



OWLS Academy Trust

Finance Policies and Procedures

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As a public body, the OWLS Academy Trust must ensure regularity, propriety and value for money in their management of public funds. The Trust and each of its academy members must therefore comply with the principles of financial control outlined in the Academies Financial Handbook, published by the DfE. The Trust has put in a place a series of policies which expand on that and set out the standards and expectations for accounting procedures and systems in place across the Academy Trust.

The purpose of this document is to bring together all Trust policies relating to Financial Management into a single record to ensure that the OWLS Academy Trust and each of its constituent academies maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education.

Throughout this document, unless indicated otherwise, all references to 'Head Teacher' include the CEO. Duties / levels of authority that have been assigned to the Head Teacher may also be carried out by the Deputy Head Teacher in cases where they are deputising. All references to "school" or "academy" shall also be deemed to apply to the Trust.

This document should be read and adhered to by all staff, governors and trustees involved with financial systems. Guidance to support the implementation of these policies can be found in the accompanying Finance Manual.

SECTION 1: ORGANISATIONAL STRUCTURE, ROLES AND RESPONSIBILITIES

Organisational Structure

The OWLS Academy Trust is the statutory body for all of its member academies; as such the Academy Trust Board is responsible for the standards and operation of all academies in the Trust.

The Academy Trust Board has established a Local Governing Body in each academy, with agreed delegation arrangements. Full details can be viewed in the Scheme of Delegations (separate document).

Responsibilities

Academy Trust Board

Academy Trusts are companies limited by guarantee and exempt charities. The board of trustees is subject to the duties and responsibilities of charitable trustees and company directors as well as any other conditions that the Secretary of State agrees with them. The board of Trustees must therefore also be aware of the Charity Commission's guidance for trustees "CC3: The Essential Trustee: What you Need to Know, What you Need to Do".

Governors

The main financial responsibilities of the Local Governing Body of each academy are:

- To set and review the terms of reference for all sub-committees, including any delegations of financial responsibilities to the Finance Committee and/or others within the academy. These shall then be appended to this policy;
- Regular monitoring of the academy's actual income and expenditure against budget;
- Monitoring of contracts for goods/services;
- Ensuring compliance with standards, policies and schemes of delegation;
- Ensuring relevant reports are prepared for the Academy Trust Board in a timely manner;
- Detailed monitoring of expenditure, virements, income and cash flow;
- Authorising the award of contracts within limits as delegated by the Academy Trust Board (see Appendix 1: Limits of Financial Delegation)
- Authorising changes to the academy personnel establishment;
- Reviewing the reports of the Internal Auditor on the effectiveness of, and any risks to, the financial procedures and controls and agreeing a programme of work that will address any issues identified, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors. These reports must be shared with the full LGB (where responsibility has been delegated to a sub-committee) and with the Board of Trustees where any issues identified may also apply to other schools within The Trust.

Terms of Reference for Local Governing Bodies can be found in the Trustees Handbook and the Governor Handbook for each school within the Trust.

The Local Governing Body may elect to delegate many financial responsibilities to a Finance Sub-Committee, or similar. Such a decision and the levels of local delegated authority should be documented in the terms of reference for the relevant sub-committee.

Accounting Officer

The CEO of the Academy Trust shall be the designated accounting officer for the Academy Trust and, as such, shall be responsible to Parliament and to the accounting officer of the Education and Skills Funding Agency (ESFA) for the resources under the Trust's control.

The Accounting Officer must have appropriate oversight of financial transactions, including:

- Ensuring that the relevant Academy financial regulations and/or DfE and ESFA requirements are implemented across the Trust;
- Establishing sound internal financial controls which are managed on a daily basis by the Head Teacher and the Finance Officer of each academy;
- Ensuring the effective implementation of current financial systems and procedures described in the financial management handbook (even in the absence of key staff);
- Checking that the funds delegated by the DfE / ESFA / LA are correct;
- Producing regular reconciled budget / financial reports for the Academy Trust Board and DfE as appropriate.
- Ensuring that all of the Academy Trust's property and assets are under the control of the trustees, and that measures are in place to prevent losses or misuse, including maintenance of fixed asset registers and inventories;
- Ensuring full and accurate accounting records are maintained to support the annual accounts;
- Signing, with the Chair of the Academy Trust Board, the approved budget and annual accounts, ensuring they are properly presented and causing records to be maintained relating to the accounts;
- Authorising contracts and orders in accordance with the provisions of the Scheme of Delegations;
- Signing cheques in conjunction with other authorised signatories

The accounting officer must also notify the Academy Trust Board in writing if, at any time, he considers that:

- Any action or policy under consideration is incompatible with the terms of the Academies Financial Handbook of the Funding Agreement; or
- The Academy Trust Board appears to be failing to act where required to do so by the terms and conditions of the Academies Financial Handbook or the Funding Agreement.

Head Teacher

Within the framework of the School Development Plan, the Head Teacher has responsibility for their academy's activities, including financial activities such as:

- Ensuring the efficient, economical and effective management of resources and expenditure, including funds, capital assets, equipment and staff to achieve the academy's aims and objectives;
- The overall organisation, management and staffing of the academy, ensuring that any changes to staffing structure are approved by the Local Governing Body;
- Leading and managing the creation and subsequent monitoring of a strategic plan (the School Development Plan) underpinned by sound resource planning which identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teacher effectiveness and securing school improvement.
- Input into the overall strategic direction of the school to support further development of the MAT, in conjunction with the CEO;
- Setting appropriate priorities for expenditure, including budget setting/allocation of funds;
- Procedures in financial and other matters, including conduct and discipline;
- Ensuring value for money;
- Ensuring the maintenance of sound financial controls;

- Signing, with the Local Chair of Governors, the approved budget and annual accounts information;
- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Academy Trust Board have determined should be approved by them;
- Consider and respond promptly to recommendations in school audit/inspection reports, and advise governors of results and any remedial action to be implemented
- Authorising contracts and orders in accordance with the provisions of the Scheme of Delegations;
- Signing cheques in conjunction with other authorised signatories.
- In the absence of the head teacher or the deputy headteacher of the academy will assume these responsibilities with support and guidance from the CEO.

Principal Finance Officer

The Principal Finance Officer (PFO) shall be a designated School Business Manager from one of the academies within The Trust who will work in close collaboration with the CEO through whom they will be responsible to the Academy Trust Board. They may also be referred to as the Chief Finance Officer (CFO).

The Principal Finance Officer shall undertake the role of Finance Officer for their own school and for any other schools within The Trust as may be agreed from time to time. In addition they shall be responsible for:

- Ensuring that the annual accounts are prepared, properly presented and adequately supported by the underlying books and records of the Academy Trust;
- Preparing and monitoring the budget for the OWLS central fund;
- Liaising with the accountants / auditors;
- Providing assistance and information as necessary to assist the Academy Trust Board in the satisfactory completion of their financial responsibilities;
- Ensuring forms and returns for the Academy Trust are sent to the DfE in a timely manner.

The PFO shall be assisted in the fulfilment of these responsibilities by the Academy Trust's appointed accountants, and by the Finance Officer for each member academy.

Finance Officer

Each academy shall identify a member of staff who shall be designated as Finance Officer for the academy. This will normally be the School Business Manager or Bursar.

The main responsibilities of the Finance Officer are:

- Managing day-to-day financial issues, including the establishment and operation of a suitable accounting system;
- Managing the academy financial position within the framework for financial control determined by the Academy Trust Board and Local Governing Body;
- Maintaining effective systems of internal control;
- Ensuring that information is available to support the preparation and presentation of the annual accounts;
- Liaising with the auditors/accountants on academy level matters;
- Providing assistance and information as necessary to assist the Principal Finance Officer and Local Governing Body in the satisfactory completion of their financial duties;
- Ensuring forms and returns for the Academy are sent to the PFO or DfE (as appropriate) in a timely manner.

Budget Holders

Budget holders are required to comply with all relevant sections of this policies document and the associated guidance and to exercise responsibility for routine control and monitoring of their budget expenditure.

All employees who have budgetary control in any form are required to sign a Financial Competency Form (See Appendix 2)

Other Staff

All staff are responsible for:

- The security of academy property;
- Avoiding loss or damage;
- Ensuring economy and efficiency in the use of resources; and
- Conforming to the requirements of the Academy's financial procedures.

Internal Audit

The Academy Trust Board has appointed internal auditors from the Local Authority to provide an independent oversight of each academy's financial affairs.

The internal auditors will undertake a programme of internal audit at each academy to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Academy Trust Board and Local Governing Body. A report of the findings from each visit will be presented to the Local Governing Body (via the Finance Committee if delegated) and shared with the Board of Trustees.



Business Integrity

Pecuniary / Business Interests

All Trustees, Governors and Staff with significant spending powers must declare any pecuniary interests at all times, and should enter any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in the relevant academy. This register should be regularly drawn to the attention of governors and staff, at least one a year, and amended as needed.

Example Pecuniary Interests Forms can be found in Appendix 3.

Conflict of Interest

The existence of a Register of Interests does not detract from the duties of individuals to declare interests whenever they are relevant to matters being discussed. Where an interest has been declared the individual should not attend that part of any committee or other meeting. This can include non-financial matters, for example where an individual on a recruitment panel discovers that they know one or more of the applicants (except where the candidate is internal to the school).

Segregation of Duties

The size and staffing arrangements of each school will affect the segregation of duties. However, as a minimum one person should process and record various functions and another person must authorise the process. Where authorisation is by 2 people, at least one of those persons must not have been involved in processing/recording any functions.

If possible duties should be segregated between more than 2 people.

Internal Control

Internal delegation within each school, subject to the limits of financial delegation (as detailed in Appendix 1), will be as follows:

Expenses forms, absence requests and other salaries documentation	Head Teacher
Orders	Head Teacher, Deputy Head Teacher, Assistant Head Teacher, School Business Manager, Budget Holder
Cheque signatories / BACS authorisation	Head Teacher, Chair of Governors, up to 2 others as determined by the Local Governing Body and identified within the current bank` mandate for the school.

In all cases it is understood that in the absence of the head teacher the deputy head is expected to deputise for them and that this includes in respect of financial responsibilities.

