



Finance Policy (Handbook)

September 2024

Finance Policy

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Introduction and Policy Aims

Our **vision** for our Trust is we exist to:

Help every child achieve their God-given potential

Our **aims** are clear. We aim to be a Trust in which:

Developing the whole child means pupils achieve and maximise their potential

Continued development of staff is valued and improves education for young people

All schools are improving and perform above national expectations

The distinct Christian identity of each academy develops and is celebrated

Our work as a Trust is underpinned by shared **values**. They are taken from the Church of England's vision for Education and guide the work of DCAT Centre. They are:

Aspiration

I can do all things through Christ who strengthens me
(Philippians 4 vs 13).

Wisdom

Listen to advice and accept discipline, and at the end you will be counted among the wise
(Proverbs 19 vs 20)

Respect

So in everything do to others what you would have them do to you
(Matthew 7 vs 12)

The regulations setting out the financial management of the Trust's schools/Academies are laid down in the **Academy Trust Handbook** and the Trust's Funding Agreement. The Education Skills & Funding Agency (ESFA) exercises the rights, powers and remedies set out in the Handbook on behalf of the Secretary of State.

The Trust have a statutory responsibility for the oversight of the financial management of the funds allocated to the Trust. The Trust's Schemes of Delegation devolves some of this responsibility to the School/Academy's Local Governing Body. The objectives of this document are to set guidelines for the establishment of sound and effective financial procedures, by complying with current financial regulations and adopting good working practices, as follows:

establish proper financial management arrangements and accounting procedures, in line with the Department for Education (DfE) and ESFA recommendations

- define responsibilities within the academy
- provide guidance on the application of regulations
- maintain a reliable system of internal controls
- set out guidelines to ensure effective use of resources, ensuring resources are properly allocated and the principle of best value is adopted
- ensure that the requirements of accountability are fulfilled
- ensure appropriate training is undertaken by budget holders

Throughout this policy, wherever there is mention of a Business Manager, this refers to the Business Manager/ Bursar and other school based staff with financial responsibilities.

I. Organisational Structure: Responsibility for the Policy and Procedures

I.1 The role of the Members: -

- Appoint/ Remove Trustees
- Approve changes to the Articles or Funding Agreement (with EFA approval sought)
- Appoint the External Auditors

I.2 The role of the Trustees: -

- Set and approve changes to the Governance Structure, Terms of Reference and Scheme of Delegation
- Appoint Internal Auditors
- Sign off the annual accounts and management report
- Approval overall DCAT Budget for the coming financial year
- Approve a Risk Management Plan/ Register
- Via the Audit & Risk Committee:
 - Review school budgets for the financial year
 - Monitor the Capital Programme and associated budget
 - Monitor the impact and effectiveness of grant specific funding (e.g Pupil Premium, PE & Sports Grant, etc)
 - Ensure that the auditors' finding/ recommendation are received and acted on

I.3 The role of the Local Governing Body (LGB): -

- Propose a budget for approval by the Trust
- Ensure that the school operates within agreed levels of delegation
- Ensure that the school complies with all financial standards
- Ensure good financial management and honesty are in place
- Set the terms of reference for the committees, as defined by each school
- Via the Finance Committee (or equivalent)
 - Review and maintain finance policies, including lettings and charging & remissions
 - Monitor the annual budget and make recommendations to the LGB
 - Advise the LGB on the affordability of the Academy Development Plan
 - Consider the impact of pupil numbers on the budget over short, medium and long terms
 - Monitor the impact and effectiveness of grant specific funding (e.g Pupil Premium, Sports Grant, etc)
 - Receive and respond to audit reports commissioned by the Trust
 - Where there is not a Finance (or equivalent) Committee, the above roles are assumed into main LGB

Local Governing Bodies may determine to allocate some of these functions to an appropriate committee.

Where there is no LGB individual arrangements will be determined by the Transition Board.

1.4 The role of the DCAT Chief Executive Officer (CEO): -

- The DCAT Chief Executive Officer has overall executive responsibility for the operation of DCAT and all its schools. The Chief Executive Officer is the Accounting Officer and is responsible for the success of DCAT and its schools. As Accounting Officer, they are personally responsible to Parliament, and to the ESFA's accounting officer, for the financial resources under DCAT's control
- Approve redundancies and staffing restructures
- Line Manage the DCAT Deputy Chief Executive Officer

1.5 The role of the DCAT Deputy Chief Executive Officer (Deputy CEO):

- Approve the Academy Development Plans
- Review Academy Risk Registers
- Line Manage the DCAT Chief Operating Officer and Senior Education Leaders

1.6 The role of the DCAT Chief Operating Officer (COO): -

- Act as the DCAT Chief Financial Officer
- Strategic oversight of the Trust's and individual school finances
- Scrutinise school budgets for the financial year
- Approve changes to the school staffing structures (including recruitment) for posts outside of the agreed budget, in conjunction with the Senior Education Leader
- Prepare annual accounts
- Receive and act on auditors' reports/ recommendations
- Manage and oversee assets
- Select, plan and oversee capital projects
- Provide financial planning and viability assessments on the Academy Dashboard
- Line manage the DCAT Head of Finance, alongside the other Heads of Area

1.7 The role of the DCAT Senior Education Leader (SEL) is to: -

- Line manage the Headteachers of their assigned schools
- Provide strategic advice and support to Headteachers
- Approve changes to the school staffing structures (including recruitment) for posts outside of the agreed budget, in conjunction with the DCAT ELT

1.8 The role of the Headteacher: -

- Ensure the school's successful financial performance achieving value for money and ensuring resource allocation is clearly linked to the school's strategic goals (ADP)
- Maintain sound financial systems ensuring purchase orders are raised and approved prior to spend, invoices/expenses are approved in a timely manner, all available sources of income/funding are explored and debt is managed
- Ensuring that there is a robust approval system in place in their school for changes to payroll e.g. for new starters, contract changes, leavers and temporary inputs e.g. overtime and in conjunction with the Business Manager, sign off the monthly payroll report
- Establish security systems to protect staff regarding cyber security, asset management, data protection

- Work closely with the Business Manager to set, submit, manage, monitor and reforecast the school's budgets (revenue and capital, in-year and reserves) ensuring it is accurate, balanced, realistic, and up to date for current and future years' to support strategic, long-term decision making
- Review monthly management accounts, in the form of Spotlight Reports, agree actions to manage budget variances with the SEL/Centre Finance /LGB and oversee agreed actions
- Work closely with the Business Manager and Centre Finance to manage the reserve budget
- Work closely with the Business Manager to provide costings for the Academy Development Plan which are linked to the budget
- Ensure all school staff are aware of this policy
- Line manage the Business Manager ensuring good communication with them on all matters linked to finance, payroll and budget management

1.9 The role of the Business Manager (or equivalent): -

- Under the direction of the headteacher, lead on all financial matters in school, to ensure the school's successful financial performance, achieving value for money and ensuring resource allocation is clearly linked to the school's strategic goals (ADP)
- Work closely with the Headteacher and Centre Finance to maintain an efficient and effective financial system ensuring purchase orders are raised and approved prior to spend, invoices/expenses are processed and approved in a timely manner, all available sources of income/funding are explored and credit and debt is effectively managed
- In partnership with the headteacher, ensure that there is a robust approval system in place for changes to payroll e.g. for new starters, contract changes, leavers and temporary inputs e.g. overtime and alongside the headteacher sign off the monthly payroll report
- In partnership with the headteacher set, submit, manage, monitor and reforecast the school's budget (revenue and capital, in-year and reserves) ensuring it is accurate, balanced, realistic, up to date for current and future years' to support strategic, long-term decision making
- Review monthly management accounts, in the form of Spotlight Reports, provide context and propose actions to manage budget variances, present findings to the Headteacher /Centre Finance /LGB and implement chosen solutions
- Record changes to the in- year budget via the Budget Tracker
- In partnership with the headteacher, work on and deliver Recovery plans / Reserves spending plans
- Provide costings for the Academy Development Plan which are linked to the budget
- Attend training and other finance focused events organised by the Trust and make use of resources made available by Centre finance
- Be in regular discussion with all budget holders
- Manage relationships with suppliers and customers to ensure effective contract management, and prompt payment
- Monitor cash flow to ensure sufficient funds are available (St Catherine's College only)
- Comply with the required deadlines as per the annual finance calendar and comply with the fullness of this policy
- Comply with Centre Finance monitoring and oversight role

1.10 Other Staff

All staff members are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficient use of resources and for compliance with the schools' financial procedures.

No one involved in spending public money may benefit directly or indirectly from the decisions that they make or from the use of school assets that are under their control.

1.11 Internal Audit

Internal Auditors (IA) are appointed by the Trustees to provide an independent oversight of the Trust's financial affairs and other areas of compliance as instructed. The duties of the IA are to assure DCAT that financial systems and procedures are being properly followed and remain fit for purpose.

The IA will undertake a programme of reviews agreed by the DCAT Audit & Risk Committee to ensure that financial transactions have been properly processed and that controls are operating as laid down in this Finance Policy. A report of the findings from each visit will be presented to the schools audited and the DCAT Audit & Risk Committee.

The intention is that the school will implement any recommendations made by the IA unless it can be demonstrated that to do so would not be appropriate or practical.

The current Internal Auditors are Carpenter Box.

1.12 External Audit

External Auditors are appointed by the Members for two primary functions:

Provide a statutory audit of the financial statements: The auditor will carry out a series of tests to enable them to form an opinion on whether the annual financial statements give a "true and fair view" of the Trust's financial performance and position. The auditor also forms an opinion on whether the financial statements have been prepared in accordance with the reporting framework requirements.

Carry out a regularity review of the financial statements: For the regularity review, the same auditor (who undertakes the role of "reporting accountant") must report whether "anything has come to their attention which suggests that in all material respects, expenditure disbursed, and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them". This engagement will draw on the statement of regularity, propriety and compliance prepared by the accounting officer and will be informed by the auditor's testing of the financial statements.

At the end of the audit, a signed set of Annual Accounts and a Management Letter are produced that must be submitted to the Trustees, Members and ESFA.

The Management Letter will summarize the findings and list recommendations for improvement.

In addition to the above, the External Auditors also conduct the annual Teachers Pensions EOYC audit.

The current External Auditors are Moore South LLP.

1.13 Items to note

Register of Interests

A responsible person, as appointed by the LGB or Trustees, **must** maintain a register of interests to ensure that all Trust and any relevant school staff have appropriately declared any business interests that may have any dealings with the school/centre. Suggested 'responsible persons' are Business Managers, Clerk to Governors, or other senior admin staff.

"Relevant school staff" means anyone who has purchasing power; as a minimum any person on the Senior Leadership Team and anyone else who is a budget holder (e.g. Site Manager, Head of Department). These staff should also have a s128 check completed.

Trustees and Local Governors must be aware of any potential conflicts of interest when awarding contracts or making other financial decisions. All Trustees, Local Governors and senior leaders (including Business Managers), in schools/centre, should complete the register of interest form on appointment, and as a minimum this exercise should be repeated annually.

The register should include business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which might have dealings with the school/centre. Business interests of relatives such as a parent, spouse or child should also be disclosed where influence could be exerted over a Trustee, Local Governor or employee by that person.

The existence of the register does not affect the duty of Trustees, Local Governors and employees to declare interests whenever they are relevant to matters being discussed by the DCAT Board, the LGB, or any other working group within the school. Where an interest has been declared, it will be for the Chair of the relevant body to decide how much involvement the individual should have in any discussion leading up to any decision. Chairs may wish to consider:

- requesting the complete withdrawal of the individual from the discussion
- allowing the individual to remain and hear the discussion
- allowing the individual to remain and join the discussion

However, in all cases, individuals who declare an interest must be excluded from the final decision-making processes.

