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|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Title of Policy/Procedure</b>                              | Financial Procedures and Administration Control                                                                                                                                                                                                                              |
| <b>Reviewer:</b>                                              | Deputy Chief Financial Officer/Management Accountant                                                                                                                                                                                                                         |
| <b>To be read in conjunction with the following policies:</b> | Anti-Fraud Policy<br>Bad Debt<br>Best Value Statement<br>Budgetary Control and Planning<br>Charging and Remissions Policy<br>Financial Reserves Policy<br>Fixed Asset Policy<br>Lettings Policy<br>Scheme of Delegation<br>Tendering Policy<br>Travel and Subsistence Policy |
| <b>Consultation Process</b>                                   | N/a                                                                                                                                                                                                                                                                          |
| <b>Policy Date:</b>                                           | June 2023                                                                                                                                                                                                                                                                    |
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# THE BLUE KITE ACADEMY TRUST

## Introduction

- a) 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).
- b) 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.
- c) 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).
- d) All staff, including the Accounting Officer, the Director of Finance and Operations (DFO) (also the Chief Financial Officer (CFO)), Deputy Chief Financial Officer/Management Accountant (DCFO), Trust Finance and Operations Manager (TFOM), Headteachers, Trust Finance and Operations Officers, School Business Officers, Accounting Technician and Finance Assistants, who deal with financial matters, are trained in the appropriate procedures and processes for the tasks and role they undertake, and records are kept of this training. Further to training on the appropriate processes and procedures new employees also receive task and role appropriate induction and training:
  - a. Schools carry out their own training and induction of new members of staff
  - b. Procedures, structures and processes should be clearly communicated to all new employees and those changing roles within the Trust
  - c. New members of the central team receive induction training to give an overview of the roles and tasks of the wider trust team, this induction plan is carried out over at least a week
  - d. The inductee is provided with a structure chart of the current team
  - e. The inductee is also provided with the plan of set meetings with individuals across the central team so that they can be informed of the nature of work, tasks and priorities plus any cross overs between the two groups. This helps all inductees to gain a quick and wide understanding of the services and roles within the central team.
  - f. The induction also includes any mandatory training that needs to be undertaken and links to policies that need to be read and understood.

- g. The inductee also receives individualised training based on the role they will be undertaking. This is a combination of formal and informal training including any systems needed to fulfil the role.
  - h. They also are guided by colleagues who provide support and, on the job, additional training as required
  - i. The finance system contains documentation on appropriate processes and help guides, employees with financial tasks are expected to follow the set processes
  - j. Appropriate day to day supervision and checks by management are increased during the first few months of a new starter joining the team.
  - k. All the duties of these roles are recorded and a note kept of who can carry out the various duties in their absence.
- e) All staff are aware of the Trust's whistleblowing policy and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE.
- f) The Trust's Risk, Audit, Health and Safety and Premises 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 Director of Finance and Operations (DFO/CFO), the Deputy Chief Financial Officer/Management Accountant (DCFO), Headteachers, the Finance, Personnel and Resources Committee and the Local Governing Bodies.

## **1. ORGANISATION**

### **1.1. The Blue Kite Academy Trust**

1.1.1. The Blue Kite Academy Trust 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.

### **1.2. Members**

The Members of the Academy Trust shall comprise:

1.2.1. the signatories to the Memorandum; provided that at any time the minimum number of Members shall not be less than three.

1.2.2. The Members may agree by passing a special resolution to appoint such additional Members as they think fit.

### **1.3. Trustees**

1.3.1. The Academy Trust shall have the following Trustees:

1.3.1.1. 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).

1.3.1.2. 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.

1.3.1.3. Trustees shall ensure that any Local Governing Body shall include at least two elected Parent Local Governors.

## **2. ROLES AND RESPONSIBILITIES**

### **2.1. The Trust**

- 2.1.1. The main responsibilities of the Trust are prescribed in the Funding Agreements with the ESFA. The key responsibilities include:
- 2.1.2. Ensuring that grants from the ESFA are used only for the purposes intended
- 2.1.3. Approval of the annual budget
- 2.1.4. Balancing its budget from year to year
- 2.1.5. Production of an Annual Report and Accounts
- 2.1.6. Appointment of auditors
- 2.1.7. Appointment of a Chief Executive Officer (as Accounting Officer)
- 2.1.8. Appointment of the Chief Financial Officer in conjunction with the Chief Executive Officer
- 2.1.9. Ensure regularity, propriety and value-for-money in relation to the management of public funds

### **2.2. Business of the Company**

- 2.2.1. 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.
- 2.2.2. 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:
  - 2.2.2.1. Trust Board
  - 2.2.2.2. Risk, Audit, Health and Safety and Premises Committee
  - 2.2.2.3. Finance Committee
- 2.2.3. 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.

### **2.3. Role of the Chief Executive Officer**

- 2.3.1. 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:
  - 2.3.1.1. propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
  - 2.3.1.2. Keeping of proper accounts
  - 2.3.1.3. Prudent and economical administration

- 2.3.1.4. Avoidance of waste and extravagance
- 2.3.1.5. Ensuring value for money
- 2.3.1.6. Efficient and effective use of all available resources
- 2.3.1.7. Management of opportunities and risks
- 2.3.1.8. Ensuring that measures are in place to prevent loss and misuse of the Trust's property and assets

2.3.2. The essence of the role is a personal responsibility for:

- i. **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.
- ii. **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.
- iii. **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.

