
Title of Policy/Procedure Financial Procedures and Administration

Reviewer(s): Chief Financial Officer

To be read in conjunction with the following policies: Fraud Policy
Tendering Policy
Charging and Remissions Policy
Best Value Statement
Travel and Subsistence Policy
Financial Reserves Policy
Fixed Asset Policy
Lettings Policy

Consultation Process N/a

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This policy has been ratified by (please delete as appropriate):

- Finance, Personnel and Resources Committee

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THE BLUE KITE ACADEMY TRUST

Introduction

The purpose of this document is to ensure that the Blue Kite Academy Trust (the trust) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education and Skills Funding Agency (ESFA).

Each academy within the trust must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement, the Academy Trust Handbook, the Academies Accounts Direction and the Charities Commission. This policy expands on those and provides detailed information on the accounting procedures and these financial regulations must be read by all staff involved with financial systems and copies made available as necessary. It also provides a standardised approach to all finance related tasks within the trust and its academies.

Compliance with the Policy is mandatory and any contravention of procedures must be brought to the attention, in the first instance, of the Accounting Officer. For the Blue Kite Academy Trust this office resides in the Chief Executive Officer (CEO).

All staff, including the Accounting Officer, the Chief Finance Officer (CFO), Chief Operations Officer (COO), Headteachers, School Business Officers, Pupil Services Administrators and Finance Assistants, who deal with financial matters, are trained in the appropriate procedures and records are kept of this training. All the duties of the Accounting Officer, the Chief Finance Officer, Chief Operations Officer, Headteachers, School Business Officers, Pupil Services Administrators and Finance Assistants, are recorded and a note kept of who can carry out the various duties in the absence of the Accounting Officer, the Chief Finance Officer, Chief Operations Officer, Headteachers, School Business Officers, Pupil Services Administrators and Finance Assistants.

All staff are aware of the trusts whistleblowing policy and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE.

The trust's Risk, Audit & Strategy Committee will be responsible for reviewing all controls and procedures of financial systems operating within the trust. A self- assessment of the financial administration and management within each school is to be carried out, on an annual basis, at all levels by the Accounting Officer, the Chief Finance Officer, Headteachers, the Finance, Personnel and Resources Committee and the Local Governing Bodies.

1. ORGANISATION

The Blue Kite Academy is a Multi Academy Trust. The trust is a company limited by guarantee with charitable status and all academies within the Blue Kite Academy are governed by a board of trustees who have delegated responsibilities to local governing bodies.

MEMBERS

The Members of the Academy Trust shall comprise:

- the signatories to the Memorandum; provided that at any time the minimum number of Members shall not be less than three.
- The Members may agree by passing a special resolution to appoint such additional Members as they think fit.

TRUSTEES

The Academy Trust shall have the following Trustees:

- a) Members may appoint by ordinary resolution up to ten Trustees (which for the avoidance of doubt shall include the Chief Executive Officer if so appointed under Articles 57 and any Staff Trustee).
- b) Trustees may appoint Co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent that he or she is a Trustee.
- c) Trustees shall ensure that any Local Governing Body shall include at least two elected Parent Local Governors

2. ROLES AND RESPONSIBILITIES

The main responsibilities of the trust are prescribed in the Funding Agreements with the ESFA. The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer (as Accounting Officer)
- appointment of the Chief Finance Officer in conjunction with the Chief Executive Officer
- appointment of the Chief Operations Officer in conjunction with the Chief Executive Officer
- ensure regularity, propriety and value-for-money in relation to the management of public funds

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the trustees who may exercise all the powers of the Company.

The trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Trust Board
- Risk, Audit & Strategy Committee
- Finance, Personnel and Resources Committee

The main responsibilities of these Committees are set out in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the trust's finances.

2.1 ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has overall responsibility for the trust's activities including financial activities. As the Accounting Officer for the trust, the Chief Executive Officer is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks
- ensuring that measures are in place to prevent loss and misuse of the trust's property and assets

The essence of the role is a personal responsibility for:

Regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and the Academy Trust Handbook, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament.

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour, and corporate governance.

Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

The trust's accounting officer must complete and sign a statement on regularity, propriety, and compliance each year and submit this to the ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.

In practice, much of the financial responsibility is delegated to the Chief Finance Officer but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governors have agreed should be approved by them
- authorising orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority (Appendix A)
- preparing budget plans in conjunction with the Chief Finance Officer
- implementing expenditure in line with the Academy budget
- seeking trustees approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the trustees giving details of income, expenditure and commitments to date
- ensuring any actions resulting from the annual audit are implemented

2.2 ROLE OF THE CHIEF FINANCE OFFICER

The Officer works in close collaboration with the Chief Executive Officer through whom they are responsible to the members. The Chief Finance Officer also has direct access to the trustees and governors. The main responsibilities of the Chief Finance Officer are ensuring:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the trusts central budget and individual academies
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the members and trustees
- preparation of budget plans in conjunction with the Chief Executive Officer, Chief Operations Officer and Head Teachers
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers
- liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports and a cash flow forecast
- forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.
- internal risk reviews for all the schools in the trust, focusing upon the systems of internal control at each school.
- additional roles, some of which are not directly finance related, as outlined in the Chief Finance Officer's job description

2.3 THE ROLE OF SCHOOL BUSINESS OFFICERS AND BUDGET HOLDERS

Other members of staff, primarily the Chief Operations Officer, Finance Manager, Finance Assistants, and departmental budget holders, will have some financial responsibilities and these are detailed in following sections of this manual.

