

8. Removing conflicts of interest

- 8.1. Trustees must consider each conflict of interest so that any potential effect on decision making is eliminated.
- 8.2. Trustees must follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing the conflict of interest itself is the most effective way of preventing it from affecting their decision-making. Serious conflicts of interest include, but are not limited to, those which:
 - Are so acute and extensive that the Trustees are unable to make their decisions in the best interest of the Trust and its Academies, or could be seen to be unable to do so.
 - Are present in significant or high-risk decisions of the Trustees.
 - Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or good practice approach.
 - Are associated with inappropriate Trustee benefit.

9. Related party transactions

9.1. Where there is a proposed financial transaction between a Trustee and any Academy within the Trust, or any transaction or arrangement involving Trustee benefit:

- The benefit must be authorised in advance.
- The Board of Directors expects the affected Trustee to be absent from any part of any meeting where the issue is discussed or decided.
- The affected individual should not vote or be counted when deciding whether a meeting is quorate.

9.2. Where there is a conflict and the affected Trustee does not stand to gain any benefit, and there are no specific governing documents or legal provisions about how the conflict should be handled, the affected Trustee should declare the interest.

9.3. The remainder of the Board of Directors must then decide what level of participation, if any, is acceptable on the part of the conflicted Trustee. The options might include, but are not limited to, deciding whether the conflicted Trustee:

- Having registered and fully declared the interest, can otherwise participate in the decision.
- Can stay in the meetings where the decision is discussed and made, but not participate.
- Should withdraw from the decision-making process in the way described above.

9.4. In deciding which course of action to take regarding a conflict of interest, Trustees:

- Must always make their decisions in the best interest of the Trust and its Academies.
- Should always protect the Trust's reputation and be aware of the impression that their actions and decisions may have on those outside the Trust.
- Should always be able to demonstrate that they have made decisions in the best interests of the Trust and its Academies, and independently of any competing interest.
- Should require the temporary withdrawal of the affected Trustee where the interest is relevant to a high-risk or controversial decision or could, or could be seen to, significantly affect the Trustee's decision-making.

- Can allow a Trustee to participate where the existence of his/her interest poses a low risk to decision making in the Trust's interest, or is likely to have an insignificant bearing on his/her approach to an issue.
 - Should be aware that the presence of a conflicted Trustee can affect Trust between Trustees, inhibit free discussion and influence decision making.
- 9.5. Trustees can, before their discussion, ask a Trustee who is withdrawing to provide any information necessary to help make the decision in the best interests of the Trust and its Academies.

10. Records of proceedings

- 10.1. Trustees should record in the minutes details of any and all discussions on potential conflicts of interests and the decisions made.

11. Confidentiality

- 11.1. Trustees cannot use information obtained at the Trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

12. Monitoring and enforcement

- 12.1. The Board of Trustees will carry out continuous monitoring of its activities and directors to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 12.2. Trustees who fail to declare an interest and are found to be in conflict with the best interests of the Trust will be expected to explain to the Board of Trustees the reasons for their omission.
- 12.3. Members or Trustees may decide to terminate the membership of the relevant Trustee from the Board of Trustees if he/she is found to have knowingly and deliberately failed to declare an interest and has brought the Trust into disrepute.

13. Policy circulation

- 13.1. This policy will be circulated to every Trustee and member of a committee, who shall annually sign a statement which affirms that he/she has:

- Received a copy of the policy.
- Read and understood the policy.
- Agreed to comply with the policy.

13.2. This policy will be included in the publication scheme on the Trust's website and will be made available to the public.