2.3.3. 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.

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

- i. Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governors have agreed should be approved by them
- ii. 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)
- iii. Preparing budget plans in conjunction with the Chief Financial Officer
- iv. Implementing expenditure in line with the Academy budget
- v. Seeking Trustees approval for purchase orders or contracts in excess of delegated thresholds
- vi. Submitting reports to the Trustees giving details of income, expenditure and commitments to date
- vii. Ensuring any actions resulting from the annual audit are implemented

## **2.4. Role of the Chief Financial Officer**

2.4.1. The Chief Financial Officer office is within the Director of Finance and Operations role and they work in close collaboration with the Chief Executive Officer through whom they are responsible to the members. The Chief Financial Officer also has direct access to the Trustees and governors. The Chief Financial Officer is supported by the Deputy Chief Financial Officer/Management Accountant. The main responsibilities of the office of the Chief Financial Officer are ensuring:

- 2.4.1.1. day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust's central budget and individual academies
- 2.4.1.2. management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the members and trustees
- 2.4.1.3. preparation of budget plans in conjunction with the Chief Executive Officer, Deputy CFO, Finance and Operations Manager and Head Teachers
- 2.4.1.4. the maintenance of effective systems of internal control
- 2.4.1.5. maintenance of adequate fixed asset registers
- 2.4.1.6. liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- 2.4.1.7. the preparation of monthly management accounts, including income and expenditure reports and a cash flow forecast
- 2.4.1.8. forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- 2.4.1.9. internal risk reviews for all the schools in the Trust, focusing upon the systems of internal control at each school
- 2.4.1.10. additional roles, some of which are not directly finance related, as outlined in the Director of Finance & Operations' job description
- 2.4.1.11. Maintain a programme of internal scrutiny with Risk, Audit and Health and Safety and Premises Committee overview to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively

## **2.5. The role of school business officers and budget holders**

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

2.5.2. 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**

#### **3.1. Delegated authority**

3.1.1. The delegated authority over different categories of financial transactions is set out below from the ESFA. Certain transactions by the Trust may fall outside of its usual planned range of activity and may exceed statutory and contractual obligations. HM Treasury calls these special payments and are subject to greater control than other payments, they include:

3.1.2. Staff severance payments

3.1.3. Ex gratia payments

#### **3.2. Liabilities and write-offs**

3.2.1. 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:

3.2.2. £1,000 per single transaction can be authorised by the Chief Executive Officer (CEO)

3.2.3. Over £1,000 must be authorised by the Trust Board

3.2.4. For any single debt write-off exceeding £45,000 prior approval from the ESFA must be gained

3.2.5. 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.

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

3.2.7. Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction and for the following:

3.2.7.1. Writing off debts and losses

3.2.7.2. Entering into guarantees or letters of comfort, and

3.2.7.3. Entering into indemnities which are not in the normal course of business

#### **3.3. Severance Payments**

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

3.3.1.1. that Trustees reasonably consider the proposed payment to be in the interests of the Trust

3.3.1.2. 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

- 3.3.1.3. 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
- 3.3.2. 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.
- 3.3.3. 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.
- 3.3.4. 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.
- 3.3.5. If the Trust is considering making an ex-gratia payment, which is another type of transaction which are beyond statutory or contractual cover or administrative rules. Ex gratia payments must be referred to the ESFA for prior approval and may also require HM Treasury approval.
- 3.3.6. For the avoidance of doubt, the following examples illustrate where ESFA approval would be required:
  - 3.3.6.1. statutory/contractual payment of £30k + non statutory/non contractual payment £30k means that ESFA approval is not required
  - 3.3.6.2. statutory/contractual payment of £60k + non statutory/non contractual payment £30k means that ESFA approval is not required
  - 3.3.6.3. statutory/contractual payment of £30k + non statutory/non contractual payment of £50k means that ESFA approval required for the £50k enhancement only

#### **3.4. Asset sales, leases and tenancy agreements**

- 3.4.1. 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.

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

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

3.4.3. 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.

3.4.4. 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**

### **4.1. Register of interests**

4.1.1. 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.

4.1.2. 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.

4.1.3. 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.

- 4.1.4. 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.

## **4.2. Related Party Transactions**

- 4.2.1. To ensure that the Trust remains even-handed in their relationships with related parties the following principles apply. The definition of a related party is:

4.2.1.1. Any member or trustee of the academy trust.

4.2.1.2. 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:

- i. A relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
- ii. An individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee.
- iii. 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.
- iv. 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).
- v. 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.
- vi. Any individual or organisation recognised by the Secretary of State as a sponsor of the academy.

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

4.2.3. 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:

4.2.3.1. A contract or other agreement exceeding £20,000

4.2.3.2. 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.

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

4.2.4.1. Novel transactions are those of which the academy trust has no experience or are outside its range of normal business.

- 4.2.4.2. Contentious transactions are those that might cause criticism of the Trust by Parliament, the public or the media.
- 4.2.5. Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.
- 4.2.6. 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.