All staff are responsible for the security of trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the trust's financial procedures.

3. DELEGATED AUTHORITY TO THE TRUST

The delegated authority over different categories of financial transactions is set out below from the ESFA:

Liabilities and write-offs

Academy Trusts may write off debts and losses, including any uncollected fines up to the following delegated limits, subject to a maximum of £250,000 as follows:

- £1,000 per single transaction

The trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. The trust should only consider writing-off losses after careful appraisal of the facts. However, there will be both practical and legal limits to how cases should be handled.

The amounts for write-offs are before any successful claims from an insurer.

Beyond these limits the trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

Severance Payments

If the trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- that trustees reasonably consider the proposed payment to be in the interests of the trust
- whether such a payment is justified, based on a legal assessment of the chances of the trustees successfully defending the case at an employment tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement

- if the settlement is justified, the trustees would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances

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

If the trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where the trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from the ESFA, before any such payment can be made. The trust in this situation should speak to their ESFA contact at the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where ESFA approval would be required:

- statutory/contractual payment of £30k + non statutory/non contractual payment £30k = ESFA approval not required
- statutory/contractual payment of £60k + non statutory/non contractual payment £30k = ESFA approval not required
- statutory/contractual payment of £30k + non statutory/non contractual payment of £50k = ESFA approval required for the £50k enhancement only

Asset sales, leases and tenancy agreements

There are two types of lease, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing). Trusts that are in any doubt as to whether any particular lease does or does not involve an element of borrowing should resolve the issue by contacting their professional financial adviser and/or external auditor.

Academy trusts must seek and obtain prior written approval from the ESFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land or buildings to another party

Academy trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without ESFA approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require ESFA approval. Leases should be disclosed in trusts' annual accounts in accordance with the Academies Accounts Direction.

If an academy trust does wish to enter a lease that requires ESFA consent, then the trust will need to contact the ESFA in the first instance. Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety, and value for money, whether or not the approval of the ESFA is required.

4. REGISTER OF INTERESTS

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all members, trustees, governors and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the trust may purchase goods or services.

The register is open to public inspections and should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the trust and trusteeships and governorships at other educational institutions and charities. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, trustee, governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency.

All relevant business and pecuniary interests of members, trustees, local governors of academies within the Blue Kite Academy Trust and senior employees must be published on the trust's websites.

The existence of a register of business interests does not, of course, detract from the duties of members, trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Board of Trustees or a committee. Where an interest has

been declared, members, trustees, governors, and staff should withdraw from that part of any committee or other meeting.

Related Party Transactions.

The definition of a related party is:

- i. any member or trustee of the academy trust.

- ii. any individual or organisation related to a member or trustee of the academy trust. For these purposes, the following persons are related to a member, or trustee:
 - a relative of the member or trustee.
 - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee.
 - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company.
 - an organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together).
 - any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or anybody related to such individual or organisation.
 - any individual or organisation recognised by the Secretary of State as a sponsor of the academy.

The trust must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing.

The trust must obtain ESFA's prior approval for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- A contract or other agreement exceeding £20,000
- A contract or other agreement of any value that would mean cumulative value of contracts and other agreements with the relate party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

The Trust will obtain ESFA's approval for transactions with related parties that are novel, contentious and/or repercussive. The definition of this included below:

- Novel transactions are those of which the academy trust has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

The approval process is not intended to capture staff remuneration. For the purposes of reporting to, and approval by, ESFA, transactions with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

5. PROCESS FOR INDEPENDENT CHECKING

Every academy trust must have in place a process for independent checking of financial controls, systems, transactions, and risks.

The Risk, Audit and Strategy committee will review the risks to internal financial control at the trust and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through one or more of the following options:

- the work of an internal audit service (either in-house, bought-in or provided by a sponsor)
- the performance of a supplementary programme of work by the Trusts external auditors

5.1 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal responsibilities of accounting officer responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the members and trustees are also responsible for preventing such losses of public funds, and this means that members, trustees and governors must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Blue Kite Academy Trust Fraud Policy outlines the procedures to be adopted in such an event.

All instances of fraud or theft committed against the trust, whether by employees, governors, trustees or third parties, exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year must be reported by the trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the trust itself or as the result of other information received.

5.2 APPOINTMENT OF EXTERNAL AUDITORS

The trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed. The appointment should be for a one year period and trusts should retender their external audit contract at least every five years.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- proper accounting records have been kept by the trust throughout the financial year
- grants made by the ESFA have been applied for the purposes intended

The trust should arrange for on-going monitoring of the performance of the auditors to be undertaken by the Risk, Audit and Strategy Committee.

