

**Financial Regulation and Scheme of Delegation**

|  |  |
| --- | --- |
| **Policy holder:** | G Hakin: Business Manager |
| **To be reviewed by policy holder:** | Annually |
| **Last reviewed by the Governing Board:** | Summer 2021 |
| **Next review by the Governing Board:** | Summer 2022 |

Contents

[What has changed in this edition 5](#_Toc73431748)

[Introduction and purpose 6](#_Toc73431749)

[Organisation 6](#_Toc73431750)

[The Trust Board / Business and Enterprise Committee 6](#_Toc73431751)

[Managing Penair School’s finances 7](#_Toc73431752)

[Headteacher 7](#_Toc73431753)

[Chief Financial Officer (CFO) 8](#_Toc73431754)

[School Business Manager 8](#_Toc73431755)

[The Business and Enterprise Committee 8](#_Toc73431756)

[Internal audit (Responsible Officer) 9](#_Toc73431757)

[Appointed Auditors 9](#_Toc73431758)

[Other Staff 10](#_Toc73431759)

[Register of Interests 10](#_Toc73431760)

[Financial Planning 10](#_Toc73431761)

[Three Year Budget Plan 10](#_Toc73431762)

[Budget Management, Monitoring and Review 11](#_Toc73431763)

[Budget Virements 11](#_Toc73431764)

[Capital Budget 11](#_Toc73431765)

[Investment Policy 12](#_Toc73431766)

[Income 13](#_Toc73431767)

[Trips/Activities 14](#_Toc73431768)

[Lettings 14](#_Toc73431769)

[Custody 14](#_Toc73431770)

[Waivers and Discounts 14](#_Toc73431771)

[Online payments 14](#_Toc73431772)

[Gifts and Hospitality 15](#_Toc73431773)

[Cash Management 15](#_Toc73431774)

[Bank Accounts 15](#_Toc73431775)

[Deposits 15](#_Toc73431776)

[Payments and withdrawals 16](#_Toc73431777)

[Credit Card purchases 16](#_Toc73431778)

[Schools’ Private Fund 17](#_Toc73431779)

[Bank Reconciliations 17](#_Toc73431780)

[Petty Cash 17](#_Toc73431781)

[Cash and Cheques in Stowage 17](#_Toc73431782)

[Cash and Cheques in Transit 17](#_Toc73431783)

[Accounting System 17](#_Toc73431784)

[Administration 18](#_Toc73431785)

[Access Rights 18](#_Toc73431786)

[Back-up Procedures 18](#_Toc73431787)

[VAT 18](#_Toc73431788)

[Purchasing and Payments 18](#_Toc73431789)

[Purchase of alcohol 18](#_Toc73431790)

[Orders for Goods and Services 19](#_Toc73431791)

[Procurement Arrangements 19](#_Toc73431792)

[Forms of Tenders and Formal Tender Process 19](#_Toc73431793)

[Payments 19](#_Toc73431794)

[Payments to Self Employed Individuals 20](#_Toc73431795)

[Leases 20](#_Toc73431796)

[Payroll and Personnel Records 20](#_Toc73431797)

[Staff appointments and changes 20](#_Toc73431798)

[Payroll Administration 20](#_Toc73431799)

[Payments and Monitoring of the Payroll 20](#_Toc73431800)

[Relocation and Interview Expenses 21](#_Toc73431801)

[Travel and Subsistence Expenses 21](#_Toc73431802)

[Write-offs and entering into liabilities 22](#_Toc73431803)

[Debt Recovery Procedures 22](#_Toc73431804)

[Debt Recovery Code of Practice 22](#_Toc73431805)

[VAT recovery on bad debts 23](#_Toc73431806)

[Fixed Assets 23](#_Toc73431807)

[Asset Security 23](#_Toc73431808)

[Asset Disposal 24](#_Toc73431809)

[Loan of Assets 24](#_Toc73431810)

[Depreciation 24](#_Toc73431811)

[Data Management 24](#_Toc73431812)

[Insurance 25](#_Toc73431813)

[Keys and Key Code Inventory 25](#_Toc73431814)

[Vehicles 25](#_Toc73431815)

[Academy Companies Statement 25](#_Toc73431816)

[Reserves and Investment 25](#_Toc73431817)

[Counter Fraud, Theft and Corruption 25](#_Toc73431818)

[Self-Assessment of Governance and Management 25](#_Toc73431819)

[Appendix A – Forms of Tender and Formal Tender Process 27](#_Toc73431820)

[Appendix B - Financial Scheme of Delegation Matrix for Penair School 29](#_Toc73431821)

[Appendix C - Penair School Gift & Hospitality Policy 34](#_Toc73431822)

[Appendix D - Penair School Fraud Policy 36](#_Toc73431823)

# What has changed in this edition

Page 7 & 8 – Confirmation that both the accounting officer and chief financial officer should be employees of the trust.

Page 11 – Confirmation that the Local Authority LFS team prepare monthly management accounts for review by the Business Manager.

Page 17 – Confirmation that the Private School Fund and associated sweeping account were closed in June 2020.

Page 17 – Confirmation that the trust funds must not be used to purchase alcohol.

Page 18 – Confirmation of the cash sums insured in school and in transit as per the Zurich Insurance policy.

Page 18 – Confirmation that the Local Authority LFS team prepare and submit monthly VAT 126 reports to HMRC.

Page 21 - Confirmation that the local Authority LFS team carry out a reconciliation of the payroll records and review the staffing report termly.

Page 22 – Confirmation of the delegated limits for write-offs and entering into liabilities.

# Introduction and purpose

Through the Funding Agreement with the Secretary of State for Education, Academies have increased autonomy. However, autonomy brings responsibility and the need for transparency. Operating as a charitable company limited by guarantee the Penair School is required to produce an annual set of Financial Statements accompanied by a Trustees’ Report.

The purpose of this policy is to ensure that Penair School develops and maintains systems of financial control which conform to the requirements of propriety, regularity and sound financial management. It is essential that these systems operate effectively to meet the requirements of the schools Funding Agreement.

Penair School must comply with the principles of the financial control outlined in the guidance published by the DfE and the ESFA (Education and Skills Funding Agency) which includes the Academies Financial Handbook. This policy expands on that and provides detailed information on Penair schools accounting procedures. It should be read by all staff involved with financial and resource systems to ensure accountability.

# Organisation

Penair School has defined the responsibilities of each person involved in the administration of the School’s finances to avoid the duplication or omission of functions and to provide a framework of accountability for the Board of Governors and staff. All persons to whom authority has been delegated are expected to act in the best interests of the School and within the letter and spirit of the law.

## The Trust Board / Business and Enterprise Committee

The Trustees of the Penair Academy Trust are both charity trustees and company directors and form the Board of Governors (henceforth referred as the Trust Board). The Business and Enterprise Committee is a sub Committee of the Trust Board

The Trust Board / Business and Enterprise Committee will manage their affairs in accordance with the high standards detailed in the *Seven Principles of Public Life*:

**Selflessness** – Holders of public office should take decisions solely in terms of 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.

**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 merits.

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

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

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

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

As Directors of a company that spends Government money, the Governors will adhere to the Cabinet Office guidance on *Codes of Practice* for Board Members of Public Bodies:

Observe the highest standards of **propriety** involving **impartiality, integrity** and **objectivity** in relation to the stewardship of public funds and the management of the bodies concerned.

Maximise **value for money** through ensuring that services are delivered in the most **economical, efficient** and **effective** way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price; it is the optimum combination of whole life costs and quality to meet the user’s requirement.

Be accountable to parliament, users of services, individual citizens and staff for the activities of the bodies concerned, their stewardship of public funds and the extent to which key performance targets and objectives have been met.