#### **4.3. At cost requirements**

- 4.3.1. Subject to section 4.2 the Trust must pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the persons ('persons' meaning both individuals and organisations) listed at 4.2.1.
  - 4.3.1.1. The 'at cost' requirement does not apply to the Trust's employees unless they are also one of the parties described in paragraph 4.2.
  - 4.3.1.2. The 'at cost' requirement applies to contracts with a related party agreed on or after 7 November 2013.
  - 4.3.1.3. The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the Trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.
- 4.3.2. In relation to organisations supplying legal advice or audit services to the academy trust, the 'at cost' requirement applies where the organisation's partner managing the service is a member or trustee of the Trust but not in other cases for those organisations. The published ethical standards for auditors prevent partners or employees of our audit firm from acting as a trustee of their client trust, but not of other trusts.
- 4.3.3. The Trust must ensure any agreement with an individual or organisation referred to in paragraph 4.5 to supply goods or services to the Trust is properly procured through an open and fair process and is:
  - 4.3.3.1. Supported by a statement of assurance from that individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services, and
  - 4.3.3.2. On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.
- 4.3.4. For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services and must not include any profit. Full cost includes:
  - 4.3.4.1. All direct costs (costs of materials and labour used directly in producing the goods or services)
  - 4.3.4.2. Indirect costs (a proportionate share of fixed and variable overheads of the person providing the supply).

## **5. PROCESS FOR INDEPENDENT CHECKING**

### **5.1. Process and responsibilities**

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

- 5.1.2. The Risk, Audit, Health and Safety and Premises Committee will review the risks to internal financial control at the Trust and agree and oversee an annual programme of work and Internal Scrutiny that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.
- 5.1.3. This programme will be managed through one or more of the following options:
- 5.1.3.1. The work of an internal audit service (either in-house, bought-in or provided by a sponsor)
- 5.1.4. The performance of a supplementary programme of work by the Trusts external auditors who provide the Interim and year end audit of accounts.
- 5.1.5. Scope of the Interim Audit:
- 5.1.5.1. Review of Fixed Asset Register
  - 5.1.5.2. Walkthrough and sample testing of income and purchases to the current period
  - 5.1.5.3. Review of Trust Board minutes
  - 5.1.5.4. Testing of Trial balance report balances brought forward
  - 5.1.5.5. Sample of employees to check contracts etc
  - 5.1.5.6. Transfer of balances for any in year academy conversions
  - 5.1.5.7. Controls testing IT – IT System controls discussion for systems that impact the financial statements (finance, payroll etc)
- 5.1.6. Scope of the interim and year end audit and regularity assurance engagement, some areas for example are below
- 5.1.6.1. Controls testing including IT
  - 5.1.6.2. Fixed Assets
  - 5.1.6.3. Staffing and payroll checks and samples
  - 5.1.6.4. Walkthrough of transactions and sample testing to the end of August
  - 5.1.6.5. Regularity assurance engagement (in regards to the use of public money and resources in accordance with authorising legislation and only for the purpose for which is has been given)
  - 5.1.6.6. Impact of governance changes
  - 5.1.6.7. Assessment of risk
- 5.1.7. Purpose is to:
- 5.1.7.1. Provide an independent opinion as to whether the financial statements give a true and fair view and are free from ‘material misstatement’
  - 5.1.7.2. State whether the financial statements have been properly prepared in accordance with the Companies Act 2006 and the relevant Academies Accounts Direction (AAD).

## **5.2. Investigation of fraud and irregularity**

- 5.2.1. 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.

- 5.2.2. 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.

### **5.3. ESFA**

- 5.3.1. 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.

### **5.4. Appointment of external auditors**

- 5.4.1. 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.

- 5.4.2. The auditors are required to give an opinion on whether:

- i. The financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- ii. Proper accounting records have been kept by the Trust throughout the financial year
- iii. Grants made by the ESFA have been applied for the purposes intended

- 5.4.3. The Trust should arrange for on-going monitoring of the performance of the auditors to be undertaken by the Risk, Audit, Health and Safety and Premises Committee.

## **6. ACCOUNTING SYSTEM**

### **6.1. Financial transactions and records**

- 6.1.1. All the financial transactions of the Trust must be recorded on the PS Financials accounting system operated by the School Business Officers in each school.
- 6.1.2. Financial records are required to be kept for at least six years plus the current year. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

### **6.2. System access**

- 6.2.1. 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 Deputy Chief Financial Officer is responsible for determining the access levels for all members of staff using the system.

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

### **6.3. Back-up procedures**

- 6.3.1. The Deputy Chief Financial 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:
  - 6.3.1.1. 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
  - 6.3.1.2. A dedicated server environment for your organisation with NO use of shared databases
  - 6.3.1.3. Daily backups to a secure secondary location
- 6.3.2. The Director of Finance and Operations should maintain a Business Continuity and 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.

### **6.4. Transaction processing**

- 6.4.1. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. Procedures for the operation of the payroll, the purchase ledger and the sales ledger are included within this policy
- 6.4.2. If a transaction is found to be miscoded then a journal should be raised to correct the entry. All journal entries must be documented in PS Financials and have back up documentation that provides evidence for the journal. The DCFO will approve all journals prior to them being posted into PS Financials.
- 6.4.3. The Deputy Chief Financial Officer (DCFO)/Management Accountant will oversee the reconciliation of the bank account on a weekly basis to the cashbooks within PS Financials.
- 6.4.4. Detailed information on the operation of the PS Financials system can be found in the user manuals provided by PS Financials.