6. ACCOUNTING SYSTEM

All the financial transactions of the trust must be recorded on the PS Financials accounting system operated by the Finance Departments in each academy.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

6.1 SYSTEM ACCESS

The PS Financials accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual logins and passwords should not be compromised. Access to PS Financials should be restricted and the Chief Finance Officer is responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to PS Financials must have their access permissions formally removed.

6.2 BACK-UP PROCEDURES

The Chief Finance Officer is responsible for ensuring that there are effective back up procedures for the system. The PS Financials accounting system is operated through the PSF CLOUD service. Included with the PSF CLOUD service are the following benefits:

- Double layer authentication to control initial access to the PSF CLOUD and then to your dedicated service, ensuring only your users can access your data
- A dedicated server environment for your organisation with **NO** use of shared databases
- Daily backups to a secure secondary location

The Chief Finance Officer should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by trustees of the major risks to which the trust is exposed and the systems that have been put in place to mitigate those risks.

6.3 TRANSACTION PROCESSING

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in following sections of the document. All journal entries must be documented in PS Financials. The Finance Manager will oversee the reconciliation of the bank account on a weekly basis to the cashbooks within PS Financials.

Detailed information on the operation of the PS Financials system can be found in the user manuals provided by PS Financials.

6.4 TRANSACTIONS REPORTS

The Chief Finance Officer will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- monthly payroll reports
- monthly bank statement reconciliations
- monthly procurement card statements
- monthly VAT returns
- monthly aged debtor and creditor reports
- management accounts summarising expenditure and income against budget at budget holder level

6.5 RECONCILIATIONS

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

- payroll
- VAT
- debtors
- creditors
- trial balance

The Trust Finance Assistant is responsible for ensuring the following reconciliations are performed each month for the trust, and that any reconciling or balancing amounts are cleared:

- Charge card statements
- 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 Chief Finance Officer. The Chief Finance Officer will review and sign all reconciliations as evidence of their review.

7. FINANCIAL PLANNING

The trust prepares long term, medium term, and short-term financial plans.

The long term and medium term financial plans are prepared as part of the strategic planning process. The trust development plan indicates how the trust's educational and other objectives are going to be achieved within the expected level of resources over the next five years.

The trust development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the trust and the planned use of those resources for the following year.

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

7.1 THE TRUST STRATEGIC DEVELOPMENT PLAN

The strategic development plan is concerned with the future aims and objectives of the trust for the next five years and how they are to be achieved; that includes matching the trust's objectives and targets to the resources expected to be available. Plans should be

kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated. The plan will also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

The form and content of the strategic plan are matters for the trustees to decide but due regard should be given to the matters included within the Academy Trust Handbook and any annual guidance issued by the DfE.

Each year the Chief Executive Officer will propose a planning cycle and timetable which allows for:

- a review of past activities, aims and objectives - “did we get it right?”
- definition or redefinition of aims and objectives – “are the aims still relevant?”
- development of the plan and associated budgets – “how do we go forward?”
- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course”
- feedback into the next planning cycle – “what worked successfully and how can we improve?”

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Chief Executive Officer.

7.2 ANNUAL BUDGETS

Annual budgets will reflect the best estimate of the resources available to each academy for the forthcoming year and how those resources are to be utilized by each academy. There should be a clear link between the strategic SDP objectives and the budgeted utilisation of resources within each academy.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the individual academies within the trust to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the trust cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes

- liaising with external agencies including major suppliers to ensure that the trust's best financial interests are met
- Consider requests from the local governing bodies for specific areas of expenditure.

Individual academy plans and budgets will need to be revised until income and expenditure are not in deficit. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual academy within the trust, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves.

It will be the responsibility of the Finance, Personnel and Resources Committee to recommend to the Board of Trustees an annual budget for submission to the ESFA. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Finance Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the trust's annual budget, which aggregates the budgets of each academy in the trust. The budget must be approved by the trust board.

The approved aggregated budget must be submitted to the ESFA by 31 July each year or at a date specified by the ESFA and the Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be a working document which may need revising throughout the year as circumstances change. (See Appendix A)

7.3 MONITORING AND REVIEW

Budget monitoring reports are available in the PS Financials reporting suite in which actual variances are highlighted against budget allocations. Monthly reports should be prepared for each school by the trust. The reports will detail actual income and expenditure against budget for the period of reporting, the year to date and a forecast of projected year end balances.

The Chief Finance Officer will produce and provide an aggregated report for the Chief Executive Officer and the trustees.

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

The trust should present monthly management accounts to chair of trustees every month and to the other trustees six times a year. The board must consider these when it does meet and minute it.

8. PAYROLL

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

8.1 STAFF APPOINTMENTS

The Board of Trustees has approved staffing requirements for each school in the trust and the trust will ensure that adequate budgetary provision exists for any staffing changes that the trust has agreed to.