In accordance with Government policy on **openness** and **responsiveness**, comply fully with the Code of Practice on Access to Government Information.

## Managing Penair School’s finances

The Trust Board has overall responsibility for administration of the School’s finances. The main responsibilities of the Trust Board are as prescribed in the Funding Agreement between Penair School and the Secretary of State and include:

* Agreeing the long term financial objectives for the School
* Ensuring the grant from the ESFA is used for the purposes intended
* Approving the annual budget and any material changes
* Approving changes to the personnel establishment
* Ensuring a Financial Scheme of Delegation is in place
* Ensuring assets and allocated resources, including people, are well managed
* Ensuring accurate accounting records are maintained
* Ensuring the budget monitoring statements are a true and accurate record of income and expenditure
* Authorising the award of contracts/ tenders over the EU limits
* Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies
* Approving the annual accounts
* Submitting the annual Trustees’ report

## Headteacher

Appointed as Accounting Officer, the Headteacher has overall executive responsibility for the School and is responsible to the Business and Enterprise Committee for:

* Ensuring regularity and propriety
* Prudent and economic administration
* Avoidance of waste and extravagance
* Efficient and effective use of available resources
* The day to day organisation, staffing and management of the School

The Accounting Officer may formally delegate, or appoint others, to assist in these responsibilities, however the Accounting Office should be an employee.

The Accounting Officer has the duty to take action if the Business and Enterprise Committee of the School is contemplating a course of action, which is considered to be novel, contentious, an infringement of propriety or regularity or a contravention of the *Seven Principles of Public* *Life* or the *Codes of Practice* for Board Members of Public Bodies. Objections should be put in writing to the Business and Enterprise Committee, details sent to the School Business Manager and the School’s external auditors.

The academy Headteacher retains the responsibility for:

* Approving new staff appointments within the authorised establishments
* Approving changes within the authorised establishment numbers, including regarding responsibility allowances
* Authorising orders and contracts
* Authorising payments
* Monitoring regular budget reports with the School Business Manager and acting on any overspends or risks

The Headteacher is authorised to exceed delegated limits in times of emergency, to ensure safety, wellbeing and security, to ensure business continuity and where it is necessary to act quickly to avoid additional expense.

## Chief Financial Officer (CFO)

The board must appoint a chief financial officer who is the trust’s finance director, business manager or equivalent to who responsibility for the trust’s detailed financial procedures is delegated. The CFO should play both a technical and leadership role. The CFO should be employed by the trust.

The CFO should be appropriately qualified and or experienced and should a business or accountancy qualification and hold membership of a relevant professional body.

## School Business Manager

The School Business Manager works in close collaboration with the Headteacher through whom he/she is responsible to the Business and Enterprise Committee. The main finance related responsibilities of the School Business Manager are:

* The establishment and operation of a suitable accounting system
* Management of the School’s financial position at a strategic and operational level
* Maintenance of effective systems of internal control
* Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the School
* Preparation of monthly management accounts
* Authorising orders and the award of contracts
* Submitting grant applications and reports to all relevant bodies as required
* Authorising payments where appropriate
* Submitting grant applications and reports to all relevant bodies as required

## The Business and Enterprise Committee

The Business and Enterprise Committee is appointed by the Trust Board to provide it with an independent assurance that**:**

* The financial responsibilities of the Business and Enterprise Committee are being properly discharged
* Resources are being managed in an efficient, economical and effective manner
* Sound systems of internal financial control are being maintained
* Financial considerations are fully taken into account in reaching decisions
* Review of the Risk Register

The programme of independent challenge checks will be agreed with the Business and Enterprise Committee in line with the guidelines set out within the Academies Financial Handbook and a report of the findings from each visit will be provided to the Business and Enterprise Committee.

The Business and Enterprise Committee is also responsible for decisions and recommendations to the Board on policy and the use of resources in meeting the Academy’s financial and wider obligations. It has oversight at a strategic level of the Academy’s finances and assets and is responsible for the regular monitoring of the financial position. The main areas of work covered by the committee, subject to the Academy’s overall legal requirements, are:

* Oversight of the monitoring of the annual budgeting process and the 3 year financial plan
* Oversight and evaluation of capital allocation to schools including recommendation to the Trust Board
* Oversight of the effectiveness and efficiency of the staffing model used across the Academy.
* Oversight of premises and site development issues including capital projects
* Oversight of Health and Safety issues across the Academy’s estate
* Ensuring the preparation of the annual financial statement
* Liaising with the work of the appointed auditors
* Review of the financial Scheme of Delegation
* Regularly reviewing appropriate policies
* Consider strategic planning to ensure future viability

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

## Internal audit (Responsible Officer)

An independent service is commissioned to undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating effectively. This role is currently undertaken by the Local Authority. A report of the findings from each visit will be provided to the Business and Enterprise Committee.

Internal scrutiny should be covered by a scheme of work, driven and agreed by the Business and Enterprise Committee and informed by risk.

Internal audit is how assurance may be given on the bullet points detailed below:

* The financial responsibilities of the Trust Board are being properly discharged;
* Resources are being managed in an efficient, economical and effective manner;
* Sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions.

## Appointed Auditors

The Business and Enterprise Committee will be required to submit annual audited Financial Statements to satisfy the requirements of the Secretary of State, company law and charity accounting. The appointed auditors are currently PKF Francis Clark.

## Other Staff

Other members of staff, primarily the School Business Manager, Finance Assistants and Budget Holders, will have some specific financial responsibilities and these are detailed in the ***Financial Scheme of Delegation Matrix at appendix B***.

All Governors, staff and volunteers are responsible for the security of School property, avoiding loss or damage, for ensuring economy and efficiency and avoiding waste and extravagance in the use of resources and for the conformity with the requirements of the Academy’s financial procedures.

## Register of Interests

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 Governors and staff with significant financial or spending powers are required to declare any financial interest they have in companies or individuals from whom Penair School may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as Trusteeships, share holding or other appointments of influence within a business or organisation which may have dealings with Penair School.

The disclosure should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Governor or a member of staff by that person.

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

# Financial Planning

## Three Year Budget Plan

The budget is complementary to the Whole School Development Plan in the short and long term and is crucial in the planning and preparation of the budget. The School Business Manager is responsible for working with the Headteacher and others to prepare a three year budget plan for consideration by the Business and Enterprise Committee and the Trust Board. The budgets must be approved prior to their submission to the DfE by the appropriate deadlines. The School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date is met.

The budget will reflect a best estimate of the resources available to Penair School for the forthcoming year and will detail how those resources are to be utilised. There will be a clear link between the Whole School Development Plans’ objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

* Forecasts of the likely number of students to estimate the amount of DfE funding 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 School’s cost base.
* Identification of potential efficiency savings.
* Review of the School’s main expenditure headings and any expected variations in cost, i.e. pay increases, inflation and other anticipated changes.

Once ratified, the budget should be communicated to all staff with responsibility for specific budgets so that everyone is aware of the overall budgetary constraints.

The Business and Enterprise Committee will notify ESFA of any deficit budget in which previous year’s reserves does not address the deficit.

## Budget Management, Monitoring and Review

The School Business Manager will work with Cornwall Council LFS team to prepare monthly management accounts reports to show actual income and expenditure against budget. This will be on a summary level for the Headteacher and Business and Enterprise Committee but more detailed monthly reports will be distributed to delegated budget holders.

Monthly management accounts will be shared with the Chair of the Trust Board every month and with the other Governors at the full Trust Board meeting.