### **6.5. Transactions reports**

- 6.5.1. The Deputy Chief Financial 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 the following monthly reports:
  - 6.5.2. Payroll reports
  - 6.5.3. Bank statement reconciliations
  - 6.5.4. Charge card statements



- 6.5.5. VAT returns
- 6.5.6. Aged debtor and creditor reports
- 6.5.7. Management accounts summarising expenditure against budget at budget holder level

## **6.6. Reconciliations**

- 6.6.1. The DCFO/Management Accountant is responsible for ensuring the following reconciliations are performed each month for the Trust, and that any reconciling or balancing amounts are cleared:
  - i. Payroll
  - ii. VAT
  - iii. Debtors
  - iv. Creditors
  - v. Trial balance
- 6.6.2. The DCFO/Management Accountant should receive confirmation that the monthly reconciliation has taken place if they are carried out by a member of the Finance and Operations team.
- 6.6.3. 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:
  - i. Charge card statements
  - ii. Bank balance per the nominal ledger to the bank statement
- 6.6.4. Any unusual or long outstanding reconciling items must be brought to the attention of the DCFO/Management Accountant.
- 6.6.5. The DCFO/Management Accountant will review and sign all monthly charge card and bank reconciliations as evidence of their review.

## **7. FINANCIAL AND OTHER PLANNING**

### **7.1. Financial plans**

- 7.1.1. The Trust prepares long term, medium term, and short-term financial plans.
- 7.1.2. 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.
- 7.1.3. The strategic planning process and the budgetary process are described in more detail below.

### **7.2. The Trust Strategic Development Plan**

- 7.2.1. 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 to achieve better outcomes for all pupils and ensure that the Trust's estate is safe and well maintained.

- 7.2.2. 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.
- 7.2.3. 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.
- 7.2.4. 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.
- 7.2.5. 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.
- 7.2.6. Each year the Chief Executive Officer will propose a planning cycle and timetable for the Trust development plan which allows for:
  - i. A review of past activities, aims and objectives - "did we get it right?"
  - ii. Definition or redefinition of aims and objectives – "are the aims still relevant?"
  - iii. Development of the plan and associated budgets – "how do we go forward?"
  - iv. Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course"
  - v. Feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 7.2.7. 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.

### **7.3. Annual budgets**

- 7.3.1. 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 to ensure educational aims are met and school sites are safe and well maintained.
- 7.3.2. The budgetary planning process will incorporate the following elements:
- 7.3.3. Forecasts of the likely number of pupils to estimate the amount of ESFA grants receivable
- 7.3.4. Review of other income sources available to the schools within the Trust to assess likely level of receipts
- 7.3.5. Review of past performance against budgets to promote an understanding of the Trust/school cost base
- 7.3.6. Identification of potential efficiency savings

- 7.3.7. Review of the main expenditure headings in light of the Strategic/School Development plan objectives, provision to sustain capital assets and expected variations in cost, e.g. Salary increases/increments, inflation and other anticipated changes
- 7.3.8. Liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met
- 7.3.9. Consider requests from the local governing bodies for specific areas of expenditure
- 7.3.10. Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.
- 7.3.11. 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.
- 7.3.12. 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.
- 7.3.13. 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.
- 7.3.14. The Chief Financial 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.
- 7.3.15. The approved aggregated budget must be submitted to the ESFA by 31 August each year or at a date specified by the ESFA and the Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 7.3.16. Budgets should be a live, working document which may need revising throughout the year as circumstances change. (See Budgetary Control and Planning Policy)

#### **7.4. Monitoring and review**

- 7.4.1. The Trust ensures that financial plans are prepared and monitored and take a longer-term view to be consistent with the requirement to submit three-year budget forecasts to the ESFA.
- 7.4.2. This process of budget review is continuous and actual income and expenditure should be monitored on at least a monthly basis against budget. Schools are expected to update their forecast position each month on the budget software.

- 7.4.3. Monthly Management Account reports will be prepared by the Deputy Chief Financial

Officer and available to schools on the tenth working day. The monthly reports detail actual income and expenditure (revenue and capital) against budget and a full year forecast for schools and at a summary level for the Chief Executive Officer, Director of Finance and Operations, Headteachers, the Local Governing Body (LGB) and the Trust Board. Schools should add a short narrative explanation on significant variances to the summary reports prior to them being shared with their governors.

7.4.4. The Deputy Chief Financial Officer/Management Accountant will produce and provide a consolidated report for the Chief Executive Officer, Director of Finance and Operations and the Trustees.

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

## **7.5. Estates Management**

7.5.1. The Trust is expected to manage their school estate strategically and maintain school sites in a safe working condition as set out in the Academy Trust Handbook 2023 and [Good Estate Management for Schools](#). The Trust's Estates strategy and Asset Management Plan sets out how the estate will support the educational vision and strategy of the Trust and assists in identifying estate management priorities.

7.5.2. Budget plans include prioritization of the development and maintenance of school sites including the use of capital funding: devolved formula capital (DFC) and School Condition Allocation (SCA).

## **7.6. School Condition Allocation (SCA) Funding**

7.6.1. SCA Funding is allocated in April each year based on government methodology and pupil census information for the Trust.

7.6.2. Decisions on SCA expenditure are made by the Trust's Central Team. Those decisions are informed by property condition surveys that set out condition, cost and priority of works and Health & Safety Reports, both of which are reviewed annually. When determining projects, other data including building energy performance and carbon reduction information in line with government targets are also considered. A proportion of SCA funding is retained by the Trust to manage unexpected or emergency works.