Gifts and Hospitality

Ordinarily gifts and hospitality should be rejected. Small “thank you” gifts of token value (e.g. diary, mug, calendar) may be accepted.

Any gifts or hospitality in excess of £25 must be reported to the head teacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions, or regularly receives reimbursement from the school for items other than travel expenses.

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

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

Where items purchased for the school include a “free gift”, such a gift should either be used for school business or handed to the head teacher to be used for charity raffles.

In relation to conventional hospitality (lunches, outings, tickets, etc), then provided these are reasonable in the circumstances then they may be accepted (e.g. where lunch is included on a training course, or overnight accommodation included as part of an event some distance away). However, they may not be accepted if there is no reasonable business justification for doing so, if an invitation is disproportionately generous, or if the invitation could be seen as an inducement to affect a business decision.

If there is any doubt about the acceptability of any gift or offer of hospitality the head teacher must be consulted.

Authority Levels

Appendix 1: Limits of Financial Delegation sets out the levels of authority that apply.

SECTION 2: FINANCE RELATED INFRASTRUCTURE

Information Management Systems

All schools within the OWLS Academy Trust will use the same Integrated Information Management Systems for financial processing and maintaining pupil and staff records (currently Capita FMS and SIMS).

System Access / Security

Information Management Systems must be kept discrete from the student network system.

Access to the systems must be password restricted, and individual user profiles must be set to ensure that users can only view and/or edit elements of the system that are relevant to their role and responsibilities. Individual users must change their password at least once every term. The System Manager login details for both FMS and SIMS should be written down and stored in a sealed envelope in the school safe (in case of an emergency).

Care must be taken to protect against unauthorised access to the systems: users must either log out or lock their computers when leaving the room.

The Principal Finance Officer, and at least one other Finance Officer, shall have oversight of the FMS records of every school in the trust for the purposes of collective financial reporting, including to support the preparation of the annual accounts.

Back-up Procedures

The Finance Officer is responsible for ensuring that there are effective back-up procedures for the system.

As a minimum, data should be copied to an encrypted removable medium and the copies stored in a secure place, preferably in a fireproof container. The back-ups should not be recorded on the same removable medium each time – in order to provide more protection from the loss of data at least 3 different discs should be used in rotation. The most recent back-up should be stored off-site.

The use of a remote back-up service (e.g. LEAMIS) is recommended to all schools, as this significantly reduces the risk of a data protection breach associated with the physical removal of data from the school site by an individual.

Back-up copies should be taken on at least a weekly basis, and preferably daily.

The Business Continuity Plan should provide for loss of accounting facilities or financial data.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

Reconciliations

The Finance Officer is responsible for ensuring the following reconciliations are performed each month:

- Creditor control account;
- Debtor control account;
- Payroll control account;

- Charge card (where used);
- All suspense accounts;
- Bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the Head Teacher.



Bank Accounts

Bank Account Management / Access

The bank mandate defines who is permitted access to the bank account, and the nature of that access (e.g. administrator, signatory, etc), and also defines the requirements for authorisation of payments, which as a minimum must require 2 signatures for every cheque.

The bank mandate must be changed promptly when relevant staff/governors leave their positions within the school.

The Finance Officer and Business Manager for each school shall have online access to the bank account to view and print statements. Local Governing Bodies may agree for other appropriate staff members to have similar online access as a contingency against staff absence, if required.

Controls

There must be a segregation of duties between the preparation, authorisation and issue of cheques: no-one who prepares and issues the cheque may also sign it without a second signatory who has not been involved in the cheque's preparation and issue.

Similar controls over segregation of duties are applied to BACS and electronic banking.

Deposits

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

- The amount of the deposit; and
- A reference, such as the number of the receipt or the name of the debtor

The security of funds and of personnel must be considered when determining arrangements for depositing funds in the bank. Governors may determine that a cash collection company should be appointed to collect funds from the school on a regular basis. Where this arrangement is not put in place, or if additional deposits are required (e.g. at the end of term, or if cash in school exceeds insured levels), deposits of less than £500 cash may be taken to the bank by one person, otherwise two people must go together. Staff must be careful not to exceed insurance limits for cash in transit when preparing cash for banking.

Trips to the bank should be made on different days / different times of day, and preferably using a different car.

Bank Reconciliation

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

- All bank accounts are reconciled to the school's cash book;
- All transactions can be supported with appropriate documentation;

- Reconciliations are subject to an independent monthly review carried out by the Head Teacher, Deputy Head Teacher or School Business Manager (who must not have prepared the reconciliation); and

Adjustments arising from the monthly review are dealt with promptly.



Payment Cards

Payment Card Account Management / Access

The local governing body shall determine whether their school will operate a charge card, taking into account the potential risks, and shall also determine any spending limits that will apply. Where a payment card is required the school should liaise with the Trust to apply via the Trust MultiPay account. Copies of all application forms for cards shall be retained by the CFO.

Charge card accounts must be settled in full on a monthly basis to avoid infringing academy borrowing restrictions.

Controls

The Finance Officer shall control the use of the card(s), and will oversee the following:

- Cards will be stored in the school safe at all times, except when signed out to an authorised user;
- Any spending limit must not be exceeded

Every purchase made using the card should be documented on a Charge Card Summary form, to which supporting documentation must be attached.

Statement Reconciliation

The Finance Officer must ensure that Charge Card statements are received regularly and that reconciliations are performed promptly and at least on a monthly basis. Reconciliation procedures must ensure that:

- All transactions can be supported with appropriate documentation;
- Reconciliations are subject to an independent termly review carried out by the Head Teacher, Deputy Head Teacher or School Business Manager (who must not have prepared the reconciliation); and

Adjustments arising from the monthly review are dealt with promptly.

SECTION 3: FINANCIAL PLANNING, MONITORING AND REPORTING

Budget Planning and Control

Budgetary Cycle

The school finances shall be planned through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves;
- Preparation of a medium term Financial Plan of at least 3-years, updated annually.

The timetable for the preparation, presentation and approval of the budget is included in the financial calendar (Appendix 4).

Development Plan

Each school within the Trust will have a school development plan, identifying the future aims and objectives of the school and how they are to be achieved. The development plan should match objectives to the resources expected to be available, to provide a framework for the annual budget.

Each year the Head Teacher should discuss the Development Plan with the Local Governing Body, including:

- A review of past activities, aims and objectives;
- Definition or redefinition of aims and objectives;
- Development of the plan and associated budgets;
- Implementation, monitoring and review of the plan; and
- Feedback into the next planning cycle.

The medium-term financial plan should be prepared as part of the development planning process, and should indicate how the school's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

Annual Budget

The Head Teacher is responsible for preparing the annual budget, in conjunction with the Finance Officer, and for obtaining approval from the Finance Committee and the Local Governing Body.

The budgetary planning process will incorporate the following elements:

- Forecast of the likely number of pupils, to estimate the amount of DfE grant receivable;
- Review of other income sources to assess likely level of receipts;
- Review of past performance against budgets;
- Identification of potential efficiency savings; and
- Review of the main expenditure headings in light of development plan objectives and expected variations in cost (e.g. pay increase, inflation, other anticipated changes).

Once the draft budget plan has been prepared this shall be presented to the Finance Committee for agreement. This should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change it is easier for all concerned to take remedial action. The final budget plan shall then be presented to the full Local Governing Body and to the Academy Trust Board for final approval.

The final budget plan should be seen as a working document which may need revising throughout the year as circumstances change. All budget virements must be authorised by the Finance Committee.

The Finance Officer must ensure that the approved budget is entered onto the finance system at the commencement of the new financial year.

Managing a Deficit Budget

Schools are generally not permitted to set a deficit budget. However, this may be permitted in certain exceptional circumstances, such as where a school is expanding and is required to employ additional staff a year in advance of funding for the additional pupils being factored into the GAG. The Head Teacher should discuss the proposal with the CEO, and forward projections should show that the school will be able to recover from the deficit position within a reasonable timescale.

Budget Holders and Authority Levels

Details of the approved budget plan will be communicated to individual budget holders as appropriate.

Authority to incur expenditure consistent with the budget is laid out in Appendix 1 (Limits of Financial Delegation)

Monitoring and Review

The monitoring process should be effective and timely in highlighting variances in the budget, so that difference can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency – all budget virements must be authorised by the Finance Committee.

Monthly reports will be prepared for the Head Teacher by the Finance Officer, detailing actual income and expenditure against budget.

Budget monitoring reports will be presented to the Finance Committee at their regular meetings, in a format agreed with the committee.

The Finance Officer will issue budget / spending reports to individual budget holders periodically and on request.

Any potential overspend against the budget must be discussed promptly with the Head Teacher.



Financial Monitoring and Reporting

Cash Flow

The Finance Officer for each school should prepare a cash flow forecast, and monitor actual cash flow on a monthly basis, to help ensure that the bank account remains in credit at all times.

External Reporting

The Principal Finance Officer is responsible for ensuring that consolidated financial reports are submitted promptly to the ESFA and other official bodies (e.g. Companies House) as required.

The Finance Officer for each school within the Trust must cooperate with requests from the Principal Finance Officer to provide the information required for external financial reporting in an appropriate format and within reasonable timescales. Where appropriate, the Finance Officer must ensure that information

prepared for external reporting purposes has been approved by the Local Governing Body (e.g. Annual Budget)

Internal Reporting

As a minimum the following financial reports should be produced by each academy / the Trust:

Frequency	Report	Responsibility	To Whom
Annually	Statutory accounting returns	Accountants, with input from academies	Trust Board ESFA
	Full year budget monitoring report	Academies	LGB Finance Committee
	Unofficial funds – audited accounts (where used)	Academies	LGB Finance committee
	Budget forecast (school)	Academies	Local Governing Body Principal Finance Officer
	Budget forecast (trust)	Principle Finance Officer	Trust Board ESFA
	Budget forecast outturn report (school)	Academies	Principal Finance Officer
	Budget forecast outturn report (trust)	Principal Finance Officer	ESFA
Monthly	Cash flow variance report	Academies	Principal Finance Officer. Good practice to share at LGB Finance Committee
	Budget monitoring report	Academies	Head Teacher Most recent report to be tabled at LGB Finance Committee
	Period end documentation (BA2)	Academies	Head Teacher
	VAT reclaim	Academies	Principal Finance Officer
	Monthly reconciliations monitoring report (see appendix 5)	Academies	Principal Finance Officer
	Counter party information report	Academies	Principal Finance Officer
On demand	Cost centre reports	Academies	Budget holders

SECTION 4: INCOME

Sources of Income

DfE Grants

Grants from the DfE form the main source of income for schools across the Trust. Receipt of this income is monitored by the Finance Officer, who is responsible for ensuring that all grants due to the school are collected.