APPENDIX E

ANTI-CORRUPTION AND BRIBERY POLICY

1. SCOPE AND PURPOSE

- 1.1 It is the policy of the Bay Learning Trust ('the Trust') to conduct all business in an honest and ethical manner. The Trust takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all commercial dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery.
- 1.2 The Trust will uphold all laws relevant to countering bribery and corruption. However, it remains bound by the laws of the UK, including the Bribery Act 2010, in respect of conduct both at home and abroad.
- 1.3 The purpose of this policy is to:
 - 1.3.1 set out the Trust's responsibilities, and of those working for it, in observing and upholding the Trust's position on bribery and corruption; and
 - 1.3.2 provide information and guidance to those working for the Trust on how to recognise and deal with bribery and corruption issues.
- 1.4 Bribery and corruption are punishable for individuals by up to ten (10) years' imprisonment and if the Trust is found to have taken part in corruption it could face an unlimited fine, be excluded from tendering for public contracts and face damage to reputation. The Trust therefore takes its legal responsibilities very seriously.
- 1.5 In this policy, third party means any individual or organisation staff come into contact with during the course of their work for the Trust, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 1.6 This policy should be read in conjunction with the Trust's Anti-Fraud Policy.

2. WHO IS RESPONSIBLE FOR THE POLICY?

- 2.1 The Trust has overall responsibility for the effective operation of this policy and for ensuring compliance with its legal and ethical obligations. The Trust has delegated day-to-day responsibility for operating the policy and ensuring its maintenance and review to the CEO.

- 2.2 The CEO and Trust Executive Team is responsible for ensuring the fair application of this policy and ensuring that all members of staff are made aware of and understand this policy and are given adequate and regular training on it.

3. WHO IS COVERED BY THE POLICY?

- 3.1 This policy applies to all individuals working at all levels and grades, including officers, directors, trustees, governors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, agents, sponsors, or any other person associated with the Trust, or any of the Trust's subsidiaries or their employees, wherever located (collectively referred to as **staff** in this policy).

4. WHAT IS BRIBERY?

- 4.1 **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

5. GIFTS AND HOSPITALITY

- 5.1 This policy does not prohibit reasonable and appropriate hospitality (given and received) to or from third parties.
- 5.2 The giving or receipt of gifts is not prohibited, if the following requirements are met:
- 5.2.1 it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - 5.2.2 it complies with any applicable local law;
 - 5.2.3 it is given in the Trust's name, not in a member of staff's name;
 - 5.2.4 it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - 5.2.5 it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
 - 5.2.6 taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
 - 5.2.7 it is given openly, not secretly.
- 5.2 The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

6. WHAT IS NOT ACCEPTABLE?

It is not acceptable for a member of staff (or someone on his/her behalf) to:

- 6.1 give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a commercial advantage will be received, or to reward a commercial advantage already given;
- 6.2 give, promise to give, offer or accept a payment, gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome.
- 6.3 accept a payment, gift or hospitality from a third party that a member of staff knows or suspects is offered with the expectation that it will obtain a commercial advantage for them or anyone else in return;
- 6.4 accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
- 6.5 be offered or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the Principal CEO.
- 6.6 threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 6.7 engage in any other activity that might lead to a breach of this policy.

7. FACILITATION PAYMENTS AND KICKBACKS

- 7.1 The Trust does not make, and will not accept, facilitation payments or 'kickbacks' of any kind.
- 7.2 **Facilitation payments** are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not commonly paid in the UK, but are common in some other jurisdictions.
- 7.3 **Kickbacks** are typically payments made in return for a business favour or advantage.
- 7.4 Staff must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by the Trust or on its behalf, or that might suggest that such a payment will be made or accepted. If staff are asked to make a payment on the Trust's behalf, staff should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Staff should always ask for a receipt which details the reason for the payment. If staff have any suspicions, concerns or queries regarding a payment, they should raise these with the CEO.

8. DONATIONS

- 8.1 The Trust does not make contributions to political parties. It only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the CEO.

9. STAFF RESPONSIBILITIES

- 9.1 Staff must ensure that they read, understand and comply with this policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Trust or under its control. Staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 9.3 Staff must notify the CEO as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if an agent or potential agent offers staff something to gain a business advantage with us, or indicates to them that a gift or payment is required to secure their business. Further 'red flags' that may indicate bribery or corruption are set out in the Schedule to this policy.