7.6.3. The strategy and process for allocating capital funding to schools is set out in the Trust's School Condition Allocation Policy. Investment is prioritised for works that keep buildings safe and in good working order by tackling poor building condition, building compliance, health & safety issues, accessibility and energy efficiency. The funding aims to address issues with significant consequences that Devolved Formula Capital (DFC) cannot meet.

7.6.4. The Trust retains oversight of SCA expenditure and reports on all completed projects to the Department for Education using the Capital Spend Survey Portal.

## **8. PAYROLL**

### **8.1. Payroll system**

8.1.1. The main elements of the payroll system are:

- 8.1.1.1. Staff appointments
- 8.1.1.2. Payroll administration
- 8.1.1.3. Payments

### **8.2. Staff appointments**

8.2.1. 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.

8.2.2. 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).

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

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

8.2.4. 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 Advisors.

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

8.2.6. 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.

8.2.7. 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 HR computer system, for which relevant registration under the 1998 Data Protection Act is held. Limited personnel information is also held on the IMP budget system.

### **8.3. Payroll administration**

8.3.1. The Trust's payroll is administered by Juniper previously known as Financial Services 4 Schools (FS4S)).

8.3.2. 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 school) or the Accounting Officer (for trust staffing) and transferred to Juniper through their payroll portal (correct as at June 2023)

8.3.3. All supply teacher, casual working and support staff overtime claims must be checked and

confirmed by a Headteacher or the Trust Finance and Operations Manager. 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.

#### **8.4. Payroll payments**

- 8.4.1. All staff are paid monthly by bank credit transfer to their bank accounts.
- 8.4.2. The Juniper 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 Juniper payroll reports.
- 8.4.3. The Head of HR will obtain a monthly pre-payroll report from Juniper via the secure data transfer portal. The report will be checked by the Trust Finance and Operations Manager against the latest staffing budget for accuracy. Any changes or amendments required will be notified to Juniper in a timely way to meet the payroll deadline for the coming month. Any variations should be investigated, and queries raised immediately with Juniper within the sign-off timetable issued by Juniper.
- 8.4.4. The Trust Finance and Operations Officer 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.
- 8.4.5. 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:
  - 8.4.5.1. 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),
  - 8.4.5.2. 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
  - 8.4.5.3. where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice, the invoice should state the individual's tax reference number if they have one
- 8.4.6. Careful attention should be paid to repetitive payments to individuals.
- 8.4.7. Business expenses claims may be processed and paid directly by BACS by the Finance team 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.

- 8.4.8. Business expense claims are subject to a £50 limit and must be approved by the Head teacher or the CEO if the claim belongs to the Head teacher.
- 8.4.9. Trust central team business claims will be approved by the Director of Finance and Operations (DFO) or by the CEO if submitted by the DFO. CEO business expense claims will be approved by the Chair of the Board of Trustees.
- 8.4.10. All business expense claims must be submitted for reimbursement within two calendar months of the date on the receipt.
- 8.4.11. 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**

### 9.1. Spending

- 9.1.1. The Trust will ensure that spending has been for the purpose the funding is intended and that all spending decisions represent value for money.

### 9.2. Internal approval levels

- 9.2.1. Internal approval levels have been set within the Trust's Scheme of Delegation.

### 9.3. Purchasing principles

- 9.3.1. 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:
- 9.3.1.1. **Probity:** It must be evident that there is no corruption or private gain involved in the contractual relationships of the Trust
  - 9.3.1.2. **Accountability:** The Trust is publicly accountable for its expenditure and the conduct of its financial affairs
  - 9.3.1.3. **Fairness:** That all those dealt with by the Trust are dealt with on a fair and equitable basis.

### 9.4. Routine purchasing

- 9.4.1. 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. Schools remain responsible for their expenditure and budget plans, subject to the Trust Scheme of Delegation values show. Schools are able to access real time actual income and expenditure information from the budget software at any time.

### 9.5. Purchasing controls

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

- 9.5.1.1. Orders should not be entered into verbally. The use of 'Purchase 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.
- 9.5.1.2. 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.
- 9.5.1.3. Orders should only be approved in accordance with the authorised limits within the financial Scheme of Delegation listed in Appendix A of this document
- 9.5.1.4. 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
- 9.5.1.5. **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:

- i. supplier chosen from the list of approved suppliers maintained by the Finance Office through PS Financials
- ii. bulk purchasing of common consumables
- iii. negotiating discounts
- iv. taking advantage of sale seasons
- v. obtaining alternative quotations wherever possible
- vi. Purchasing goods or services across the Trust

9.5.1.6. **Orders over £5,000 but less than £40,000** - at least three written quotations should be obtained for all orders between £5,000 and £40,000 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

9.5.1.7. **Orders over £40,000** – will be subject to the Blue Kite Academy Trust tendering policy.

9.5.1.8. Following the Headteacher approval subject to 15.6.1. and 15.6.2.:

- 9.5.1.8.1. Orders up to £499.99 in value will be 'approved' on PS Financials by the School Business Officer
- 9.5.1.8.2. Orders between £500 and £24,999.99 will be approved on PS Financials by the DCFO or the Trust Finance and Operations Manager
- 9.5.1.8.3. Orders over £25,000 will be approved on PS Financials by the Director of Finance and Operations following receipt of approval of the CEO, this will be by their signature or if out of the office/during holiday periods by email confirmation

## 9.6. Receipt of goods and services

9.6.1. The school or the Trust Finance Office must make appropriate arrangements for the



delivery of goods and services to the school 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.