The monitoring process should be effective and timely in highlighting variances in the actual against budget so that differences can be investigated and action taken where appropriate. Any potential overspend against budget must in the first instance be discussed with the School Business Manager.

The School Business Manager and Business and Enterprise Committee will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of the timing, level of details and narrative.

The LFS team are responsible for preparing monthly cash flow forecasts for twelve months ahead to ensure that the academy has sufficient funds available to pay for day-to-day operations. Monthly cash flow forecasts form part of the monitoring reports to the Business and Enterprise Committee.

## Budget Virements

The Business and Enterprise Committee has delegated responsibility for decisions on virement within the policy of the governors.

The Headteacher may authorise virements up to a limit of £10,000per virement within the approved budget, provided that they are for purposes that are consistent with Governors’ policies, and they are reported to the next meeting of the Business and Enterprise Committee.

Permission will be sought from the Business and Enterprise Committee for virements over £10,000.

## Capital Budget

Penair School will receive capital funding from the SCA, (School Condition Allocation) fund. Major capital investments can be funded through reserves, DfE capital grants, SCA or charitable donations. In most cases, the funds will be specific to the project.

## Investment Policy

**Purpose and scope**

The purpose of the Investments Policy is to set out the processes by which Academy trustees will meet their duties under the Academy’s Articles of Association and Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Academy’s charitable aims and to ensure that investment risk is properly and prudently managed.

**Definition of duties**

The Academy’s Articles gives Trustees the power “to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects.”

Whilst the Board of Trustees (Governing Board) has responsibility for the Trust’s finances, the Scheme of Delegation approved by the Governing Board delegates responsibility to the Business and Enterprise Committee:

*To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust’s investments and investment policy on a regular basis.*

The School Business Manager is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Business and Enterprise Committee so it can review and monitor investment performance.

**Objectives**

The investment objectives are:

* to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
* Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
* By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

**Investment strategy**

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and/or Moody to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA). Whilst this exceeds the protection limit of £75,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

**Spending and liquidity policy**

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the School Business Manager. The cash flow forecasts will take account of the annual budget and spending plans approved by the Governing Board and updated on a monthly basis.

A sufficient balance must be held in the current account so that the Academy’s financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year’s plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

**Monitoring and review**

The Academy has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The School Business Manager will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Business and Enterprise Committee at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate.

# Income

The main sources of income for Penair School are the funding from the ESFA and other outside agencies and the Local Authority. The receipt of these monies is monitored directly by the School Business Manager who is responsible for ensuring that all monies due to Penair School are collected and correctly accounted for within the finance system.

Penair School also obtains income from students, mainly for voluntary contributions towards educational trips and activities, and from the public, mainly for lettings.

To comply with money laundering regulations, Penair School will not accept any payment in cash over £5,000.

All arrangements for dealing with income should incorporate suitable controls designed to ensure its propriety i.e.:

* Adequate records are maintained to substantiate all income transactions.
* Receipts are issued for any cash income received.
* All income received at the school is held securely and is banked promptly.
* All income transactions (cash, cheque and online payments) are recorded promptly and accurately in the School’s Financials system.
* Invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions.

## Trips/Activities

All trips and activities, including school productions must be authorised by the Headteacher and the objectives must be clearly stated in order to apply the School’s Charging Policy. Educational curriculum activities only require a voluntary contribution.

An organiser/leader must be appointed for each trip who must work with the Finance staff to prepare a costing breakdown for the trip to show the trip can cover its costs and not intend to make a profit. The trip organiser must advise the Finance staff of which students are participating in the trip in order that payment contributions may be recorded and collected in full.

The Finance staff will maintain an up to date record of each trip showing the amount paid and the amount outstanding. A report will be sent to the trip organiser on a regular basis and any outstanding contributions chased when necessary.

## Lettings

The policy for lettings and charging of premises is contained in a separate document. The policy will be reviewed annually and approved by The Business and Enterprise Committee.

Lettings tariffs are regularly reviewed and must have due regard for Health and Safety legislation and the need to cover the full cost of the letting (e.g. energy, caretaking/cleaning and maintenance costs). Free and concessionary lettings should be approved by either The Business and Enterprise Committee and/or the Headteacher and documented as with all lettings.

The Premises Manager is responsible for lettings of facilities and maintaining appropriate records for these bookings. Where necessary they will seek approval of the Headteacher for new bookings.

They will also advise the Finance Staff of all lettings to ensure relevant invoices are raised to each organisation and recorded within the Schools Financials system. All payments received are promptly recorded against these numbered invoices.

## Custody

Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All monies collected must be kept in the schools’ safe prior to banking. Banking will take place on a regular basis or more frequently if the sums collected exceed the insurance limits on the safes.

Monies collected must be banked in their entirety in the appropriate bank account. The School’s Finance teams are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums to be posted to the finance system. The reconciliations must be prepared promptly after each banking.

## Waivers and Discounts

Waivers of income due or authorisation of discounts allowed require the same scrutiny, consideration and formal decision as any requirement to spend School money. Sometimes there are sound business reasons for not charging, e.g. to achieve wider policy objectives such as community cohesion, or for giving discounts, e.g. to secure some income rather than no income where our rates are simply unaffordable to the user. For discounts, the expected minimum recovery rate is the extra costs of providing the activity. Waivers and discounts can therefore only be approved by the Headteacher or School Business manager.

## Online payments

Penair uses Tucasi’s Schools Cash Office. All parents/guardians have an account set up once the student starts in year 7. All parents and guardians are encouraged to make all payments for; equipment/resources, trips and visits using online payments. Direct access to Tucasi Scopay is managed by the Finance office. Payments are made directly into Penair School bank account. The reconciliation process is managed by the School Business Manager and reviewed monthly by the School Business Manager.

## Gifts and Hospitality

Ordinarily gifts from suppliers should be declined, unless they are of negligible value (e.g. branded stationery). However, any gifts or hospitality in excess of £25 should be reported to the School Business Manager in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a Governor or budget holder and has the ability to influence purchasing decisions or regularly receives reimbursement from the School for items other than travel expenses.

On an annual basis, staff members are required to complete a register of gifts and hospitality form. This will detail any acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgement or integrity.

Governors recognise that from time to time they or the Senior Leadership Team (SLT) would like to show appreciation to staff or other similarly related individuals on special occasions for their commitment to Penair School.

A gift may be provided at minimal cost by the Governors or SLT on occasions which may range (although not exclusivity) from the birth of their child, bereavement, marriage, ill health, and to long term service to Penair, and therefore the gift value may range from £10 up to a maximum of £100.

***The Gift and Hospitality policy can be found at Appendix C.***

# Cash Management

## Bank Accounts

The opening of all bank accounts must be authorised by the Headteacher and School Business manager, authorised by the Business and Enterprise Committee which must set out the arrangements covering the operation of the accounts. The account must be in the name of Penair School.

Authorised signatories

‘A’= Headteacher, Deputy Headteacher, Chair of Governors,

The cheque signatory limits are as follows:-

Up to and including £1,000 = 1 A

Over £1,000 = 2 A

Inter account transfers = Headteacher and 1A

Over £25,000, Chair of Governors and 2 A

The BACS authorisation limits are as follows:-

Up to £10,000 = 1 A

£10,000 to £75,000 = 2 A

Over £75,000 = Chair of Governors and 2 A

## Deposits

Particulars of any deposit must be entered on a paying-in slip, counterfoil or listing in a supporting receipt book. The details will include:

* The amount of the deposit
* Receipt number or the name of the debtor
* Details of reason for payment

## Payments and withdrawals

All BACS, cheques or other instruments authorising withdrawal from School’s bank accounts must bear the signatures as set out above.