School Meals

School meal numbers for each type of meal (e.g. UIFSM, Infant and Junior FSM, Paid Pupil, Adult) are confirmed to the kitchen on a daily basis. Income for KS2 and adult meals should be reconciled for every individual on a regular basis, normally weekly, and appropriate action taken to recover any payment arrears.

Invoices for school meals should be reconciled against the number of meals taken.

Local Authority Funding

High Needs funding is received on a monthly basis from Leicestershire County Council in respect of named children with one-to-one support allocations. The Finance Officer is responsible for ensuring that the expected funding is received each month.

Pupil Premium payments for Looked After Children are received from the Local Authority responsible for the child. Where necessary the Finance Officer ensures that arrangements are made with all relevant Local Authorities to ensure that the funds are received from them on a regular basis.

Parental Contributions, Fees and Charges

A separate charging and Remissions Policy is in place which reflects the general principles of the Education Act. This identifies activities for which:

- Charges will not be made;
- Charges will be made;
- Charges may be waived

Cash / cheque payments from parents (e.g. trips) should be forwarded promptly to the school office. Office staff will maintain an up to date record for each student showing the amount paid (including online payments) and any amount outstanding. All payments received will be entered on the system as income against the specific trip / service in order that the overall cost to the school can be monitored. Where online payment systems are used, any receipt mechanism included within the system will be deemed sufficient.

Income Generation

Income generation can result in additional funds being available to enhance school budgets, but it is important to ensure that the cost of raising the funds is less than the total amount raised. Schools are therefore expected to ensure that any proposals for income generation and/or fundraising are fully costed and reviewed regularly. Schools are encouraged to consider a range of income generation strategies, including:

- Lettings (a separate lettings policy is in place for schools that hire their facilities out to community and other groups outside of school hours.)
- Grant applications;
- Other fundraising activities.

The Finance Officer and Head Teacher are jointly responsible for ensuring that a co-ordinated and planned approach is taken to fundraising activities and grant applications, taking account of realistic potential financial targets and the school's strategic priorities.

Reports will be prepared for Trustees upon request, providing information regarding actual and planned fundraising activities and grant applications from the previous, current and/or next financial year.



Payment Handling

Invoiced Income

The Finance Officer is responsible for ensuring that a sales ledger account is established and maintained; that invoices are produced as appropriate; and that payment reminders are issued in a timely manner if necessary.

Non-Invoiced Income (including Donations)

Any non-invoiced income in the form of cash/cheques will be receipted /documented as appropriate, and the income entered onto the system. A remittance advice (or similar verification) should be obtained in respect of any income received directly into the school bank account.

Cash Handling

Cash handled by any staff, other than those in the school office, must be kept secure and passed to office staff as soon as possible. Office staff are responsible for ensuring that cash is not left unattended at any time unless it is securely locked away.

Office staff must be aware of insurance limits and ensure that the amount of cash on site does not exceed these limits at any time.

Cheque Handling

Cheques should be paid into the bank promptly.



Debt Management

Debt Recovery Policy

A separate debt policy is in place across the Trust, which sets out the options and sanctions available to Local Governing Bodies in cases of persistent debt.

Debtor Control

Debtor control accounts should be monitored monthly. The Finance Officer, with assistance from office staff and (if necessary) the Head Teacher, will be responsible for chasing outstanding debts and ensuring appropriate action is taken when necessary, in accordance with the Debt Policy.

SECTION 5: EXPENDITURE

Best Value

The Local Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's plans. Each school within the OWLS Academy Trust needs to secure the best possible outcome for pupils sustained in the most efficient and effective way, at a reasonable cost. This means that all expenditure needs to equip the school with the resources that are needed in the correct quantity and quality and in a timely manner.

Staff should be deployed to provide best value in terms of quality of teaching, quality of learning, staff-student ratio and curriculum management.

A large proportion of all expenditure will come from public funds, so to maintain the integrity of these funds each school will adhere to the general principles of:

- Probity – it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school;
- Accountability – the school is publicly accountable for its expenditure and the conduct of its affairs; and
- Fairness – all those dealt with by the academy should receive fair and equitable treatment.

Procurement Policy

The OWLS Academy Trust is committed to purchasing goods and services in accordance with the principles of open, transparent and non-discriminatory procurement outlined within legislation.

Approved Process by Value of Requirement

Values of goods and services requirements should be calculated on the basis of total cumulative value across the full scope and term of requirements. If goods and services are a perpetual requirement, then the total value across the full contract term (including options to extend) should be used.

Prices / quotations should be obtained for all purchases and orders, subject to the following limits:

Value of purchase / contract / work	Number of quotes
Up to £2,999	1 quote
Over £3000 and no more than £4,999	2 quotes
Over £5,000 and no more than £39,999	3 quotes
Over £40,000	Formal tendering procedures
Over £181.133 central Government. Over £181,302 Other Contracting Authorities	Purchases may fall under EU procurement rules which require advertising in the Official Journal of the European Union

The Finance Officer shall keep records of all purchases made, including quotations received but not accepted.

Governance

In alignment with Appendix 1 (Limits of Financial Delegation), the activities of specifying requirements, setting the evaluation criteria, evaluating quotes/bids/tenders and signing off award of contract require the following levels of approval:

Financial Value	Specification Approval	Evaluation Criteria Approval	Evaluation Scoring	Award of Contract / Completion of Purchase
Under £500, or available budget, whichever is lower	Any staff member under approved delegation of the Head Teacher or Budget Holder	N/A	N/A	Budget holder
£500 - £2,999	Any staff member under approved delegation of the Head Teacher	N/A	N/A	Head Teacher / Bursar / SBM
£3,000 - £4,999	Head Teacher / Bursar / SBM	Head Teacher / Bursar / SBM	Head Teacher / Bursar / SBM	Head Teacher / Bursar / SBM
£5,000 - £9,999	Head Teacher	Head Teacher	Head Teacher	Chair of Finance Committee / Chair of Governors
£10,000 - £19,999	Finance Committee	Finance Committee	Head Teacher plus 1 governor (non-staff member)	Chair of Governors / Chair of Finance Committee
£20,000 Considering EU Threshold	Local Governing Body	Local Governing Body	Head Teacher plus 2 governors (incl. at least one non-staff member)	Local Governing Body
Above EU Threshold	Local Governing Body	Local Governing Body	Head Teacher plus 2 governors (incl. at least one non-staff member)	Local Governing Body, but reported to the Trust

Exceptions to Process and Governance

Exceptions to detailed process and governance arrangements may be approved by the governing body for individual procurements.

Procurement process requirements and activities detailed within the governance table may be deemed to have been met where value for money has already been determined through transparent procurement in accordance with legislative requirements by another professional body (e.g. ESPO). In this instance, for procurements valued below the EU threshold the Finance Committee may approve an exception to prescribed process and governance arrangements.

Conflicts of Interest

Individuals are required to disclose any pecuniary interest which may conflict, or could potentially be seen to conflict, with the interests of the school and duties relating to the use of public money. Such interests should be declared to the Head Teacher (by staff), the Chair of Governors (by the Head Teacher and governors), or the local governing body (by the Chair of Governors) so that a decision can be made regarding the individual's involvement in that procurement process.

Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated. The form of tender to be used shall be dependent on the circumstances:

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

A separate "Request for Tenders Template" is available for use when a purchase requires a full tender process (i.e. purchases up to £39,999 and over £40,000).

Tender Opening

Where a formal tender process is required, the tender proposal must set out a specified deadline for the submission of tenders and instruct that submissions must be clearly marked as "Tender" with the applicable deadline return date and contract / requirement title / description.

Tenders should only be opened after the specified deadline, and with two people present. A record should be maintained detailing the time and date of opening, the individuals present and the tenders received in respect of supplier name and price.

Contract Extensions and Variations

Extensions

For contracts below the EU Threshold, the Head Teacher may extend within the scope of options to extend detailed in the contract agreement, as already approved by the Governing Body. Extension of contracts above Head Teacher's authorisation levels (as set out in the Finance Manual), either beyond extension terms provisioned within the original contract or for a contract over the EU threshold, must be subject to approval from the Governing Body.

Variations

For contracts below the Head Teacher authorisation value, the Head Teacher may vary contracts provided that the total value does not exceed the authorisation level and appropriate records are maintained on file.

For contracts above their authorisation level but less than £20,000, the Head Teacher may approve minor variations which do not change the material nature of the contract, or result in a change of contract price of more than 10 percent.

Variations to contracts in all other circumstances must be approved by the Governing Body.

Capital Works

In addition to requirements detailed above, it is expected that for capital procurements and expenditure, requirements will be specified (and also possibly further supported) by a qualified and registered professional where the work required involves notable risks and/or exceeds an estimated cost of £20,000.

Due Diligence

Prior to the award of contract, appropriate checks should be undertaken as deemed appropriate by the person(s) responsible for evaluation scoring. These checks may include, but are not limited to:

- Validation of insurance and indemnity certificates;
- Validation of professional memberships / qualifications;
- Credit check of supplier to identify any potential financial sustainability or impropriety risks;
- Disclosure and Barring Service (DBS) checks on nominated key personnel (where relevant);
- Professional references (where not already obtained at an earlier part of the procurement process).

Further periodic revalidation checks may also be deemed appropriate during the term of some contracts.

Documents and Records

Key documentation must be recorded and retained for audit control purposes and legislative requirements.

An up to date record of contract agreements must also be maintained. Details of new contract arrangements, extensions, variations, and expiries must be promptly recorded.