9.6.2. 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.

9.6.3. All goods and services received notifications (GRN) are entered onto the PS Financials system to reconcile to the purchase order and allow invoices to be processed by the Finance Assistants and payments to be made.

## **9.7. Invoices**

9.7.1. Invoices received for payment must contain the following criteria:

- i. Supplier name and address shown
- ii. School or Trust office address shown in full
- iii. Invoice number
- iv. Invoice date
- v. Terms of payments
- vi. Purchase order number
- vii. Name of contact at the school/Trust if available
- viii. Service or goods clearly referenced
- ix. VAT number if VAT registered
- x. If the payment on the invoice is to an individual and they have been found to be self-employed as per Para. 8.4.5. the invoice should include a Tax reference number or statement confirming Self-employment status

9.7.2. 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:

- i. invoice arithmetically correct
- ii. goods/services received
- iii. goods/services as ordered
- iv. prices correct.

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

## **9.8. Business charge cards & trade cards**

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

9.8.2. 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.

9.8.3. The cardholder is liable for the integrity of all transactions and proper and controlled use of the charge card. All transactions must be authorised before the card is used. All receipts must be produced and forwarded by the School Business Officer to the Finance team by Friday of each week to ensure the timely reconciliation to the monthly statement. The transactions on the monthly charge card statement are input in the PS Financial system by the Trust Finance Assistant and reviewed and signed off by the DCFO/Management Accountant.

9.8.4. Expenditure on Charge cards is subject to the financial limits within the Scheme of Delegation.

9.8.5. 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**

### 10.1. **Services provided by sponsors and sponsor-related bodies**

10.1.1. The Trust must ensure that any contracts for services provided to the Trust are properly procured and represent 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.

### 10.2. **Managing surplus General Annual Grant (GAG)**

10.2.1. 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 for eligible trusts. Eligible academy Trusts are able to retain funding to build up reserves for when it is needed most and for capital projects.

10.2.2. The Trust complies with the Academies Trust Handbook and the requirement for the Trust to have a policy for holding reserves, please refer to the Blue Kite's Financial Reserves Policy.

10.2.3. 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.

10.2.4. 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.

### 10.3. **Pooling of GAG by Multi-Academy Trusts**

10.3.1. 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.

10.3.2. 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.

10.3.3. Currently the Trust does not pool GAG funding.

## **11. LIMITS OF DELEGATION**

### **11.1. Limits of delegation**

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

### **11.2. Virements within budget share**

11.2.1. 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.

### **11.3. Orders**

11.3.1. The sum of up to £50,000 is the amount authorised by the Chief Executive Officer on any single order. Any single order over £40,000 is determined by the Trust tendering policy.

11.3.2. The sum of up to £25,000 is the amount authorised by the Director of Finance & Operations, the Deputy Chief Financial Officer/Management Accountant and the Trust Finance and Operations Manager on any single order.

11.3.3. The sum of over £50,000 is the amount authorised by the Finance Committee on any single order determined by the tendering policy (orders over £40,000).

### **11.4. Cheques**

11.4.1. All cheques issued from the Trust's bank account must be countersigned by at least two authorised signatories.

## **12. CREATING NEW VENDORS**

### **12.1. New Vendors**

12.1.1. New vendor details will be added to the PS Financials system by the DCFO/Management Accountant 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.

#### **12.2. Checking of supplier statements**

12.2.1. 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.

12.2.2. The DCFO/Management Accountant 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 THE TRUST BANK ACCOUNT**

#### **13.1. Controls**

13.1.1. The Trust will implement the following controls:

13.1.1.1. A list of cheque signatories (mandate) should be drawn up whereby all cheques must have two authorised signatories

13.1.1.2. A minimum of three signatures should be maintained on the mandate

13.1.1.3. 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

13.1.2. Arrangements must be made with the bank must include:

13.1.2.1. a statement to be provided at least once a month

13.1.2.2. to disallow any overdraft

#### **13.2. Direct debit**

13.2.1. 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.

#### **13.3. Bank statements**

13.4. On receipt of the bank statements, the Trust Finance Assistant will reconcile the bank balance to the balance held in the PS Financial system.

### **14. SECURITY, INVENTORIES, STOCKS AND DISPOSAL OF ASSETS**

#### **14.1. Responsibility**

14.1.1. The Trust and each academy are responsible for maintaining proper security at all times for

all buildings, stocks, stores, furniture, equipment, etc. under its control

## **14.2. Security**

- 14.2.1. Stores and equipment must be secured by means of physical and other security devices as appropriate. Only authorised staff may access the stores.
- 14.2.2. 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.
- 14.2.3. 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.
- 14.2.4. 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.
- 14.2.5. 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.
- 14.2.6. 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.
- 14.2.7. The Trust shall register with the Information Commissioner, and comply with all regulations relating to by the General Data Protection Regulation 2018.

