PENAIR SCHOOL

DISCE UT VIVAS

Financial Regulation and Scheme of Delegation

Policy holder:	Business Manager
To be reviewed by policy holder:	Annually
Last reviewed by the Governing Board:	Autumn 2026
Next review by the Governing Board:	Autumn 2027

Contents

1	What has changed in this edition?	4
2	Introduction and purpose	6
3	Organisation	6
4	Financial Planning	11
5	Budget Management, Monitoring and Review	12
6	Income	14
7	Cash Management	16
8	Accounting System	18
9	VAT	19
10	Purchasing and Payments	19
11	Leases	21
12	Payroll and Personnel Records	22
13	Relocation and Interview Expenses	24
14	Travel and Subsistence Expenses	24
15	Write-offs and entering into liabilities	25
16	Debt Recovery Procedures	25
17	Fixed Assets	26
18	Data Management	27
19	Insurance	27
20	Keys and Key Code Inventory	28
21	Vehicles	28
22	Academy Companies Statement	28
23	Reserves and Investment	28
24	Counter Fraud, Theft and Corruption	28
25	Self-Assessment of Governance and Management	28
26	Appendix A – Competitive tendering policy	1
27	Appendix B - Financial Scheme of Delegation Matrix for Penair School	1
28	Appendix C - Penair School Gift & Hospitality Policy	1
29	Appendix D - Penair School Fraud Policy	1
30	Appendix E - Staff Expenses Procedures 2026/27	1

31 Appendix F - Staff Rewards and Comforts Procedures 2026/27 1

1 What has changed in this edition?

Appendix E, Page 8 - HMRC mileage rate changed from 45p per mile to 55p per mile

Page 24-25 – HMRC mileage rate changed from 45p per mile to 55p per mile

Appendix A, Page 2 – changes to when trusts must use government frameworks for supply staffing, energy and MIS systems (Sep 26 ATH)

Page 23-24 – changes to setting executive pay, severance payment and alternative pension schemes (Sep 26 ATH)

Page 9-10 – strengthening the position of trustees' s financial knowledge and expertise (Sep 26 ATH)

Page 7 – Change to reporting to the board where it is identified that the trust's ability to operate as a going concern is at risk (Sept 26 ATH)

Section 30 – Appendix E – Staff Expenses Procedures 2026/27 (Jan 26)

Section 31 – Appendix F – Staff Rewards and Comforts Procedures 2026/27 (Jan 26)

Page 18,27,32,37 - Public Contract Regulation (PCR) thresholds updated (Jan 26)

Page 36 – Change to authorisation levels (Jul 25)
Order / Invoice certification
Business Manager - up to and including £10,000
2A £10,000 to £75,000
Chair of Governors and 2A over £75,000

Page 21 – Update mileage claim rate from 40p to 45p following governor approval to increase (Sept 25).

Page 34 & 37 – change invoice and order authorisation limits in line with bank mandate (Jul 25).

Page 18 – change procedures to require a purchase order for all purchases (Jul 25).

Page 25 – change reserve policy to reflect change agreed by governors to hold between 5-8% of GAG funding in reserves (Jun 25)

Page 29-30 – Changes to procurement process following introduction of the Procurement Act 2023 in February 2025 (Feb 25)

Page 9 – update to what must be included in the Register of Interest (Jul 24)

Page 32-33 – changes to delegation matrix to reflect changes introduced to the competitive tendering procedure in May 23 (Jul 24)

Page 19 – Change to DfE consent around Finance Leases (Jul 24)

Page 8 – The term Internal Audit changed to Internal Scrutiny as used in the ATH (Jul 24)

Pages 18,27,31,36 – Public Contract Regulation (PCR) thresholds updated (Jan 24)

Page 7 - Explaining that the role of the Accounting Officer and the Chief Financial Officer should not be occupied by the same individual. (Jul 23)

Page 8 – Trust no longer need to provide an explanation in their governance statement where the board has not met at least 6 times a year. (Jul 23)

Page 28 – change to related party transaction approval threshold from £20k to £40k (Jul 23)

Page 33 – change to authority levels: (May 23)

Business Manager	>£20,000
Headteacher -	>£20,000 to £80,000 Threshold
Business, Audit & Risk committee -	>£80,000 to PCR Threshold
Full Governing Board -	>PCR Threshold

Page 28 - 33 – Insert a competitive tendering policy to replace the "forms of tenders and formal tender process" (May 23)

Page 38 – Scheme of Delegation matrix updates to replace EU with PCR. (May 23)

Page 20 – EU Thresholds replaced by Public Contracts Regulations (PCR) Thresholds. Requirement for PCR compliance buying process for contracts over the PCR threshold. (May 23)

Page 25 – Reserves policy changed to read "The current policy is for Penair to aim to hold a percentage of reserves equivalent to one month's DfE funding and not less than one month's gross wages" (Nov 22)

Page 19 - (EU Threshold for procurement – as at 1st January 2022: £115,633 for supplies and services and £4,447,447 for works exclusive of VAT) (Jan 22)

Committee name changed from Business and Enterprise Committee to Business, Audit and Risk Committee. (Sep 21)

2 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 DfE (Department for Education) which includes the Academies Trust 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.

3 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.

3.1 The Trust Board / Business, Audit and Risk Committee

The Trustees of the Penair School are both charity trustees and company directors and form the Board of Governors (henceforth referred as the Trust Board). The Business, Audit and Risk Committee is a sub Committees of the Trust Board

The Trust Board / Business, Audit and Risk 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 conduct for Board Members of Public Bodies*: Code of conduct for board members of public bodies - GOV.UK

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 Freedom of Information Act 2000.

3.2 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 DfE 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

3.3 Going Concern and Financial Sustainability

The Trust Board is responsible for ensuring that the Trust remains financially sustainable and able to continue operating as a going concern. The Board will receive regular financial information, including management accounts, cash flow forecasts, budget monitoring reports and longer-term financial projections, to enable it to assess the Trust's financial position and future viability.

The Chief Financial Officer will maintain appropriate financial monitoring arrangements to identify any actual or emerging risks to the Trust's financial sustainability and will report significant concerns promptly to the Accounting Officer, the Business, Audit and Risk Committee and the Trust Board.

Where there is a material risk that the Trust may not be able to continue as a going concern, or where financial pressures may significantly affect the Trust's ability to meet its obligations, the Accounting Officer must ensure that the matter is escalated to the Trust Board without delay and, where required by

the Academy Trust Handbook or other Department for Education guidance, notify the Department for Education promptly.

The Board will review going concern assumptions as part of the annual budget-setting process, the preparation of the annual financial statements and whenever significant financial risks arise. Appropriate recovery actions and mitigation plans will be developed, monitored and reported upon where necessary.