The Board of Trustees have the authority to appoint the Chief Executive Officer in consultation with the members and liaising with their Regional Schools Commissioner (RSC).

The Board of Trustees has the authority to appoint the Headteacher at each academy.

The appointment of a Chief Finance Officer must be approved by the Board of Trustees.

Each School in the trust maintains personnel files for all members of staff which include signed contracts of employment. All personnel changes must be notified to the HR Admin Assistant

The Chief Executive Officer is responsible for ensuring that the trust's pay policy is implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered and the Head of HR will be responsible for ensuring the maintenance of accurate records of all staff employed at their school in a single central record.

Personnel information is held in manual files under the guidance of the Head of HR with access strictly limited to authorised officials only and separately on the SIMS computer system, for which relevant registration under the 1998 Data Protection Act is held. Limited personnel information is also held on SBS budget monitoring/salary monitoring system.

8.2 PAYROLL ADMINISTRATION

The trust's payroll is administered by Financial Services for Schools.

Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are made on FS4S form templates. They are authorised by the Headteacher (for each individual academy) or the Accounting Officer (for trust staffing) and transferred to FS4S through a secure data transfer system.

All supply teacher, casual working and support staff overtime claims must be checked and confirmed by a Headteacher or Chief Operations Officer. Any claims relating to teaching, SLT or trust staff must be checked and confirmed by the Chief Executive Officer. The completed forms must be forwarded promptly to the trust's office. The externally appointed auditor will check a sample of supply teacher, overtime, casual and expenses as part of the internal independent checking procedures to ensure that the payroll system is operating correctly.

8.3 PAYROLL PAYMENTS

All staff are paid monthly by bank credit transfer to their bank accounts.

The FS4S payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts paid are summarised on the FS4S payroll reports.

The Head of HR will obtain a monthly pre-payroll report from FS4S via the secure data transfer portal. The report will be checked by the HR Assistant against the latest staffing budget for accuracy. Any changes or amendments required will be notified to FS4S in a timely way to meet the payroll deadline for the coming month. Any variations should be investigated, and queries raised immediately with FS4S within the sign-off timetable issued by FS4S.

The Trust Finance Manager will obtain the monthly live payroll report from FS4S via the secure data transfer portal. The monthly payroll journal is uploaded on to PS Financials and the payroll control accounts are reconciled to ensure a zero balance at the end of the month. Any remaining balances are queried with the payroll provider to achieve resolution.

The trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. To achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed),
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll

- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

Business expenses claims may be processed and paid directly by BACS by the school unless it relates to a benefit in kind payment. Valid receipts must be held and retained in support of any reimbursements and must not include any purchases for personal use. Mileage claims must be processed via the trust's payroll provider. The school may determine their own rates of reimbursement for mileage claims but if they exceed the HMRC Approved Rate they will render the claimant liable to income tax and N.I. on the excess amount. The trust therefore maintains its rate of reimbursement for mileage claims at or below the current HMRC Approved Rates.

9. PROCUREMENT

The trust wants to achieve the best value for money from all purchases. This means the trust will get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and the trust needs to maintain the integrity of these funds by following the general principles of:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the trust
- **Accountability:** the trust is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the trust are dealt with on a fair and equitable basis.

9.1 ROUTINE PURCHASING

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Board of Trustees. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. A printout detailing actual expenditure against budget will be supplied to each budget holder on a regular basis.

It is essential that all the following controls are adhered to:

- orders should not be entered into verbally. The use of 'Official Orders' through the PS Financials accounting system automatically updates the financial records and enables committed expenditure to be included in management information for trustees/governors.

- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders should be emailed to suppliers to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the financial scheme of delegation listed in Appendix A of this document.
- orders may only be used for goods and services provided to the trust. Private individuals and other organisations may not use 'Official Orders' to obtain work, goods, materials and services net of VAT
- **orders under £5,000** - can be placed without the need for three quotations providing that those responsible for the ordering the goods or services have ensured that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
 - supplier chosen from the list of approved suppliers maintained by the Finance Office through PS Financials
 - bulk purchasing of common consumables
 - negotiating discounts
 - taking advantage of sale seasons
 - obtaining alternative quotations wherever possible
 - Purchasing goods or services across the trust
- **orders over £5,000 but less than £30,000** - at least three written quotations should be obtained for all orders between £5,000 and £30,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the purchase order for audit purposes. Telephone quotes are acceptable if these are evidenced, and email confirmation of quotes has been received, before a purchase decision is made
- **orders over £30,000** – will be subject to the Blue Kite Academy Trust tendering policy.

The school or the academy Finance Office must make appropriate arrangements for the delivery of goods and services to the academy or Trust. On receipt of goods and services, there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). Where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy's finance office should be notified. The School Business Officer will keep a central record of all goods returned to suppliers.

All goods and services received are entered onto the PS Financials system to reconcile to the purchase order and allow invoice payments to be made.

All invoices must be sent to the Trust finance office to be checked against the purchase order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the appropriate approver as set out in PS Financials system financial limits.