Purchasing Procedures

Standard Ordering

A quote or price must always be obtained before any order is placed. Reputable suppliers and those with established relationships with the school should generally be used.

All orders must be made or confirmed in writing: order forms are held in the school office. Orders should bear the signature of the budget holder or head teacher (as appropriate to the value of the order) and must be forwarded to the school office where they will be checked to ensure adequate budgetary provision before the order is placed.

Order forms, supporting documentation and, where applicable copies of official orders, should be retained in the office to be matched with delivery and invoice paperwork once goods are received.

Where an official Purchase Order number is required the order must be processed on FMS before the order is placed.

Internet Ordering

Internet ordering should only be used where goods cannot be requisitioned through normal ordering channels, or where the savings are significant. Orders should only be placed with reputable companies and before placing an order the following details should be verified:

- The supplier's name and address is referred to on the website;
- The company's terms and conditions of trading have been viewed and are reasonable;

- The transaction will take place under UK jurisdiction, where normal forms of redress are available to solve problems or disputes regarding faulty goods or non-delivery of goods (note: a “.uk” web address does not always mean the firm is UK based);
- A full description is obtained of the goods or services to be purchased;
- The price(s), including taxes;
- Delivery costs and arrangements;
- How long the price will stay valid;
- The rights of the purchaser to cancel the order;
- If a service is being procured, then the duration of the commitment and any future costs;
- That the contract in law is between the school and the supplier, not between the individual and the supplier.

The preferred payment method is to request that an invoice is issued by the supplier, for payment once the goods have been received. However, many suppliers will only accept payment by debit/credit card. In this case the school purchasing card may be used in accordance with Payment Card procedures (see below).

Payment card details should **not** be saved on any website for future use, and it is paramount that online payments are undertaken using a secure method (i.e. SSL). Visible proof of this will be a message appearing in a small window indicating that the transmission is to take place over a secure line, and can also be evidenced by a small closed padlock icon on the bottom row of the browser screen and/or the internet address starting with https:// (the s denoting a secure link). Alternatively the website should display the “TrustUK” symbol.

A copy of the order, together with prices and the budget to which the goods should be charged must be passed to the office, along with a VAT invoice or VAT receipt and delivery confirmation as soon as they become available.

Receipt of Goods / Services

A detailed check must be made of the goods received against the delivery note and order: this should normally be completed within 1 working day of delivery by any member of staff except the person who raised the original order. Any discrepancy must be recorded and raised with the supplier without delay. Once checked the delivery note should be filed with the official order, with a record of any returns / shortages.

If a budget holder is pursuing a query with a supplier the Finance Officer must be informed of the query and periodically updated with progress.

If the delivery paperwork includes the invoice, then this must be forwarded to the school office immediately.

For purchases made using a debit / credit / charge / purchasing card, satisfactory receipt of the goods must be confirmed on the expenditure summary form.



Charitable Donations

Charitable donations are considered to be part of a school’s wider purpose. Schools within the OWLS Academy Trust may support a number of carefully selected charities. Schools may also support fundraising events involving employees. Schools should only make charitable donations that are legal and ethical. No donation must be offered or made in the name of the school or the Trust without the prior approval of the Head Teacher or School Business Manager.



Payment Procedures

Invoice / Payment Processing

All invoices should be forwarded to the school office immediately upon receipt. The Finance Officer will then arrange payment ensuring:

- The invoice is arithmetically correct;
- The goods / services have been received;
- The goods / services are as ordered;
- The prices are correct;
- The invoices is posted to the correct cost centre and purchase ledger code;
- The invoice is authorised for payment;
- The VAT is treated correctly.

Authorisation for payment may be evidenced by:

- Invoice signed by the budget holder;
- Order signed by the budget holder and checked delivery note showing all goods have been received;
- BACS Run Report for a batch of invoices, signed by the Head Teacher or Deputy Head Teacher, with invoices individually ticked off;
- Cheque Run Report for a batch of cheques, signed by the Head Teacher or Deputy Head Teacher, with invoices individually ticked off; or
- Individual cheque slips signed by the Head Teacher or Deputy Head Teacher, attached to the invoice.

Credit Notes

Credit notes should be offset against the invoice to which the credit note relates, ensuring that it is coded to the appropriate cost centre / ledger code.

Cheques

All cheque books and/or pre-printed cheques must be stored securely.

Two signatures are required on all cheques. Where the value of the cheque is over £5,000 one of the signatories must be a governor.

Cancelled cheques must be retained.

BACS Payments

Payment by BACS is quicker, more secure and more cost-effective than payment by cheque.

Care must be taken to ensure the correct supplier bank details are entered onto the finance system, as provided by the supplier. It is not common for companies to change their bank account details, so any instruction of this nature should be treated with caution, and details only updated once the school is confident that the correct details have been provided.

A BACS Run Report should be printed and authorised before the payment file is created / uploaded.

Online approval of BACS payments will be subject to the bank mandate. Staff entitled to approve a payment will be issued with an authorisation card which must be stored safely by the card holder. Cards and card readers must be stored separately.

Non-signatories to the bank account may be given entitlement to approve BACS payments online, but they must ensure that appropriate authorisation has been provided in school by signatories to the bank account, in accordance with the requirements of the bank mandate. This will usually take the form of authorisation of the BACS Run Report by one or two signatories.

Direct Debit / Standing Order

Direct Debits may be used for regular payments for services provided the services are secure (i.e. rates, leases, utilities, etc). Standing Orders may be used for regular payments where the amount is fixed for every payment and there is a known end-date.

The Direct Debit / Standing Order mandate should be authorised in accordance with the bank mandate, taking account of the likely value of each payment.

Details of all Direct Debit and Standing Order instructions, and all payments made via these methods should be retained.

Invoices relating to direct debit payments must be subject to the same level of scrutiny as all other invoices.

Payment Cards

Where the school operates a charge card, or any other payment card, this should only be used where it is not possible to arrange for payment via invoice.

The card must be signed out by the user before use if it is to be taken outside of the school office, and signed back in immediately after use (or as soon as reasonably practicable) by a member of the office staff. If the card has been used by a member of office staff then a different person must sign the card back in.

An expenditure summary form must be completed for every transaction and authorised by the Head Teacher or relevant budget holder. Supporting paperwork (e.g. online order confirmation, delivery confirmation and payment receipt) must be attached to the summary form, and where VAT has been paid this must include a VAT invoice / VAT receipt.

Petty Cash

Schools may maintain a maximum cash balance of £300, to be kept in the school safe and administered by finance staff.

Deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference (i.e. the cheque number) relating to the payment. All other cash receipts must be paid directly into the bank.

In the interests of security petty cash payments will be limited as detailed in Appendix 1. Higher value payments should be made by cheque or BACS directly from the main bank account. All petty cash claims should be supported by a receipt (VAT receipt where applicable).

The Finance Officer is responsible for ensuring that all transactions are entered into the petty cash records on a regular basis, and regular cash counts should be undertaken to ensure that the cash balance reconciles to supporting documentation.

VAT

Operating a state funded school is a non-business activity for VAT purposes (outside the scope of VAT).

Other activity, not related to the core purpose of state education, is considered “business activity”, and is likely to be a combination of tax exempt business activity and taxable business activity.

Academy Trusts must register for VAT where the value of their taxable business activity exceeds the VAT registration threshold on a rolling 12 month period. The OWLS Academy Trust will monitor levels of taxable business activity annually during the preparation of the annual accounts, and will take action to register for VAT should this become a requirement.

Academies are able to reclaim VAT on their educational activities, via a VAT 126 form. Adjustments must be made to the total amount of VAT reclaimed to reflect any expenditure on other (non-business) activities. (e.g. staff meals, expenditure associated with lettings, etc). The advice of the Trust’s accountants will be taken regarding how this adjustment should be calculated.

The Principal Finance Office is responsible for submitting a consolidated VAT 126 claim from all of the academies within the Trust on a monthly basis, and distributing the funds received promptly upon receipt from HMRC.

VAT receipts must be obtained for all transactions where VAT is incurred, showing:

Invoices up to £100 (gross)

- Date of supply;
- Supplier’s name, address and VAT registration number; and
- A description sufficient to identify the goods/services supplied

Invoices over £100 (gross)

- Date of supply;
- Supplier’s name, address and VAT registration number;
- A description sufficient to identify the goods/services supplied;
- An identifying number and date;
- The customer’s name and address;
- The type of supply (i.e. sale, rental, etc);
- Quantity and amount payable (excluding VAT) for each description;
- Rate of any cash discount offered; and
- Rate and amount of VAT charged.

Self-Employed / IR35

All payments to individuals should normally be made through the payroll system, except if:

- The payment is for reimbursement of receipted expenses;
- The payment relates to payment of mileage claims where the rate to be paid is below the threshold set by the Inland Revenue;
- The individual is self-employed and can prove that they are registered with the Inland Revenue. Self-employed people should also sign a statement (Appendix 7) agreeing that they will declare all payments from the school to the Inland Revenue. The school should also satisfy themselves that their relationship

with the individual is indicative of self-employment, using the employment status tool available at www.gov.uk/guidance/employment-status-indicator

Individuals working through their own company will be subject to additional checks to ensure compliance with the IR35 regulations.

In all cases, evidence of appropriate checks to determine the IR35 or self-employed status of individuals must be retained and should be reviewed periodically.



Payroll

Payroll Processing

Payroll processing is outsourced to Leicestershire County Council, under a comprehensive service level agreement, which includes ensuring compliance with all requirements of the relevant pension schemes. The payroll provider is responsible for calculating all deductions from pay, in compliance with current legislation including tax, national insurance contributions and pensions.

Changes to Payroll Information / Staffing

Employee records are maintained in the school office, with all additions and changes requiring authorisation by the Head Teacher before they are released by secure electronic transfer to the payroll provider. The Finance Officer is responsible for ensuring that details are released to payroll in a timely manner, taking account of monthly cut-off dates.

Claim forms for additional hours, and notifications of other adjustments to pay will be completed on a monthly basis, and authorised by the Head Teacher prior to being submitted to the payroll provider.