3.4 Headteacher

Appointed as Accounting Officer, the Headteacher has overall executive responsibility for the School and responsible to the Business, Audit and Risk 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, Audit and Risk 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 Conduct* for Board Members of Public Bodies. Objections should be put in writing to the Business, Audit and Risk 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.

3.5 Chief Financial Officer (CFO)

The Board must appoint a Chief Financial Officer (CFO), who is the Trust's finance director, business manager or equivalent, to whom responsibility for the Trust's detailed financial procedures is delegated. The CFO should play both a technical and strategic leadership role and should be employed by the Trust.

The CFO must be appropriately qualified and/or experienced to fulfil the responsibilities of the role. The Board shall satisfy itself that the CFO possesses the necessary financial knowledge, skills and experience to ensure sound financial management, effective internal control and compliance with the requirements of the Academy Trust Handbook. Relevant business, financial or accountancy qualifications and membership of an appropriate professional body are desirable.

The roles of Accounting Officer and Chief Financial Officer must not be occupied by the same individual.

3.6 School Business Manager

The School Business Manager works in close collaboration with the Headteacher through whom he/she is responsible to the Business, Audit and Risk 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

3.7 The Business, Audit and Risk Committee

The Business, Audit and Risk Committee is appointed by the Trust Board to provide it with an independent assurance that:

- The financial responsibilities of the Business, Audit and Risk 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
- The Risk Register is reviewed regularly, and appropriate actions are taken to manage significant risks.
- The Trust Board has access to sufficient financial knowledge, skills and expertise to enable effective oversight of financial performance, compliance and risk management. The Committee will support the Board in regularly assessing its financial competency and identifying any training, development or recruitment requirements.

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

The Business, Audit and Risk 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 three-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

- Regular review of appropriate financial, risk management and governance policies.
- Monitoring the effectiveness of risk management arrangements and reviewing the Trust Risk Register.
- Reviewing the financial skills, knowledge and experience available within the Board and Committee membership and recommending actions to address any identified gaps.
- Considering strategic planning and long-term financial sustainability to ensure future viability.

The Business, Audit and Risk Committee must meet regularly enough to discharge its responsibilities and ensure robust governance, effective financial management arrangements and appropriate oversight of risk. Meetings must take place at least three times each year, although the Trust should consider meeting more frequently where necessary to discharge its responsibilities effectively. Business may only be conducted when the meeting is quorate.

3.8 Internal scrutiny

The internal scrutiny programme should be carried out by a suitably qualified person and be covered by a scheme of work, driven and agreed by the Business, Audit and Risk Committee and informed by risk.

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 Cornwall Council's Internal Audit service. A report of the findings from each visit will be provided to the Business, Audit and Risk Committee.

Internal scrutiny is how assurance may be given on:

- 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.

3.9 Appointed Auditors

The Business, Audit and Risk 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 Griffin Chartered Accountants.

3.10 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.

3.11 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 must include their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them and relevant business and financial interests including:

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

The disclosure should also include business interests of close relationships such as a family member who may be expected to influence, or be influenced by, that person in their dealings with the trust.

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.

The register of interest must be published on the school website.

4 Financial Planning

4.1 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, Audit and Risk 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, Audit and Risk Committee will notify DfE of any deficit budget in which previous year's reserves does not address the deficit.

5 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, Audit and Risk 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, Audit and Risk 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, Audit and Risk Committee.

5.1 Budget Virements

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

The Headteacher may authorise virements up to a limit of £10,000 per 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, Audit and Risk Committee.

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

5.2 Capital Budget

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

5.3 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 Trust Handbook issued by the DfE 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, Audit and Risk 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, Audit and Risk 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, Audit and Risk 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.

6 Income

The main sources of income for Penair School are the funding from the DfE 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.

6.1 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.

6.2 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, Audit and Risk 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, Audit and Risk Committee and/or the Headteacher and documented as with all lettings.

The Assistant Business 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.

6.3 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.

6.4 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.

6.5 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 Finance Administrator and reviewed monthly by the School Business Manager.

6.6 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.

7 Cash Management

7.1 Bank Accounts

The opening of all bank accounts must be authorised by the Headteacher and School Business manager, authorised by the Business, Audit and Risk 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

7.2 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

7.3 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.

7.4 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.

7.5 Schools' Private Fund

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

7.6 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.

7.7 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

7.8 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.

7.9 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.

8 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.

8.1 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.

8.2 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.

8.3 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.

9 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.

10 Purchasing and Payments

The Trust shall maintain procurement arrangements designed to ensure that all expenditure delivers value for money and demonstrates the proper stewardship of public funds. All procurement activities must be conducted with integrity, transparency, fairness and accountability and comply with the Academy Trust Handbook, the Trust's Scheme of Delegation and all relevant procurement legislation.

The Trust shall ensure that:

- Spending decisions are based on value for money, considering whole-life costs, quality, service, sustainability and risk, rather than price alone.
- Procurement activities are undertaken in accordance with appropriate financial authority limits and approval procedures.
- Purchasing arrangements avoid conflicts of interest and all staff, Trustees and Local Governors involved in procurement declare any actual, potential or perceived conflicts.
- Appropriate records are maintained to demonstrate that procurement decisions are transparent, objective and represent value for money.
- The Trust does not enter into agreements which could be regarded as novel, contentious or repercussive without obtaining any necessary approvals.

Before committing expenditure, budget holders must ensure that:

- Adequate budget provision exists.
- The proposed expenditure supports the Trust's educational objectives and strategic priorities.
- Appropriate procurement procedures have been followed.

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

10.1 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.

10.2 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 in line with the SoD before the order is placed with the company.

10.3 Procurement Arrangements

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

Low-value purchases

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

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.

Medium-value purchases

Orders of £10,000 but less than £40,000 – 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.

High-value purchases

Orders over £40,000 but less than Public Contracts Regulations (PCR) thresholds
(PCR Threshold for procurement – as at 1st January 2026: £207,720 for supplies and services and £5,193,000 for works inclusive of VAT

Goods/services ordered with a value over £40,000, or for a series of contracts which exceed £40,000, must be subject to formal tendering procedures as detailed in Appendix A. All paperwork relating to the tender must be retained by the School Business Manager

Orders over the PCR Threshold

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the trust will seek legal advice to ensure it runs a PCR compliant buying process.

Please refer to Appendix A – Competitive Tendering Policy for full procurement procedures.

10.4 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.

10.5 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.

11 Leases

Operating leases

Penair School may enter into operating lease agreements where these provide an affordable option over outright purchase.

The trust **must** obtain DfE's prior approval when:

- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years.
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Other than the these, trusts do not require DfE's approval for operating leases.

Finance Leases

The trust **must** obtain DfE prior approval before taking up a finance lease, however from the 1st September 2024, the following assets have been granted prior consent by the Secretary of State for Education, meaning trusts do not need to make a specific request for consent where a finance lease is covered in the list below.