Related Party Transactions

It is a requirement of the ESFA that an Academy Trust must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- Any member or Trustee of the Academy Trust.
- Any individual or organisation connected to a member or Trustee of the Academy Trust.
For these purposes the following persons/organisations are connected to a member, or Trustee:
 - 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

- An individual or organisation carrying on business in partnership with the member, Trustee or a relative of the member or Trustee
- A company in which a member or the relative of a member (taken separately or together), and/or a Trustee or the relative of a Trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
- An organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a Trustee or the relative of a Trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- Any individual or organisation that is given the right under the Trust's articles of association to appoint a member or Trustee of the Academy Trust; or anybody related to such individual or organisation
- Any individual or organisation recognised by the Secretary of State as a sponsor of the Academy Trust; or anybody related to such individual or organisation

A body is related to another individual or organisation if it is controlled by the individual or organisation; or controls the organisation; or is under common control with the individual or organisation. For these purposes control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body

Whilst these provisions do not apply to contracts of employment, the same principles of securing value for money and using public money properly, including managing conflicts of interest, will still apply. Salaries paid should be appropriate to the individual's skills and experience and the salary rates paid in the wider market.

The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively, in any one financial year of the Trust.

All cases of actual or possible related party transactions, irrespective of value, **must** be reported to the DCAT COO where they will determine the status of the transactions. If it is confirmed that the transactions are with related parties, then detailed documentation must be provided to demonstrate that the charges are at cost.

Gifts and Hospitality

For rules and guidance on gifts and hospitality please refer to the **Gifts and Hospitality Policy (Appendix 5)**.

Novel, contentious and repercussive transactions

Novel, contentious and repercussive transactions **must** always be referred to the DCAT COO who will contact the ESFA for explicit prior authorisation.

- Novel payments or other transactions are those of 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 Parliament, and/or the public, and/or the media
- Repercussive transactions are those which are likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications

2. Strategic and Financial Planning

DCAT will maintain Trust strategic documentation, including self-evaluation and long term development plans. These documents detail the vision, mission and values of the Trust as well as the key priorities for the longer term.

Each school **must** produce an Academy Development Plan (ADP). The ADP indicates how the school's educational and other objectives are going to be delivered within the expected level of resources over the next year. The ADP **must** be approved by the DCAT Deputy CEO and link into the Trust's priorities.

Each school **must** prepare both short-term and medium-term financial plans, in the form of 3 year budgets, consistent with the ADP.

The Trust strategic documentation and individual ADPs provide 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 in pursuit of the plan. The timetable for budget preparation will be set to meet DFE deadlines for annual budget submission.

2.1. Reserves approach

DCAT will hold reserves to ensure the long-term financial sustainability of the Trust and the schools within it. The purpose of reserves is to ensure that schools/centre can:

- operate efficiently and without interruption
- meet all their financial obligations as they fall due
- maintain an adequate contingency for emergencies

Each school/centre, will maintain their own levels of reserves which should be used during periods of financial challenge (e.g. unplanned adverse events, significant challenges with pupil numbers and other factors), or for long term strategic development priorities.

Schools should manage their finances so that they accumulate/ maintain appropriate levels of reserves.

- An appropriate level of reserves should be within 5-8% of the schools total General Annual Grant (GAG) for the current year
- Where a school has reserves above 8%, it is expected that there be a considered plan, supported by the DCAT SEL and other members of the Executive Leadership Team, to use these reserves to bring them within 5-8%
- Where a school has reserves of less than 5%, it is expected that there is a medium-long term strategy in place to restore reserves to between 5-8%
- Where a school has negative reserves, the school **must** agree a recovery plan with Centre Finance to restore reserves to between 5-8% of GAG.

The Trust have adopted the following principles regarding reserves:

- Reserves **must** have a specific purpose related to future spending in line with the ADP and balanced against the need to cover current and future risks

- The purpose of the reserves should be transparent and maintain the link with the purpose for which the income was given
- The purpose of the reserves should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues, and
- Whilst the DfE require reserves to be limited to a level where its use in the future is known, there is an overriding need to ensure that value for money is achieved

For the purpose of this policy, all reserves are included except for:

- The Fixed Asset Reserves
- Pension Reserves (being any deficits in relation to FRS102 pension costs). The Trust plans to meet any contributions towards pension deficits from operational income received each year

Please also refer to the **Reserves Policy (Appendix 6)**.

2.2. Annual budget setting process

Headteachers are responsible for their school's financial planning. This means the preparation and approval of the in year budget and 3 year budget plans in accordance with budget preparation instructions. As a matter of course, the Headteacher will wish to engage the Senior Leadership Team of the school in the budget-setting process.

The budget **must** be reviewed by the LGB Finance Committee (or equivalent) in accordance with deadlines in the annual finance calendar. Where the LGB doesn't have a Finance Committee (or equivalent) it is reviewed by the LGB. Once the budget has been reviewed by the Finance Committee/LGB, the LGB recommends the budget for Board of Trustees approval.

To provide assurance to the Trust, it is important that there is close liaison between the school and centre in the preparation of the budget.

As a matter of principle, schools **must** plan for at least a balanced budget having taken into consideration the maintenance of an appropriate level of reserves as set out in the reserves policy at 2.1 above. Schools planning a deficit budget **must** seek the approval of the DCAT COO.

The DCAT CEO is responsible for the DCAT Centre's financial planning and is accountable to Trustees for the level of management fee collected from schools. They will work with schools to ensure centre functions are deliverable within the overall management fee collected.

All significant risks that may impact on the financial viability of schools/centre will need to have been recorded and the financial impact considered and mitigated where possible (see 2.6 below).

Annual Budget Timetable

September	1 st September – new financial year starts Year End workbooks submitted to Centre Finance
October/ November	October Census – drives pupil funding for following year October Reforecast – schools submit a re-forecast 3 Year budget plan October/ November – External Audit November - School Workforce Census
December	31 st December – audited accounts for previous year submitted to ESFA
January	Carry forward figures confirmed January Census – influences UIFSM funding
March	March Reforecast – schools submit re-forecast 3 Year budget plan Budget setting guidance provided to schools including any assumptions that should apply across all schools. Management charge percentage confirmed for forthcoming year. ESFA issues final funding (GAG) allocations covering pre- and post-16 provision
April	Schools consider the first draft of their budgets; presenting it to the local Finance (or equivalent) Committee/LGB. DCAT CEO determines budget for Centre.
May	Schools submit draft 3 Year budget plans to Centre Finance. Discussion held between schools and Centre Finance regarding draft budgets. If significant changes are required, the revised budget to be reviewed again by the local Finance (or equivalent) Committee/LGB for final recommendation. Schools submit their final recommended 3 Year budget plans to DCAT Centre Finance for approval by the Board of Trustees.
June	Trust Audit & Risk Committee review consolidated budget, recommending approval to the full Board of Trustees Board of Trustees to review and approve the consolidated budget. Internal Audit
July	External Audit – Interim Audit Year End Workbooks provided to schools
August	Centre Finance submits approved consolidated budget to ESFA 31 st August– financial year closes
Monthly	Review of Spotlight reports with budget variances and actions agreed. Review of Payroll variances and sign off. Forecasting, including cashflow forecasting (SCC and Consolidated), completed.

2.3. Building the budget

The Academy Development Plan (ADP) objectives and the budgeted use of resources should be clearly linked. While the Business Manager is primarily responsible for the completion of the budget, they should work with relevant individuals or budget holders to ensure that the budget is consistent and reconcilable with the ADP, under the direction of the Headteacher.

The budgetary planning process should incorporate the following steps:

- Review forecast pupil numbers to calculate future ESFA funding
- Review other funding and income streams to forecast receipts

- Review staffing levels for most efficient delivery of the curriculum, ADP objectives and other statutory requirements e.g. health and safety
- Review past expenditure trends to forecast future non-staffing costs
- Consider any implications on non-staffing costs of ADP objectives
- Implement any expected cost variations e.g. pay increases and inflation
- Identify potential efficiency savings

It is important that any new projects proposed are robustly investigated and fully costed to ensure that they are the most appropriate course of action and represent value for money.

An analysis of estimated income and expenditure will identify any potential surplus or shortfall, considering the expected reserves position. If shortfalls are identified, opportunities to increase income should be explored and expenditure categories reviewed for areas where savings can be made. This may require projects to be deferred until funding is available.

The budget should be accompanied by a statement of assumptions and a hierarchy of priorities so that if circumstances change, it is clear to all concerned what remedial action can be taken to secure the school's finances.

2.4. Medium-term financial planning

DCAT requires schools to maintain a 3 year budget plan which will look at the school's expectations for income and expenditure over the coming three-year period. The Business Manager will use budget planning tools as determined by Centre Finance to prepare 3 year budget plans.

The 3 year budget plan should be reviewed and reforecast regularly (at least twice per year), adjusting the expectations in the light of new information on pupil numbers and longer-term school improvement and development aspirations. These plans will assist the school in identifying potential future budget deficits and funding shortfalls. This longer-term financial approach will give schools time to take appropriate early mitigating action (if required) to secure the school's future. The Trust requires schools to submit their 3 year budget plan at the same time as their future in year budget plan for consideration by the Board of Trustees.

2.5. Communicating the budget

Each budget line (account code or fund code) should be the responsibility of a named budget holder who manages the financial flows in the best interests of the school – by default this should either be the Headteacher or Business Manager.

The Business Manager **must**:

- Maintain lists of budget holders, their budgets and authorised signatories
- Inform budget holders of their approved budgets before the start of the new academic year
- Provide monitoring information to budget holders

2.6. Risk management

An essential part of financial planning is a comprehensive review of the risks faced by the Trust and the schools within it. This review should cover all risks, not merely financial risks, as non-financial risks can still have financial consequences.

Each school will have their own Academy Risk Register, which is reviewed as part of the Academy Improvement Review (AIR) meetings and is agreed with the Headteacher, DCAT SEL, Chair of the LGB and the DCAT Deputy CEO.

The risk register should help inform the shape of the Academy Development Plan and the 3 Year budget plan.

Ownership of the overall Trust risk register, and the mitigating actions, is the responsibility of the DCAT CEO.

2.7. Monitoring and review

Monthly financial management account reports, Spotlight reports, will be prepared by Centre Finance and distributed in accordance with the annual finance calendar.

The monthly report will generally take the following format:

- Summary report of income and expenditure, actual against original budget and actual against latest forecast budget
- Forecast of the expected outturn for the full academic year
- “Spotlights” on key areas of concern
- Commentary on broad trends
- Benchmarking against trends across the whole Trust

Commentary **must** be provided by the Business Manager to the Headteacher monthly, and Centre Finance when required, explaining the key variances highlighted. Monthly reports **must** be reviewed by the Headteacher, shared with the Chair of Governors and shared with the relevant Finance (or equivalent) Committee. The spotlight reports, and any supporting information, will be shared at the Trust AIR meetings.

Where there are significant under/ overspends, the Business Manager **must** review and reforecast the 3 Year Budget Plan to ensure the latest forecasts are accurate.

During the year, the Business Manager will reforecast the budget to project the expected outturn for the year as accurately as possible. All changes to the budget **must** be recorded on the budget tracker. The budget tracker **must** be shared with school decision makers and Centre Finance.

Corrective measures should be taken to ensure that the approved budget is not exceeded. All schools will be expected to deliver financial performance in line with the budget, or better, as approved by the Board of Trustees.

Full consolidated management accounts for the Trust will be prepared monthly and reviewed by the DCAT CEO, Deputy CEO and COO. These are then presented to the Chair of Trustees, Chair of Audit & Risk; shared with all Trustees and scrutinised by the appropriate Audit & Risk Committee. The COO will conduct regular benchmarking, at Trust level, against other MATs.