10. RECORD-KEEPING

- 10.1 The Trust must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 Staff must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to review. This excludes gifts from children/parents and gifts given at Christmas/end of year, up to a value of £25.
- 10.3 Staff must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Trust's Expenses Policy and specifically record the reason for the expenditure.
- 10.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept 'off-book' to facilitate or conceal improper payments.

11. HOW TO RAISE A CONCERN

- 11.1 Staff are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 11.2 If Staff are offered a bribe, or are asked to make one, or if they believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, they must report it in accordance with the Trust's Whistleblowing Policy as soon as possible. A copy of the Trust's Whistleblowing Policy can be found on the Trust's website.

- 11.3 If staff are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with the CEO.

12. PROTECTION

- 12.1 Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Trust aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 12.2 The Trust is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If staff believe that they have suffered any such treatment, they should inform the CEO immediately. If the matter is not remedied, and the member of staff is an employee, they should raise it formally using the Trust's Grievance Policy.

13. TRAINING AND COMMUNICATION

- 13.1 Training on this policy forms part of the induction process for all new individuals who work for the Trust. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.
- 13.2 The Trust's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of any business relationship with them and as appropriate thereafter.

14. BREACHES OF THIS POLICY

- 14.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.
- 14.2 The Trust reserves the right to terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

SCHEDULE - POTENTIAL RISK SCENARIOS: 'RED FLAGS'

The following is a list of possible red flags that may arise during the course of staff working for the Trust and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If staff encounter any of these red flags while working for the Trust, they must report them promptly using the procedure set out in the Whistleblowing Policy:

- 1 they become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 2 they learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a 'special relationship' with foreign government officials;
- 3 a third party insists on receiving a commission or fee payment before committing to sign up to a contract with the Trust, or carrying out a government function or process for the Trust;
- 4 a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- 5 a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 6 a third party requests an unexpected additional fee or commission to 'facilitate' a service;
- 7 a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- 8 a third party requests that a payment is made to 'overlook' potential legal violations;
- 9 a third party requests that they provide employment or some other advantage to a friend or relative;
- 10 they receive an invoice from a third party that appears to be non-standard or customised;
- 11 a third party insists on the use of side letters or refuses to put terms agreed in writing;
- 12 they notice that the Trust have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 13 a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Trust; or
- 14 they are offered an unusually generous gift or offered lavish hospitality by a third party.

Appendix F

BLT Anti-Fraud Policy

Fraud Policy Statement

The Bay Learning Trust has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by staff, pupils, contractors, suppliers or any member of the public.

The Trust will maintain robust control mechanisms to both prevent and detect fraud. All managers have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls are subject to cyclical review by the internal audit system.

All members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud.

Confidential mechanisms have been established to report concerns.

Introduction

The Bay Learning Trust is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of the Trust's activities.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives, diverting its limited resources from the provision of education. There is a clear recognition that the abuse of the Trust's resources, assets and services undermines the Trust's reputation and also threatens its sound financial standing.

The purpose of this policy is to set out the Trust's main objectives for countering fraud and corruption. This policy:

- Defines fraud, corruption and bribery
- Identifies the scope of the applicability of the policy
- Sets out the Trust's intended culture & stance against fraud, corruption and bribery
- Identifies how to raise concerns and to report malpractice.

Definitions

Fraud

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

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

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

abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them.

Corruption

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

Bribery

There are four key offences under the Bribery Act 2010:

- 1. bribery of another person
- 2. accepting a bribe
- 3. bribing a foreign official
- 4. failing to prevent bribery

Bribery is not tolerated. It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;

Facilitation Payments

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

Scope of Policy

The Policy Statement applies to all members of the Trust, its Local Governing Bodies, and all employees (full time, part time, temporary and casual).

The Trust expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

The Trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all governors, employees and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all:

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

- **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 family, or their friends.
- **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.
- **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **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.
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

Through observance of these principles the Trust requires the governors, employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.

The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

This policy should be read in conjunction with the Trust's Anti-Bribery and Corruption Policy.