- all existing leases in place before 1 September 2024 for items included in this list

- leases related to IT equipment (for example laptops, tablets, desktop computers, printers, photocopiers, servers, door entry security systems, CCTV Systems, whiteboards and touch screen boards)
- leases related to telephony (for example mobile phones, landline phones and telephone systems)
- leases related to catering and cleaning equipment (for example tills, water coolers, vending machines, dishwashers, washing machines, ovens, fridges, freezers, water boilers, small kitchen appliances, crockery and cutlery)
- leases related to furniture (for example desks, tables and chairs)
- leases related to bathroom and sanitary items (for example hand dryers, towel dispensers, sanitary bins)
- leases related to gym equipment (for example treadmills, free weights and weight machines, rowing machines and exercise bikes)
- leases related to groundskeeping equipment (for example lawn mowers, string trimmers, leaf blowers and salt spreaders)
- leases related to LED lighting systems or to support renewable activity (for example lightbulbs, control mechanisms and control panels) - consent is granted where the product has been sourced with support from the Department for Education through Get help buying for schools or from a recommended route on our Find a framework website
- leases related to minibuses and other vehicles for the use of the school
- leases related to temporary classrooms and equivalent structures (but not land leases they sit on, which may require separate consent – see school land transactions guidance)

12 Payroll and Personnel Records

12.1 Staff appointments and changes

The Business, Audit and Risk 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, Audit and Risk Committee.

If the change is outside of the overall agreed establishment then the Headteacher must seek authorisation from the Business, Audit and Risk 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 budget.

12.2 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 SAMPeople.

12.3 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 Assistant School Business Manager who will then input the data on to the Oracle payroll system 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 Assistant School Business Manager. The School Business Manager reviews all records against those submitted by the Assistant 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.

12.4 Executive Pay and Remuneration

The Trust Board will ensure that executive pay and other benefits follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. Decisions relating to executive remuneration must be transparent, proportionate and demonstrate effective stewardship of public funds.

The Board shall ensure that all decisions regarding executive pay are supported by appropriate benchmarking, objective assessment of performance and consideration of the Trust's financial position. Individuals must not be involved in discussions or decisions concerning their own remuneration. Where required by the Academy Trust Handbook, the Trust will obtain prior approval from the Department for Education before advertising or appointing to posts that exceed the relevant salary thresholds. Documentation supporting remuneration decisions shall be retained and made available for audit and assurance purposes.

12.5 Severance Payments

The Trust will ensure that any severance payment represents an appropriate, lawful and defensible use of public funds. Severance payments must not be used where they could reasonably be regarded as rewarding poor performance, failure or misconduct, or where they do not provide value for money.

All proposed severance arrangements must be supported by a documented business case which demonstrates the rationale for the payment, the costs and benefits to the Trust, consideration of alternative options and compliance with employment and contractual obligations.

The Trust will obtain any approvals required under the Academy Trust Handbook before entering into severance agreements. Trustees must satisfy themselves that payments are regular, proper and provide value for money. Appropriate records shall be retained to evidence decision-making, approvals obtained and the basis on which the payment was agreed.

Any severance payment involving a related party, senior employee or other matter of significant public interest shall be subject to enhanced scrutiny by the Trust Board and reported in accordance with the Trust's statutory reporting obligations.

12.6 Alternative Pension Arrangements

The Trust will participate in the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) where applicable to eligible employees. The Trust will not introduce, amend or offer any alternative pension arrangement in place of TPS or LGPS without first obtaining any approvals required by the Department for Education.

Where the Trust is considering an alternative pension arrangement, a full business case will be prepared demonstrating the financial, legal and employee relations implications of the proposal. No discussions or commitments will be made with employees, trade unions or other stakeholders until the necessary approvals have been obtained.

The Business, Audit and Risk Committee shall be informed of any proposal to introduce or amend pension arrangements and shall consider the financial impact and associated risks before any recommendation is made to the Trust Board.

13 Relocation and Interview Expenses

Relocation expenses to new members of staff are not paid, unless agreed by the Business, Audit and Risk 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 55p per mile.

14 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, Audit and Risk Committee, if the claimant is the Chair of the Business, Audit and Risk 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 55p 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, Audit and Risk Committee. A copy of the schedule of rates and allowances is held in the Finance Office and can be found in the Staff Expenses Procedures 2025/26 at section 30.

15 Write-offs and entering into liabilities

The academy trust **must** obtain DfE'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.

16 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, Audit and Risk 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, Audit and Risk Committee.

16.1 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.

17 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.

17.1 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, Audit and Risk Committee by the School Business Manager. Inventories of School property will be kept up to date and reviewed regularly.

17.2 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, Audit and Risk 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.

17.3 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.

17.4 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, Audit and Risk 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.

18 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

19 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.

20 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.

21 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.

22 Academy Companies Statement

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

23 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 to hold a percentage of reserves within a range of 5-8% of General Annual Grant (GAG) funding, allowing the school to maintain resilience and enable investment. 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. The reserves policy will be reviewed on an annual bases.

24 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.***

25 Self-Assessment of Governance and Management

The Business, Audit and Risk Committee and the Headteacher will ensure that a self-assessment is undertaken annually in order to provide the DfE 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, Audit and Risk Committee that conditions of funding are being met, and that appropriate systems of control are in place.

26 Appendix A – Competitive tendering policy

26.1 Aims and scope

This policy aims to ensure that:

- The school's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Trust Handbook
- The school's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors
- Conflicts of interest are managed adequately and appropriately
- The school has open and transparent procurement procedures

This policy includes procedures for open tenders. This approach allows anyone to submit a tender to supply goods or services required, and offers an equal opportunity to any organisation to submit a tender.

26.2 Legislation and guidance

The Academies Trust Handbook states that academy schools are required to have a competitive tendering policy, and ensure that the Public Contracts Regulations (PCR) procurement thresholds are observed.

This policy is based on:

- Academies Trust Handbook
- Department for Education (DfE) guidance on buying procedures and procurement law
- Procurement Act 2023

This policy also complies with our funding agreement and articles of association.

26.3 Roles and responsibilities

Board of trustees

The board of trustees will ensure that:

- Spending decisions represent value for money
- The school's funds are used in a way that commands broad public support
- Relevant legal or professional advice (such as an external auditor) is used, where appropriate
- Goods or services provided by individuals or organisations connected to the school are provided at no more than cost
- Nobody connected to the school, directly or indirectly, uses their position or connection to the school for personal gain
- Where any trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) to show that they had no influence on the decision

Finance committee

The Board of trustees delegates competitive tendering responsibilities to the Business, Audit & Risk committee.

The committee is responsible for reviewing the school's tendering processes, and for reporting to trustees on tenders.

School Business Manager

The School Business Manager (SBM) is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place
- Preparing and monitoring budgets
- Providing information to the Business Audit & Risk committee, and School trustees, as appropriate
- Overseeing and supporting competitive tendering

26.4 Purchase thresholds

Routine purchases can be requested and authoirsed by the School Business Manager as per the Schools Scheme of Delegation.

Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £1 - £10,000
- Medium-value purchase: £10,001 - £40,000
- High-value purchase: over £40,001, but below the PCR procurement threshold

PCR procurement threshold

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the school will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £207,720 including VAT.

A 'light touch regime', with a higher threshold of £663,640 applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the school qualifies.

26.5 Approval authority

Approval authority levels can be found within the Scheme of Delegation which is ***Appendix B*** of the Financial Regulations Policy

26.6 Framework agreements

In accordance with the Academy Trust Handbook, the Trust will consider and, where required, utilise Department for Education (DfE) approved procurement arrangements and framework agreements to secure value for money and ensure compliance with procurement requirements.

The Trust must use approved DfE framework for:

- the procurement of supply teachers and agency staffing unless there is a demonstrable reason why an alternative route delivers better value and compliance.
- energy procurement arrangements.
- Management Information System (MIS) - contracts are procured through approved frameworks from 1 September 2027.

Where alternative procurement routes are taken, the Trust must maintain clear evidence that value for money, due diligence and procurement compliance requirements have been satisfied. The Business, Audit and Risk Committee will receive assurance that significant procurement activities comply with DfE requirements and deliver best value for the Trust.

26.7 Valuing contracts

The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees and VAT.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.

We will not divide a single contract into smaller contracts to bypass the purchase thresholds.

26.8 Evaluating tenders

Tenders will be evaluated against the criteria and weighting outlined in the tender document. This criteria will include:

- Cost
- Quality
- Delivery
- Performance
- Risk
- We may specify additional criteria based on the type of tender, as outlined in the tender document.

26.9 Conflicts of interest

We will report all contracts and other agreements with related parties to the Department for Education (DfE) in advance of the contract or agreement commencing.

Related parties include persons and entities with control or significant influence over the school, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). This description is not comprehensive. See section 33 of Financial Reporting Standard 102.

The school will obtain the DfE's prior approval for contracts and other agreements for the supply of goods or services to the school by a related party where any of the following limits arise:

- A contract or other agreement over £40,000
- A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.

26.10 Tendering procedure: low and medium-value purchases

- Low-value purchase: £1 - £10,000
- Medium-value purchase: £10,001 - £40,000

When making low or medium-value purchases without a framework agreement, the school will use the process outlined below.

a. **Create a specification** – a specification document will set out what suppliers need to understand about what we are looking to buy, including the quality, quantity and delivery date

b. **Compare suppliers** – a comparison of different suppliers, including their reputation, will help the school develop a shortlist of at least 3 suppliers we want to approach for a written quote

c. **Assess quotes** – an award criteria will be developed to assess suppliers' quotes. Criteria may include:

- How well the supplier meets our specification
- The whole-life cost of the contract, which may include:
  - The sale price of the goods, works or services
  - VAT
  - Delivery charges
  - Maintenance costs
  - Running costs
  - The cost of removing and disposing of an item or service once we no longer need it

- Whether there will be price increases or decreases over the life of the contract
- Value for money

Each aspect of the criteria will be scored on a scale of 1 to 4, with 4 being the highest score. A record of how the quotes are evaluated will be kept.

The Business Manager will evaluate quotes with support from the finance team.

When we contact suppliers, we will send them:

- The specification
- Deadlines for quotes and when decisions will be made
- Instructions for how to ask clarification questions about the specification

d. **Place an order** – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:
- Goods, works or services we are purchasing
- Price
- Delivery address
- Delivery deadline and any other important dates
- Payment schedule

26.11 Tendering procedure: high-value purchases

- High-value purchase: over £40,001, but below the PCR procurement threshold

The school will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

a. Create a specification (see section 26.10)

b. **Assess the market** – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers

c. Check the school's position in relation to the PCR procurement thresholds (see section 26.4)

d. **Develop a contract** – a contract will include terms and conditions, service levels expected, a contract management plan and an exit strategy

e. **Reduce the number of bids** – to reduce the number of bids the school needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire

f. **Establish how we will assess quotes** – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality

g. **Create a timeline for the tender process** – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract

h. **Prepare an invitation to tender** – **For purchases over the PCR threshold**, a tender notice **must** be published on the central digital platform, Find a Tender. this will include:

For the open procedure, the tender notice must set out:

- the subject matter and description of the requirement
- how the tenders will be assessed including any conditions of participation and the criteria for awarding the contract
- the timescales for both the procurement process and delivery of requirements

For transparency, we must also provide the reasons for any decisions we have taken. For example, if we have:

- done pre-market engagement and not published a notice
- chosen not to award by lots

We must also provide confirmation that a conflicts assessment has been undertaken.

For the competitive flexible procedure, the same requirements apply as for the open tender notice, but you must also:

- set out how the process will be designed and carried out
- include a clear description of the procedure, including the different stages and how they will be assessed
- be clear about whether the award criteria may be refined during the procedure

i. Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:

- The Find a Tender service – this is a requirement if the contract is over the PCR procurement threshold
- The government's Contracts Finder service
- Local or national newspapers
- Education publications or websites
- Trade magazines

j. Run the tender process and provide clarifications

k. Evaluate tender responses – at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept. A governor from the Business Audit & Risk committee will then review the process undertaken to ensure correct procedures have been followed.

We will assess the bids using the award criteria sent out in the invitation to tender or competitive flexible stage request.

We must:

- not open any bids before the deadline
- treat all bids fairly and equally
- record how you made your decisions so you can defend them if you have to
- keep confidential, secure, auditable records
- award the contract to the highest scoring bidder
- if a supplier has an abnormally low price, you must clarify this with them before discarding their bid

We will ask people to clarify things in their bid if it is not clear. We must not negotiate over bids in the open procedure.

We must assess each stage of the competitive flexible process and notify the suppliers about whether they were successful or unsuccessful.

As part of the procedure, we can have a stage where we can negotiate if this was specified in our tender notice.

l. Notify suppliers and award the contract -

We will provide written information to all unsuccessful bidders and the successful bidder at the same time. Tell them we are publishing our contract notice and when the standstill period will end. We will also provide an assessment summary.

m. Finalise the contract

After the standstill period, we will tell the successful supplier that we're placing the contract with them. The school and the supplier should then sign the contract.

If they agreed to use our terms and conditions, we will check that the signed copy they send back is exactly the same as the copy you sent them.

The last copy of the terms and conditions sent by either side is the one that is legally binding, so we will ensure the school's is the last to sign.

n. **Abandoning the tender process** – on very rare occasions we may need to halt the tender process. Should this occur, we will publish a procurement termination notice for any procurement that is not awarded any time after publishing the tender notice.