2.8. Academies Dashboard

As part of the broader on-going assessment of the Trust's existing schools the DCAT COO will provide a graded assessment of the financial planning and viability (see **Appendix 8**).

3. Accounting System

DCAT Centre procures and is responsible for providing and maintaining the purchasing and accounting system for each school. This ensures consistency of reporting across the Trust. The school is responsible for maintaining local access to the system and provision and maintenance of the school-based hardware.

All financial transactions **must** be recorded accurately on the accounting system.

The chart of accounts used by all schools will be set by Centre Finance, based on the ESFA Chart of Accounts, to ensure ease of consolidation and consistency of reporting. Requirements of individual schools will be considered where consistency isn't compromised.

It is the responsibility of the finance staff in schools/centre to ensure that all postings to the finance system are done on a timely and accurate basis, and to ensure that all required financial checks, such as reconciliations and payroll submissions, are carried out on a timely basis by appropriate personnel. Centre Finance will advise month end and year end procedures to be followed by schools. Where possible duties should be segregated between individuals to provide controls. Accounting policies are set by Centre Finance. The main principles are:

- A capitalisation threshold of £2,000.
- Capital purchases will be recorded using capital purchases account codes to keep these costs separate from operating expenses.
- Assets in the course of construction funded by DfE grants are capitalised at cost. These assets are not depreciated until they are brought into use.
- Tangible fixed assets transferred into the Trust for no consideration are reflected on the Statement of Financial Activity in the year of transfer and as fixed assets in the Balance Sheet. These assets should be independently valued and included in the statements at fair value then depreciated according to the Group policies above.
- Depreciation will be calculated annually by Centre Finance using the rates set out below:
 - Motor vehicles: 25% per annum straight line
 - Fixtures, fittings and equipment 20% per annum straight line
 - Computer equipment 33% per annum straight line

The format of accounts must comply with the most recent DfE guidance, Companies Act 2006 and Charities SORP 2015. All schedules show the aggregated Trust position but the notes to the accounts contain some school-specific information.

3.1. System access

Access to the purchasing and accounting system is password restricted and Centre Finance is responsible for implementing a system which ensures that passwords are changed at regular intervals. Access to component parts of the system for Business Managers, Headteachers, Finance staff etc is managed by Centre Finance.

Staff **must** not share their passwords with others under any circumstances.

3.2. Back-up procedures

The DCAT COO is responsible for ensuring that there are effective backup procedures for the accounting system.

Each school **must** also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data.

3.3. Transaction processing

All transactions **must** be authorised in accordance with the required **Authorisation Levels (Appendix 2)**.

Guideline procedures for running the payroll, the purchase ledger and the sales ledger are included in the following sections of this policy.

Journal entries should only be used to recode entries that have been posted to the wrong account, fund or school code and for posting the payroll journal, year end adjustments and inter school transfers of income or expenditure. To ensure proper segregation of duties, journals are only made by Centre Finance and one member of the St Catherine's College Finance staff.

3.4. Reconciliations

Centre Finance will ensure the following reconciliations are performed each month and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control accounts including salaries, pensions, expenses, and HMRC
- all bank accounts

Centre Finance will ensure the following reconciliations are performed quarterly and that any reconciling or balancing amounts are cleared:

- VAT control account

Any unusual or long outstanding reconciling items **must** be identified and reviewed.

All bank reconciliations **must** be signed and dated by the DCAT Head of Finance.

3.5. Accruals and Pre-payments

Accrual and prepayment postings are primarily done at year end, as part of the year end process. These typically relate to payments or income paid/received in one financial year but relating to another financial year.

Accrual and pre-payment journals **should** be made for income/expenditure over the value of £2,000. It is the responsibility of the School Business Manager to identify items that needs adjustments.

Accruals and pre-payments are posted on the system by Centre Finance only.

4. Payroll – changes and authorisation

All staff appointments and pay related decisions must be taken in line with the relevant HR Policies.

4.1. Staff appointments, changes and resignations

The payroll budget is the largest element of expenditure from the Trust's budget and therefore needs to be effectively managed. The staffing structures of both teachers and support staff **must** be reviewed annually as part of the budgeting setting process. Whilst Headteachers have the authority to appoint and change existing staff contracts in line with the Scheme of Delegation, staff **must** only be recruited/appointed in accordance with the approved budget. Any personnel changes that are not simple replacements of existing posts **must** be approved in writing by the DCAT SEL **and** a member of the Executive Leadership Team.

New starters, contract changes, leavers and temporary inputs e.g. overtime **must** be approved in writing by the Headteacher or another senior leader as delegated by the Headteacher.

All changes in staffing **must** be notified in writing to the Business Manager and any other relevant staff with responsibility for HR and payroll. Changes include:

- new starters
- long-term absence
- termination of staff employment either by way of resignation or dismissal
- any changes in staff terms and conditions, FTE, grade and any other changes that may impact on pay
- overtime, hourly paid staff hours, cover supplements and additional irregular emoluments

Under the **DCAT Pay Policy** all staff will be subject to an annual performance appraisal during which consideration will be made to pay progression. The Headteacher has the responsibility to coordinate the performance appraisal and pay structure for the school in line with the **DCAT Pay Policy**.

Any staff severance agreements/ payments **must** be approved by the DCAT CEO, who may need to seek the approval of the Secretary of State in accordance with the latest ESFA advice.

The Trustees are legally committed to ensuring that all nationally agreed pay awards, for teachers and support staff, are adopted in line with requirements.

4.2. Payroll contract and system

DCAT Centre is responsible for procuring the payroll contract and HR and payroll system for all schools. This ensures consistency of reporting across the Trust.

The school is responsible for keeping the HR and payroll system up to date and accurate to add in any new starters, reflect any changes in personnel and add in any temporary inputs to provide efficient, timely and accurate payments to staff.

The payroll system calculates the deductions due from payroll for tax, National Insurance contributions, pension contributions and other reasons, such as childcare vouchers provided accurate information has been input by the school.

Access to the payroll system is password restricted. Access to component parts of the system for Business Managers, Headteachers, Finance staff etc is managed by DCAT Centre.

Staff **must** not share their passwords with others under any circumstances.

4.3. Payroll management and approval

The Headteacher is responsible for ensuring that there is a robust system in place in their school for the management and approval of payroll with regard to the following:

- Efficient, timely and accurate payments **must** be made to staff
- Term Time Only (TTO) recalculations **must** be added as a temporary input for TTO leavers
- Temporary inputs e.g. overtime, salary backpay, term time only recalculations **must** be entered with the correct 'cost centre' (account code, school code, fund code) and descriptor especially to indicate if pension applies or not for the individual.
- All HR and payroll information required **must** be submitted in a timely, accurate and complete manner
- Payroll details **must** be kept accurately, confidentially and securely
- Monthly salary payments in schools **must** be authorised by the Headteacher and Business Manager, by way of signing and dating the full payroll report and previous month variances report
- Plans are in place to ensure management and approval of payroll during periods of school closure

For DCAT Centre, the Headteacher responsibilities are assumed by the DCAT CEO and the Business Manager responsibilities by the HR Operations Manager.

The Business Manager or other relevant staff with responsibility for HR and payroll are responsible complying with the following:

- School HR and payroll processes are well documented, communicated and followed by all staff
- All payroll transactions **must** be recorded accurately on the HR and payroll system
- All necessary paperwork from the employee, the Headteacher/SLT member **must** be gathered and filed in the correct format
- All HR and payroll information required **must** be submitted in a timely, accurate and complete manner, observing any prescribed timetables
- Monthly salary payments in schools **must** be authorised by the Headteacher and Business Manager, by way of signing and dating the full payroll report and previous month variances report.
- Secured the correct level of authorisation/signatures/approval in writing as per the required **Authorisation Levels (Appendix 2)** from the Headteacher, SEL, Deputy or Business Manager to all aspects of the payroll before releasing it for payment by the nominated payroll provider

DCAT Centre is responsible for procuring the single payroll contract for all schools to provide the following services:

- process the monthly payroll
- issue relevant timely and accurate payroll reports
- pay the payroll
- produce payslips for all members of staff
- arrange payment of the monthly PAYE/NI, Teachers Pension Scheme and Local Government Pension Scheme contributions
- produce an annual summary of all payments made to staff
- action changes to pension contributions

The school **must** maintain a personnel file for each employee.

4.4. Payments

All salary payments are made by BACS on the last working day of the month (including in December) and payslips are made available through the employee portal.

Employee advances can be arranged directly with the payroll provider outside of the monthly pay date, but there are charges applied for this payable by the school.

Staff who wish to change their bank details should complete the bank details form (from the new starter pack) and hand this to the School Business Manager, who **must** verify that it true and correct, to ensure there is no risk of fraud. If this staff member claims expenses the School Business **must** also communicate the change to the Centre Finance Team.

4.5. Reports

Each month the “full” payroll analysis report and previous month comparison report **must** be signed by the Headteacher and Business Manager.

Centre Finance will ensure that the monthly reports for pension (TPS, LGPS) and union payments are sent to the appropriate institution, via the Trust’s payroll provider.

Centre Finance will ensure that all returns (e.g. PAYE and yearly pension reports) are provided within the appropriate timeframes, either by the payroll provider or the school.

4.6. Accounting entries

Payroll journals are posted by Centre Finance only.

The payroll provider will provide the data to construct a monthly payroll journal to be posted to the accounts.

A payroll control account is used and Centre Finance review the account as part of the month end close to ensure that there are no unallocated balances.

5. Expenditure and Procurement

Schools/centre may purchase goods and services within their approved budgets. The Trust strives to always achieve the best value for money from all purchases, which means that purchases need to be of the appropriate quality, lasting a reasonable timeframe, at the best price possible, within the **Authorisation levels (Appendix 2)** and in accordance with the **Principles of Ethical Standards in Public Life (Appendix 3)**. Purchases should follow the general principles of:

- Probity: it **must** be clear that there is no private gain in the school's contractual relationships
- Accountability: the school is accountable for its expenditure and the conduct of its affairs
- Fairness: all those dealt with by the school are dealt with on a fair and equitable basis
- Value for money: ensuring that how we are spending public money offers the highest value for money

Checks **should** be made with Centre Finance before initiating procurement of items above £40,000 in value to see if there is scope for more efficient purchasing at Trust level. DCAT Centre may initiate central procurement of significant items or contracts in consultation with schools.

The Business Manager **must** ensure that all purchases are processed through the purchasing system. The following sections set out several financial rules which the Trust expects staff to implement to help them deliver effective procurement processes required by the Board of Trustees.

5.1. Purchasing Process

The Business Manager **must**:

- Raise purchase orders in the purchasing system
- Process invoices through the purchasing system in a timely fashion to ensure suppliers are paid on time whilst allowing for process time
- Check invoices prior to payment to confirm:
 - goods have been received
 - the invoice is for the correct school - the school featured in the invoice details should arrange payment
 - they are arithmetically correct
 - prices and quantities are correct
 - VAT is clearly shown where applicable
 - each line is posted to the correct account and fund code
 - the invoice is authorised for payment according to the required **Authorisation levels (Appendix 2)**
- Process credit notes through the purchasing system
- Approve invoices in a timely fashion through the purchasing system.
- Check supplier statements to ensure supplier accounts are appropriately managed and there is no duplication of payment
- Monitor purchase orders monthly and take appropriate action:
 - deleting those that are no longer required

- closing any that are completed
- investigating any overmatches

Budget holders **must**:

- Assess value for money, keeping records and seeking quotations in line with the limits outlined below
- Check that there is sufficient budget available before placing orders
- Make appropriate arrangements for delivery of ordered goods
- Check that goods are received in accordance with the order (identifying discrepancies in quantity and quality)
- Notify the Business Manager of goods returned to the supplier
- Pass receipts, delivery notes, invoices (and credit notes) promptly to the Business Manager for processing
- Inform the Business Manager if there are any disputes with suppliers
- not rush into commitments at the Year End to use up their budgets. The overriding principle always should be obtaining value for money, and if that means a delay whilst the best deal is sought, (pushing expenditure into the following year) then this should be followed and accommodated

5.2. Purchase Orders and Purchase Order Invoices

Having a robust Purchase Order system secures appropriate financial authorisation, assists with commitment accounting, and ensures that all purchases are subject to the DCAT standards terms and conditions of contract, granting extra security and assurance.