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

## Credit Card purchases

Credit cards must only be used for business expenditure, and balances cleared before interest accrues.

Credit cards must only be used by the person named on the card.

Cards should not be used for cash and not for personal purchases even if the card holder intends to repay the cost at a later date.

A credit card slip is not sufficient, for each purchase, the cardholder should obtain and save a VAT receipt showing details of the purchase.

The card holder must keep a record of each purchase to check against his/her monthly statement.

Storage – The card should be treated for security purposes like a personal credit card. The card must be kept under the card holders control at all times.

Misuse of cards – under delegated authority the Business Manager will monitor the use of cards and may withdraw a card at any time if a card holder fails to observe the card policy. Specifically where the cards are used to purchase goods and or services on behalf of departments then they must ensure the card is used strictly in adherence with the policy and the associated financial regulations / processes, under no circumstances can the administrator of the card by pass this policy even where their direct line manager may inadvertently request this deviation. Any related issues should be referred to the finance Team.

Unreasonable delays in submitting or persistent failure to send reconciliations and or receipts will constitute a breach in the policy and will render the card holder liable to their card being withdrawn.

The Corporate Credit Card can be used for:

* Orders made by phone
* Orders made at point of sale using Chip and Pin
* Orders made using the Internet
* Orders made via booking forms

It is important that the Cardholder remains alert to the illegal use of the card or serial number. There is always the risk of fraudulent transactions by others (including suppliers) and statements must be monitored carefully and any suspicious transactions reported immediately to the Card Administrator.

# Schools’ Private Fund

The private school fund bank account and its associated sweeping account were closed on the 18th June 2020.

## Bank Reconciliations

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

* All bank accounts are reconciled to the School’s finance system.
* Reconciliations are prepared by a member of the Finance team.
* All bank reconciliations are then signed off by the School Business Manager.

## Petty Cash

Petty Cash is administered by the School’s Finance team and is kept in a locked box in the school safe. The School maintains a maximum cash balance of £500. Budget holders may authorise the use of petty cash for items of expenditure of up to £100. Payments of petty cash will not be made without receipts and signed authorisation by the budget holder. VAT receipts must be obtained for purchases where appropriate. The school’s Finance team is responsible for entering all transactions into the petty cash records which will be reconciled on at least a termly basis then reviewed by the School Business Manager.

Budget holders are not permitted to authorise petty cash payments to themselves. If a budget holder wishes to claim reimbursement, authorisation must be given by the appropriate line manager or if a higher seniority is required a member of the SLT, after satisfying themselves that a reimbursement claim is genuine.

An additional amount of £3,500 is withdrawn for use during the Curriculum Activities Week as well as foreign currency for school trips as required

## Cash and Cheques in Stowage

The maximum holdings in the safe is £5,000 cash and cheques. Up to £500 may be held in a lockable container within the School office.

## Cash and Cheques in Transit

Appropriate safeguarding of individuals and cash/cheques must be taken when monies are in transit. The maximum cash to be carried outside the academies is £5,000 cash and cheques.

A maximum of £250 may be held in the private residence of any governor or employee.

# Accounting System

All the financial transactions of the school must be recorded on its accounting systems: SIMS FMS and Tucasi’s Schools Cash Office software.

SIMS FMS and Schools Cash Office are operated by the Finance team and include the following key elements:

* Income
* Purchasing
* Payroll
* Bank accounts

Detailed information on the specific operation of SIMS FMS can be found in the user manuals held by the Finance team.

## Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Financial records will be stored for seven years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

## Access Rights

The School Business Manager is responsible for setting access levels for all members of staff using the SIMS FMS finance system. These are defined for each user with a unique ID and password.

## Back-up Procedures

A full secure back up is taken every evening on a network attached storage device within the school. These are kept for a period of 6-8 weeks in school and in a remote location. Access is via an encrypted password.

# VAT

Penair School de-registered from VAT with the effective date of 16th June 2019.

Penair School will account for VAT strictly in compliance with the rules and regulations applicable at the time. It is the responsibility of the School Business Manager to ensure compliance with VAT regulations.

Cornwall Council LFS team prepare and submit monthly VAT 126 returns to HMRC to recover Input VAT on expenses.

# Purchasing and Payments

The School will achieve best value for money for all purchases. As the majority of its purchases will be paid for with public monies it needs to maintain the integrity of the monies 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 School.
* **Accountability:** the School is publicly accountable for its expenditure and the conduct of its affairs.
* **Fairness:** that all those engaged by the School are dealt with on a fair and equitable basis.

The School Business Manager will ensure that there is a clear separation of duties within the Finance team.

## Purchase of alcohol

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

## Orders for Goods and Services

Any company with which the School wishes to place orders must first complete a supplier information form to provide the School with all relevant information including payment details which will then be used to set up that supplier on the finance system. Official purchase orders will be raised using the School’s finance system following authorisation by a relevant budget holder. The purchase order must then be authorised by the School Business Manager before the order is placed with the company.

## Procurement Arrangements

All orders are subject to the rules concerning quotes and tenders listed below:-

**Orders below £1,000** – consideration should be given to alternative suppliers and evidence attached to purchase orders.

**Orders of £1,000 but less than £5,000** – At least two written/verbal quotations should be obtained for all orders to identify best value. Any written details of quotations should be attached to the purchase order for audit purposes.

**Orders of £5,000 but less than £10,000** - At least three written/verbal quotations should be obtained for all orders to identify best value. Any written details of quotations should be attached to the purchase order for audit purposes.

**Orders of £10,000 but less than £50,000** – A minimum of three formal quotations to be obtained in writing based on a written specification. All evidence of the quotations should be attached to the purchase order.

**Orders over £50,000 but less than EU Threshold** –

(EU Threshold for procurement – as at 1st January 2020: £122,976 for goods and services; £4,733,252 works)

Goods/services ordered with a value over £50,000, or for a series of contracts which exceed £50,000, must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be retained by the School Business Manager

**Orders over EU Threshold** – Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and the Award of Contracts.

## Forms of Tenders and Formal Tender Process

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

## Payments

Invoices will be paid when the budget holder has shown approval that goods/services have been received and are of the quality expected. Any discrepancies must be notified to the Finance staff for appropriate action to be taken. Invoices sent electronically by email are acceptable.

Wherever possible payments will be made by BACS, but cheques may be issued if this is not an option.

The Finance staff will ensure that the required number of signatures are obtained to authorise a BACS payment and are on any cheques issued. All cheque stationery should be recorded and stored in a locked cupboard.

All cheques and cash are to be stored in the safes and are not to be accessible to any bank signatory. Similarly, electronic payment input screens, such as BACS, should not to be accessible to authorised bank signatories.

## Payments to Self Employed Individuals

Payments can be made to individuals who are genuinely self-employed on production of an invoice. An enquiry must be carried out on the individual on the HMRC Employment Status Indicator Tool and a reference number obtained.

## Leases

Penair School may enter into operating lease agreements where these provide an affordable option over outright purchase. Finance leases are not permitted without express permission of the Secretary of State.

# Payroll and Personnel Records

## Staff appointments and changes

The Business and Enterprise Committee will have approved a personnel establishment for Penair School. The Headteacher has the authority to appoint staff within the authorised establishment and to make changes within the authorised establishment, such as regarding responsibility allowances and deletions. The exception would be the appointment of Deputy Heads and members of the Senior Leadership Teams which would require consultation with the Business and Enterprise Committee.

If the change is outside of the overall agreed establishment then the Headteacher must seek authorisation from the Business and Enterprise Committee.

The Headteacher and Head’s PA will maintain personnel files for all members of staff, including contracts of employment. All personnel changes must be notified, in writing, to the School Business manager to enable budget monitoring of the salaries budget.