26.12 Record keeping

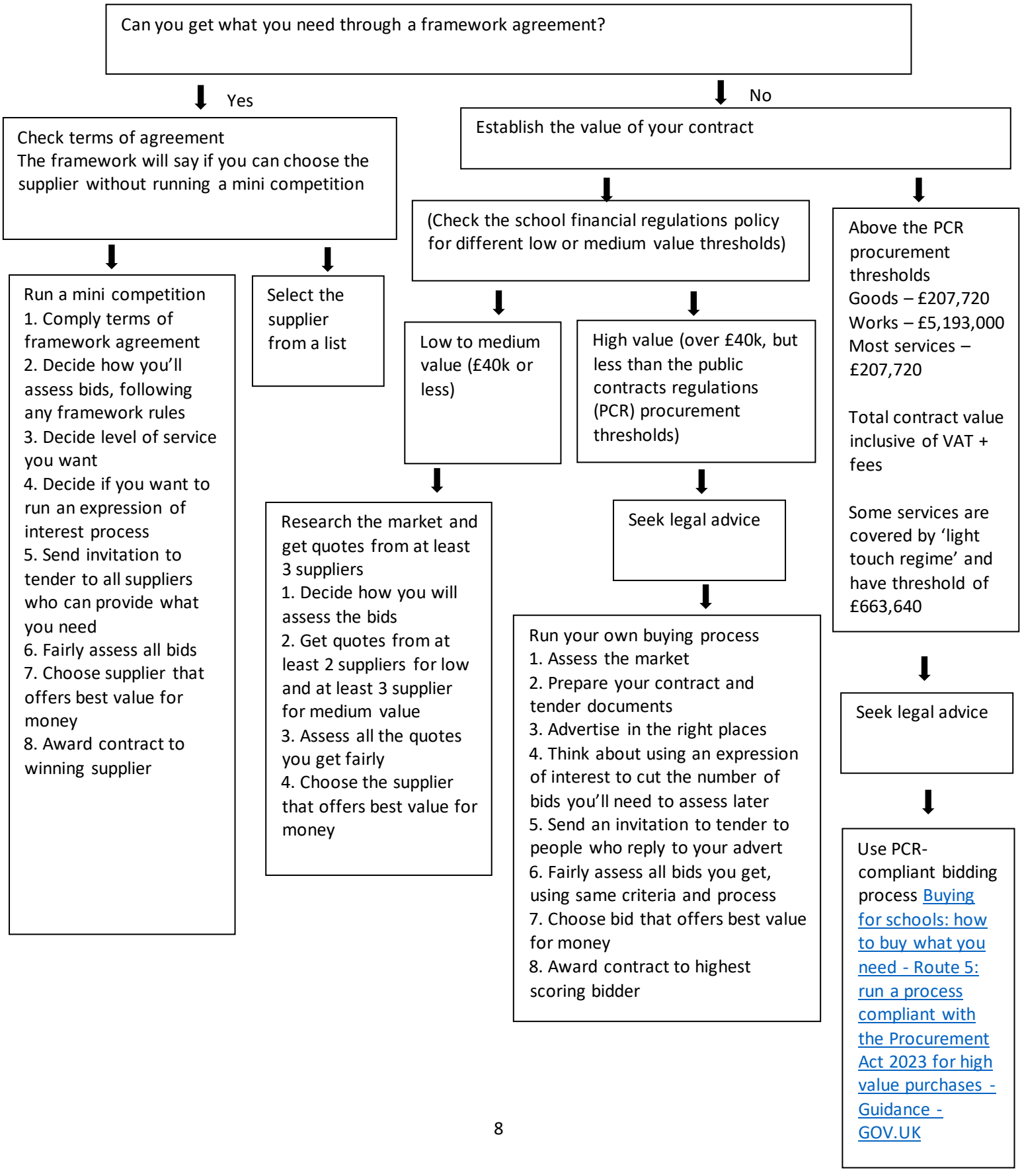
Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices and financial regulations and scheme of delegation.

26.13 Monitoring arrangements

This policy will be reviewed and approved by the Business, Audit & Risk committee every three years and when PCR procurement thresholds change.

26.14 Procurement process flowchart

Use this flowchart to help you decide which procurement process you need to use when buying goods, works or services.



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

	Authority to:	Trust Board	Business, Audit & Risk Committee	Head teacher	School Business Manager	Finance Teams	SLT	Budget Holder
	Budgets (3 year):							
1	Prepare a Budget			✓	✓	✓	✓	✓
2	Approve a budget	✓at a quorate TB meeting	✓at a quorate TB meeting					
3	Approve Virement	✓	✓>£10,000	✓<£10,000				
4	Prepare & present monthly management accounts			✓	✓	✓		
5	Receive & monitor monthly management accounts	✓	✓	✓	✓	✓	✓	
6	Monitoring 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		✓	✓				

	Authority to:	Trust Board	Business, Audit & Risk Committee	Head teacher	School Business Manager	Finance Teams	SLT	Budget Holder
5	Define & prepare a redundancy business case	✓	✓	✓	✓			
6	Approve a redundancy business case	✓ at a quorate TB meeting	✓ at a quorate TB meeting	✓				
7	Monitor monthly Payroll reports.			✓	✓	✓		
8	Authorise monthly Payroll reports			✓				
9	Approve Long Service Award (25 years = £60 voucher)		✓	✓				
	Authority to:	**Trust Board**	**Business Audit & Risk Committee**	**Head teacher**	**School Business Manager**	**Finance Teams**	**SLT**	**Budget Holder**
	Order for goods and services:							
1	Accept quotes	✓	✓	✓	✓	✓	✓	✓
2	Certify Orders (see key and note below for values)	>PCR Threshold	>£75,000 to PCR Threshold	>£10,000 to £75,000 2A bank signatory	<£10,000		>£10,000 to £75,000 2A bank signatory	
3	Certify Invoices (see key and note below for values)	>£75,000 3A bank signatory		>£10,000 to £75,000 2A bank signatory	<£10,000		>£10,000 to £75,000 2A bank signatory	
4	Approve petty cash disbursements			✓ <£100	✓ <£100		✓ <£100	✓ <£100

	Authority to:	Trust Board	Business, Audit & Risk Committee	Head teacher	School Business Manager	Finance Teams	SLT	Budget Holder
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	
7	Control official stationery			✓	✓	✓		
8	Open formal tenders received (over £40k)			✓	✓		✓	✓
9	Evaluate formal tenders			✓	✓		✓	✓
10	Accept formal tenders	✓	✓	✓				
	Authority to:	**Trust Board**	**Business, Audit & Risk Committee**	**Head teacher**	**Business 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	
3	BACS payments (see key and note below for values)	3A bank signatory		Threshold 2A bank signatory			Threshold 2A bank signatory	
4	Give instruction to bank ie SO, DD, withdrawal of cash or special services			2A bank signatory			2A bank signatory	
	Security and money:							
1	Hold keys/spare keys to safes, cash boxes or other				✓	✓		