Purchase Orders (PO) **must** be appropriately authorised as per the required **Authorisation Levels (Appendix 2)** and raised via the purchasing system, when a commitment to purchase is made. The PO number **must** be provided to the supplier so that it can be included on the invoice. The Trust requires there **must** be a valid Purchase Order raised for all expenditure except for items listed below in Section 5.2.

All quotes obtained in accordance with **Authorisation Levels (Appendix 2)** and any supporting documentation **must** be attached to the Purchase Order in the purchasing system to maintain a full record of the purchasing decision making.

Evidence of the approval **is** retained within the purchasing system.

Purchase orders within the purchasing system **must** be reviewed monthly to improve reporting on commitments. Any overmatches or undermatches should be reviewed to ensure that there hasn't been an overpayment made or an invoice overlooked. Purchase orders that are no longer required should be deleted to ensure that commitment and liabilities are not overstated.

5.3. Non-Purchase Order Invoices

In limited circumstances, listed below, non-purchase order invoices may be processed.

- where the obligation/commitment to pay has been signed off on a contract e.g. local authority SLAs, utility contracts, lease agreements (phones, photocopiers), provision of school meals. Please see **section 5.8** for more information.
- where it is impractical to do so e.g for emergency call-outs for tradesmen (plumbers, electricians etc) or emergency supply cover. In these circumstances we still expect the school to ensure that the authorisation hierarchy is being adhered to prior to procurement. Please see **section 5.1** for more information.

Please also refer to Authorisation levels (Appendix 2).

5.4. Purchasing cards

The Trust provides purchasing cards to facilitate payments, for example when ordering over the internet or for payments whilst on school trips. They should only be used when it is not possible to place an order and pay on receipt of the invoice.

A small number of school staff are issued with credit cards. Schools **must** raise a purchase order, reconciling receipts/invoices against the credit card statement. Accompanying receipts/invoices **must** be attached to the purchase order. The statement and accompanying receipts/invoices **must** be processed and approved through the purchasing system. Where employees are approving their own credit card expenditure through the purchasing system the Head of Finance/COO **must** also approve the payment.

DCAT centre staff are issued with pre-paid cards. They must upload receipts/invoices for each purchase made. Pre-paid card spend is reviewed by the DCAT Head of Finance and DCAT COO monthly.

Failure to submit receipts will result in the purchasing card being withdrawn from the cardholder.

Any misuse of the card, for example its use for personal expenditure, will result in the expenditure being recovered from the cardholder and potentially the card being withdrawn. Significant abuse will result in disciplinary action.

5.5. Orders up to £15,000

For orders under £2,000, records of an assessment of value for money do not need to be retained. For orders over £2,000 a record of an assessment of value for money should be retained, ideally quotations obtained from different suppliers. Quotations may take the form of a printout of a web-based search, or an email from or note of telephone calls with suppliers. Where less than 3 quotations are sought reasons why should be retained.

Quotes and other records showing an assessment of value for money should be attached to the PO on the purchasing system.

5.6. Orders over £15,000 but less than £40,000

At least three written quotations should be obtained for all orders between £15,000 and £40,000. Written confirmation direct from the supplier of oral quotations **must** be obtained before a

purchase commitment is made. Confirmations by email are acceptable. Where it has not been possible to obtain three quotations records should be kept showing an assessment of value for money.

Business Managers should upload quotation details and any other supporting records to the purchasing system for audit purposes.

5.7. Orders over £40,000 but less than £150,000

All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000, **must** be subject to formal written tenders.

All goods/services requiring formal written tenders should be considered for retendering at least every three years and no later than every five years.

Business Managers should upload quotation details and any other supporting records to the purchasing system for audit purposes, retain signed contracts and add details to the contract register.

5.8. Orders above £150,000

All transactions over the £150,000 procurement threshold need to be authorised by the Trustees of DCAT through a Board of Trustees resolution. All orders above the relevant procurement threshold or series of related contracts which in total exceed the threshold **must** be subject to formal tendering procedures set out in this handbook and **must** be published on the 'Find a Tender' service.

All tenders for transactions greater than the £150,000 procurement threshold will be run as a project and managed in conjunction with the DCAT Head of Operations & Governance or Head of Finance.

Note: The contract value is the total contract value, excluding VAT, of the lifetime of the contract, not the annual value.

5.9. Single Tender Action

Procuring without undertaking the necessary competition process is known as Single Tender Action and should only be used in exceptional circumstances. Lack of time to carry out the proper procedures is not in itself sufficient justification for single tender action, nor is familiarity of the proposed supplier with DCAT and its schools.

For guidance on what may constitute an exceptional circumstance and the procedure, please refer to the **Competitive Tendering Policy (Appendix 7)**.

5.10. Contracts (including leases)

Having a formal contract for the purchase of goods and services is important as it ensures that the commitment and obligations of both parties are properly documented and recorded. A contract

serves to hold suppliers to account for delivery of their Key Performance Indicators; therefore, any significant spend agreed by the Trust **must** have an appropriate, signed contractual document.

The Trust expects that the school will have an appropriate contractual agreement in place for the supply of any goods or services for which the total annual value exceeds £5,000 excluding VAT. Commissioning consultants also requires a formal contract but the guidance for this is different. For information on commissioning the services of private consultants, please refer to DCAT Centre for guidance.

Any expenditure or purchase of a value over £15,000 that is subject to a contract for services or goods between the school and the supplier **must** be signed before the contracted work begins or the delivery of goods takes place. The contract(s) should clearly set out (as applicable):

- the scope of work with detailed and accurate specifications; or the specification of the goods to be delivered (as applicable)
- the timeline and completion date of the work(s)
- a comprehensive list of the buyer's commitments
- quality controls on work(s), or Key Performance Indicators (KPIs)
- the agreed fees/charges and payment date(s)
- the terms & conditions of the contract
- in the case of a lease, whether it is an operating or finance lease (finance leases should be avoided as they are akin to borrowing and not usually allowed by the DfE). The DCAT COO **must** be notified of all leases before they are signed. The COO is responsible for confirming if approval is required from the Secretary of State and obtaining such approval when it is required.

The signing of a contract and/or lease should be treated like the placing of an order. Such commitments should be authorised in line with the ordering guidance shown at paragraphs 5.3 to 5.6 above. These limits are for the whole period of the contract or lease. For example, a five-year lease, valued at £2,500 per annum would cost £12,500 and should be authorised as such.

All contracts **must** be signed by an appropriate signatory in compliance with **Authorisation Levels (Appendix 2)** according to the total contract value.

Business Managers **must** maintain a contract register, detailing:

- the supplier
- what the service is for
- start date of the contract
- contract length (recorded in months)
- total contract cost
- contract cost for current academic year
- notice period length and details
- when it was last reviewed
- who signed the contract and when
- any relevant safeguarding and IR35 compliance checks undertaken

5.11. School Condition Allowance (SCA)

Due to the size of the Trust, DCAT is eligible for SCA funding. This is specific capital funding that is received and managed centrally and spent on school capital projects. Projects for spending can either be directed by the Trust centrally or be requested by a school.

The Head of Operations & Governance and Centre Estates Management team will work with schools on these projects. Quotations and invoices should be sent to the Head of Operations & Governance for approval. Centre Finance will raise purchase orders and process invoices in the purchasing system.

Where it has been agreed that the project is partially funded by SCA, a recharge will be applied to the school for any applicable balances.

5.12. Supplier Management

The list of suppliers is maintained by Centre Finance for Centre and Primary Schools with the finance software. St Catherine' College maintain a separate list.

Schools wishing to add a new supplier should notify Centre Finance so that a supplier account can be created. Full details must be provided to ensure the record is complete and to mitigate risk of fraud. Schools should complete the new supplier request form and provide documentation from the supplier. The following details are required:

- Supplier Name
- Bank account name
- Bank sort code
- Bank account number
- VAT registration number
- Email address for remittance
- Email address for PO
- Postal address

Schools should pass on changes to supplier details. Centre Finance **must not** change bank details for a supplier unless the change has been verified as true and accurate.

As the direct customer, the school **must** manage the supplier relationship. Where there are any queries, the business manager should request/check supplier statements to ensure supplier accounts are appropriately managed and there is no duplication of payment.

5.13 Credit Notes

Credit notes **must** be processed and approved through the purchasing system. Centre Finance will apply any available credit notes to invoices received through the purchasing system prior to processing the BACS payment. Where a credit note is received that is equal to or more than the value of an invoice received, both the invoice and the credit note should still be processed through the purchasing system. Schools should take care to ensure these are approved at the same time to reduce the risk of overpayment.

5.14 Recharges - School to School

The school featured in the invoice details should arrange payment. If money is 'owed' by one school to another, this **must** be processed as an inter-school transfer. Inter-school transfer journals are posted as part of the month end procedures by Centre Finance. To request a transfer, Business Managers should complete an 'Inter-school Transfer Request' form so that Centre Finance can code the journal correctly.

Note: Inter-school transfers are used where a school is owed money by another school, rather than raising an invoice, to avoid artificially inflating generated income figures at Trust level when looking at consolidated accounts.

5.15 Recharges - School to Centre

The school featured in the invoice details **must** arrange payment. If money is 'owed' by centre to a school, the Business Manager **must** send evidence of the invoice which they have already settled to the Centre Budget Holder to request a recharge. Coding details should be included in the email. Recharge journals will be posted as part of the month end procedures by Centre Finance once the details are forwarded by the Centre budget holder with their authorisation. If the recharge requests are coming from more than one school, e.g. coaches for DCAT Enriched, recharge journals will be posted as part of the month end procedures once all applicable schools have submitted their requests.

5.16 Recharges - Centre to School

Where an invoice is addressed to the centre, the centre will arrange payment and post a recharge journal as part of the month end procedures.

Details of the recharges and applicable coding will be communicated to schools e.g. through the Budget Setting Guidance, Finance Update etc.

5.17. Expenses

Wherever possible staff expenses should be avoided as all purchases should be made via finance system.

For rules and guidance on reimbursement of expenses to staff please refer to the **Employee Handbook**. Expenses should usually relate only to travel, parking etc. Items for school should be purchased by the school office. Any expense that is not pre-agreed with the Headteacher will not be reimbursed. Alcohol and tips cannot be reclaimed on expenses.

Expenses should be submitted on the DCAT expense claim form with relevant receipts. If a receipt is not available a note explaining why **must** be submitted.

For school staff these forms should be processed and approved through the purchasing system. All relevant receipts and/or explanatory notes must be attached to the expense claim in the purchasing system.

For centre staff these forms should be approved via email and processed through the accounting system. All relevant receipts and/or explanatory notes and approval email must be attached to the expense claim in the accounts system.

If receipts are not submitted, nor a reasonable explanation for the absence given, the costs will not be reimbursed.

Where employees are approving payment relating to goods or services for which they are being reimbursed an additional signatory is required to approve the payment.

6. Income

The main source of income for the Trust are grants from the ESFA/DfE, Local Authorities (LAs) and other government bodies for general and specific purposes. In addition, schools generate ancillary income from the community through lettings and other activities.

Contributions from parents/carers towards school meals, trips and uniforms are also classed as income.

Under the terms of the Education Act 1996, schools **must** have a policy on charging for school activities/services. Please refer to each school's **Charging and Remissions Policy**.

By law, children may not be charged for activities that take place during the school day.