## **14.3. Inventories**

- 14.3.1. 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.
- 14.3.2. The asset register should include the following information:
  - i. asset description
  - ii. asset number
  - iii. serial number
  - iv. date of acquisition
  - v. asset cost
  - vi. source of funding (% of original cost funded from DfE grant and % funded from other sources)
  - vii. expected useful economic life
  - viii. depreciation

- ix. current book value
- x. location
- xi. name of member of staff responsible for the asset The Asset

Register helps:

- 14.3.3. ensure that staff take responsibility for the safe custody of assets
- 14.3.4. enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- 14.3.5. to manage the effective utilisation of assets and to plan for their replacement
- 14.3.6. help the external auditors to draw conclusions on the annual accounts and the school's financial system
- 14.3.7. support insurance claims in the event of fire, theft, vandalism or other disasters
- 14.3.8. The depreciation will be calculated on a monthly basis for preparation of the year end accounts.
- 14.3.9. 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 Financial Officer will discuss these items on an individual basis.
- 14.3.10. 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:
 

|                                            |                  |
|--------------------------------------------|------------------|
| 14.3.10.1. Leasehold land                  | 0.8% (125 years) |
| 14.3.10.2. Leasehold buildings             | 2% (50 years)    |
| 14.3.10.3. Furniture & equipment           | 20% (5 years)    |
| 14.3.10.4. Computer equipment & software   | 25% (4 years)    |
| 14.3.10.5. Motor vehicles                  | 25% (4 years)    |
| 14.3.10.6. Leasehold property improvements | 4% (25 years)    |
- 14.3.11. 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 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.
- 14.3.12. 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.

#### **14.4. Acquisitions and disposal of assets**

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

- 14.4.1.1. acquiring a freehold on land or buildings
- 14.4.1.2. disposing of a freehold on land or buildings
- 14.4.1.3. 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

14.4.2. 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.

14.4.3. 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.

14.4.4. 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:

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

14.4.5. 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.

14.4.6. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to

ensure licences for software programmes have been legally transferred to a new owner.

#### **14.5. Loan of equipment**

- 14.5.1. 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.
- 14.5.2. 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.
- 14.5.3. Refer to the Blue Kite Academy Trust Asset Write Off and Disposal Policy for further guidance on the disposal of any asset.

### **15. CASH FLOAT**

- 15.1. Any cash floats held by a school should be kept in a locked safe, refer to section 14. Security for full details.

### **16. CHARGING & REMISSIONS POLICY**

#### **16.1. Introduction**

- 16.1.1. 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.
- 16.2. This policy will have consideration for, and be compliant with, the following legislation and statutory guidance:
  - 16.2.1. Education Act (1996)
  - 16.2.2. The Charges for Music Tuition (England) Regulations (2007)
  - 16.2.3. DfE (2018) Charging for School Activities
  - 16.2.4. DfE (2020) Governance Handbook
  - 16.2.5. DfE (2022) Academy Trust Handbook
  - 16.2.6. Blue Kite Academy Trust funding agreement; and
  - 16.2.7. Any other legislation / statutory guidance that may come into force from time to time.
- 16.3. 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:



- 16.3.1. 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
- 16.3.2. we have established a system for parents to pay in instalments
- 16.3.3. 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
- 16.3.4. 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.
- 16.4. 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.
- 16.5. The policy identifies activities for which:
  - 16.5.1. voluntary contributions may be requested
  - 16.5.2. charges will be made
  - 16.5.3. charges will not be made
  - 16.5.4. charges may be waived

#### **16.6. Voluntary contributions**

- 16.6.1. 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.

##### **16.6.1.1.1. *The Law states:***

- 16.6.2. if the activity cannot be funded without voluntary contributions the Board of Trustees or Headteacher will make this clear to parents from the outset
- 16.6.3. no child will be excluded from an activity because his or her parents are unable or unwilling to pay
- 16.6.4. 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

#### **16.7. Charges will be made**

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

- 16.7.1.1. **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)

16.7.1.2. **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

16.7.1.3. **Music tuition** – vocal and instrumental tuition for individuals or groups of two or more pupils if it is provided at the request of the pupil's parent

16.7.1.4. **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

16.7.2. 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 child is to participate in any activities for which a charge may be made.

16.7.3. 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:

16.7.3.1. the pupil's travel costs

16.7.3.2. the pupil's board and lodging costs

16.7.3.3. materials, books, instruments and other equipment the pupil can keep

16.7.3.4. non-teaching staff costs

16.7.3.5. entrance fees to museums, castles, theatres, etc.

16.7.3.6. insurance costs

16.7.3.7. the expenses only of participating teachers engaged on a separate contract for services to provide the 'optional extra'

16.7.4. 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.

## **16.8. Charges will not be made**

16.8.1. Charges will not be made for the following:

The Blue Kite Academy Trust, a charitable company limited by guarantee registered in England and Wales, c/o Ferndale Primary and Nursery School, Wiltshire Avenue, Swindon SN2 1NX Company Number 09889819

- 16.8.1.1. an admission application
- 16.8.1.2. education provided during school hours (including the supply of any materials, books, instruments or other equipment loaned to the pupil)
- 16.8.1.3. 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
- 16.8.1.4. 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
- 16.8.1.5. entry for a prescribed public examination, if the pupil has been prepared for it at the school
- 16.8.1.6. 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
- 16.8.1.7. education provided on any trip that takes place during school hours
- 16.8.1.8. 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
- 16.8.1.9. supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential trip
- 16.8.1.10. transport provided in connection with an educational trip

#### **16.9. Charges may be made**

- 16.9.1. A charge may be made for the following:
- 16.9.2. Any damage caused (but not limited) to buildings or transport by a deliberate action.