## Payroll Administration

Payroll is outsourced to Cornwall Council Payroll Services.

All payroll transactions relating to School staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism, other than emergency payments by BACS where payroll timings would impact adversely on the employee. In such cases the amount to be paid will be agreed with the payroll team and recovered the following month through the payroll process.

All personnel files are stored in a lockable cabinet in the head’s PA’s office. Only the Headteacher, School Business manager and Finance Staff may have full access to staff files but individuals can request to see their own files in line with data protection policies.

The School Business Manager and the relevant designated staff are responsible for keeping the staff files and personnel database up to date via SIMS.

## Payments and Monitoring of the Payroll

Each staff member must complete the relevant paperwork, when necessary, in the case of sickness and other absences during the month along with any overtime payments and any new appointments or terminations. The paperwork must be authorised by the nominated budget holder. Authorised paperwork should be sent to the School Business Manager who will then input the data on to the payroll spreadsheets for submission to the payroll provider in accordance with their monthly timetable.

After the payroll has been processed by the payroll provider reports are sent to the School Business Manager. The School Business Manager reviews all records against those submitted by the School Business Manager. If correct, the records will be authorised by the School Business Manager to allow the payroll provider to release the payments to staff.

Monthly salary payments are made by BACS. The payroll provider 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 a letter of authority which are checked against the monthly reports from the payroll provider and authorised for payment by the School Business Manager and countersigned by the Headteacher by the due date.

After the payroll has been processed the nominal ledger within the accounting system will be updated. Postings will be made both to the salary control accounts and to individual cost centres. Cornwall Council LFS Team will review the salary control accounts each month to ensure the correct amount has been posted, individual cost centres have been correctly updated and to identify any amounts left in the control accounts.

On a half termly basis the LFS team will check each member of staff to ensure that the gross pay per the payroll system agrees to the contract of employment held on SIMS.

# Relocation and Interview Expenses

Relocation expenses to new members of staff are not paid, unless agreed by the Business and Enterprise Committee in advance.

Interview expenses are paid at the discretion of the interview panel and will only be settled on the production of valid receipts and invoices. Travel expenses, if approved, will be calculated using the School’s usual mileage rate of 40p per mile.

# Travel and Subsistence Expenses

Travel and Subsistence expenses are certified by the budget holder, permitting the travel and then authorised for payment by the School Business Manager. The School Business Manager’s travel claims are authorised for payment by the Headteacher, and vice versa.

In accordance with HM Revenue and Customs regulations all claims must be supported by a fuel receipt purchased during the month for which the mileage claim relates.

Normal home to work mileage must be excluded from any claim for travel where the start and/ or finish is the claimant’s home.

Governors are able to claim travel expenses. These should be authorised by the Chair of the Business and Enterprise Committee, if the claimant is the Chair of the Business and Enterprise Committee then the claim should be authorised by the Headteacher.

Governors and staff will be paid for expenses directly from the School at a rate of 40p per mile with an additional 5p per mile if also carrying a passenger.

Reasonable expenses include:

* Travel by public transport
* Use of own car and parking (excluding home to work travel)
* Unavoidable overnight accommodation.
* Reimbursement for approved items bought on behalf of Penair.

Rates and allowances are set by the Business and Enterprise Committee. A copy of the schedule of rates and allowances is held in the Finance Office.

# Write-offs and entering into liabilities

The academy trust **must** obtain ESFA’s prior approval for the following transactions beyond the delegated limits described below:

* writing-off debts and losses
* entering into guarantees, letters of comfort or indemnities.

The delegated limits, subject to a maximum of £250,000, are:

* 1% of total annual income or £45,000 (whichever is smaller) per single transaction
* cumulatively, 2.5% of total annual income in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous two financial years. This category includes new trusts that have not had the opportunity to produce two years of audited accounts
* cumulatively, 5% of total annual income in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous two financial years.

# Debt Recovery Procedures

Debt recovery becomes necessary when the customer fails to pay to the agreed terms set out in the original contract.

The Finance team will pursue outstanding debts as follows:

* If payment has not been received 30 days after invoice a first remainder will be sent requesting payment.
* If payment is not forthcoming after a further 30 days, a second reminder will be sent with a notification of further action to recover the debt if payment is not received within 7 days.
* If payment is still not forthcoming, a third reminder will be sent with a notification of legal action through the Claims Court if payment is not received within 7 days.
* If payment is still not forthcoming the matter is reported to the Business and Enterprise Committee to seek approval for proceeding with legal action through the Claims Court.
* OR the current aged debtors report together with details of any debts outstanding and requests for debts to be written off will be provided to the Business and Enterprise Committee.

## Debt Recovery Code of Practice

* Penair School does not use oppressive and intrusive collection methods.
* Penair School does not act in a manner intended to embarrass the debtor.
* Penair School is circumspect and discreet when attempting to contact the debtor, whether by telephone, letter, or by personal visit.
* Penair School ensures that all attempted contact with the debtors is made at reasonable times and at reasonable intervals.
* Unless instructed otherwise by the debtor, Penair School does not discuss with or disclose to neighbours, relatives or employers a consumer’s indebtedness.
* Penair School does not use improper means to obtain the telephone number or the address of the debtor.
* Penair School does not pressure debtors to sell property or raise funds by further borrowing.
* Penair School does not falsely imply that criminal proceedings will be brought nor that civil action has been instituted in default of payment.

## VAT recovery on bad debts

VAT paid on bad debts can be recovered as long as HM Revenue and Customs (HMRC) bad debt relief requirements are satisfied. These include the following stipulations:

* VAT on supplies has already been paid to HMRC
* The bad debt has been written off in the VAT accounts and transferred to a separate bad debt account.
* The debt must be between 6 months old and 4 years and 6 months old.
* The debt must not have been sold on
* Mustn’t have charged more than the normal price for the item.

Penair School will reclaim via the VAT Return and keep records about the debt.

All bad debts will be reported to the Business and Enterprise Committee.

# Fixed Assets

All items purchased with a value over £1,000, the School’s capitalisation limit, must be entered in the accounting asset register and recorded on to either the School Asset Manager system or an alternative that is in place.

The asset register should include the following information:

* Asset description
* Asset number
* Serial number
* Date of acquisition
* Asset cost
* Expected useful economic life
* Depreciation
* Current book value

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
* Manage the effective utilisation of assets and to pan for their replacement
* External auditors draw conclusions on the annual accounts and the School’s financial system.
* Support insurance claims in the event of fire, theft, vandalism or other disasters.

## Asset Security

Stores and equipment must be secured by means of physical and other security devices.

All items in the register should be permanently and visibly marked as the School’s property and there will be a regular spot check. Any discrepancies arising as a result of the check will be investigated promptly and, where significant, be reported to the Business and Enterprise Committee by the School Business Manager. Inventories of School property will be kept up to date and reviewed regularly.

## Asset Disposal

Items which are to be disposed of by sale or destruction must be authorised for disposal by either the Headteacher. Items with a value above £2,000 require authorisation from the Business and Enterprise Committee.

Penair School must seek approval of the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid. Penair School is expected to reinvest the proceeds from all asset sales for which capital grant was paid in to other school assets. If the sale proceeds are not reinvested then Penair School must repay to the DfE a proportion of the sale proceeds.

## Loan of Assets

Items of Penair School property must not be removed from School premises without the authority of the Headteacher or the School Business Manager. A record of the loan must be recorded on the School Asset Manager System or an alternative that is in place and booked back in on its return. The person borrowing the asset will be responsible for returning it to the School in the same condition and must ensure that they have sufficient insurance cover to address any damage or loss of the asset.