Parents/carers may be asked for voluntary contributions, but if they do not pay their child cannot be prevented from participating, should the activity go ahead. In any request for voluntary contributions, it **must** be clear that:

- there is no obligation to make any contribution; and
- pupils will not be treated differently whether or not their parents/carers have contributed.

6.1. ESFA and LA income

The main General Annual Grant (GAG) from the ESFA will be paid in 12 equal monthly instalments to the Trust which will be credited to each individual school's accounts. Any grant from the LA (such as for High Needs top-up funding) will be paid directly from the LA to the school.

Notification of the level of grant is usually received around March in the year prior to the financial year in question. Some grants, such as the Devolved Formula Capital Grant and Pupil Premium, are based on the tax year (April-March).

Most ESFA and LA grants are determined by pupil numbers at the school as reported in the termly School Census, particularly the Autumn Census. The Headteacher **must** ensure that the Census is completed accurately and appropriately approved. The Business Manager **must** check all pupil driven income received to ensure that it properly reflects the Census submitted.

For High Needs top-up funding, Business Managers **must** maintain a log showing which child funding relates to and the amounts per child.

6.2. Other Grant income

Having a formal contract for a grant is important as it ensures that the commitment and obligations of both parties are properly documented and recorded. A contract specifies what is to be delivered and Key Performance Indicators; therefore, any significant supplies of services entered into by the Trust should have an appropriate, signed contractual document.

Details for what the contract should state are the same as for the purchase of supplies as set out in Section 5.

All contracts **must** be signed by an appropriate signatory which is defined by the total contract value. For the breakdown of these thresholds, please refer to the required **Authorisation levels (Appendix 2)**.

6.3. Contracts for services including external consultancy provision

Having a formal contract for the supply of services is important as it ensures that the commitment and obligations of both parties are properly documented and recorded. A contract specifies what is to be delivered and Key Performance Indicators; therefore, any significant supplies of services entered into by the Trust should have an appropriate, signed contractual document.

Details for what the contract should state are the same as for the purchase of supplies as set out in Section 5.

All contracts **must** be signed by an appropriate signatory which is defined by the total contract value. For the breakdown of these thresholds, please refer to the required **Authorisation levels (Appendix 2)**.

Where a person working for the Trust (substantive or otherwise) provides consultancy service to a third party through their work with the Trust, any fee earned **must** be passed to the school/centre that the individual is contracted with.

6.4. Off-site trips

Please refer to each school's **Charging and Remissions Policy**.

The trip lead/ EVC, with the support of the Business Manager, **must** carefully cost out the trip to ensure it is financially viable and affordable for parents/carers and ensure that adequate records are maintained.

Pupils, parents/carers should make payments to the school through the school's payment system. The collection of cash should be avoided see section 6.6 below.

The Business Manager will keep a copy of each trip list showing amounts paid and outstanding within the school's payment system. This record should be copied regularly to the trip lead/ EVC who will pursue outstanding amounts, working with the Business Manager.

Any refunds/rebates for a trip **must** be notified to the Business Manager who should use the payment system to process a refund. If there are insufficient funds held, the Business Manager should submit a 'Non Invoice Bacs Payment Request' to Centre Finance so that the appropriate amount can be repaid to the relevant pupil/parent/carer.

6.5. Lettings

Schools may let premises to other organisations, subject to such lettings not clashing with the timetabling of the school. Any letting of the school's premises may be either commercially or community motivated, or both, and **must** be in line with the ethos of the school.

All lettings **must** adhere to the school's **Lettings Policy**.

New letting proposals **must** be approved by the Business Manager and the Headteacher and are subject to contract, which **must** clearly outline the agreed letting fees, duration of the contract, any break-out clauses (as applicable) as well as any other terms and conditions. A financial analysis **must** be prepared showing the expected income and related costs to ensure the letting meets the value for money requirement.

If the letting is for a significant period of time or value, then it may be appropriate to enter a formal lease. All leases will need to be reviewed by DCAT Centre and may require approval from the Secretary of State.

Where possible the Business Manager may appoint one member of finance staff to deal with school lettings. This person will be responsible for:

- maintaining booking records
- calculating the amounts of letting income due
- completing a sales invoice request and submitting to Centre Finance
- ensuring monies are received promptly

Where possible, lettings should be arranged to minimise overtime and other overhead costs, for example, by scheduling two letting activities in different areas of the school at the same time, including charges for utilities and cleaning. They should also avoid being scheduled at the same time as mainstream school activities.

Centre Finance will create sales invoices on request. Income is posted to the school accounts at the point when the sales invoice is raised, and does not indicate that a sales invoice has been paid. It is the responsibility of the school to ensure that payment is received. The accounts system will automatically email customers when an invoice is 7 days, 14 days and 30 days overdue. Centre Finance provide an aged receivables report to schools on a monthly basis.

As part of the month end process, the Business Manager **must** review the Aged Receivables report and take action as appropriate to recover any outstanding debt. The Business Manager should maintain evidence that receivables report each month has been reviewed.

Note: For VAT purposes, the letting of space can become a chargeable activity if ancillary services such as the provision of catering are provided as part of the cost and this impacts the reclaim of VAT. To avoid this potential tax implication, it would be advisable to have third parties provide these services. For more information, contact Centre Finance.

6.6. Income received as cash

Schools should avoid using cash wherever possible and it **must** only be accepted in exceptional circumstances.

All staff should be made aware of the reputational and financial risks associated with handling cash. Cash should only be collected by designated staff. Wherever possible pupils and parents/carers should be encouraged to pay through the school's payment system. Any cash received should be passed to finance staff as soon as possible.

Sequentially numbered school receipts should be issued for all cash and cheques received. See also the section **7.9 Cash held on site** for further information.

6.7. Bank interest

The Trust may receive bank interest on amounts held in interest bearing accounts. The placing of a Trust funds on deposit will be done in consultation with the DCAT COO.

6.8. Debt management and bad debts

It is the responsibility of the school to ensure that income is received.

The accounts system will automatically email customers when a Centre Finance created sales invoice is overdue and Centre Finance provide an aged receivables report to schools on a monthly basis. The Business Manager **must** review the Aged Receivables report and take action as appropriate to recover any outstanding debt. The Business Manager should maintain evidence that receivables report each month has been reviewed.

Schools should have a clear procedure for monitoring and recovering parent/carer/pupil debt.

Income that is due but not received may be written off when all recovery options have been exhausted. Debt write-off may be considered when:

- the likely cost of legal action exceeds the debt
- the debtor cannot be traced
- the debtor is unable to pay, or
- the debt represents the outstanding balance in cases of bankruptcy or insolvency

For authorisation levels of any write offs of bad debts, please refer to the required **Authorisation levels (Appendix 2)**.

7. Cash Management

7.1. Bank accounts

DCAT will operate a single account for each school/centre. BACS payments require two authorisations as a minimum – **Authorisation levels (Appendix 2)**.

All bank accounts are held by a central Trust mandate which is managed by Centre Finance.

All signatories listed on the bank mandate **must** provide specimen signatures to Centre Finance. This document is reviewed annually and updated whenever a designated signatory changes. This provision applies to all accounts operated by or on behalf of a school.

7.2. Deposits

Details of all deposits **must** be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit, and
- a reference, such as the number of the sales invoice or receipt or the name of the debtor.

Schools **must** not hold more than £1,000 cash on site/in transit at any one time. Sensible precautions should be taken with cash in-transit to reduce risk.

7.3. Payment by BACS

The Trust preference for payment is by BACS. BACS or Bank Transfer payments are paid centrally from the DCAT centre bank account on a weekly basis or more frequently if required. Centre Finance will apply any available credit notes to invoices received through the purchasing system prior to processing the BACS payment. Payment will include:

- invoices/expenses approved through the purchasing system less any applicable credit notes
- Centre expenses approved via email
- Parent/Carer refunds

These payments **must** allow for segregation of duty and appropriate authorisation. One person to prepare and upload the BACS files, DCAT HOF or DCAT COO to approve the payment. All transactions included will have already had the authorisation levels specified in Appendix 2 applied, with appropriate evidence maintained in either the purchasing or accounts system). St Catherine's College sits outside this arrangement and continue to separately raise and approve BACS and Bank Transfer payments, following the principle outlined above of segregation of duty and appropriate authorisation.

The invoice will be marked as paid in the purchasing and accounting systems. BACS remittances will be dispatched to suppliers by Centre Finance providing the correct remittance email address has been provided.

7.4. Payment by cheques and cash

Cheques and cash payments must not be used for goods/services; specific exceptions which support curriculum delivery must be approved on a case by case basis by the DCAT COO in advance.

7.5. Payment by direct debit

All invoices **must** be processed through the purchasing system and as BACS payments are processed by Centre Finance, direct debits create the risk of overpayment. The preference is therefore to pay by BACS for all suppliers. However, Direct Debits can be set up with the agreement of the DCAT HOF where the following conditions apply:

- Not paying by direct debit incurs a charge or carries a high risk of incurring late payment penalty charges
- All the schools/centre using that supplier agree to pay by direct debit and the supplier can be set up according in the accounts system to remove the risk of overpayment

7.6. Payment by purchasing cards

Schools/Centre may have a small number of closely controlled cards that are issued to specific named individuals, for example the Headteacher and Business Manager. The issue of cards will be authorised by the DCAT COO and managed centrally by Centre Finance. Only the designated card holder may use the card. Appropriate spending limits are agreed between the school and Centre Finance.

In all cases, it is the responsibility of the cardholder to ensure that access to and spending on the cards is controlled in an appropriate manner.

Cardholders **must** submit receipts each month. Purchasing card statements **must** be reconciled monthly **see section 5.4 for more information.**

Approval can be granted via electronic means (email confirmation) as opposed to a physical signature.

All purchasing card balances **must** be either pre-paid or paid off in full by Direct Debit. Any misuse of the card, for example its use for personal expenditure, will result in the expenditure being recovered from the cardholder and potentially the card being withdrawn. Significant abuse will result in disciplinary action.

The holders of DCAT purchasing cards **must** not under any circumstances borrow money using these cards.

7.7. Non invoice BACS Payment

On occasion, it may be necessary to make a BACS payment without an invoice e.g. parent refunds, donations for Y6 leavers services. The Business Manager should submit a 'Non Invoice Bacs Payment Request' to Centre Finance with accompanying notes and Headteacher approval so that the appropriate amount can be paid over to the relevant pupil/parent/carer. ☺

7.8. Bank Transfers

Bank transfers are made between DCAT bank accounts to:

- transfer funding to St Catherine's
- to rebalance other school bank accounts
- to credit the pre paid cards account.

To ensure segregation of duty one person will create the transfer, and the DCAT HOF or COO will approve the transfer.

7.8. Bank Reconciliation

Centre Finance provide bank statements and reconciliation reports to schools monthly. Bank accounts **must** be reconciled at least monthly as part of the month end procedures in accordance with the following:

- adjustments arising are dealt with promptly so that only timing differences remain.
- all bank accounts are reconciled to the cash book
- monthly reconciliation reports are prepared by Centre Finance
- monthly reconciliation reports are dated and authorised by the Head of Finance
- monthly reconciliation reports are reviewed by the Business Manager

7.9. Cash flow forecasts

DCAT Centre Finance will level individual school account balances on a half termly basis (excluding St Catherine's College).

A consolidated cash flow forecast for the whole Trust is prepared monthly by Centre Finance. St Catherine's College cash flow is also monitored separately by relevant school staff.

The school must not borrow money outside the Trust.

7.10. Investments

Surplus cash funds will be invested centrally to maximise interest received. Investments will however only be made in accordance with procedures approved by the DCAT COO. It is expected that all investment decisions will be made on a risk-averse basis. Deposits will be held only with mainstream UK banks or large building societies.

No other investment instruments should be used by the school unless approved in advance in writing by the COO.