9.2 BUSINESS CHARGECARDS & TRADECARDS

Business Charge cards are held by named cardholders within the trust. Cards are held by the Chief Executive Officer, Chief Operations Officer, Trust Finance Manager and Headteachers. Trade cards are held by agreed members of the Premises Team.

Each cardholder is personally responsible for the safe custody of their card. The card should always be held securely, and any loss of cards should be reported immediately. The cardholder is liable for the integrity of all transactions and proper and controlled use of the procurement card. All transactions must be authorized before the card is used. All receipts must be produced monthly and reconciled monthly to the monthly statement by the Trust Finance Assistant and reviewed and signed off by the Officer.

The externally appointed auditor will check a sample of the trust's monthly reconciliations as part of the internal independent checking procedures to ensure that the business charge card system is operating correctly.

10. OTHER MATTERS

Services provided by sponsors and sponsor-related bodies

The trust must ensure that any contracts for services provided to the trust are properly procured and present value for money. The trust must ensure that sponsor fees and consultancy rates included within contracts are reasonable, represent value for money and are good use of public funds.

Managing surplus General Annual Grant (GAG)

It is important that the grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The ESFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that

academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that if any school in the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils.

The ESFA will also verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

Pooling of GAG by Multi-Academy Trusts

The trustees have the freedom to amalgamate a proportion of GAG funding for all its academies to form one central fund. This fund can then be used to meet the normal running costs at any of the academies within the multi-academy trust in accordance with the guidelines that govern the use of GAG funding.

The trustees must have due regard to the funding needs and allocations of each individual academy and they must have an appeals mechanism in place. If an individual academy's headteacher feels that the academy has been unfairly treated in relation to pooling arrangements, they should first appeal to the trust. If the headteacher's grievance is not resolved, they may then appeal to the Secretary of State for Education via the ESFA, whose decision will be final and who may dis-apply the provisions for pooling in relation to the trust.

11. LIMITS OF DELEGATION

The following limits will be applied to the academies in the trust and are further detailed in Appendix B.

11.1 VIREMENTS WITHIN BUDGET SHARE

The Chief Executive Officer is authorised to vary the annual budget prepared by the Finance Committee and approved by the Board of Trustees. This variation shall be the result of any change in the day-to-day spending plans of the trust, but still be in accordance with the aims and objectives of the trust, as laid down in the Trust Development Plan. This variation, known as a 'Virement within Budget Share' shall not exceed £5,000. A 'Virement within Budget Share' in excess of £5,000, should be recommended to the Finance, Personnel and Resources Committee by the Chief Executive Officer and actioned after minuted approval.

11.2 ORDERS

The sum of up to £50,000 is the amount authorised by the Chief Executive Officer on any single order. Any single order over £30,000 is determined by the Trust tendering policy.

The sum of up to £25,000 is the amount authorised by the Chief Finance Officer on any single order.

The sum of up to £5,000 is the amount authorised by the Trust Finance Manager on any single order.

The sum of over £50,000 is the amount authorised by the Finance, Personnel and Resources Committee on any single order determined by the tendering policy.

11.3 CHEQUES

All cheques issued from the trust's bank account must be countersigned by at least one other authorised signatory.

12. CREATING NEW VENDORS

New vendor details will be added to the PS Financials system by the Trust Finance Manager and then checked for accuracy by the Trust Finance Assistant. The request must be accompanied by the vendor's bank details on the vendor's invoice to include VAT description (what service the vendor is supplying) and VAT number if applicable. If this is not available then confirmation must be received on the vendor's headed paper and signed on behalf of the vendor.

12.1 CHECKING OF SUPPLIER STATEMENTS

All supplier statements should be checked upon receipt against vendor line items. If an invoice number and amount cannot be matched then the supplier should be contacted to provide a copy invoice.

The Trust Finance Manager will undertake an additional monthly review against the aged creditors list and notify individual schools of any issues identified with the prompt payment to suppliers.

13. OPERATION OF TRUST BANK ACCOUNT

The Trust will implement the following controls:

- a list of cheque signatories (mandate) should be drawn up whereby all cheques must have two authorised signatories
- a minimum of three signatures should be maintained on the mandate
- no member of staff is permitted to sign cheques payable to themselves or to someone closely connected to themselves or in whom they have a pecuniary interest

Arrangements must be made with the bank must include:

- a statement to be provided at least once a month
- to disallow any overdraft

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the school has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value.

On receipt of the bank statements, the school will reconcile the bank balance to the balance held in the PS Financial system.

14. SECURITY, INVENTORIES, STOCKS AND DISPOSAL OF ASSETS

The trust and each academy is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, etc. under its control

15.1 SECURITY

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

Safes must be kept locked and the key removed. Keys to safes and cash boxes must be carried on the person of the nominated key holder at all times. The loss of such keys should be reported to the Chief Executive Officer immediately.

Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The insurance limit for cash (and cheques) held in a safe is £1,000, unless a higher limit is specifically agreed with insurance.

Losses due to theft of stocks or cash shall be promptly reported to the Police, Head Teacher, Board of Trustees and the Chief Executive Officer.