#### **16.10. Remissions**

- 16.10.1. 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.
- 16.10.2. 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
  - 16.10.2.1. Income Support including pension credit for over 60's
  - 16.10.2.2. income-based Jobseekers Allowance
  - 16.10.2.3. support under part VI of the Immigration and Asylum Act 1999
  - 16.10.2.4. Child Tax Credit, (but not working tax credit) and who have a yearly taxable household income of less than £18,275
  - 16.10.2.5. An income related employment and support allowance

16.10.2.6. Support under part V1 of the Immigration & Asylum Act 1999

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

16.10.3.1. specific individual circumstances that have caused temporary hardship

16.10.3.2. recently moved into hardship but not yet receiving the benefits mentioned above

16.10.3.3. 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

## **17. INSURANCE ARRANGEMENTS**

17.1. 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:

17.1.1. Buildings and contents

17.1.2. Business continuity

17.1.3. Employers and Public Liability

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

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

17.4. 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

17.5. £5,000,000. All schools within the Trust will be enrolled in the Risk Protection Arrangement.

## **18. RECEIVING INCOME**

### **18.1. Main sources**

18.1.1. 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 Deputy Chief Financial Officer/Management Accountant who is responsible for ensuring that all grants due to each School are collected.

18.1.2. Schools also obtain income from:

18.1.2.1. Student teachers from universities and other institutions

18.1.2.2. Hiring of premises and facilities

18.1.2.3. School meal sales

- 18.1.2.4. Commission income
- 18.1.2.5. Events income
- 18.1.2.6. Uniform sales
- 18.1.2.7. Students, mainly for trips
- 18.1.2.8. External peer review and support services
- 18.1.2.9. Miscellaneous income

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

18.1.4. 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.

## **18.2. Lettings**

18.2.1. 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.

## **18.3. Receipts of income**

18.3.1. 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.

18.3.2. All monies must be received by BACS or cheque and deposited in their entirety into the Trust's bank account. The Deputy Financial Chief Officer/Management Accountant is responsible for ensuring that reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system are carried out. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Deputy Chief Financial Officer/Management Accountant.

18.3.3. All outstanding invoices should be reviewed each month by the School Business Officer and debtors should be pursued as per the Bad Debt Policy. The Deputy Chief Financial Officer/Management Accountant is responsible for ensuring that monthly reviews of the Trust central team's outstanding invoices and quarterly reviews of all outstanding invoices takes place debtors are pursued to ensure that the Trust receives all monies due.

## **19. MISCELLANEOUS ISSUES**

### **19.1. Register of pecuniary (or business) interests**

- 19.1.1. 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.
- 19.1.2. 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:
- 19.1.2.1. the name of the relevant member of staff/member/trustee/governor
  - 19.1.2.2. the company or organisation they have an interest in
  - 19.1.2.3. what the interest is
- 19.1.3. Those members/trustees/governors or staff not holding any pecuniary interests must submit a nil return.
- 19.1.4. 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**

- 19.2.1. 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 Deputy Chief Financial Officer should be notified of any gift over this value for entry in the Register of Business Interests.
- 19.2.2. Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a prompter 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 Trust or school, seeking employment with the Trust or school or is in dispute with the Trust or school, even if you are not directly involved in that service area.
- 19.2.3. A gauge of what is acceptable in terms of hospitality is whether the Trust would offer a similar level of hospitality in similar circumstances.
- 19.2.3.1. 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.
  - 19.2.3.2. 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.

19.2.3.3. 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**

19.3.1. 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.

### **19.4. Use of Trust Funds**

19.4.1. Trust funds may not be used for the purchase of alcohol under any circumstances.

## **Appendix A**

### 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 £5,000  | Deputy Chief Financial Officer/Management Accountant                                                                                                                                           | Evidence of best value required<br>LGB to monitor                     |
|                              | Up to £25,000 | Director of Finance and Operations                                                                                                                                                             | Over £5,000 three quotes required<br>LGB to advise on preferred quote |
|                              | Up to £50,000 | Chief Executive Officer                                                                                                                                                                        | Over £40,000 tendering process<br>LGB to advise on preferred quote    |
|                              | Over £50,000  | Trust Board                                                                                                                                                                                    | Delegated to Finance Committee<br>LGB to advise on preferred quote    |
| Business Charge Cards limits | Up to £2,000  | Chief Executive Officer<br>Director of Finance & Operations<br>Deputy Chief Financial Officer/Management Accountant<br>Trust Operations Officer<br>Estates Manager<br>School Business Officers |                                                                       |
|                              | Over £2,000   | Trust Board                                                                                                                                                                                    | Delegation to the Finance Committee                                   |

|                        |              |                                     |                                |
|------------------------|--------------|-------------------------------------|--------------------------------|
| Virement Limits        | Up to £5,000 | Chief Executive Officer             |                                |
|                        | Over £5,000  | Trust Board                         | Delegated to Finance Committee |
| Capital Asset Disposal | Up to £5,000 | CEO                                 |                                |
|                        | Over £5,000  | Trust Board                         |                                |
| Bad Debt write off     | Up to £1,000 | CEO                                 |                                |
|                        | Over £1,000  | Trust Board                         |                                |
|                        | Over £45,000 | Education and Skills Funding Agency |                                |

### **BACS Authorisation**

#### **Approver A:**

Designated (see bank mandate) Finance Assistants

#### **Approver B:**

Chief Executive Officer,

Director of Finance & Operations

Deputy Chief Financial Officer / Management Accountant

Trust Operations 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