7.11. Petty cash accounts

Wherever possible, schools/centre should seek to operate without petty cash accounts by using the approved purchasing cards, purchase ledger or expenses systems. Where the Business Manager and Centre Finance believes that maintaining a petty cash system is essential, a small cash balance may be maintained to meet unexpected payments at short notice.

Schools must not hold a balance of more than £200 in petty cash

The cash should be carefully controlled by finance staff and kept in the finance office safe. It should be stored securely, and the keys held by named individuals. Cash received should not be kept with petty cash and separate records must be held for both.

All requests for petty cash must be authorised by the appropriate budget holder and supported by receipts. This authorisation must be given before the petty cash is withdrawn and cannot be given retrospectively as per the required **Authorisation levels (Appendix 2)**. Records should itemise each incoming and outgoing amount and include date, description, two authorised signatures and the balance.

The Business Manager is responsible for ensuring the petty cash is reconciled at least weekly, during which the cash must be physically counted. The count should be completed with two people present, who must both sign the reconciliation.

Expenses must only be reimbursed by BACS. Petty cash cannot be used to reimburse expenses.

7.12. Cash held on site

Schools should avoid using cash wherever possible. Cash and cheques must be carefully controlled by finance staff, kept in the finance office safe until banked, with the keys held by named individuals. Under no circumstances may cash be stored in a personal area e.g. staff desk drawers/bags/clothing. Cash received should not be kept with petty cash and separate records must be held for both. Records should itemise each incoming and outgoing amount and include date, description, two authorised signatures and the balance.

Schools must not hold more than £1,000 cash on site / in transit.

The Business Manager is responsible for ensuring the cash is reconciled at least weekly, during which the cash must be physically counted. The count should be completed with two people present, who must both sign the reconciliation.

Due to the inherent risk of keeping cash on the school premises all collected cash should be kept to a minimum by way of regular banking. Monies collected must be banked in their entirety on at least a termly basis or more regularly if required. The RPA covers cash held on site and in transit up to a value of £5,000.

8. Fixed Assets

8.1. Purchase of assets

All assets purchased with an individual value over £2,000 **must** be capitalised and entered in the fixed asset register, unless they are being paid for outright using capital funding. Records should also be kept of items that are not capitalised but are considered desirable (those that have a resale market) for insurance purposes.

All purchases of fixed assets **must** follow the delegation of authority rules as per the **Authorisation levels (Appendix 2)**.

8.2. Asset registers

The Asset Registers help:

- to ensure that staff take responsibility for the safe custody of assets
- to enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective use and disposal of assets and to plan for their replacement
- external auditors to audit the annual accounts and the financial systems; and
- support insurance claims in the event of fire, theft, vandalism or other mishaps

The Asset Registers should include the following information:

- date of acquisition
- supplier of asset
- description of the asset including serial number or other identifying details
- cost
- location of asset
- proceeds of disposal (if applicable)
- expected useful life of asset

There are two types of Asset register:

The **Fixed Asset Register** is maintained by the Centre Finance team and is used for accounting purposes. It is updated annually at year end when a check is made that assets are still held by schools/centre and have been recorded correctly. It includes items all assets purchased with an individual value over £2,000.

The **School Asset Register** is maintained by the Business Manager and is used to ensure safe custody of assets, record disposals, plan for replacements and support insurance claims. It should be kept up to date and reviewed regularly. At least once a year a spot check should be made that assets exist and have been recorded correctly. It includes assets included on the Fixed Asset Register and items that fall under the threshold for capitalisation (under £2,000) e.g. cameras, printers, laptops, tablets, musical instruments etc, that still need to be recorded.

8.3. Gifts of assets

All fixed assets gifted to schools should be recorded in the accounts as gifted income in the period in which the fixed asset was given. The value placed on gifts in kind should be based on a conservative estimate of their gross value to the school.

Gifted assets are treated and recorded in the asset register in the same way as purchased assets. For further guidance see the **Gifts and Hospitality Policy (Appendix 5)**.

8.4. Security of assets

All assets on the registers should be permanently and visibly marked as school/Trust property where practical. Stores and equipment **must** be secured by means of physical and other security devices. Only authorised staff may access stores.

8.5. Disposals

Items to be sold or disposed of **must** be authorised for disposal by the Business Manager in schools or the DCAT COO for DCAT Centre and the best possible value **must** be obtained. Where they have significant value, they should be sold by competitive tender or auction. Disposals **must** only be approved in line with **Authorisation levels (Appendix 2)** and must be recorded on the appropriate asset registers. Disposal of assets included on the Fixed Asset Register must be notified to Centre Finance.

Disposal authorisation should include justification that the asset is no longer of use to the school. Disposal of equipment to staff is not encouraged, as it may be difficult to prove that the school is obtaining best value. In addition, there are complications with the disposal of computer equipment, as the school/DCAT Centre must ensure that software licences are transferred legally to the new owner.

Any disposals of land and buildings **must** be agreed by the DCAT COO as they will need to be approved in advance by Trustees and will require approval from the Secretary of State. The proceeds of disposal (if applicable) or the value on disposal must be recorded on the appropriate Fixed Asset Register.

8.6. Loan of assets

Property may not be removed from the premises without the authority of the Headteacher, Business Manager or DCAT COO. The loan **must** be recorded and kept by finance staff and the item booked back when it is returned. A record of the loan should be kept on the HR & Payroll system.

If assets are lent for extended periods or frequently to a single member of staff, a 'benefit-in-kind' may arise for PAYE purposes. Loans should therefore be kept under review and discussed where necessary with the COO. When an employee leaves the Trust, all loaned property **must** be returned and evidenced.

9. Premises

It is the responsibility of the Site Manager (or equivalent) to commission the day-to-day maintenance of the school site to a standard appropriate for a DCAT school. Damage to school premises should be dealt with promptly to avoid further damage and additional costs.

The Site Manager should report damage to the Business Manager who will take appropriate action. Expenditure should be authorised in line with the delegation of authority rules shown in **Authorisation levels (Appendix 2)**.

Any significant property-related issue which is likely to compromise the safety and wellbeing of pupils, teachers and visitors, or places the school at risk of closure, **must** be reported to the Centre Estates and Facilities team immediately.

Business Managers **must** seek to consult the Centre Estates and Facilities team prior to any significant refurbishment/construction work required on site.

A property condition survey will be organised by Centre Estates and Facilities team every three years, using qualified surveyor, to identify a longer-term program of repairs and maintenance. The Headteacher should, at least annually, conduct a full site survey.

10. Insurance

All schools **must** be signed up to the Risk Protection Arrangement (RPA) Scheme.

Where additional insurance policies are needed to cover areas not under the scope of the RPA, it is the responsibility of the individual school to arrange for this. It is vital that the insurance procured is competitive and does not result in schools paying for policies already covered under the RPA.

Where additional insurance policies are taken out for staff absence cover, regular reviews **must** be undertaken to assess the value for money the policy provides.

11. Value Added Tax (VAT)

DCAT is not VAT registered as its taxable (Business) turnover does not exceed the registration threshold.

Without VAT registration, trusts can still reclaim VAT on revenue and capital expenditure to support their non-business activity via a VAT126 Return. VAT returns are completed by Centre Finance on a quarterly basis to recover VAT incurred.

Purchases should be posted to the purchasing system with the correct VAT rate as the VAT incurred is generally reclaimable. VAT is automatically posted to the purchase VAT control account and does not appear in schools' management accounts as only the net amounts are recorded against income and expenditure account codes. There are some circumstances when VAT cannot be reclaimed below which should influence purchasing decisions. Business managers **must** ensure that transactions are processed with the correct VAT code and that they provide VAT registration details for VAT registered new suppliers.

11.1. When VAT can't be reclaimed

VAT cannot be reclaimed if the following apply and VAT should not be applied in the purchasing system:

- Purchases are made outside of the UK
- A Tax invoice is not held – for this reason tax should not be entered against a pro forma invoice or till receipts as these are not tax invoices, tax can only be adjusted once a VAT invoice is received
- The supplier is not able to provide a VAT registration number (in these circumstances only the net amount can be paid)

11.2. VAT disbursement

Whilst most transactions within the Trust are classed as non-business, some elements are classed as business activity. Trusts are not permitted to claim back input VAT on revenue and capital expenditure incurred to support their business activity. To ensure that the Trust does not claim back more VAT than is appropriate the Trust has a policy to apply a percentage reduction to each VAT reclaim. This percentage is based on the ratio of business to non-business activity within the Trust each year.

The reduction in VAT reclaim is disbursed across the Trust based on pupil numbers, DCAT centre is included in this calculation on an equivalent level based on its overall income. The VAT disbursement journal is posted on a quarterly basis.

12. Borrowings

No school/centre is empowered to use loan financing or similar. An exception to this is with regards to approved Energy Efficient loan schemes approved by the DfE (Salix loans).

Purchasing cards **must** always be paid in full each month by a duly authorised Direct Debit. The holders of DCAT purchasing cards may not under any circumstances borrow money using these cards. All purchases **must** be paid off in full each month to prevent any interest charges being levied. Any school/DCAT Centre desiring loan finance or similar should consult the DCAT COO.

13. Day to day, Month End and Year End Procedures

For budget monitoring information to be produced, the finance accounting system **must** be kept up to date and reviewed for accuracy. Centre Finance and Business Managers **must** undertake the day to day, month end and year end procedures set out in **Appendix 10** in accordance with the deadlines in the Finance Calendar.

14. External liaison

Since DCAT works with several local authorities, it will be the responsibility of individual schools to lead on all matters with their local authority. Where there are areas of wider concern, these can be dealt with by DCAT Centre.

DCAT Centre leads on all discussions with the DfE/ESFA and other central government bodies as appropriate.

Where areas of expenditure or actions are required to be passed to the Secretary of State for the DfE for their formal prior approval or notification then this should be done by DCAT Centre. The areas that this would cover include:

- any guarantees, indemnities and letters of comfort entered into
- write-off of debts or liabilities owed to the school over £45,000
- any ex-gratia payments
- any freehold land or building sales or purchases
- the grant or take-up of any leasehold or tenancy agreement for more than three years
- finance leases or other borrowings
- any loss arising from suspected theft or fraud exceeding an amount set out in the annual funding letter

15. Financial Protection and Malpractice

All staff, Trustees and Local Governors should adhere to the **Principles of Ethical Standards in Public Life (Appendix 3)**. All schools should promote a zero tolerance to fraud at all levels. A culture of anti-fraud awareness should be maintained with regular training on identifying Fraud. Please refer to the **Anti-fraud, Corruption and Bribery Policy (Appendix 4)**.

All staff have responsibility to protect the assets of the school. As such, the school ensures that staff have a mechanism by which to report suspected fraud.

In addition, the management of the school **must** also have the means to investigate such cases. Please refer to the **Anti-fraud, Corruption and Bribery Policy (Appendix 4)**.

15.1. Whistleblowing

Whistleblowing inside the workplace is the reporting by workers or ex-workers of suspected wrong- doing such as fraud, malpractice, mismanagement, breach of health and safety law or any other illegal or unethical act either on the part of management, the Local Governors, the Trust or by fellow employees.

The Public Interest Disclosure Act 1998 is designed to protect whistle blowers from detriment and unfair dismissal. The people protected by the Act include workers, employees, third party contractor staff, agency workers and work experience providers.

There is a balance to be struck between the right of the individual member of staff to speak freely on a range of matters and the right of the school or colleagues to protect themselves against false and malicious accusations.

As such, the Trust has a **Whistleblowing Policy** which details how concerns about malpractice may properly be raised within the schools and if necessary, outside the schools. For more information, please refer to the **Whistleblowing Policy**.

Pupils may also have information which should be raised in the public interest and there should be proper procedures in place for them to air their concerns e.g. pupil complaint procedure.