Steps must be taken by the Chief Operations Officer to ensure that there are effective back up procedures for all computer systems. Recommendations for backup procedures should be regularly checked with the school IT support provider.

Arrangements should be made to ensure that only authorised staff have access to computer hardware and software used for school management. Passwords should not be disclosed or shared and should be changed regularly. Access rights of any staff leaving the school should be promptly revoked.

The trust shall register with the Information Commissioner, and comply with all regulations

relating to by the General Data Protection Regulation 2018.

15.2 INVENTORIES

An asset register should also be maintained in a format agreed with the Board of Trustees, in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the School, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £3,000.

The asset register should include the following information:

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

The Asset Register helps:

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

The depreciation will be calculated on a monthly basis for preparation of the year end accounts.

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

The trust has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected residual value when the assets are acquired. Depreciation will be charged annually using the following straight line percentages:

- Leasehold land: 0.8%
- Leasehold buildings: 2%
- Furniture & equipment: 20%
- Computer equipment & software: 25%
- Motor vehicles: 25%
- Leasehold property improvements 4%

All the items in the asset register should be permanently and visibly marked as the School's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the trust. Inventories of School property should be kept up to date and reviewed regularly. Where items are used by the School, but do not belong to it, this should be noted.

The immediate responsibility for the safeguarding of equipment lies with the end user departments. In support of this, the School provides security measures, including caretaker cover, burglar alarm systems, inventories, security marking, maintenance and support agreements where appropriate, and insurance cover.

15.3 ACQUISITIONS AND DISPOSAL OF ASSETS

The trust must seek and obtain prior written approval from the ESFA, for the following transactions:

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

The trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the ESFA's prior approval. The trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where the assets have a residual value.

Some property transactions may be novel or contentious and so require the consent of the ESFA on that basis. Novel payments or other transactions are those in which the trust has no experience, or are outside the range of normal business activity for the trust.

Contentious transactions are those which might give rise to criticism of the trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for trusts to use their judgement about when they should

seek the prior advice of the ESFA. Public money must always be spent prudently and in ways that command broad public support.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the trust and, where significant, should be sold following due process:

- taking reasonable steps to advertise the disposal
- inviting bids for the asset (sealed bids are preferable)
- negotiating with potential purchasers

The trust may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1,000 per single donation. The residual value of assets is determined by the greater of the written down value or market value.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the trust would need to ensure licences for software programmes have been legally transferred to a new owner.

15.4 LOAN OF EQUIPMENT

Items of School property must not be removed from trust premises without the authority of the Head of Department or Headteacher. A record of the loan must be recorded and the asset booked back in when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the trust's auditors. An acceptable usage policy should be signed by anyone taking possession of loaned equipment. This should include an acceptable internet usage policy in the case of IT equipment and phones.

15. CHARGING & REMISSIONS POLICY

The trust is committed to the general principle of free education and recognizes the valuable contribution that a wide range of activities, including school visits and residential experiences, can make towards all aspects of students' education. It also believes that all our students should have an equal opportunity to benefit from academy activities and visits (curricular and extracurricular) independent of their parent's financial means.

The trust recognises its responsibility to ensure that the offer of activities and educational visits does not place an unnecessary burden on family finances. To this end we will try to adhere to the following guidelines:

- where possible we shall publish a list of visits (and their approximate cost) at the beginning of the school year so that parents can plan ahead
- we have established a system for parents to pay in instalments
- when an opportunity for a trip arises at short notice it will be possible to arrange to pay by instalments beyond the date of the trip
- we acknowledge that offering opportunities on a 'first pay, first served' basis discriminates against pupils from families on lower incomes and we will avoid that method of selection.

The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities, which will be kept under regular review.

The policy identifies activities for which:

- voluntary contributions may be requested
- charges will be made
- charges will not be made
- charges may be waived

16.1 VOLUNTARY CONTRIBUTIONS

Separately from the matter of charging, schools may always seek voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have.

The Law states:

- if the activity cannot be funded without voluntary contributions the Board of Trustees or Headteacher will make this clear to parents from the outset
- no child will be excluded from an activity because his or her parents are unable or unwilling to pay
- if insufficient contributions are received, the trip or activity may have to be cancelled
- if a parent is unwilling or unable to pay their child will still be given an equal chance to on the visit

16.2 CHARGES WILL BE MADE

The trust reserves the right to make a charge for the following activities which may from time to time be organised by the school:

- **activities outside school hours** - the school will endeavour to provide a range of such activities from time to time. These will sometimes include day and residential experiences, and are known generally as 'optional extras'. Charges may be made for these activities EXCEPT where they are provided to fulfil any requirements specified

in the syllabus of a prescribed public examination or are required in order to fulfil statutory duties relating to the National Curriculum or to religious education in which case they are not regarded as optional extras as such and charges cannot be made. (Board and lodging charges may still however be made for any residential activities subject to the remission arrangements described below (time spent on travel counts in this calculation if the travel itself occurs during school hours)

- **residential activities held during school hours** - charges may be made for the board and lodging element of those residential activities during school hours. Parents will be notified in advance of any such activities which the school proposes to organise and the estimated cost. Parental consent will be obtained for their children's participation in any such activities for which a charge may be made. However pupils whose parents are in receipt of certain benefits (see remissions policy below) may not be charged for board and lodging costs
- **music tuition** - music tuition for individuals or groups of up to 4 pupils
- **home to school student transport** - costs incurred by the school in providing home to school transport for students who live outside of the school's designated catchment area

Parents will be notified in advance of any 'optional extras' which the school proposes to organise and the estimated cost. Parental consent will be obtained if their children are to participate in any activities for which a charge may be made.