Payroll Reports and Reconciliation

After the payroll has been processed, but before payments are dispatched, monthly payroll reports detailing all amounts payable will be received from the payroll provider. The Finance Officer is responsible for ensuring that this information is reviewed and reconciled to all claim forms and other adjustments on a monthly basis, where possible in advance of the payment being released.

Details of payroll information shall be entered onto the accounting system on a monthly basis, with postings made to the payroll control account and to individual cost centres.

All salary payments should be made by BACS, other than in exceptional circumstances.

Pay Policy

The Academy Trust maintains separate pay policies for Teachers and Support Staff, to which each school appends any local determinations (e.g. TLR values, pay range for leadership posts, etc). These are reviewed annually.

The role of Governor, Member and Trustee is voluntary and therefore no remuneration is offered to individuals carrying out duties in this capacity. An employee who is also a governor, member or trustee will not receive additional payment in respect of these duties. However, all governors, members and trustees, are able to claim reasonable expenses incurred in carrying out their duties (see Reimbursement of Expenses, below).



Special Payments

Payments to individuals that are not part of an academy's planned budgeting are classed as special payments. These payments are non-contractual and include:

- Staff severance payments, paid to employees when leaving employment, whether they resign, are dismissed or reach an agreed termination of contract;
- Compensation payments – made to provide redress for loss or injury;
- Ex-gratia payments – transactions which go beyond statutory / contractual cover or administrative rules (e.g. payments to meet hardship caused by official failure or delay);
- Indemnities

Severance Payments

Severance payments will not be made to staff with poor performance; the ESFA and HM Treasury will not approve such payments. Before making a severance payment, the academy must reasonably consider the proposed payment to be in the interests of the trust. The academy will appraise any course of action with the associated costs.

- Consideration should be given to whether the academy is more likely to win a severance case or will need to pay out;
- OWLS Academy Trust will be able to demonstrate and provide evidence of why the chosen route was taken to resolve the issue;
- The academy will balance the legal and management costs against the level of pay out.
- A severance payment is made from the public purse and therefore value for money will be demonstrated.

Any non-contractual financial considerations will be supported with evidence. For example, that pupil performance has been affected by a lack of continuity of teaching due to absence or teaching by temporary staff.

The use of confidentiality clauses associated with staff severance payments will not prevent an individual's right to make disclosures in the public interest, in accordance with the Public Interest Disclosure Act 1998.

Approval will be sought from the ESFA prior to all non-contractual payments at or above the threshold set out in the Academies Financial Handbook (hereafter referred to as the ESFA Threshold) using the academies severance payments form. Non-contractual payments below the ESFA threshold are not required for prior approval; however, the academy will be able to prove that a high level of scrutiny was applied.

A business case will be made for all non-contractual severance payments, which will be available for the ESFA if requested. If the payment is not supported correctly, the ESFA reserves the right to request a repayment from the academy.

If the academy is subject to a Financial Notice to Improve, any non-contractual payments, irrespective of value, should be sent through to ESFA for prior approval, as the notice withdraws the academy's delegated authority limit.

All staff severance payments, of any value, will be disclosed in total in the Trust's audited accounts.

Compensation Payments

When considering making a compensation payment, the OWLS Academy Trust will base its decision on a careful appraisal of the facts and legal advice to ensure that value for money is achieved.

The Trust has the authority to approve individual compensation payments, provided that all non-contractual elements are below the ESFA Threshold. The ESFA's prior approval will be obtained when the academy is considering making a non-contractual payment equal to or more than the ESFA threshold.

The Trust will routinely consider whether any cases reveal concerns about the internal control systems, taking any necessary actions to improve effectiveness and put failings right.

Irrespective of whether the Secretary of State's approval is required, the academy will disclose aggregate figures of compensation transactions, and separate disclosure for individual transactions above £5,000, in their audited accounts.

Ex-gratia Payments

These payments are separate to severance and compensation payments. For example:

- Payments made to meet hardship caused by official failure or delay;
- Payments to avoid legal action on the grounds of official inadequacy.

Any contractual payments received by academy staff, in accordance with the trust's pay and conditions policy, are not classed as ex-gratia payments. All ex-gratia transactions will be referred to the ESFA for prior authorisation and HM Treasury's approval will also be sought, dependant on the nature of the payment.

The OWLS Academy Trust will always seek prior advice from the ESFA if there is any doubt surrounding a proposed ex-gratia transaction.

All ex-gratia payments, of any value, will be disclosed in total in OWLS Academy Trust's audited accounts.

Indemnities

When entering into guarantees, letters of comfort, indemnities, OWLS Academy Trust will obtain the ESFA's prior approval for transactions beyond the delegated limits.

When writing-off losses and debts, the academy will seek approval from the ESFA for transactions beyond the delegated limits.

Indemnities are subject to a £250,000 ceiling, and ESFA consent is required, if transactions:

- Exceed 1% of the individual's annual income or the indemnity level specified in the Academies Financial Handbook, whichever is smaller;
- Exceed 5% of the academy Trust's annual income, cumulatively;
- Exceed 2.5% of the academy trust's income, cumulatively, where the academy has not submitted unqualified audited accounts for the previous 2 financial years or is a new academy.

Before accepting any of these liabilities, the academy will appraise the proposal through an assessment of the costs and benefits of all relevant options, in order to ensure value for money.

The OWLS Academy Trust will only write-off losses after considering whether all reasonable action has been taken and that there is no feasible alternative. All write-offs will be made before any successful claims from the academy's insurer/risk protection arrangements.

Irrespective of whether the Secretary of State's approval is required, the academy will disclose aggregate figures of indemnity transactions, and separate disclosure for individual transactions above £5,000, in their audited accounts.



Reimbursement of Expenses – Employees, Governors, Trustees and Members

The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 permit schools to provide certain payments to governors in order to cover costs for expenses paid whilst fulfilling their roles.

Employees, Governors, Trustees and Members of The OWLS Academy Trust may claim reimbursement in respect of actual expenditure incurred by them, arising from attending meetings, training and conferences. Wherever possible, expenses (including purchases made on behalf of the academy) should be agreed in advance with the Head Teacher or budget holder.

Eligible Expenses – Employees

Travel

Employees may claim for reasonable expenses incurred when travelling to and from meetings, training and conferences:

- **Car Use**
Reimbursement will be calculated according to the shortest route to and from the required destination, deducting any mileage that would normally be covered by travelling to and from school (if during school hours and on a day normally worked).
Staff wishing to claim mileage costs for car use MUST hold valid insurance permitting use of the vehicle for business use and will be required to produce a copy of their insurance certificate as proof of this.
All claims for mileage will be reimbursed at the HMRC approved mileage rate.
Parking costs, if incurred, may also be claimed but must be accompanied by a relevant receipt or ticket.
- **Other Travel**
All claims must be accompanied by a relevant receipt or ticket.

Direct Purchases

Where necessary staff may make purchases on behalf of the school (e.g. perishable items for cookery), provided they are supported by relevant receipt(s). Authorisation must be obtained from the budget holder before the purchase is made: if prior approval has not been obtained then the school reserves the right not to reimburse the cost.

Eligible Expenses – Governors, Members and Trustees

Governors, Members and Trustees (hereafter referred to as “Governors”) will be able to claim expenses in the following instances, on a case-by-case basis and with prior approval from the Governing Body or Trust:

Travel

Claims for expenses may be made for travel on school or Trust business where the distance travelled is greater than the distance between the Governor’s household and the school. The reason for the travel must be related to the work of the governing body / Trust (e.g. governors’ meetings, training courses, etc).

- All claims for mileage will be reimbursed at the HMRC approved mileage rate.
- Travel by public transport or taxi will be reimbursed upon production of a valid receipt. Taxi should only be used where there is no cheaper viable alternative.

Care of Dependents

In cases where a governor does not have a spouse or family member to care for a child / children / other dependent relative at a time when the governor must attend meetings relating to the work of the governing body / Trust, then expenses will be reimbursed for the cost of the care.

Telephone Charges, Photocopying, Stationery, etc

Claims for reimbursements can be made if a governor is unable to use the school's facilities. Governors will need to provide a valid receipt or written details of the nature and reason for the costs being incurred.

Specific Needs

Governors may claim allowances for expenses relating to specific needs incurred when carrying out approved duties. Examples may include: audio equipment, support from a signer, braille transcription, etc.

Other

The above list is not exhaustive and the school may agree to reimburse in other instances; however, this must be discussed and agreed by the governing body in advance.

Procedure for Claiming Expenses – Employees

All claims must be submitted to the school office within 2-months of the date of travel / purchase.

- **Mileage / Parking / Other Travel**

Employees will need to complete an Expenses Claim Form (Appendix 8). Distances claimed may be verified by use of online route planning tools such as Google Maps. Claims for parking and non-mileage travel costs must be supported by receipts attached to the claim form.

- **Purchases**

Employees should complete a reimbursement form and attach receipts. The form should be signed by the claimant and countersigned by the person authorising the claim.

Procedure for Claiming Expenses – Governors, Members and Trustees

Governors, etc should claim expenses on a termly basis, unless the amount to be claimed is substantial and/or urgent. Claims should be made using a claim form (see Appendix 9) and submitted to the school office for authorisation and processing.

Method of Payment

Payment will be made either through Employee salary payment, cheque (payable to the employee / governor concerned), BACS directly into a bank account using bank details provided by the claimant, or via Petty Cash (for lower value claims).

Overseas Travel

A separate policy is in place in respect of overseas travel on academy business, which includes financial processes and considerations in respect of such trips.

SECTION 6: INVENTORY AND ASSETS



Fixed Asset Register

Each school within the Trust shall maintain a fixed asset register, comprising items (or specific groups of items purchased within the same accounting period) valued over £5,000 that are considered to have a life longer than the financial year they were purchased in.

Capitalised assets are not necessarily purchased on one order; so long as a group of items is purchased within the same accounting period they may be capitalised.

Fixed assets are categorised as:

- Land and buildings;
- Plant and machinery;
- Furniture and equipment;
- Computer equipment and software;
- Assets under construction

As a minimum the asset register should include the following information:

- Asset description;
- Serial number (if applicable);
- Date of purchase (if purchased after academy conversion date);
- Cost;
- Source of funding (if purchased after conversion) expressed as the % of original cost funded from DfE grant and % funded from other sources;
- Current book value (if applicable);
- Location

All working papers for the purchase of assets, including invoices, should be retained for at least 7 years.