Culture & stance against fraud & corruption

The Bay Learning Trust is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind. The Trust expects that the trustees, governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust's Audit and Risk Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

Reporting Concerns

All actual or suspected incidents of fraud, corruption or bribery in a school should be reported without delay to the Principal of the relevant Academy who must report immediately to the Chief Finance Officer of the Trust. Any other actual or suspected incidents of fraud, corruption or bribery in the Trust must be reported immediately directly to the Chief Finance Officer of the Trust.

In either instance, if the Chief Finance Officer is not available on the day the incident is reported, or if there are concerns about reporting to the Chief Finance Officer, the incident should be reported immediately to the Chief Executive Officer of the Trust. If the Chief Executive Officer is not available on the day or there are concerns about reporting to the person holding that role, the incident should be immediately reported to the Chair of Directors of the Trust.

When staff report suspected fraud it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will be dealt with in the strictest confidence and

that anonymity will be preserved if requested in the first instance, however anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

Once the Chief Finance Officer has received recorded details of the case, he or she should, within 24 hours, hold a meeting of the fraud investigation group, comprising the Chief Finance Officer, Chief Executive Officer and HR Manager to decide on the initial response. The fraud investigation group should report the incident and their response to the Chair of Directors within 24 hours and keep him or her informed about progress in dealing with the incident. The fraud investigation group will follow relevant CIPFA guidance.

EFA anti-fraud checklist for academy trusts

The EFA have published an anti-fraud checklist for academy trusts. It is noted that fraud occurs in every sector and although the level of identified fraud in academies is low, trusts must be aware of the potential for it to occur. The ten questions included in the checklist are intended to help governors, accounting officers and heads of finance to review their arrangements for preventing, detecting and dealing with fraud should it occur.

The risk of fraud is considered on an ongoing basis through the BWCAT risk register which is discussed at the Trust's Audit and Risk Committee; the schedule for internal audit; the annually updated financial procedures handbook; the annually updated delegated levels of authority and the overall compliance with the 'ESFA Financial Handbook for Academies', driven by the staff in the central Trust office through their own independent checks and training update sessions. A summary of the Financial Handbook 'musts' is discussed and circulated to all of the Principals in the Trust annually in September.

The 10 questions that we must always be aware of are:

1. Are directors and the accounting officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the Trust's Audit and Risk Committee?
3. Has the role of the external auditor and responsible officer or equivalent regarding fraud been established and is it understood?
4. Is fraud risk considered within the Trust's risk management process?
5. Does the Trust have a fraud strategy or policy and is there a 'zero tolerance' culture to fraud in the Trust?
6. Is the strategy, policy and 'zero tolerance' culture promoted within the Trust, for example through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training and the vetting of contractors?
7. Does the Trust have policies on whistleblowing, declaration of interests and the receipt of gifts and hospitality?
8. Does the Trust have appropriate segregation of duties?
9. Is it clear to whom suspicions of fraud in the Trust should be reported?
10. If there has been any fraud in the Trust, has a 'lessons learned' exercise been undertaken?

APPENDIX G

BLT Lettings Policy

The Bay Learning Trust (BLT) aims to ensure the use of all its academies facilities to the fullest potential. It is intended that the premises and sports facilities are available firstly, for the benefit of the learners and secondly, for the local community.

1. BLT Policy and Conditions

1.1 The letting of BLT premises shall not detract from the primary objective of BLT as an education provider.

Although providing a vital link with the community and other organisations, the lettings shall be organised so that there is no disruption to the delivery of the curriculum and at no cost to the students of the academy or their education.

BLT policy is to encourage the use of the premises i.e. buildings, playing fields by students, parents, the community and organisations such as sports clubs, senior citizens groups and music workshops.

BLT positively encourage individuals or groups who wish to make reasonable use of the premises, regardless of their race, gender, disability, sexuality or religion.

The income received by the letting of academy premises will be used to assist the Local Academy Councils to enhance and enrich the education and environment of the students.