Any charge for a particular activity will be dependent upon the type of activity and its cost and the number of participants. This charge will not exceed the actual cost of providing the activity, divided equally by the number of pupils willing to participate. The cost of other pupils participating in the visit will not be included in the charge. The charge may however include an appropriate element for such things as:

- the pupil's travel costs
- the pupil's board and lodging costs
- materials, books, instruments and other equipment the pupil can keep
- non-teaching staff costs
- entrance fees to museums, castles, theatres, etc.
- insurance costs
- the expenses only of participating teachers engaged on a separate contract for services to provide the 'optional extra'

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

16.3 CHARGES WILL NOT BE MADE

Charges will not be made for the following:

- an admission application
- education provided during school hours (including the supply of any materials, books, instruments or other equipment loaned to the pupil)
- education provided outside school hours if it is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- tuition for pupils learning to play musical instruments (or singing) if the tuition is required as part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education
- entry for a prescribed public examination, if the pupil has been prepared for it at the school
- examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school. However, if a pupil fails, without good reason, to meet any examination requirement for a syllabus a charge will be made
- education provided on any trip that takes place during school hours
- education provided on any trip that takes place outside school hours, is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential trip
- transport provided in connection with an educational trip

16.4 REMISSIONS

In order to remove financial barriers from disadvantaged pupils, the trust has agreed that some activities and visits where charges can legally be made will be offered at no charge or a reduced charge to parents in particular circumstances. This remissions policy sets out the circumstances in which such charges will be waived.

Families will qualify for remission or help with charges if they are in receipt of: pupil premium and/or currently in receipt of free school meals

- Income Support including pension credit for over 60's
- income-based Jobseekers Allowance
- support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, (but not working tax credit) and who have a yearly taxable household income of less than £16,190.
- An income related employment and support allowance
- Support under part V1 of the Immigration & Asylum Act 1999

Additional categories of parents may claim help with some costs in the following circumstances:

- specific individual circumstances that have caused temporary hardship
- recently moved into hardship but not yet receiving the benefits mentioned above
- made a specific request to the Headteacher for any other justifiable reason. The remission is at the Headteacher's discretion in these circumstances based on any evidence provided

16. INSURANCE ARRANGEMENTS

The Board of Trustees will ensure that each school has such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. Each academy will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

All risks will be reviewed annually to ensure that the cover is adequate.

All contractors must have public liability insurance before they are allowed to undertake work on the School's premises.

People hiring the School's premises and using facilities should either be covered by the School's insurance, or must produce a valid public liability insurance with indemnity up to £5,000,000. All schools within the trust will be enrolled in the Risk Protection Arrangement.

17. RECEIVING INCOME

The main sources of income for the trust are the grants from the Education and Skills Funding Agency (ESFA). The receipt of these sums is monitored directly by the Chief Finance Officer who is responsible for ensuring that all grants due to each School are collected.

Schools also obtain income from:

- student teachers from universities and other institutions
- hiring of premises and facilities
- school meal sales
- Commission income
- Events income
- uniform sales
- students, mainly for trips
- external peer review and support services
- Miscellaneous income

Charges can also be made to students to defray the costs of certain activities (see section 16. Charging Policy). Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the trust's charging policy.

Premises hire charges are determined by the trust's policy on premises hire, unless exceptional circumstances require otherwise. In such circumstances, charges are determined at the discretion of the Chief Executive Officer or the Facilities Manager.

Bookings for lettings are made through the school office. The Finance Assistant produces a list of hirers for invoices to be prepared and sent to the Finance Office with a booking form.

Payments for invoices raised manually and issued by the school, are sent directly to the trust and will be recorded as income into the lettings budget cost centre within the PS Financials accounting system and manual receipts will be issued when requested.

All monies must be received by BACS or cheque in their entirety into the trust's bank account. The Trust Finance Manager is responsible for overseeing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Chief Finance Officer.

All outstanding invoices should be reviewed each month by the Chief Finance Officer and who then informs the schools to enable debtors to be pursued to ensure that the school receives all monies due.

19. MISCELLANEOUS ISSUES

19.1 REGISTER OF PECUNIARY (OR BUSINESS) INTERESTS

The Board of Trustees and the local governing bodies of each school, or relevant committee of the Board of Trustees, shall maintain a 'Register of Pecuniary Interests' that lists the personal interests, financial or otherwise, that could be deemed a potential conflict of interest for any member, trustee, governor, headteacher or any other member of staff. All members, trustees, governors and members of staff shall declare in writing if they have a pecuniary interest in a personal capacity in any contract with the school.