Depreciation

Non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset. Depreciation will be calculated on an annual basis for preparation of the year end accounts, in accordance with the Accountancy Policy (see Section 3 of this document).

Disposal of Assets

Items which are to be disposed of by sale or destruction must be authorised for disposal by the head teacher and finance officer and, where significant, should be sold following competitive tender. Where the asset to be disposed of carries an amount (cost less accumulated depreciation) above £500 the disposal must be approved by the Finance Committee.

If computer equipment is disposed of, licences for software must be legally transferred to the new owner. Pecuniary interests must also be considered at all times.

All disposals of assets on the fixed asset register or the inventory register should be recorded on the relevant register, and records of all authorisations for disposal must be retained in either hard copy or electronically.

The requirements of the funding agreement with the Secretary of State will be adhered to when considering the disposal of a capital item.

Funds obtained by the sale of surplus assets shall be identified in the school accounts and be accessible for audit.

Loan of Assets

Items of school property must not be removed from the school premises without the authority of the head teacher. Authorisation is automatically given for staff laptops to be removed from the school site but they remain the property of the school.

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



Inventory

The inventory is an extended version of the Fixed Asset Register, including the same information but as a minimum should include all items purchased with a value over £250, and desirable portable items of lower value. The Inventory and Fixed Asset Register may be combined onto a single platform, or may be held separately.

Physical counts should be undertaken annually against the inventory register and the evidence presented to the Governing Body. Discrepancies between the physical count and the registers should be investigated promptly by the head teacher and any discrepancies over the value of £500 should be reported to the Governing Body. This will be reported and minuted at the LGB level with sign off annually. The head teachers report will confirm this has been completed, this will be verified by the trustees, CFO and or CEO and report within annual CEO report to trustees.



Security

Higher value items should be appropriately security marked and securely stored when not in use.

Staff removing laptops from the school site should note that they must not be left in an unattended vehicle, for both data protection and insurance reasons.

SECTION 7: RESERVES AND INVESTMENTS, INCLUDING CENTRAL TRUST FUNDS

Reserves Policy

Schools should always aim to match income with expenditure in the current year and should only carry forward reserves that are considered necessary for future year's expenditure. This will include funds set aside for replacement of capital items, such as ICT infrastructure or premises development, and allowance to cover the principle risks facing the school, including reductions in pupil numbers or school funding levels.

Each school within the Trust should aim to hold easily accessible financial reserves equivalent to 8 to 12 weeks operating costs at all times.

Investments Policy

Each school should manage cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Where surplus cash funds are held the governors will consider options available to optimise returns whilst ensuring the investments are such that there is no risk to the loss of these cash funds.

If it is identified that the school is holding a level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing accounts with:
 - Natwest Bank
 - Royal Bank of Scotland
 - Barclays Bank
 - HSBC
- Treasury deposits with maturity dates that do not result in the cash funds being unavailable for longer than 8 weeks

On maturity of any investment the Finance Officer will review the level of funds that continue to be available for investment and the interest rates that can be achieved in order to optimise the benefits of any subsequent investment.

The Head Teacher shall be required to authorise the transfer of funds to any investment vehicle.

School Fund – Unofficial Accounts

The Head teacher is responsible to the Local Governing Body for any unofficial school funds and is required to provide them with annual audited accounts.

Central Funds Policy

The Academies Financial Handbook gives multi-academy trusts the freedom to amalgamate a proportion of GAG funding for all of its academies to form one central fund, for use to meet the normal running costs at any of its constituent academies within the trust. The OWLS Academy Trust has determined to utilise this freedom for all schools in the Trust as at 1st September 2018 and all those that join the Trust after this date.

Trust Funding from Academies

Each year the Trust will retain 5% of the GAG funding for each constituent academy. For clarity, this **excludes** the funding each academy receives in respect of:

- Pupil Premium funding;
- PE Sports grants;
- Nursery funding;
- Funding for Universal Infant Free School Meals;
- Summer School funding;
- Other non-GAG Government funding;
- Top-up funding for special educational needs (SEN) or additional educational needs (AEN) in mainstream academies;
- Other income generated by individual academies.

The Trust will give consideration to the funding needs and allocations of each constituent academy.

A statement will be issued to constituent academies not later than 31st August for the next financial year, detailing the funds to be retained by the Trust. The constituent academies will have a period of 10 working days to appeal.

In addition, schools entering the OWLS Academy Trust for the first time will be required to make a payment of £5 per pupil to support the implementation of financial hardware and any training required to operate in conjunction with systems currently deployed across the Trust.

Use of Central Funds

The funds retained by the Trust will be used to fund the following expenditure on behalf of the academies within the OWLS Academy Trust:

- Trust salaries, including CEO, CFO and SBM (Trust HR Support);
- Annual actuarial re-valuation fees in respect of the Local Government Pension Scheme (FRS102) (note: initial actuarial valuation for schools/academies joining the Trust is to be funded by the individual academy from the academy Start-up grant);
- Trust conferences;
- Ill Health Retirement Insurance;
- Trust ICT hardware;
- Trust identified subscriptions;
- Multi-view;
- HCSS Budgeting;
- Multi-tracker;
- Costs associated directly with whole Trust GDPR compliance, including annual GDPRiS licences for schools;
- Administration Costs;
- Travel / Subsistence / other miscellaneous expenditure in respect of Trust activity;
- LCC Internal Audit for the Trust (note: individual academies will need to pay for the LCC Internal Audit for their own academy);
- External Audit and Accountancy fees (currently undertaken by RSM);
- Trust clerking; and
- Audit bank fees

The Trustees reserve the right to update the areas of expenditure on an annual basis. Where appropriate the top-slice may be adjusted to reflect any increases in costs or increase in the services to be provided directly by the Trust, or as a result of cost-savings generated through streamlining of back-office functions

Central Reserve

The Trust will build a central reserve which may be used for Capital expenditure or to help to alleviate financial pressures within individual academies during periods of fluctuating income and expenditure. From September 2017 the upper limit of the reserve shall be calculated as £100,000 plus £20,000 per constituent academy, to a maximum of £300,000. These values may be adjusted for inflation, or if otherwise recommended by external organisations providing services to the Trust.

School Improvement

The Trust will require that each academy should individually retain an amount of £10,000 each year, which will be required for school improvement support should the academy be deemed to be category 3 or 4 according to the Trust's school improvement strategy.

In reality, the cost of providing school improvement support is estimated to be significantly higher than this. Where the total value of support provided to a school exceeds £10,000 in a single financial year, the school shall have the option to either pay for the additional support up-front, or to have the support funded from the Central Reserve on the understanding that they will be required to repay the actual cost of that additional support over an agreed period.

Rebate Scheme

It is recognised that a significant proportion of the Trust's expenditure from the Central Funds are fixed costs that will not necessarily increase in proportion to increases in the number of constituent academies. Other costs will be fixed based on the number of constituent academies regardless of size. The total cost of these services divided by the number of constituent academies shall be used to determine a notional "Flat Rate" cost per academy per year.

The cost of other services will be proportionate to the size of each academy, as will the benefit of these services to each academy.

The Trust recognises that the application of a simple 5% top slice means that very small academies may be paying an annual contribution that is less than notional "Flat Rate", effectively resulting in them receiving significant subsidy from the larger academies. In order to address this situation the following measures will be taken:

- Future growth of the trust will ensure that an appropriate balance can be achieved in the numbers of smaller and large schools.
- In the event that the carry forward at the end of a financial year is greater than the target level for the central reserve then these surplus funds will be used to provide a rebate to the academies that were members of the OWLS Academy Trust during the financial year in which the surplus was generated. The value of each academy's rebate will be calculated based on contributions above the notional "Flat Rate" per academy, as follows:
 - Academies whose 5% top slice was less than or equal to the notional "Flat Rate" per academy will not be eligible for a rebate.
 - For the remaining academies their rebate will be calculated using the formula:

$$\frac{\text{Academy's payment above the notional "Flat Rate"}}{\text{Total of all academies payments above the notional "Flat Rate"}} \times \text{Surplus funds generated}$$

Rebate allocations will be confirmed to academies after the final closedown of the financial year to which it relates, which will normally be in March/April of the following year. This will enable academies to factor the rebate figure into their budget planning for the next financial year.

The rebate will normally be paid in September of the next financial year. However, in the event that an academy is due a rebate but requires school improvement support (as above) before it falls due for payment, then the Trust reserves the right to use that academy's rebate to offset the costs of any additional school improvement support required.

Central Funds Appeals

As required by the ESFA Academies Financial Handbook, Academies have the right to appeal if they believe they have been unfairly treated in connection with central funds. Within the OWLS Academy Trust, constituent academies have 10 working days from the issuing of a settlement statement from the Trust to the Academy in which to appeal. Appeals should be made in writing directly to the CEO.

The CEO and Trustees will consider the appeal and will notify the academy of their decision within 10 working days of receipt of the written appeal.

In the event that this does not resolve the academy's grievance then the academy has the right to appeal to the Secretary of State, via the ESFA, whose decision will be final.



Academy Trust Financial Support for Schools

The Trustees of the OWLS Academy Trust is committed to support all schools within the Trust, which may exceptionally involve additional financial support from the Trust Central Fund to assist with cash flow.

Requests for such support should be made using the form set out in Appendix 6.

The Trustees will consider each request for financial support on an individual basis to determine whether an interim loan shall be granted, and where applicable the value, duration and repayment terms.

SECTION 8: ASSOCIATED POLICIES



Accountancy Policy

The financial statements of the OWLS Academy Trust will be prepared under the historical cost convention, in accordance with:

- The applicable United Kingdom Accounting Standards;
- The Charity Commission “Statement of Recommended Practice: Accounting and Reporting by Charities” (SORP);
- The Academies Accounts Direction, issues by the ESFA; and
- The Companies Act 2006

Going Concern

The Trustees will assess whether the use of the “going concern principle” is appropriate (i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern). The trustees will make the assessment in respect of a period of one year from 31st October following the end of the financial year to which the financial statements relate.