	Authority to:	Trust Board	Business, Audit & Risk Committee	Head teacher	School Business Manager	Finance Teams	SLT	Budget Holder
	lockable money receptacles							
2	Deal with banking of money				✓	✓		
	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				✓	✓		
	Financial systems and records:							
1	Manage/operate access to or alter financial systems and records				✓	✓		

	Authority to:	Trust Board	Business, Audit & Risk Committee	Head teacher	School Business Manager	Finance Teams	SLT	Budget Holder
	(including computer systems & records) /have							
	Financial information:							
1	Certify as being correct financial information which is to be supplied to external bodies	✓	✓	✓	✓			

Order / Invoice certification
Business Manager - up to and including £10,000
2A £10,000 to £75,000
Chair of Governors and 2A over £75,000

Cheques signatories
1A up to and including £1,000
2A £1,000 to £25,000
Chair of Governors and 2A over £25,000

BACs authorisation
1A up to and including £10,000
2A £10,000 to £75,000
Chair of Governors and 2A over £75,000

'A' = bank signatories
James Davidson, Headteacher
Nicola Hosking, Deputy Head
Alex Tullett, Chair of Governors

PCR Threshold for procurement – as at 1st January 2026: £207,720 for goods and services; £5,193,000 for works. Light touch regime purchases: £663,640

28 Appendix C - Penair School Gift & Hospitality Policy

28.1 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.

28.2 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.

28.3 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.

28.4 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.

28.5 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.

28.6 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.

28.7 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, Audit and Risk Committee
Leadership Group Responsibility:	Headteacher
Type of Policy:	Statutory
Review Period:	Every 3 years
Reviewed:	Summer 2025
Next Review:	Summer 2028

29 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 on the schools website.

29.1 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.

29.2 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 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.

29.3 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.

29.4 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.

29.5 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, Audit and Risk 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.

29.6 The Sub-Committee

The management of any investigation will be undertaken by a sub-Committee set up and controlled by the Business, Audit & Risk 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 DfE of any fraud or theft over £5,000 individually or cumulatively or any 'unusual' or 'systematic' fraud.

29.7 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.

29.8 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.

29.9 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.

29.10 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

29.11 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.

review

Review Body:	Business, Audit and Risk Committee
Leadership Group Responsibility:	Headteacher
Type of Policy:	Statutory
Review Period:	Every 3 years
Reviewed:	Summer 2025
Next Review:	Summer 2028

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 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

30 Appendix E - Staff Expenses Procedures 2026/27

Date reviewed: January 2026

Reviewed by: School Business Manager Agreed

by Trustees:

Date of Next Review:

Contents

1. Introduction 3
2. Claiming Expenses 3
3. Tax considerations 3
4. Relocation Expenses 3
5. Travel Expenses 4
6. Vehicle Insurance 5
7. Travel by Rail, Bus or Airplane 5
8. Cost of Meals and Accommodation 6
9. Telephone and Mobile Expenses 7
10. Cleaning of Uniforms/Equipment 7
11. Overseas Travel 7
12. Receipts 8
13. HRMC Mileage Allowances 8

30.1 Introduction

30.1.1 At Penair School, staff may claim reimbursement for reasonable expenses incurred wholly, necessarily, and exclusively in the course of the business of the school. These may arise from attending meetings, training or conferences, or purchases made on the school's behalf. Any purchase made must be approved by the budget holder prior to purchase.

30.1.2 It is essential that Inland Revenue regulations are met and therefore this policy must be adhered to when making an expense claim.

30.2 Claiming Expenses

30.2.1 Payments for the personal expenditure of staff must be made using either a Staff Reimbursement Claim Form or a Mileage, Subsistence and Expenses Claim form.

30.2.2 The purchase of classroom equipment and items should normally be completed using the purchase ordering system and paid for directly by the school. A Staff Reimbursement Claim Form must be used for reclaiming the cost of such purchases on occasion. Please refer to the school's financial procedures.

30.2.3 Staff should make reasonable efforts to get the best value possible when purchasing items, food, or travel tickets.

30.2.4 Supporting documents are required as evidence, such as receipts and bills, must be attached to the Staff Reimbursement Claim Form.

30.2.5 Claim forms must be approved and signed by the budget holder in accordance with the Scheme of Financial Delegation

30.2.6 Staff Reimbursement Claim Form are approved by a Headteacher, claims by a Headteacher and are approved by the School Business Manager.

30.2.7 Claims which do not meet approval will not be processed and will be returned.

30.2.8 The submission of false claims will be treated as fraud and will lead to disciplinary action.

30.3 Tax considerations

30.3.1 Claims adhering to the procedures in this policy will be paid without the deduction of income tax. However, it is the claimant's responsibility to ensure payment for any due tax is made.

30.4 Relocation Expenses

30.4.1 Relocation expenses to new members of staff are not paid, unless agreed by the Headteacher 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 55p per mile.

30.5 Travel Expenses

30.5.1 Payment for mileage will be paid at the HMRC rate; see section 30.14 for current rates. Staff are encouraged to lift share where possible and sharing is expected where staff start from and return to the same location after making the same visit. Lift sharing may result in additional passenger payments being claimed.

30.5.2 Mileage claims must have attached a VAT receipt for fuel used (except for Electric Vehicles). The claimant is responsible for attaching the receipt and the person authorising the claim is responsible for checking the receipt is valid prior to payment.

30.5.3 An appropriate receipt must:

- Be dated before the date of the journey claimed for
- Show the amount of fuel purchased in litres
- Show the name of the fuel supplier and their VAT registration number

30.5.4 If several low mileage claims are submitted, a single receipt showing fuel purchased to cover all the miles claimed is sufficient.

30.5.5 The date of, reason for, starting point and destination of the journey should all be shown on the travel and expenses claim form, which can be obtained from the finance office.

30.5.6 Claims should be submitted termly. Claims submitted over 6 months after the expense was incurred will not be reimbursed.

30.5.7 Parking or speeding fines will never be reimbursed. Toll road charges may be reimbursed if the budget holder's permission has been granted before the journey is made.

30.5.8 Business mileage will never be paid for a journey from home to a normal place of work.

30.5.9 If a journey starts at home or finishes at home, the mileage claimed should be the distance actually travelled less the normal home to work mileage. If the journey is less than the normal home to work journey, then nothing can be claimed.

Example 1:

Jackie travels to workplace and then visits School A then returns to workplace before going home.

Home to work mileage = 15 miles Work to School A = 25 miles

Travel from Home to Work – no claim can be submitted.

Travel from workplace to School A and return to workplace: Jackie can claim 25 miles for each journey therefore 50 miles can be claimed.

Example 2:

Paul travels from home to School B then goes to the workplace and later travels home.