1.2 Aims:

- To ensure that lettings are not in conflict with the fundamental purpose of the Trust / academy
- To support community involvement in the life of the academy
- To be consistent with the BLT equality policy
- To maximize the commercial opportunity for lettings
- To ensure costs are fully calculated and covered
- To provide a professional service to users of the academy's premises

1.3 The responsibility for managing lettings rests with the local academy, within the overall guidance of the Trust policy.

1.4 A letting is defined as any use of the academy buildings and ground by parties other than the academy and its partners. This may be a community group such as a local football team or dance club.

1.5 The hirer will accept responsibility for being on the premises, being in charge of the premises let and for ensuring that all conditions of the letting agreement are observed, particularly those relating to management, behaviour, conduct and supervision whilst on BLT premises.

1.6 The following activities fall within the corporate life of the academy. These activities are not considered to be lettings and costs arising from these uses are therefore a legitimate charge against the Academy's delegated budget:

- Trust and local governor meetings
- Extra-curricular activities for students organised by the academy or the Trust
- Academy performances
- Parents' meetings / Evenings

1.7 All lettings must be consistent with BLT core values. The following activities are not considered to be appropriate for lettings as they are either well provided for in the local area; are not deemed to be compatible with the ethos of the Trust / academy, or are not able to be accommodated within the academy's facilities:

- Commercial activities with little potential to generate income or support for the academy
- Events selling or serving alcohol
- Activities promoting gambling
- Activities or events of a political nature
- Activities or events which might bring the academy or Trust into disrepute.

2. Due Diligence

2.1 Before any new user is able to hire any of the premises the Academy Trust will carry out any necessary due diligence checks to ensure that the organisation are a genuine organisation and they will only use the premises for the activity according to the terms of their hire agreement. This will include ensuring that the organisation are not linked in any way to activities which may bring the reputation of the Academy Trust into disrepute either locally or with the Educational Funding Agency.

The Academy will ensure that any Hirer shall not sub-let the premises to another person.

3. Security

3.1 The academy Principal / Business Manager and /or Site Manager has delegated authority to determine the security risk for each letting and will be responsible for allocating continuous control measures.

4. Responsibilities

4.1 The day to day management and administration is undertaken by individual staff within each academy.

4.2 Each academy is responsible for:

- Managing the day-to-day lettings of the academy premises and ensure effective communication between all parties concerned
- Maintaining accurate records of all bookings
- Confirming bookings using the Academy Booking Terms and Conditions template
- Inspecting insurance documentation
- Raising invoices and chasing any outstanding payments
- Ensuring appropriate staffing - particularly ensuring an appropriately trained member of staff is present when any specialised equipment or accommodation is hired
- Booking duty site staff for lets, if required
- Ensuring facilities are as required by hirers
- Monitoring all hirers to ensure all aspects of the contract are being adhered to and that facilities are left ready for academy use
- Providing a professional service to users of the academy's premises

5. Health and safety

5.1 No smoking is allowed on any site.

5.2 The academy has a responsibility to work within the framework of the law; however, hirers must take all reasonable steps to prevent injury, loss or damage to any person or property for the duration of the let. Hirers are responsible for arranging any first aid provision for the members of their organisation. In the event of an emergency, first aid items are held by the site supervisor.

5.3 Hirers must sign all required paperwork and abide by Academy rules, code of conduct and Trust Health and Safety Policies and agree all T&C's associated with the letting.

5.4 The academy's telephone system may be used in the event of an emergency. The academy reserves the right to cancel any letting where the hirer fails to comply with health and safety issues (see Academy Booking Terms and Conditions).

5.5 The academy requires any electrical items used to have a PAT certificate. The Business Manager in consultation with the Site Manager will monitor the number of people on site with regard to safety in the event of a fire and insurance.