## Depreciation

Penair School will depreciate fixed assets in line with recognised accounting standards, Academy best practice and DfE guidelines. Depreciation rules and revisions will be approved by the Business and Enterprise Committee.

Depreciation is provided for at the following annual rates in order to write off each asset over its estimated useful economic life and to reflect the resultant resource consumption in the School’s accounts:

* Freehold land – no depreciation
* Freehold buildings – 2% per annum on cost
* Fixtures, fittings (lifts) – 10% per annum on cost
* Fixtures, fittings (all other items) – 20% per annum on cost
* Computer equipment – 33.33% per annum on cost
* Motor vehicles – 25% - per annum on cost

Depreciation is not charged on assets under construction until they are brought into use.

# Data Management

Penair School’s data is a key resource, whether held in paper or electronic format. All data is processed in accordance to the Data Protection Act.

Physical protective measures will be in place for hard copy information relative to the classification of the data.

Systems are in place to protect key computer and electronic data; control features include:

* Regular back up procedures
* Passwords
* Disaster recovery plans

# Insurance

Penair School purchases adequate insurance to protect assets, activities and outcomes. The insurance policy terms and levels of cover are reviewed annually by the School Business Manager. In the case of a claim the School Business Manager contact the School’s insurers without delay to ensure the matter is dealt with in a timely and appropriate manner. This will result in the efficient reimbursement of monies.

# Keys and Key Code Inventory

The key inventory is the responsibility of the School Business Manager or relevant designated person to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys, or compromised key codes, to enable new security measures to be put in place and for the key inventory to be updated.

# Vehicles

Staff must ensure that only persons that are suitably qualified drive the School’s vehicles. The School’s vehicles can only be used for business in relation to Schools purposes (see Articles of Association).

Prior to use all vehicles are to be checked in line with the School’s procedures; failure to do so may lead to disciplinary action.

All damage is to be reported to the School Business Manager or relevant designated person.

# Academy Companies Statement

The Academy will not form any companies, subsidiaries or joint ventures without the approval of the Business and Enterprise Committee.

# Reserves and Investment

Penair will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning.

The current policy is for Penair aim to hold revenue a percentage of reserves equivalent to one month’s ESFA funding. All revenue reserves are controlled by Penair Trust Board including those transferred in upon conversion and cannot be spent without the approval of the Trust Board.

# Counter Fraud, Theft and Corruption

Penair School takes a firm zero tolerance approach to all instances of fraud, theft or corruption. Through its systems, checks and controls, the school aims to prevent theft, fraud and corruption, but will act as necessary to identify suspected instances and irregularities and will take appropriate action against those responsible. ***Full details can be found in the Academy’s Fraud policy in Appendix D.***

# Self-Assessment of Governance and Management

The Business and Enterprise Committee and the Headteacher will ensure that a self-assessment is undertaken annually in order to provide the ESFA with assurance on the adequacy of the School’s arrangements for financial management and governance.

The self-assessment will provide assurance to the Headteacher and Business and Enterprise Committee that conditions of funding are being met, and that appropriate systems of control are in place.

# Appendix A – Forms of Tender and Formal Tender Process

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the School Business Manager how best to advertise for suppliers e.g. general press or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender

This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

* There is a need to maintain a balance between the contract value and administrative costs.
* A large number of suppliers would come forward of because of the nature of the goods are such that only specific suppliers can be expected to supply the school’s requirements.
* The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

* The above methods have resulted in either no or unacceptable tenders
* Only one or very few suppliers are available
* Extreme urgency exists
* Additional deliveries by the existing supplier are justified

Preparation for Tender

Full consideration should be given to:

* Objective of project
* Overall requirements
* Technical skills required
* After sales service requirements
* Form of contract

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation may be issued in response to an initial enquiry. An invitation to tender should also include the following:

* Introduction/background of project
* Scope and objectives of the project
* Technical requirements
* Implementation of the project
* Terms and conditions of tender
* Form of response

Tender Acceptance/Opening Procedures

The invitation to tender should state the time and date by which the completed tender document should be received by Penair School. All tenders submitted should be opened at the same time and the details recorded.

Tender Evaluation Process

The evaluation process must involve members of the Business and Enterprise Committee, Headteacher and the School Business Manager. Those involved should disclose all interests, business and otherwise that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process. Those involved in the decision making must also take care not to accept gifts or hospitality from potentials suppliers as this could be seen to compromise the process.

Full details should be kept of all criteria used for evaluation and a report should be made to the Business and Enterprise Committee highlighting the relevant issues and advising the decision.

Where required by the conditions attached to a specific grant from the DfE, the department’s approval must be obtained before the acceptance of a tender.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that is not the best option for the academy. All parties should then be informed of the decision.