15.2. Theft and fraud

Any suspected fraud or suspected theft **must** be reported to the DCAT COO. The COO will coordinate any investigation and report to the Police and the DfE.

15.3. Cyber security

Cyber crime presents considerable and growing risk to all individuals and organisations, including schools. Staff are required to undertake regular training to ensure they are alert to key risks such as phishing attacks, loss of access to data and bank detail fraud.

Appendices

Appendix I – Glossary

Abbreviation	Definition
BM	Business Manager/ Bursar/ Business Officer
ADP	Academy Development Plan
AIR	Academy Improvement Review Meetings
ARC	Trust Audit and Risk Committee
BACS	Bank Automated Clearance Service
CEO	DCAT Chief Executive Officer
COA	Chart of Accounts
COO	DCAT Chief Operating Officer
DCAT	Diocese of Chichester Academies Trust
DfE	Department for Education
EHCP	Educational and Health Care Pla
ELT	Executive Leadership Team
ESFA	Education and Skills Funding Agency
EVC	Educational Visits Coordinator
GAG	General Annual Grant - the principle element of funding received by schools from the Education Funding Agency
GRN	Goods Received Notice - notification that purchases have been correctly received by the school
Headteacher	A Headteacher or Principal
HMRC	Her Majesty's Revenues and Customs
HN	High Needs
HT	Headteacher
HOF	Head of Finance
IA	Internal Audit
KPI	Key Performance Indicator
LA	Local Authority
LGPS	Local Government Pensions Scheme
MAT	Multi-academy Trust
MSP	Managed Service Provider
NIC	National Insurance Contributions
OJEU	Official Journal of the European Union - an official daily publication from the European Union. A supplement to this journal contains invitations to tender and other documents relating to EU procurement directives.
PAYE	Pay As You Earn
PO	Purchase Order
SEL	DCAT Senior Education Leader
SEND	Special Educational Needs and Disabilities
TPS	Teachers Pensions Scheme
TTO	Term Time Only
VAT	Value Added Tax

Abbreviation	School
ASJ	All Saints CE Junior Academy
BLA	St Blasius Shanklin C of E Primary Academy
CHR	Christ Church CE Primary & Nursery Academy
COL	St Columba C of E Primary School
CPS	Chantry Community Primary School
FRA	St Francis Catholic & Church of England Primary Academy

HAV	The Haven CE Methodist Primary School
HEE	Heene CofE Primary School
HUR	Hurst Green CE Primary School & Nursery
JAM	St James' CE Primary Academy
LCS	Little Common School
LEN	St Leonards CEP Academy
LPS	Lanesend Primary School
MAR	The March CE Primary School
NEW	Newick Church of England Primary School
NIN	Ninfield Church of England Primary School
NOR	Northiam C of E Primary School
PAU	St Pauls CE Academy
SAI	St Andrew's CofE Infant School
SCC	St Catherines College
SED	Sedlescombe
SJJ	St Joseph's CE Junior School
SJI	St Joseph's Infant School
SJM	St John's Meads C of E Primary School
TJS	Tollgate Community Junior School
CEN/DCAT	DCAT

Appendix 2 – Authorisation levels

Value/ limit	Approver level				Other comments/ method
	1	2	3	4	
SCHOOLS: Ordering Goods and Services, including signing of contracts within budget					
Less than £2,000	Budget holder				Assessment of value for money should be made NOTE: Value is based on whole life of contract
Above £2,000 but less than £15,000	Budget holder	Primary: HT Secondary: BM (provided not budget holder)			3 written quotes or approval from COO for less – Quotes/Approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £15,000 but less than £40,000	Primary: HT Secondary: BM	Primary: HOF Secondary: HT			3 written quotes or approval from COO for less – Quotes/approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Value/ limit	1	2	3	4	Other comments/ method
Above £40,000 but less than £150,000	LGB	DCAT COO			Tender process with a minimum of 3 quotes - use of frameworks to be considered. Tender documents plus evidence of LGB/CEO/ARC approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £150,000	CEO, on recommendation of LGB - attach evidence of approval to PO	Trust Audit & Risk Committee			Tender process with a minimum of 3 quotes - use of frameworks to be considered NOTE: Value is based on whole life of contract
CENTRE: Ordering Goods and Services, including signing of contracts within budget					
Less than £5,000	Budget holder				Assessment of value for money should be made NOTE: Value is based on whole life of contract
Above £5,000 but less than £40,000	Budget holder	DCAT COO			3 written quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract

Value/ limit	1	2	3	4	Other comments/ method
Above £40,000 but less than £150,000	Budget holder	DCAT CEO			Tender process with a minimum of 3 quotes - use of frameworks to be considered. Tender documents plus evidence of CEO/ARC approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £150,000	DCAT CEO	Trust Audit & Risk Committee			
School Condition Allowance					
Less than £10,000	Regional Estates Coordinators	DCAT HOOG			Minimum of 2 quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £10,000 but less than £40,000	DCAT HOOG	DCAT COO			3 written quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £40,000	DCAT HOOG	DCAT COO			Tender process with a minimum of 3 quotes - use of frameworks to be considered. Tender documents plus evidence of LGB/CEO/ARC approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £150,000	DCAT HOOG	DCAT COO	DCAT CEO		
BACS Payments					
N/A	DCAT HOF, COO				Segregation of duty to ensure that one person uploads the BACS file and another authorises the payment.
Value/ limit	1	2	3	4	Other comments/ method
Credit Cards					
Any value	Expenditure must be approved by card holders direct line manager, and in line with the authorisation levels for ordering Goods and Services		DCAT HOF for HT card Chair of Trustees for CEO card		NOTE: PO and Statement to be processed through purchasing system
Expenses					
Any value	Expenditure must be approved by card holders direct line manager, and in line with the authorisation levels for ordering Goods and Services		DCAT HOF for HT expenses Chair of Trustees for CEO expenses		NOTE: Schools: Expenses to be processed through purchasing system; Centre: Expenses to be processed through accounts system Accompanying receipts to be attached

Petty Cash					
Less than £100	BM	HT			
Above £100					N/A – Not permitted.
Value/ limit	1	2	3	4	Other comments/ method
Write off bad debts					
Less than £1,000	HT				All avenues of resolution must be exhausted prior to approval
Above £1,000 but less than £5,000	HT	DCAT HOF			
Above £5,000 but less than £10,000	HT	DCAT COO			
Above £10,000	HT	DCAT COO	DCAT CEO		
Schools: Payroll					
Appoint and change existing staff contracts; within agreed budget	HT				
Appoint staff; outside of agreed budget	DCAT SEL	Member of ELT			On Headteacher's recommendation
Approve monthly payroll	BM (countersign)	Headteacher			"Full" report and variance report
Approve changes to Headteacher's pay	DCAT SEL + LGB (Recommendation only)	Trust Pay Committee (Board of Trustees)			
Severance payments	DCAT CEO	Chair of Trustees			
Centre: Payroll					
Appoint and change existing staff contracts; within agreed budget	Line Manager Member of WLT				
Appoint staff; outside of agreed budget	Line Manager Member of WLT	DCAT CEO			
Approve monthly payroll	HR Operations Manager	DCAT CEO			"Full" report and variance report
Severance payments	Director of People	DCAT CEO			

Value/ limit	1	2	3	4	Other comments/ method
Disposal of assets/ stock					
Less than £1,000	Headteacher				
Above £1,000 but less than £5,000	Headteacher	DCAT HOF			Best efforts should be made to determine the validity of the need to dispose the asset. The value of the asset/stock should be assessed and provided to Centre Finance on Disposal and recorded on the appropriate Fixed Asset Register.
Above £5,000 but less than £10,000	Headteacher	DCAT HOF	DCAT COO		
Above £10,000	Headteacher	DCAT HOF	DCAT COO	DCAT CEO	
Above £10,000	Headteacher	DCAT COO	DCAT CEO	Trust ARC	
Purchase or sale of land					
Any	DCAT CEO	ESFA Approval			As per Academies Handbook
Granting any leasehold tenancy or taking up any leasehold tenancy for more than 3 years					
					As per Academies Handbook

The table below shows the approvals process in iCompleat:

Value/ limit	Approver level				Other comments/ method
	1	2	3	4	
SCHOOLS: Ordering Goods and Services, including signing of contracts within budget					
NOTE: whole life contract value applies					
Less than £2,000	Budget holder	HT			Assessment of value for money should be made NOTE: Value is based on whole life of contract
Above £2,000 but less than £15,000	Budget holder	Primary: HT Secondary: BM (provided not budget holder)			3 written quotes – attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £15,000 but less than £40,000	Budget holder	Primary: HT Secondary: BM (provided not budget holder)	Primary: DCAT HOF Secondary: HT		3 written quotes or approval from COO for less – Quotes/approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £40,000 but less than £150,000	Budget holder	Primary: HT Secondary: BM (provided not budget holder)	Primary: DCAT HOF Secondary: HT	DCAT COO + evidence of LGB Approval	Tender process with a minimum of 3 quotes - use of frameworks to be considered Tender documents plus evidence of LGB/CEO and/or ARC approval attached to the PO in iCompleat
Above £150,000	Budget holder	Primary: HT Secondary: BM (provided not budget holder)	Primary: DCAT HOF Secondary: HT	DCAT COO + evidence of DCAT CEO & ARC approval	NOTE: Value is based on whole life of contract
CENTRE: Ordering Goods and Services, including signing of contracts within budget					
Less than £5,000	Budget holder	DCAT HOF or DCAT COO			Assessment of value for money should be made NOTE: Value is based on whole life of contract
Above £5,000 but less than £40,000	Budget holder	DCAT HOF	DCAT COO		3 written quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract

Above £40,000 but less than £150,000	Budget holder	DCAT HOF	DCAT COO + evidence of CEO approval		Tender process with a minimum of 3 quotes - use of frameworks to be considered. Tender documents plus evidence of CEO/ARC approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £150,000	Budget holder	DCAT HOF	DCAT COO + evidence of CEO & ARC approval		
School Condition Allowance					
Less than £10,000	DCAT HOOG	DCAT COO			Minimum of 2 quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £10,000 but less than £40,000	DCAT HOOG	DCAT COO			3 written quotes – Quotes attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £40,000	DCAT HOOG	DCAT COO			Tender process with a minimum of 3 quotes - use of frameworks to be considered. Tender documents plus evidence of CEO approval attached to the PO in iCompleat NOTE: Value is based on whole life of contract
Above £150,000	DCAT HOOG	DCAT COO	DCAT CEO		
Value/ limit	1	2	3	4	Other comments/ method
Credit Cards					
Any value	Expenditure must be approved by card holders direct line manager, and in line with the authorisation levels for ordering Goods and Services		DCAT HOF for HT card Chair of Trustees for DCAT CEO card		NOTE: PO and Statement to be processed through purchasing system
Expenses					
Any value	Expenditure must be approved by card holders direct line manager, and in line with the authorisation levels for ordering Goods and Services		DCAT HOF for HT expenses Chair of Trustees for DCAT CEO expenses		NOTE: Schools: Expenses to be processed through purchasing system; Centre: Expenses to be processed through accounts system Accompanying receipts to be attached

Appendix 3 - Nolan Report: Principles of Ethical Standards in Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligations to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.

Accountability

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

Openness

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

Honesty

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

Leadership

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

Appendix 4 - Anti-Fraud, Corruption and Bribery Policy

Introduction

The Diocese of Chichester Academy Trust (DCAT) is committed to protecting the public funds entrusted to it so that all resources are used for their intended purpose, the provision of education. DCAT recognises that abuse of school resources, assets and services would undermine its reputation and threaten its financial standing. DCAT will not tolerate fraud, corruption, bribery or any other kind of financial misconduct or irregularity.