6. Safeguarding

6.1 All hirers who provide activities for children and young people are required to complete the Academy Booking Terms and Conditions template which indicates they have appropriate Health & Safety, Child Protection, Safeguarding, etc, policies. Lettings will not be made to persons under the age of 18, or to any organisation or group or individual with an unlawful or extremist background. If a particular letting involves contact with academy students all personnel involved must have appropriate recruitment and vetting checks (DBS). All academy staff are required to be cleared at Enhanced level and therefore this should be replicated across to Hirers.

It is the responsibility of the academy to ensure that the Hirer has ensured adequate supervision, ratios and up to date and adequate DBS checks. The Hirer will maintain and provide copies to the school, in relation to DBS evidence, contact details (including all emergency contacts), changes in staffing, responsibilities and absence. These checks must be made by prior arrangement with at least half a term's notice in advance to ensure that the checks can be carried out prior to the commencement of any letting. Any adults working with BLT students (for example, at an after school sports club) must be appropriately qualified.

7. Refusal

7.1 BLT reserves the right to refuse to let the premises to any group or individual for purposes that are inconsistent with the core values of the Trust.

8. Cancellation

8.1 The Academy reserves the right to cancel the letting at any time without giving the reason. In such an event, the fee paid shall be refunded in full but the Academy shall not otherwise be liable for damages in respect of such cancellation.

9. Complaints

9.1 In the event of a hirer being dissatisfied with the facilities or service, the academy will investigate in line with the BLT Complaints Policy.

10. Terms

Groups wishing to use the Trust facilities must provide a copy of their Public Liability insurance with a minimum of £5million prior to a booking being confirmed. VAT is chargeable on bookings fewer than 10 in sequence.

Invoices will be issued at the start of each term/monthly and should be paid promptly upon receipt by BACS or cheque.

APPENDIX H

BLT INVESTMENT AND RESERVES POLICY

Aim

The Bay Learning Trust ('the Trust') aims to manage cash balances to provide the working capital required for its day-to-day operations, whilst protecting the long-term value of any surpluses against inflation. The Trust therefore aims to invest surplus cash funds in a way that optimises returns whilst ensuring there is minimal risk of loss of these funds.

Objectives

In order to make the best use of surplus cash funds to generate additional income the Trust and Academies must ensure the following objectives are met:

- Manage cash flow to ensure that sufficient cash balances are maintained in the current account to cover the working capital requirements of the Trust and each Academy.
- Ensure there is minimal risk to loss of the capital value of any cash funds invested by ensuring that the Trust is only exposed to low risk investments.
- Protect the capital value of the invested funds against inflation.
- Ensure optimum returns on the funds invested.
- Ensure that income generated from investments is used for furthering the Trust's aims.
- Investments must be placed with FSA registered companies.
- The CEO is responsible for the management of Trust investments, with responsibility delegated to the Chief Finance Officer.

Guidelines

Regular cash flow forecasts are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll commitments and outstanding creditors due for payment.

Where cash flow forecasts indicate that a base level of cash funds will be surplus to the day-to-day requirements of the Trust these funds may be invested following approval by the Trust Finance and Resources Committee.

In making decisions with regard to investment options the Chief Finance Officer will compare interest rates and returns across the market to ensure the Trust is getting a fair return, having due regard for the economic situation at that time.

In general, the cash shall be invested in short term investment accounts, with an average duration of less than one year. Proposal for longer term investments would need further approval of the Finance and Resources Committee.

RESERVES

Aims and Objectives

The Trust aims to monitor the reserve levels held, having due regard for the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Guidelines

The Directors must review the reserve levels of each Academy and the Central MAT funds annually. This review should encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

Under its Funding Agreement with the Secretary of State for Education the Trust is permitted to hold unlimited reserves at the year end.

The Finance and Resources Committee have reviewed these reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies.

Each Academy will aim to maintain free reserves at a minimum level of 2% of GAG up to a maximum of 10% of GAG as an appropriate cushion.

The aim is for the MAT reserve level to be 5% of total Trust GAG income. This money can then be used to support the needs of the Trust as required with an appropriate repayment schedule being agreed.

This Policy will be reviewed on an annual basis.