# Appendix B - Financial Scheme of Delegation Matrix for Penair School

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Authority to: | Trust Board | | Business & Enterprise Committee | Head teacher | School Business Manager | Finance Teams | SLT | Budget Holder | |
|  | Budgets (3 year): |  | |  |  |  |  |  |  | |
| 1 | Prepare a Budget |  | |  |  |  |  |  |  |  |
| 2 | Allocate a Budget |  | |  |  |  |  |  |  |  |
| 3 | Approve a Budget | at a quorate TB meeting | | at a quorate TB meeting |  |  |  |  |  |  |
| 4 | Approve Virement |  | | >£10,000 | <£10,000 |  |  |  |  |  |
| 5 | Prepare & present monthly management accounts |  | |  |  |  |  |  |  |  |
| 6 | Receive & monitor monthly management accounts |  | |  |  |  |  |  |  |  |
| 7 | Monitor a Budget |  | |  |  |  |  |  |  |  |
|  | Staff: |  | |  |  |  |  |  |  | |
| 1 | Appoint Staff | approval in case of Headteacher | | approval in case of Headteacher & SLT |  approval in case of teaching and support staff |  |  |  |  | |
| 2 | Determine Pay and Conditions | approval in case of Headteacher | | approval for all staff | approval for all staff |  |  |  |  | |
| 3 | Vary Pay and Conditions | approval in case of Headteacher | | approval for all staff | approval for all staff |  |  |  |  | |
| 4 | Certify payments/ variations to staff |  | |  |  |  |  |  |  | |
| 5 | Admit staff to/amend payroll records |  | |  |  |  |  |  |  | |
| 6 | Define & prepare a redundancy business case |  | |  |  |  |  |  |  | |
| 7 | Approve a redundancy business case |  at a quorate TB meeting | |  at a quorate TB meeting |  |  |  |  |  | |
| 8 | Approve Long Service Award (25 years = £60 voucher) |  | |  |  |  |  |  |  | |
|  | Authority to: | Trust Board | | Business & Enterprise Committee | Head teacher | School Business Manager | Finance  Teams | SLT | Budget  Holder | |
|  | Order for goods and services: | | | | | | | | | |
| 1 | Accept quotes |  | |  |  |  |  |  |  | |
| 2 | Certify Orders | >EU Threshold | | >EU Threshold | >£20,000 to EU Threshold | <£20,000 |  |  |  | |
| 3 | Certify Invoices |  | |  |  |  |  |  |  | |
| 4 | Approve petty cash disbursements |  | |  |  |  |  |  |  <£100 | |
| 5 | Holding & dispersing cash from petty cash |  | |  |  |  |  |  |  | |
| 6 | Sign cheques for petty cash (see key and note below for  values) |  | |  | 1A bank  signatory | 1A bank  signatory |  | 1A bank  signatory |  | |
| 7 | Control official stationery |  | |  |  |  |  |  |  | |
| 8 | Open formal tenders received (over £50k |  | |  |  |  |  |  |  | |
| 9 | Evaluate formal tenders |  | |  |  |  |  |  |  | |
| 1 0 | Accept formal tenders |  | |  |  |  |  |  |  | |
|  | Authority to: | Trust Board | | Business & Enterprise Committee | Head teacher | Business  Managers/  Client  Managers | Finance  Teams | SLT | Budget  Holder | |
|  | Banking arrangements: |  | |  |  |  |  |  |  | |
| 1 | Order cheques |  | |  |  |  |  |  |  | |
| 2 | Sign cheques  (see key and note below for  values) | 3A bank  signatory | |  | 1A/2A bank  signatory | 1A/2A bank  signatory |  | 1A/2A bank  signatory |  | |
| 3 | BACS payments (see key and note below for values) | 3A bank  signatory | |  | 1A/2A bank signatory | 1A/2A bank signatory |  | 1A/2A bank signatory |  | |
| 4 | Give instruction to bank ie SO, DD, withdrawal of cash or special services |  | |  | 2A bank signatory | 2A bank signatory |  | 2A bank signatory |  | |
|  | Security and money: | | | | | | | | | |
| 1 | Hold keys/spare keys to safes, cash boxes or other  lockable money receptacles |  | |  |  |  |  |  |  | |
| 2 | Deal with banking of money |  | |  |  |  |  |  |  | |
|  | Authority to: | Trust Board | | Business & Enterprise Committee | Head teacher | Business  Managers/  Client  Managers | Finance  Teams | SLT | Budget  Holder | |
|  | Income: | | | | | | | | | |
| 1 | Determine fees & charges/ profit margins |  | |  |  |  |  |  |  | |
| 2 | Determine credit control arrangements |  | |  |  |  |  |  |  | |
| 3 | Control official stationery |  | |  |  |  |  |  |  | |
| 4 | Raise invoices |  | |  |  |  |  |  |  | |
| 5 | Collect and receipt income |  | |  |  |  |  |  |  | |
| 6 | Write off income outstanding |  | | >£500 |  <£500 |  |  |  |  | |
| 7 | Waive income/charges receivable |  | |  |  |  |  |  |  | |
|  | Assets: |  | |  |  |  |  |  |  | |
| 1 | Sell assets | |  | <£20,000 | <£2,000 |  |  |  |  | |
| 2 | Write off assets |  | | <£20,000 | <£2,000 |  |  |  |  | |
| 3 | Rent or lease assets |  at a quorate TB meeting | |  at a quorate TB meeting |  |  |  |  |  | |
| 4 | Maintain fixed asset register |  | |  |  |  |  |  |  | |
|  | Authority to: | Trust Board | | Business & Enterprise Committee | Head teacher | Business  Managers/  Client  Managers | Finance  Teams | SLT | Budget  Holder | |
|  | Financial systems and records: |  | |  |  |  |  |  |  | |
| 1 | Manage/operate access to or alter financial systems and records (including computer systems & records) /have | |  |  |  |  |  |  |  | |
|  | Financial information: |  | |  |  |  |  |  |  | |
| 1 | Certify as being correct financial information which is to be supplied to external bodies | |  |  |  |  |  |  |  | |

KEY

Cheques signatories

1A up to and including £1,000

2A £1,000 to £25,000

Elizabeth Seale and 2A over £25,000

BACs authorisation

1A up to and including £10,000

2A £10,000 to £75,000

Elizabeth Seale and 2A over £75,000

‘A’ = bank signatories

James Davidson, Headteacher

Rob Sharpe, Deputy Head

Elizabeth Seale, Chair of Governors

**EU Threshold** **for procurement** – as at 1st January 2020: £122,976 for goods and services; £4,733,252 works

# Appendix C - Penair School Gift & Hospitality Policy

Introduction and purpose

The receipt of gifts, money or excessive hospitality can damage the school’s reputation and lead to possible prosecutions for corruption.

This policy seeks to protect staff from suspicion of dishonesty and ensure they are free from any conflict of interest with respect to acceptance or provision of gifts, hospitality or any other inducement from or to suppliers of goods or services to the school.

Definitions

A gift is any item, cash, goods or benefit in kind given or offered for which no payment or service was given or received in return.

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

Staff is taken to mean all permanent and fixed term staff employed Penair School and by any other contractors, consultants or other persons (including Governors) acting under Penair’s name.

Principles

Penair School expects staff to exercise the utmost discretion in giving and accepting gifts and hospitality when on school business. Particular care should be taken with regard to a person or organisation that has, or is hoping to have, a contract with the school.

Staff must not accept gifts, hospitality or benefits in kind from a third party where it might be perceived that their personal integrity is being compromised or that Penair School might be placed under an obligation.

No favour or preference which is not generally available should be sought, accepted or given.

Staff must not make use of their official position to further their private interests or those of others.

Gifts and Hospitality

The individual should consider carefully whether it is appropriate to accept or decline a gift or hospitality.

If in doubt advice should be sought from the School Business Manager who may in turn liaise with the Head Teacher.

Gifts of low intrinsic value such as promotional calendars or diaries or small tokens of gratitude can be accepted.

Any gift or hospitality with a value of £25 or over must be recorded in the Register of Gifts and Hospitality. This will be held by the School Business Manager.

It is each individual’s responsibility to inform the School Business Manager by e-mail of any gifts or hospitality that is offered.

Contracts with Suppliers

Staff must base all purchasing decisions and negotiations for contracts solely on achieving best value for money.

Penair School requires staff who have official dealings with contractors and other suppliers of goods and services to Penair School to avoid conducting any private business with them by any means other than through normal commercial channels.

Staff should be aware of the Prevention of Corruption Act 1916 which states that any money, gift or consideration received by an employee in public service, from a person or organisation holding, or seeking to obtain a contract, will be deemed by the courts to have been received corruptly unless the employee proves otherwise.

Gifts To and From Students

Given the nature of the professional responsibilities of staff, they are strongly advised not to give or accept gifts/hospitality (exceeding £25 in value) from students during their period of study.

Any gifts/hospitality from students, exceeding £25 in value must be entered in the Register of Gifts and Hospitality.

Register of Gifts

The School Business Manager has responsibility for the ownership of the policy and the Gift and Hospitality Register. Individual staff are personally responsible for reporting any gifts/hospitality offered and whether these have been accepted or declined. The School Business Manager will record this information in the register.

The following should be recorded:

* Nature of gift/hospitality
* Value of gift/hospitality
* Name of person/company offering the gift/hospitality
* Date gift/hospitality accepted/refused.
* Name of employee

review

Review Body: Business and Enterprise Committee

Leadership Group Responsibility: Headteacher

Type of Policy: Statutory

Review Period: Every 3 years

Reviewed: February 2019

Next Review: February 2022

# Appendix D - Penair School Fraud Policy

The Fraud Policy should also be read in conjunction with the School’s Whistleblowing Policy which can be found in the all staff shared drive G:\All Staff\Policies

Policy Statement

Penair School is committed to the prevention of fraud and the promotion of an anti-fraud culture.

Penair School operates a zero-tolerance attitude to fraud and requires all staff, governors and volunteers to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.

Penair School will investigate all instances of actual, attempted or suspected fraud and will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.

This policy applies to all staff (full time, part time, temporary and casual), consultants, volunteers and the school’s Governing Body.

Definition of Fraud

The term ‘fraud’ is often used to describe complex financial offences such as false accounting. However, in its simplest form, fraud is lying. Some people will lie, or withhold information, or generally abuse their position to try to trick someone else into believing something that isn’t true. Examples might include:

* Sending fake invoices for goods and services that weren’t ordered or received.
* Use of the school’s purchase card to make personal purchases.
* Intercepting a school cheque and amending the name of the payee and/or the amount.
* Submitting false claims for sickness or expenses.