Recognition of Incoming Resources

Incoming resources will be recognised on a receivable basis:

- Grants Receivable will be included in the Statement of Financial Activities (SOFA) on a receivable basis. The balance of income received for specific purposes but not expended during the period will be shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition will be deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income will be accrued.
- Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- Sponsorship income provided to the Academy, which amounts to a donation, will be recognised in the SOFA in the period in which it is receivable. Any sponsorship money received with no restriction on its use will be credited to the unrestricted fund in the SOFA.
- Donated services and gifts in kind provided to the Academy Trust will be recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the SOFA, except where the gift in kind is a fixed asset in which case the amount will be included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Trust policy.
- Other income, including catering income and fees for out of school care will be recognised in the period it is receivable.

Recognition of Resources Expended

All expenditure will be recognised in the period in which a liability is incurred and will be classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they will be allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent and depreciation charges allocated on the portion of the asset’s use. Other support costs will be allocated based on the spread of staff costs.

- Costs of generating funds will be costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Charitable activities will be costs incurred on the Academy Trust's educational operations
- Governance costs will include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Resources will be recorded net of VAT, with the exception of business costs where VAT is irrecoverable. They will be classified under headings that aggregate all costs relating to that activity

Accounting for Fixed Assets (Including Depreciation)

Assets valued at thresholds set out in Section 6 of this document will be capitalised as tangible fixed assets and will be carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets are acquired with the aid of specific grants, either from the government or from the private sector, they will be included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants will be credited to a restricted fixed asset fund in the SOFA and carried forward in the Balance Sheet. Depreciation on such assets will be charged to the restricted fixed asset fund in the SOFA so as to reduce the fund over the useful economic life of the related asset.

Depreciation will be provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over expected useful lives, as follows:

- | | |
|------------------------------------|-----|
| • Freehold buildings | 2% |
| • Land | 0% |
| • Fixtures, fittings and equipment | 15% |
| • ICT equipment | 33% |
| • Motor vehicles | 20% |

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

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

Leased Assets

Rentals under operating leases will be charged on a straight-line basis over the lease term. ESFA are informed of lease agreements.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations will be obtained at least triennially and will be updated at each balance sheet date. The amounts charged to operating surplus will be the current service costs and gains and losses on settlements and curtailments. They will be included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost will be shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses will be recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or other Funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.



Fraud Policy

The OWLS Academy Trust is committed to the highest ethical standards and to acting with integrity in all business activities. Everyone involved with the Trust or any of its member schools has a responsibility in respect of recognising potential fraud, preventing and detecting fraud. It is the duty of all staff, governors and trustees to take reasonable steps to limit the possibility of corrupt practices and to take advice from the internal and external auditors on the adequacy of the measures taken across the Trust to ensure financial compliance.

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

Unacceptable Practice

Bribery is a fraudulent and corruptive act, and therefore it is not acceptable for employees to:

- Give, promise or offer a payment, gift or hospitality, with the expectation or hope that an advantage for the school or the OWLS Academy Trust will be received, or to reward an advantage already received;
- Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure;
- Accept payment from a third party if they know or suspect that it is offered with an expectation of a business advantage in return;
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy;
- Engage in any activity that may lead to a breach of this policy.

Acceptable Practice

This policy does not prohibit normal and appropriate hospitality (given or received), provided the following requirements are met:

- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in exchange for favours or benefits;
- It is given in the name of the school or the OWLS Academy Trust, not in the name of an individual;
- It complies with local law;
- It does not include cash or a cash equivalent (e.g. vouchers, gift certificates, etc);
- It is appropriate in the circumstances (e.g. the giving of small gifts at Christmas time);
- The type and value of the gift is reasonable given the reason the gift is offered;
- It is given openly, not secretly;
- Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Head Teacher or School Business Manager (SBM)

The advice of the Trust, in all circumstances, is to consider whether the gift or hospitality is reasonable and justified and to consider the intention behind the gift.

Reporting Suspected Fraud, Bribery or Corruption

Employees are encouraged to raise concerns about any suspicion of fraud, bribery or corruption, at the earliest possible opportunity, to the Head Teacher or Chair of Governors. Where the concern relates to activity at Trust level it must be reported to the CEO or Chair of Trustees. Issues that should be reported include:

- Any suspected or actual attempts at bribery;
- Any concerns that an employee may be engaging in fraudulent activity;
- Any concerns that an employee may be in receipt of bribes;
- Any concerns that an employee may be offering or delivering bribes.

Any concerns should be reported immediately in the knowledge that such concerns will be treated in confidence and properly investigated.

Procedures outlined in the Whistleblowing Policy should be followed to report concerns where the normal reporting procedure is not appropriate.

Cases of fraud can also be reported to the National Fraud and Cyber Crime Centre via the Action Fraud website or by speaking to a fraud advisor on 0300 123 2040.

Employees who raise concerns in good faith will be supported by the school / Trust. The school / Trust will ensure that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

Investigating Suspected Fraud, Bribery or Corruption

Reports of suspected fraud will, in the first instance, be investigated by the Head Teacher to ascertain the basic facts. Subject to the findings, the matter will be reported to the CEO, Trustees and/or Internal Audit, which may result in a full internal investigation.

All reports of bribery will be investigated thoroughly, and in a timely manner, by the appropriate member of the senior leadership team and in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.

The investigation process will include:

- Gauging the credibility of the allegation;
- Securing evidence, ensuring it is retained in the original format;
- Interviewing witnesses;
- Taking statements;
- Interviewing potential suspects;
- Liaising with the Head Teacher, Governing Body, CEO and Trustees (as appropriate) as well as with external agencies where necessary.

The ESFA has full right of access to examine any documents or contents of school property, including the examination of computers and related equipment, as well as to undertake interviews with staff members. The ESFA will work closely with the Head Teacher, Governing Body, CEO and Trustees (as appropriate) in fraud related cases involving disciplinary investigation.

Following Investigation

The OWLS Academy Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud, bribery and/or corruption.

Where fraud is proven, this constitutes gross misconduct and cases will be dealt with appropriate, in accordance with the Trust's disciplinary procedures. Where appropriate the school / Trust will also refer the case to the police in order for them to consider taking criminal action.

The school will invoke disciplinary procedures where any employee is found guilty of bribery, and this may result in a finding of gross misconduct and immediate dismissal. The school / Trust may terminate the contracts of any associated persons, including consultants or other workers acting for, or on behalf of the school, who are found to have breached this policy.



Business Continuity and Risk Management

Business Continuity Plan

Each school within the Trust should prepare and maintain a Business Continuity Plan which includes a section related to financial matters.

Risk Register

The Trust, and each individual academy, should prepare and maintain a risk register which identifies key risks and actions to be taken to mitigate against them. This should be updated at least annually, and should be presented to Trustees / Governors regularly to review/discuss selected risks. The Board of Trustees (for the Trust risk register) and Local Governing Body (for the school risk register) should determine the most appropriate forum for different categories of risk (e.g. data risk, financial risk, safety risk, etc).

SECTION 9: APPENDICES

Appendix 1: Limits of Financial Delegation

The limits of financial delegation stated here reflect the maximum limits approved by the Board of Trustees. Local Governing Bodies may determine lower limits should they feel this to be appropriate, recording their decision as an addendum to the school's Finance Manual.

Academy Trust

Purchasing / Expenditure Limits

CEO	Up to	£ 5,000
Trust Finance Committee	Up to	£100,000
Board of Trustees	Over	£100,000

Cheque Signatories

Two signatories	Up to	£ 5,000
Chair or Vice-Chair of Trustees plus one other signatory	Over	£ 5,000

BACS Authorisation

Two signatories	Up to	£ 5,000 (per recipient)
Chair or Vice-Chair of Trustees plus one other signatory	Over	£ 5,000 (per recipient)

Virement Limits

CEO	Up to	£ 5,000
Board of Trustees (and notify ESFA if significant)	Over	£ 5,000

Writing Off Bad Debts

CEO	Up to	£ 1,000
Board of Trustees	Over	£1,000 up to the threshold at which ESFA approval is required
Approval from ESFA		Above the amount in annual funding letter, or as per delegated limits – Academies Financial Handbook

Disposal of Surplus Stock, Stores & Assets (estimated value)

CEO	Up to	£ 250
Board of Trustees	Over	£ 5,000
Board of Trustees (and notify ESFA if significant)		Freehold land & buildings/heritage assets as per Academies Financial Handbook

Schools

Purchasing / Expenditure Limits

Site Manager (emergency minor building repairs)	Up to	£ 500
Budget Holders	Up to	£ 500 or available budget, whichever is lower
Head Teacher / School Bursar / Business Manager	Up to	£ 5,000
Chair of LGB / Chair of Finance Committee	Up to	£ 10,000
Finance Committee	Up to	£ 20,000
Local Governing Body	Up to	EU Threshold
Board of Trustees	Over	EU Threshold

Cheque Signatories

Two signatories	Up to	£ 5,000
Chair or Vice-Chair of Governors plus one other signatory	Over	£ 5,000

BACS Authorisation

Two signatories	Up to	£ 5,000 (per recipient)
Chair or Vice-Chair of Governors plus one other signatory	Over	£ 5,000 (per recipient)

Virement Limits

Head Teacher / Head of School	Up to	£ 5,000
Local Governing Body / Finance Committee	From	£ 5,000 to £ 20,000
Board of Trustees (and notify ESFA if significant)	Over	£ 20,000

Writing Off Bad Debts

School Bursar / Business Manager	Up to	£ 100
Head Teacher / Head of School	Up to	£ 500
Finance Committee	Up to	£ 750
Local Governing Body	Up to	£ 1,000
Board of Trustees	Up to	the threshold at which ESFA approval is required.
Board of Trustees and approval from ESFA		Above the amount in annual funding letter, or as per delegated limits – Academies Financial Handbook.