Home to work mileage = 15 miles

Travel from Home to School B = 25 miles. Travel from School B to workplace = 10 miles

Travel from home to School B: Paul can claim 25 miles less home to work 15 miles

therefore (25 miles less 15 miles) 10 miles can be claimed

Travel from School B to work: Paul claims 10 miles. There is no claim possible for the 15 miles from Paul's workplace to home. Total claim for the day 20 miles (10 miles plus 10 miles)

Example 3:

Sophia travels from home to School C then to School D and then returns home

Home to work Mileage = 7 miles

Travel from Home to School C = 40 miles Travel from School C to School D = 5 miles

Travel from School D to home = 35 miles

Sophia has travelled 80 miles (40+5+35). Although she has not been to her normal workplace, she cannot claim her normal journey of 14 miles (7 miles each way). Sophia can therefore claim 66 miles in total (80 less 14).

30.6 Vehicle Insurance

30.6.1 The school does not provide car insurance for staff using their own vehicles. The school does purchase cover for occasional business use to allow staff to use their own car for business purposes in an emergency only. Staff members are responsible for ensuring they are appropriately insured prior to travel.

30.6.2 Staff must also ensure that the car is safe and legal to drive and comply with the Driving for work policy.

30.7 Travel by Rail, Bus or Airplane

30.7.1 The use of public transport for eligible journeys will be reimbursed upon receipt, provided the expenses are reasonable. Staff should ensure they travel by the most economical method bearing in mind both the cost and travel time. Any overseas travel should be approved by the Headteacher (accompanying overseas school trips for pupils). Please refer to the schools financial procedures.

30.7.2 Staff should use the most economical class of travel. Generally, this is standard or economy class unless the cost of first class is at the same cost. If a member of staff wishes to travel first class, they may do so on reimbursement to the school of the difference in the fare and must provide quotes for the same journey using standard or economy class.

30.7.3 The school will not pay for the travel of any accompanying person unless their attendance is required as a representative of the school or the staff member requires assistance by means of reasonable adjustments.

30.8 Cost of Meals and Accommodation

30.8.1 The cost of meals purchased by staff required to work at a location away from their home or the normal place of work may be claimed. No reimbursement will be made for an activity or visit where the staff member would normally have provided their own lunch e.g. school trips. However, the cost of meals will be reimbursed when on a course or otherwise away overnight. Please refer to the schools financial procedures.

30.8.2 Where available the school will purchase bed and breakfast accommodation for staff at a location away from home unless the breakfast is provided by a third party provider such as a course or conference host.

30.8.3 Reasonable expenses for the cost of food and non-alcoholic drinks will be reimbursed when supported by receipts in line with HMRC Subsistence Rates. Any claim in excess of the below rates would be classed as taxable income and be subject to Income Tax and National Insurance. A meal is defined as a combination of food and drink, and actual expenditure must have taken place.

Minimum journey time	**Maximum meal allowance**
One meal (trips over 5 hours)	£5.00
Two meals (trips over 10 hours)	£10.00
When working after 8pm	£15.00
24-hour period	£25.00

30.8.4 You can claim up to £25 in total for meals over a 24-hour period. This covers all meals, with a breakdown of £5 for breakfast, £5 for lunch, and £15 for dinner, provided the cost of any meals is not included in the accommodation payment. If a meal is included in the accommodation the corresponding meal rate cannot be claimed.

Example 1:

You attend a conference away from your normal place of work and leave home at 12pm on day 1 and stay overnight in a hotel with breakfast included. On day 2 you attend the conference, where lunch is provided and travel back home, arriving at 7pm. The maximum meal allowance you could claim would be £20. This is broken down into the 24-hour allowance of £25 less £5 as breakfast is included. As lunch was also provided at the conference and you arrive home before 8pm no further rate is payable.

Example 2:

You attend a conference away from your normal place of work and leave home at 12pm on day 1 and stay overnight in a hotel with breakfast included. On day 2 you attend the conference, where lunch is provided and travel back home, arriving at 10pm. The maximum meal allowance you could claim would be £35. This is broken down into the 24-hour allowance of £25 less £5 as breakfast is included. As lunch was also provided at the conference but your journey continued beyond 8pm you could claim £15 for dinner.

30.8.5 Only the cost of accommodation required for business purposes will be reimbursed by the school. It will not meet the cost of additional parties or accommodation provided to a spouse or other family members.

30.8.6 Personal items, such as alcoholic drinks, mini-bars, newspapers, movies etc. will not be reimbursed and their total should be deducted from any bills submitted for expenses purposes.

30.9 School trips and activities taking place over a weekend

30.9.1 Where a member of staff takes part in curriculum linked trips or licensed extracurricular activities, such as Duke of Edinburgh (DofE) and Combined Cadet Force (CCF), or PE fixtures that take place over a weekend including Saturday and/or Sunday, then the school may make a discretionary payment as follows:

Event length	Allowance
AM only	£25.00
PM only	£25.00
Full day	£50.00

30.9.2 However, the school will not pay such allowances to staff taking part in ski trips, surf trips or Camps International trips where staff will benefit from paid accommodation, meals and activities.

30.10 Telephone and Mobile Expenses

30.10.1 Business calls made from a home telephone or personal mobile phone may be reimbursed subject to provision of an itemised telephone bill showing additional charges were incurred and their inclusion on the Staff Reimbursement Claim Form. Line or equipment rental will not be reimbursed.

30.10.2 The school provides mobile phones for operational purposes and to some senior staff. Such phones can be used for personal use but bills will be monitored, and any personal use above the package required for school use will need to be reimbursed to the school.

30.11 Cleaning of Uniforms/Equipment

30.11.1 A limited number of staff are provided with branded uniforms or other equipment as part of their role in the school. The uniforms should be maintained by the staff member, so they are clean and tidy in use. No expenses can be claimed for cleaning unless the cost is exceptional (and more than would be expected for other work attire).

30.12 Overseas Travel

30.12.1 When travelling overseas the same general principles for staff expenses as above apply. Travel arrangements should be made through an ABTA registered agent. Insurance provision should be investigated before the trip and if necessary additional cover purchased.

30.12.2 It is recognised that on some occasions, when not accompanying children, a member of staff may wish to extend their stay into the weekend or school holidays for personal reasons. This is permitted as long as any additional expenditure (flight cost, hotel room, subsistence) is paid for by the member of staff.

30.13 Receipts

30.13.1 Original signed, approved forms and original receipts must be stored by the finance team for the current financial year plus six previous years.

30.14 HRMC Mileage Allowances

30.14.1 Mileage allowances are paid free from NIC and PAYE deductions and do not impact on pension. The rates used as at 5 April 2026 are from the HMRC – Travel – Mileage and fuel rates and allowances:

From tax year 2026 onwards	First 10,000 business miles in the tax year	Each business mile Over 10,000 in the tax year
Cars and vans *Passenger payments	55p 5p	25p 5p
Motorcycles	24p	24p
Bicycles	20p	20p

*Passenger payments are payable for Penair employees who carry another Penair employee(s) in their own car or van for a Penair business journey. Both journeys must be to and from the same venues and are only payable for mileage as described in section 31.5.
Passenger payments must be shown separately on the claim form and are only available for journeys in cars and vans.