Individuals caught committing fraud can be prosecuted under the [Fraud Act 2006](http://www.legislation.gov.uk/ukpga/2006/35/section/1) if they make a false representation, fail to disclose information or abuse their position.

The prevention of fraud and the protection of the School is the responsibility of every member of staff.

Key Responsibilities

The Headteacher is responsible for:

* Developing, implementing and maintaining adequate systems of internal control that prevent and detect fraud.
* Testing the system of internal control and seeking independent assurance when appropriate.
* Regularly reviewing the school’s anti-fraud policy and compliance with it to ensure it remains effective and relevant to the needs of the school.
* Reporting compliance with the policy on at least an annual basis to the Governing Body.
* Reporting allegations of actual, attempted or suspected fraud to the Full Governing Body.
* Ensuring all allegations of fraud are investigated appropriately, in compliance with relevant policies, procedures and legislation and commencing disciplinary and/or legal action where appropriate.

The Governing Body are responsible for:

* Overseeing the financial performance of the school, including its assets, making sure the school’s money is well spent and measures are in place to prevent losses or misuse, including arrangements for preventing and detecting fraud.

Staff are responsible for:

* Familiarising themselves with the types of fraud that might affect the school.
* Ensuing they adhere to the agreed policies and procedures, thereby protecting the school’s reputation and assets from fraud.
* Reporting allegations of actual, attempted or suspected fraud to the Headteacher, and/or the Governing Body
* Assisting in the investigation of suspected fraud when requested to do so, for example by providing witness statements.

Response to suspected fraud

When fraud is suspected, action will be taken to:

* Establish the facts
* Limit the damage
* Seek reparation for losses incurred
* Report the matter to the appropriate authority
* Revise procedures and make revisions as necessary to prevent any recurrence

The School has rules which attempt to allocate resources on a fair and even handed basis. Fraudulent activity circumvents these rules and gives an unfairly generous allocation to one or more individuals to the detriment of all others.

Reporting of suspected fraud

Under no circumstances should staff investigate the matter themselves.

Any suspicion of fraud should be reported to a member of the Senior Leadership Team. If it is considered more appropriate (for example, if a member of the Senior Leadership Team is involved) the suspicions may be reported directly to either the Chair of Governors, the Chair of the Business and Enterprise Committee or any other governor who can pass on the information.

If the Headteacher or a member of the SLT is allegedly involved in the fraud then a senior Governor may lead the investigation (as below) or involve external support as appropriate.

A member of SLT will ensure that any initial enquiries considered necessary to validate the report are made. In every case as soon as possible after these initial investigations, he or she will pass the matter to the School Business Manager. Even if there is no evidence to support the allegation, the matter must be reported.

A referral form has been provided at the end of this policy which staff and Governors may wish to use as a guide to the type of information that should be captured when an allegation of fraud arises.

The Sub-Committee

The management of any investigation will be undertaken by a sub-Committee set up and controlled by the Business & Enterprise Committee. They will:

* determine whether further investigation is warranted
* determine the initial response to the alleged perpetrator when this is a member of school staff
* determine who will carry out the investigation
* determine which outside agencies (police, auditors) will be involved
* assess the risk to the school
* determine to whom day-to-day management of the response will be given
* allocate responsibility for damage limitation action
* determine the course of action to recover losses
* determine the course of action to be taken against wrongdoers
* evaluate the events which enabled the fraud to occur
* ensure preventative action is taken to prevent recurrence
* notify the ESFA of any fraud or theft over £5,000 individually or cumulatively or any ‘unusual’ or ‘systematic’ fraud.

Fraud Response Plan

It is important that allegations of actual, attempted and suspected fraud aren’t ignored. Even seemingly insignificant concerns may later reveal a larger, previously unknown problem.

Securing Evidence

Ensure that any concerns are recorded fully. Whenever possible keep written notes that cover:

* Names, addresses and dates of birth.
* Descriptions (height, build, hair colour, ethnicity, clothing, distinctive features)
* Dates and times of key events.
* Vehicle registration numbers and descriptions.
* Details of any conversations had or overheard.
* Details of any actions or incidents that were observed.
* Telephone numbers
* Company and/or business details

Secure any physical evidence such as original invoices, receipts, letters, cheques and application forms. Try to minimise how many people and how often evidence is handled. Fingerprint evidence can very quickly be destroyed.

If any of the evidence is on a computer, immediately unplug the computer from its power source. Don’t attempt to shut the computer down through its operating system as this can alter or destroy key files and documents.

Whilst initially securing the evidence it is important not to be tempted to begin a more substantial investigation, or accuse individuals directly, without seeking professional advice (see ‘Seeking Advice’ below).

If an investigation is undertaken without following the appropriate policies, procedures and legislation, or if individuals are accused without sufficient evidence, it may lead to the perpetrators avoiding a disciplinary, criminal or civil sanction.

Preventing Further Losses

It is important to minimise any additional losses. For example, if the allegations concern the theft or loss or banking passwords, PIN’s or similar credentials notify the bank immediately.

Equally, if the losses relate to a weak process, for example cash is routinely kept unsecured in a drawer, ensure that the process is changed, at least temporarily, until more permanent and improved processes can be implemented.

Seeking Advice

When an allegation of fraud is discovered it is important to seek professional advice as soon as possible. Advice can be sought from Cornwall Council Local Financial Services Team on 01872 324484, and the Police. General advice about fraud is available form Action Fraud: <https://www.actionfraud.police.uk>

Support for Witnesses

Members of staff, Governors and the public may be feeling vulnerable before, during and after they have brought an allegation of fraud to the attention of the school.

Reassure witnesses that they have acted appropriately by raising their concerns. Members of staff should be provided with a copy of the **Whistleblowing Policy** and reminded that the school does not tolerate reprisals, victimisation or harassment and will take all reasonable action to protect them.

In addition, the school will take steps to minimise any difficulties members of staff may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the school will advise or arrange for them to receive advice and support about the process being followed.

The Public Interest Disclosure Act 1998 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity Protect (formerly Public Concern at Work) on **0203 117 2520** and find other helpful information at [www.pcaw.org.uk](http://www.pcaw.org.uk/).

review

Review Body: Business and Enterprise Committee

Leadership Group Responsibility: Headteacher

Type of Policy: Statutory

Review Period: Every 3 years

Reviewed: February 2019

Next Review: February 2022

Fraud Reporting Form

If you have any concerns about fraud please contact the School Business Manager on 01872 245130 or [ghakin@penair.cornwall.sch.uk](mailto:ghakin@penair.cornwall.sch.uk) or print and complete this form and send it to the address shown below.

**You do not need to give your name. All the information provided will be treated in confidence.**

|  |  |
| --- | --- |
| Name of the person(s) or organisation you suspect: |  |

|  |  |
| --- | --- |
| Address: (if known) |  |

|  |  |
| --- | --- |
| Place of work / department / job title: (If known) |  |

Please provide details of your suspicions. You should include as much information as possible. For example, what was said in telephone or other conversations, dates, times and places, vehicles used, as well as the names of any other parties involved: (Continue on a separate page if necessary and attach any additional evidence you may have)

|  |
| --- |
|  |

Your details: **(please leave blank if you wish to remain anonymous)**

|  |  |
| --- | --- |
| Name: |  |

|  |  |
| --- | --- |
| Telephone number or contact address: |  |

Please return this form in an envelope marked Private & Confidential to **Gill Hakin, School Business Manager, Penair School, St Clement, Truro, Cornwall, TR1 1TN**