Disposal of Surplus Stock, Stores & Assets (estimated value)

Head Teacher	Up to	£ 250
Local Governing Body / Finance Committee	From	£ 251 to £ 5,000
Board of Trustees	Over	£ 5,000
Board of Trustees (and notify ESFA if significant)		Freehold land & buildings/heritage assets as per Academies Financial Handbook

Petty Cash

Maximum Cash Balance	£ 300 (except for an unusual event)
Payment Limit	£ 25 (except for an unusual event)

Safe Cash / Cheque Limits (as per insurance cover)

Cash plus other monetary instruments (i.e. stamps, vouchers, etc) £ 5,000
Cheques (recorded at point of receipt) £ 5,000

Asset Register

Capitalisation Limit Over £ 5,000
Attractive Portable Items Over £ 250



Appendix 2: Financial Competency Form

Please sign to accept you have read and understood the following information relating to orders for equipment:

- Staff may order goods and services from whatever reputable source they see fit, but will be expected to take into account quality and value for money.
- Orders must be placed via an order form, available from the school office. Where an official order number is required this must be raised via the Financial Management System (FMS).
- Orders must be completed in accordance with the following procedures:
 - Authorised by designated staff only;
 - Show estimated prices on the order form;
 - Send to the supplier via the school office;
 - If placed by telephone, a written copy of the order with estimated prices must be given to the Finance Officer;
 - Telephone orders should be followed up by a confirmation order by the next working day if possible.
- Where necessary staff may make direct purchases on behalf of the school (e.g. perishable items for cookery), and claim for reimbursement after the event, provided the claim is supported by relevant receipt(s). Authorisation must be obtained from the budget holder before the purchase is made: if prior approval has not been obtained then the school reserves the right not to reimburse the cost.

As a budget holder you will receive periodic updates relating to your subject / department budget(s). It is your responsibility to monitor and manage your budget to ensure that you do not over spend the available funds. Budget monitoring reports are available on request from the school office.

Signed:

Name:

Budget(s):

Date:


Appendix 3: Pecuniary Interests Forms

Name: **Position:** **School:**

Part A – Business and pecuniary interests

Pecuniary interests	Name of organisation	Nature of business	Details of your interest	Date interest began
Current employment				
Businesses (of which I am a partner or sole proprietor)				
Company directorships – details of all companies of which I am a director				
Trusteeships and governorships – details of all educational institutions and charities of which I am a trustee				
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management				
Any other conflict				

Part B – Relationships between school staff, members and trustees of the governing body

Personal Interests	Name	Nature of Relationship	Organisation	Nature of the interest
Close family relationship you have with the academy trust members, trustees or employees			n/a	n/a
Company directorships or trusteeships of family/close connections to you				

If you are a governor or trustee of any other schools and/or academies, please provide details:

Name of School / Academy	Position Held	Date Appointed / Elected to Post	Date of Termination of Post

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually, and understand that declarations of interest, including “nil” returns, must be published on the school and Trust website.

Signed:

Date:

Guidance notes

In the declaration, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the trust/school to provide goods or services;
- Goods or services you offer which may be used by the trust/school;
- Any close relationship you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the trust/school, is a trustee or member.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed. If you have no interests to declare you must submit the form with a 'NIL' return.

Pecuniary interests

Generally, governors should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing board. Both direct and indirect interests must be declared

Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the governor does not stand to gain any benefit but a declaration should still be made. For example, where a governor has a family member working in the school. While the governor might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

Unforeseen conflicts of interest

It is acknowledged that interests may not always be clear in advance. Any individual governor who may have an interest in a matter which is due for discussion at a meeting should declare it at the beginning of the meeting. Any such statements should be formally recorded within the minutes of that meeting. As such, declaration of interests should be a standard agenda item at every meeting (governing body and committee meetings).

Handling the conflict

The governing board must make a decision as to whether or not they should take steps to remove the conflict by:

- Not pursuing the course of action it relates to; or
- Proceeding with it in an alternative way which does not give rise to conflict; or
- Not appointing the governor in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

- The nature of the conflict;
- Which governor(s) it relates to;

- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the governor(s) withdrew from the meeting;
- How the governors made the decision in the best interests of the school.

The School and Early Years Finance (England) Regulations 2013 provide for local authority financing schemes to keep a register of pecuniary interests for the trustees, governors and staff of schools. The register should be reviewed annually by the clerk to the governing body but any new interest or ceased interest, should be reported to the clerk as and when they occur. Upon completion, this signed form should be given to the clerk of governors whose responsibility it is to keep a register of all interests and review it annually.



Appendix 4: Financial Calendar

September - November	<ul style="list-style-type: none"> Preparation of accounts for previous financial year
November - December	<ul style="list-style-type: none"> Presentation of accounts to Local Governing Body / Academy Trust Board
December	<ul style="list-style-type: none"> Accounts for previous financial year submitted to ESFA by 31st December
February - April	<ul style="list-style-type: none"> Year End Journals from previous financial year entered onto FMS (as advised by accountants)
March	<ul style="list-style-type: none"> GAG for next financial year received from ESFA
March - May	<ul style="list-style-type: none"> Preparation of draft annual budget for next financial year and medium term budget plans for at least the next 3 years.
April - May	<ul style="list-style-type: none"> Preparation of Budget Forecast Outturn Report for Trust submission to ESFA by mid-May.
May	<ul style="list-style-type: none"> Trust Policies review annually and agreed for the year ahead.
June	<ul style="list-style-type: none"> Presentation of draft annual budget to finance committee for agreement, then to full Local Governing Body and Academy Trust Board for Approval (to be minuted)
July	<ul style="list-style-type: none"> Submission of budget forecast to ESFA by 31st July
August	<ul style="list-style-type: none"> Budget plans entered onto FMS for next financial year.
Year round	<ul style="list-style-type: none"> Ongoing budget monitoring



Appendix 5: Monthly Reconciliations Monitoring Report

School Name:

Date:

Check List to be completed and Authorised by Head Teacher as evidence that the reconciliations have been undertaken.

Action Required	Completed	Head Teacher Signature/Date	TO BE COMPLETED BY TRUST
Reconciliation of Bank Account to the end of month and signed by Head Teacher			
Reconciliation of VAT Account and VAT Submittal to OWLS			
Reconciliation of Payroll.			
Reconciliation of Debtors/Creditors. Print Aged Debtors Report and notate reasons for outstanding amounts.			
Reconciliation of Petty Cash at month end.			
Fixed Asset Updated			
Counter Party Information Submitted.			
Cash flows/Variance Forms submitted to Trust			
User Defined Report to month end.			

Received at Trust	
Actioned by Trust	



Appendix 6: Request for Financial Support from the Trust Central Fund

THE TRUSTEES OF THE OWLS ACADEMY TRUST

AND

Insert School Name

AGREEMENT RELATING TO
THE PROVISION OF FINANCIAL SUPPORT

Request for Financial Support

School Name:

Amount Requested:

£

Reason for Request:

Repayment Plan:

For Trust Completion Only

Request Review Date:

Request Outcome:

Approvers:

THIS AGREEMENT is made on

For the amount of

£

Repayment Date:

--

BETWEEN

..... (“the Client”)

Signed on behalf of the Client:

Name:

Position:

Date:

AND

The OWLS Academy Trust (“the Provider”)

Signed on behalf of the Provider:

Name:

Position:

Date:



Appendix 7: Declaration of Self Employed Person

School:

.....

Name:

.....

Address:

.....

.....

.....

NI Number:

.....

I declare that I am registered with the Inland Revenue as being self-employed. I agree that it will be my responsibility to inform the Inland Revenue of any payment that I receive from the above school.

Signed:

.....

 **Appendix 8: Employee Expenses Claim Form**



OWLS ACADEMY TRUST EXPENSES CLAIM FORM

Name: **Department / Budget:** **Claim for Month Ending:**

Date	Brief Description and REASON for Expense Incurred	Receipt No.	Miles	Mileage Claim (£)	Rail / Coach / Tube (£)	Hotel Bills, etc (£)	Other Costs (£)	Account	Total (£)
Total Claimed									

Less Advances: _____
Amount Payable: _____

Name of Claimant: Signed (Claimant) Date: Paid: Cash / Cheque

Name of Manager: Signed (Manager) Date: Paid date:



NOTES FOR COMPLETION OF THE EXPENSES CLAIM FORM

- 1) It should be noted that the expenses are paid from Public Funds and hence it is the responsibility of the individual to ensure that the costs are kept to a minimum. Expenses should not be incurred unless they have been approved previously.
- 2) Claims should be submitted monthly in arrears for expenditure necessarily incurred in carrying out duties in connection with requirements of the School / Trust. Where expenses are incurred for professional development purposes, this should be indicated accordingly.
- 3) Receipts must be submitted with the claim except for car mileage claims.
- 4) All claims must be counter-signed by the Line Manager or Line Manager's Superior.
- 5) Claims are normally reimbursed within two working weeks. If there is a delay or a query, please contact the Finance Department.
- 6) Mileage reimbursements are at Inland Revenue approved rates. Drivers must hold insurance that permits use of the vehicle for business purposes.
- 7) When travelling to/from the destination to your home, in order to comply with HMRC rules, only the lower of the cost of home to destination or normal work place to destination may be claimed.
- 8) Staff are expected to use the most cost efficient mode of travel. In certain cases train or Underground travel will be more cost efficient than driving by car. Taxis should only be used when public transport is not accessible or there is a health and safety issue. Any bookings for rail travel should be made at least 2 weeks before departure in order to obtain the benefit of cheaper rates. For overnight accommodation, most economical hotel rates should be booked. Cost of overnight accommodation should be agreed with the Head Teacher.
- 9) Receipts must be submitted with subsistence claims. Any claims for meals at expensive restaurants or for consumption of alcoholic drinks or for benefits in kind will not be accepted.



Appendix 9: Governor / Trustee / Member Expenses Claim Form

This claim form consists of two sections. Section two must only be completed when payment has been made to another party, e.g. child carer.

Section One

Name of governor:		Date:
Date of expenditure	Details of expenditure	Claim
Total claim:		£

[To be completed once authorisation of the claim has been approved.]

Signature of governor:		Date:
Signature of headteacher:		Date:
Reimbursed by (name):		Date:

Section Two

Nature of service (e.g. childcare):	
Name:	
Amount received:	£
Signature:	
Date:	