The Headteacher/Governance Professional shall keep the register up to date as new staff/members/trustees/governors join the school and must undertake an annual review. A Pecuniary Interest form should contain the following information:

- the name of the relevant member of staff/member/trustee/governor
- the company or organisation they have an interest in
- what the interest is

Those members/trustees/governors or staff not holding any pecuniary interests must submit a nil return.

Any relevant business and pecuniary interests, especially connected parties, of trustees and members must be published on the trust website, and governors on the school website.

19.2 GIFTS

All gifts to the school either in kind or in money should be recorded. To accept gifts should be the exception. Small 'thank you' gifts of token value and not over £30 in value may be accepted. The Trust Finance Manager should be notified of any gift over this value for entry in the Register of Business Interests.

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 academy, seeking employment with the academy or is in dispute with the academy, even if you are not directly involved in that service area.

A gauge of what is acceptable in terms of hospitality is whether the trust would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation at events.
- Any invitation accepted should be made in a professional/working capacity as a representative of the school.

19.3 EXPENSES PAID TO TRUSTEES OR GOVERNORS

Expenses may be paid to trustees and governors in accordance with DfE/ESFA guidance and per the Blue Kite Academy Trust Trustee and Governors Allowance Policy.

Appendix A

BUDGETARY PLANNING & CONTROL

Organisational structure

Board of Trustees	Authorise Budget
Finance, Personnel and Resources Committee	Propose budget to Trust Board
CEO/CFO/COO & Trust Finance Manager	Provisional Budget
SLT/ Budget Holders	Input

Budget planning

The budget is separated into distinct and manageable categories/ledger codes. This budget will, after endorsement by the Finance, Personnel and Resources Committee and the Chief Executive Officer, go forward as the suggested budget for authorisation by the Board of Trustees when it then becomes the Final Budget.

The Chief Finance Officer must maintain a clear statement of the assumptions supporting the budget.

This budget is based on ledger code expenditure plans rather than by cost centre income & expenditure reports. The budget is set using in year income and in year expenditure and if the use of reserves are required the request will be made to the Finance, Personnel and Resources Committee by the CEO.

Budget control and monitoring

The School Business Officer with support from the Finance Manager and Chief Finance Officer, investigate variations to predicted expenditure and if significant, the CEO, COO and Headteacher are informed.

Review of budget

This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Accounting Officer (Chief Executive Officer) and Chief Finance Officer. Any further action taken must be clearly documented.

Financial responsibility

The Board of Trustees has delegated responsibility for routine control to the Finance, Personnel and Resources Committee. The Finance, Personnel and Resources Committee will meet on a regular basis to review expenditure

Conclusion

A realistic and achievable budget is fundamental to the trust's planning. Budget planning and control requires decentralisation of responsibility, therefore Budget holders responsible for expenditure with definable manageable areas help the Chief Finance Officer produce a consolidated budget. The budget needs consideration by the Finance, Personnel and Resources Committee and the CEO before going to the Board of Trustees and a suggested time scale for Budget progression is included in the Financial Calendar. The Finance, Personnel and Resources Committee has delegated authority from the Board of Trustees to exercise control and advice over financial affairs.

Appendix B

Financial delegation regards spending

Taken from the BKAT Scheme of Delegation – Authorisation limits for individual transactions

Delegated Duty	Value	Delegated Authority	Comments
Ordering goods and services	Up to £5000	Finance Manager	Evidence of best value required LGB to monitor
	Up to £25,000	Chief Financial Officer	Over £5,000 three quotes required LGB to advise on preferred quote
	Up to £50,000	Chief Executive Officer	Over £30,000 tendering process LGB to advise on preferred quote
	Over £50,000	Trust Board	Delegated to Finance, Personnel and Resources Committee LGB to advise on preferred quote
Business Charge Cards limits	Up to £2000	Chief Executive Officer Chief Financial Officer Chief Operating Officer Finance Manager Estates Manager School Business Managers	
Virement Limits	Up to £5000	Chief Executive Officer	
	Over £5000	Trust Board	Delegated to Finance, Personnel and Resources Committee
Capital Asset Disposal	Up to £1000	CEO	
	Over £1000	Trust Board	
Bad Debt write off	Up to £1000	CEO	
	Over £1000	Trust Board	
	Over £45000	Education and Skills Funding Agency	

BACS Authorisation

Approver A:

Designated (see bank mandate) Finance Assistants

Approver B:

Chief Executive Officer, Trust Finance Manager

Chief Finance Officer

BACS run – total combined value

2 x A Approvers Up to £20,000

2 x B Approvers

1 x A Approver and 1 x B Approver

2 x B Approvers Over £20,000

1 x A Approver and 1 X B Approver

Cheque signatories

Same principles apply as BACS authorisations for individual cheques