31 Appendix F - Staff Rewards and Comforts Procedures 2026/27

Review date: January 2026
Reviewed by: school Business Manager
Agreed by Trustees:
Date of Next Review:

Contents

1. Introduction 3
2. Principles 3
3. Provision of staff hospitality 4
4. Provision of lunches for staff 4
5. Staff Parties 4
6. Out of Hours Events 4
7. Cards/presents/flowers for life events 5
8. Use of school property/facilities 5
9. Personal subscriptions to professional bodies 5
10. Staff benefit schemes 5
11. Staff Uniform 5

31.1 Introduction

31.1.1 This policy covers all individuals working in Penair School, including those who are employed, volunteers and governors. It sets out the rules by which the school spends money on rewards and "comforts" for staff.

31.1.2 Penair School is committed to ensuring that the governance of the school is conducted in accordance with the highest standards of integrity, probity and openness.

31.1.3 The school is obliged to comply with the Academy Trust Handbook, Funding Agreements, HMRC tax and VAT rules.

31.2 Principles

31.2.1 Penair School is a limited company, a charity and part of the public sector. As a result, it is subject to a number of regulators including HMRC, DfE and the Charities Commission. We have an Accounting Officer who is personally responsible to Parliament for the financial actions of the school. We all, members, governors and employees, have a responsibility to ensure that public money is well spent in our organisation.

31.2.2 The requirement of our funding agreement is that we must comply with the Academy Trust Handbook which is issued by the DfE each year. This requires us to act with regularity – to deal with all items of income and expenditure in accordance with legislation, the terms of the school's funding agreement and the Academy Trust Handbook. This includes spending public money for the purpose intended by Parliament.

31.2.3 In considering staff rewards and comforts, it is worthwhile identifying what is **not** covered:

- Reimbursement of expenses, reasonably incurred wholly necessarily and exclusively in the course of the business of the School, is considered in the Staff Expenses Procedures 2026/27.
- Receipt of gifts or hospitality from third parties is considered in the Gifts, Hospitality and Anti-Bribery Policy.
- School giving of gifts and hospitality is also considered in the Gifts, Hospitality and Anti-Bribery Policy.

31.2.4 This policy is about using school funds to buy gifts or otherwise reward staff outside of their remuneration and the School's Pay Policy. These types of reward are sometimes considered in the public sector to be "comforts". We must remember that the school wishes to promote staff wellbeing, morale and therefore retain and develop our staff. Therefore, some level of the provision of "comfort" is certainly acceptable and desirable and in line with the ethos of the school.

31.2.5 In developing this policy, the key principles considered are that:

- We must be **compliant** with our funding agreement, Academy Trust Handbook and HMRC tax and VAT rules.

- We must consider whether provision of rewards or comforts is **fair**.
- We should consider if we are happy defending the expenditure of public money on this reward to others.
- In spending money on rewards and comforts, that money will not be available to spend on salaries and resources. The cost of any comfort/ reward would come from the funds of the school providing it.

31.3 Provision of staff hospitality

31.3.1 The School may provide hot drinks (tea, instant coffee, milk) and water for staff free of charge.

31.3.2 Provision of hot drinks, water and light refreshments (biscuits/ cake/ fruit) for meetings involving external visitors and/ or governors is considered to be acceptable.

31.3.3 Further refreshments may be provided such as coffee machines, biscuits, cocoa, etc. at the discretion of the school, but these should be funded by staff contribution.

31.3.4 The DfE specifically considers that public money should not be used to buy alcohol. Therefore, the provision of alcohol to staff is unacceptable.

31.3.5 The school may provide modest hospitality to staff in reasonable circumstances. These circumstances should be infrequent and appropriate to the school's individual context.

31.4 Provision of lunches for staff

31.4.1 Staff may have a meal at their school, but are normally expected to pay the normal adult charge for this, including VAT.

31.4.2 Where the Headteacher requires a member of staff to carry out a lunchtime duty, they may be provided with a school meal. If the Headteacher requires staff to carry out a lunchtime duty they must ensure that the member of staff gets a suitable alternative break in their working day in accordance with employment legislation.

31.5 Staff Parties

31.5.1 Staff may organise parties (e.g. at Christmas) but are expected to fund the cost themselves.

31.6 Out of Hours Events

31.6.1 Where staff take part in out of hours events (parents evening, residential trip, school disco, etc.) any remuneration should be part of their pay and in line with the school pay policy. Meals and refreshments may be provided as part of the out of hours events at the discretion of the school and are not taxable.

31.6.2 If a safeguarding situation is identified the school may, on occasion, provide staff with overnight accommodation. This must be approved by the Headteacher.

31.7 Cards/presents/flowers for life events / gift vouchers

31.7.1 To reward staff for carrying out their role is a taxable benefit. Therefore, school money should not be used to reward staff through giving gifts or flowers as a "thank you" for carrying out their role.

31.7.2 Gift vouchers that can be used in place of cash are **always** taxable and require declaration to HMRC. This is the responsibility of the employee.

31.7.3 The school will fund flowers for staff who suffer a serious illness, bereavement or for a funeral of a staff member. On retirement a gift may be purchased with a value of up to £50 funded from the school budget, which can be supplemented by a collection from colleagues.

31.7.4 For all other life events (birthday, marriage, childbirth, leaving, etc) the school has discretion to purchase a card from budget, but this is not mandated. Any gift should be purchased from a collection by colleagues.

31.8 Use of school property/facilities

31.8.1 Staff may use school property/ facilities on occasion subject to approval by the Headteacher of the school and due consideration of health & safety and insurance. This is at the discretion of the school and not a right of employment. It is suggested that staff may like to make a small donation to school funds, but this is not required.

31.8.2 Gym/ leisure facilities on the school site may be offered for staff use subject to the discretion of the school.

31.8.3 Provision of childcare facilities at preferential rates or free to staff is not permitted.

31.9 Personal subscriptions to professional bodies

31.9.1 The school does fund subscriptions to professional bodies where there is a requirement for staff to maintain a membership (e.g.HR or accountancy bodies).

31.10 Staff benefit schemes

31.10.1 The school operates a childcare voucher scheme and a bike purchase scheme in line with HMRC guidelines. No other benefit schemes are operated.

31.11 Staff Uniform

31.11.1 Staff that require PPE (Personal Protection Equipment) as part of their role will have this provided.

31.11.2 For all other types of uniform there are HMRC tax implications where this is provided by the employer. To avoid this any uniform provided to staff must be branded so that it can only reasonably be used on school or school business. Whether uniform is provided is a decision that is made at the discretion of each school.