The purpose of this policy is to confirm DCAT's commitment against fraud, corruption, bribery and other financial impropriety.

Scope

This policy applies to all staff employed by DCAT, including volunteers, contractors, Trustees, casual and agency staff (collectively referred to as 'employees' for the purposes of this policy).

In this policy, the term 'teacher' refers to classroom teachers, middle and senior leaders.

Equality and accessibility

DCAT is mindful of the obligations under the Equality Act 2010 and this policy will be applied fairly and consistently to all staff, with reasonable adjustments made for those with qualifying disabilities as appropriate.

A copy of this policy and a copy of all relevant documents will be made available for all staff. The policy is also available in hard copy on request and can be made available in large print or other accessible formats if required.

Definitions

Fraud

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006. Fraud is an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator, or for a related person or entity, and/or cause loss to another. It can take place in many ways such as:

- Falsifying or altering accounting records or other documents.
- Suppressing or omitting the effects of transactions from records or documents. · Adding records of transactions that have no substance.
- Wilful misrepresentation of transactions or other Trust affairs.
- Use of the Trust or school's name to procure personal goods and services.

Corruption

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person to act against the interests of an organisation. It also includes the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.

Bribery

Bribery is covered by the Bribery Act 2010 and includes offences such as bribery of another person, accepting a bribe and failing to prevent bribery. It can take place in many ways such as:

- Giving, or promising to give, a payment, gift or hospitality with the expectation that a business advantage will be received.
- Accepting payment from a third party that you know, or suspect, is offered with the expectation that they will gain business advantage from it.
- The above lists are only examples and do not represent a definitive and exhaustive list.

Actions to prevent fraud

DCAT is determined that the culture of the Trust will be one of honesty and opposition to fraud and corruption of any kind.

DCAT expects that all employees at every level will lead by example ensuring adherence to legal requirements, financial rules, codes of conduct and all policies and procedures. Senior managers are expected to reinforce the standards of behaviour required of all employees and ensure that their behaviour is always demonstrably selfless.

DCAT's systems of accountability and control are in place to ensure that all practices accord with the standard of probity required by publicly funded bodies. This includes internal controls to detect significant errors, fraud and corruption.

The actions taken by DCAT to prevent fraud include:

- Segregation of duties in financial systems.
- Clearly defined levels of authority for approving financial transactions.
- Restricted access protections to prevent misuse of information technology.
- Physical security systems to protect the assets.
- Regular assessment of the financial controls to ensure suitability and correct implementation.
- Robust recruitment processes that include screening of potential employees.
- Conducting regular anti-fraud awareness training events for finance employees and other employees as appropriate.
- Clear policies on declaration of interests and accepting gifts and hospitality.
- Communication of this policy and the whistleblowing policy to all employees.

External providers

DCAT expects that all external individuals and organisations (e.g. suppliers, contractors, parents/carers, members of the public, service providers) that it deals with will act with honesty, integrity and without thought or actions involving fraud or corruption. Where relevant, we will include appropriate clauses in contracts about the consequences of fraud, corruption or bribery.

Raising concerns

If any employee has reason to believe that fraud is taking place, or has taken place, they are expected to report it by following the **Whistleblowing Policy**. This describes both the person to whom they should report their concern as well as the protection offered to an employee raising a concern.

Any external third party who has reason to believe that fraud is taking place, or has taken place, should report their concern promptly to the Headteacher or DCAT CEO.

In all cases, the Headteacher must inform the CEO who will in turn inform the Chair of Trustees.

Investigation

DCAT will be robust in dealing with financial malpractice of any kind. The DCAT CEO will appoint an Investigating Officer to carry out a thorough investigation. Advice will be taken from external auditors, IT specialists and HR as needed.

The CEO, as Accounting Officer, will determine if the matter needs to be reported to the police or a professional body.

Confidentiality

The process will be treated with confidentiality. All related documentation will be stored securely and confidentially. Employees involved in investigations or proceedings must treat any related information communicated to them as confidential.

Record keeping

All records and materials relating to these procedures will be kept securely in line with DCAT **Data Retention Policy**.

Appendix 5 – Gifts & Hospitality Policy

Introduction

The acceptance of gifts and hospitality from pupils, parents/ carers, suppliers and potential suppliers must not give the appearance that employees of the Trust or its Local Governors or Trustees may be unduly influenced in the decisions that they make in respect of pupils, parents/ carers, suppliers or in any other aspect of their work. This Policy should be read in conjunction with the DCAT **Conflict of Interest Policy**.

All gifts and hospitality given or received, over the value of £50, must be entered in the Register kept by the leadership team.

No personal gifts should be accepted from a pupil, parent/ carers, supplier or potential supplier without express permission from your line manager.

A Hospitality and Gift Register to record gifts and / or hospitality accepted and details of any gifts/ hospitality refused is held in each school and by DCAT Centre.

Receiving Hospitality and Gifts

If trustees, staff and governors of the Trust are approached with a view to a gift being made or hospitality offered, the gift or hospitality should be politely refused citing the Trust's policy. The approach should firstly be reported to the Head teacher of the school who will advise on whether any further action should be necessary. The Headteacher should then inform the DCAT CEO with a comment/report being made in the Register.

It is common and cultural for appreciative parents/carers and pupils to register their thanks for the work of staff in the form of a small personal gift. If these are reasonably valued at less than £25, no reference is necessary to senior staff or record made in the Register. NB: Cash, gifts vouchers and any other items deemed to be of direct monetary value are taxable and need to be declared to HMRC for taxable purposes. However, this does not apply where a voucher exchange can be made for a specific item or service i.e.: not to be 'cashed'.

Seasonal gifts of nominal value e.g.: calendars, diaries, need not be added to the Register.

If a significant gift is made or arrives, where it is not possible for it to be refused then the Trust/school should arrange for it to be returned with a polite explanation of the Trust's policy. This should be recorded in the Register.

When a more valuable gift, benefit or service is offered which is for the benefit of the school and/or Trust rather than an individual then it must be referred to the CEO. Then, details must be added to the Register.

Hospitality in the form of working lunches with light refreshments are perfectly acceptable and are viewed as staff subsistence. These should not be confused with corporate hospitality.

If Trustees, staff and governors of the Trust are offered hospitality or gifts whilst involved in the procurement of goods, services, tenders for work or when liaising with anyone conducting business with the school/Trust other than light refreshments it is their responsibility to report this within a week to first the Headteacher/CEO before accepting such a benefit. A report should be added to the Register. In some exceptional circumstances an additional report to the CEO may be required.

If not accepting a gift would cause a cultural offence, then the item should be accepted, but reported as soon as possible. The Headteacher or CEO should then add it to the Register and decide whether it would be appropriate for it to be donated to charity; raffled in a school fair or displayed for the education of pupils.

Where a gift is accepted on behalf of the school or Trust, the gift remains the property of the school or Trust. Examples of gifts or hospitality that should not be accepted are: -

- cash or monetary gifts
- gifts or hospitality offers to a family member
- gifts or hospitality from a potential supplier tendered in the immediate period before tenders are invited or during the tender process.

Giving of Gifts

In general, the Trust does not believe that the giving of gifts is appropriate. Staff must never give a gift on behalf of the Trust without the express permission of the DCAT CEO, Deputy CEO, COO or the Trust Chair. If staff seek permission to give a gift, then they must be prepared to explain the reason for which the gift is being given and why the gift is appropriate.

For clarity, the following represent allowable costs that can be incurred by the school/DCAT Centre, and are therefore not captured by the above definition of 'gifts':

- Purchase of flowers, the giving or a charitable donation, or similar, either to a member of staff or an appropriate external party, as a one-off gesture to recognise circumstances such as illness or a 'thank you'.
- Purchase of food, drink (excluding alcohol) or other related items for staff and external individuals where necessary as part of special events – for example parents' evenings, Trust organised meetings or events etc

Such gifts as described above are allowable when appropriate, should not be excessive in terms of costs (e.g. no more than £30 for flowers) and are assumed to be approved.

Non-compliance

In a case where it is believed a member of Staff, Trustees or Governors has not declared a gift or hospitality then a formal investigation should be instigated by the Headteacher, Chair of Governors or DCAT CEO. This may take the form of disciplinary procedure in the case of employees if misconduct is indicated.

It is also an act of potential gross misconduct to seek to influence any other person to behave in an improper way or to confer a business advantage on you or the Trust through the giving of any gift or hospitality.

Raising Concerns

Trustees, Local Governors, employees and anyone acting for, on or behalf of the Trust are an important element in the Trust's defence against fraud and corruption; they are expected to raise any concerns that they may have on these issues where they are associated with the Trust's activities.

The Trust's Senior Management, Trustees and Local Governors, will be robust in dealing with financial malpractice of any kind. Trustees, Governors and employees of the Trust should follow the guidance in the DCAT **Whistleblowing Policy**.

All concerns reported, by whatever method, will be treated in confidence. Concerns should be raised with the Headteacher or DCAT CEO in the first instance except when it relates to the Headteacher or the CEO, in which case the concerns should be raised with the Chair of the Board of Trustees. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by a Headteacher, CEO, the Board of Trustees or, in the case of very serious concerns, the Police or the ESFA.

Appendix 6 - Reserves Policy

Introduction

DCAT will hold reserves to ensure the long-term financial sustainability of the Trust and the schools within it. The purpose of reserves is to ensure that schools and DCAT can:

- operate efficiently and without interruption
- meet all their financial obligations as they fall due
- maintain an adequate contingency for emergencies

Where reserves are held, it is a requirement of the charity accounting regulations that charity trustees must state their reserves policy in their annual report. Further details may be found in - Accounting and Reporting by Charities: Statement of Recommended Practice 2015, commonly referred to as the Charity SORP.

DCAT, as an Academy Trust, as an exempt charity, must comply with these regulations.

Guidance on reserve policies and their reporting requirements is contained in the Education and Skills Funding Agency's (ESFA) annual Academies Accounts Direction.

Each school holds and maintains its own reserves, as does the Trust.

Purpose

The purpose of the reserves policy for the Trust is to ensure its stability. The aim is to protect its operations and have the ability to adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements.

The Trust holds reserves to provide sufficient working capital to cover delays between spending and receipt of grant income, to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long-term sickness where unforeseen costs are incurred and to build up funding for planned future capital projects.



Definitions

Reserves are sums of money held by the Trust and its Schools to meet future expenditure. These comprise of unrestricted and restricted reserves.

- **Unrestricted Reserves** are derived from income funds that are freely available for general purpose use and can be spent at the discretion of the Trustees.
- **Restricted Reserves** are mainly derived from government grant funding through the ESFA but may also include other grants or donations. Restricted reserves must be used in accordance with the limitations outlined in the original funding.

Reserve contributions

There is currently no requirement for additional contribution to the Trust reserves – due to the level of reserves presently held - on an annual basis; though Trustees recognise that this will be reviewed.

Where schools have a negative reserves position, they should aim to ensure that this is at least balanced within an agreed timeframe.

Reserve levels

Trustees believe that the funding received in any one year should be used to support the children on roll at that time unless there is a specific project, which requires the accumulation of funding over more than one year.

We also wish to ensure the stability of our organisational operations and so, reserve levels should enable us to react quickly to changes in financial circumstances, for example a large unplanned expenditure.

Schools should manage their finances so that they accumulate/ maintain appropriate levels of reserves.

- An appropriate level of reserves is considered to be within 5-8% of the schools total GAG funding for the current year.
- Where a school has reserves above 8%, it is expected that there be a plan in order to use these reserves to bring them within 5-8%

The Trust have adopted the following principles with regard to reserves:

- Reserves must have a specific purpose related to future spending or covering current and future risks;
- The size of the reserves should balance the benefit of current spending with the risk the reserves cover;
- The purpose of the reserves should be transparent and maintain the link with the purpose for which the income was given;
- The purpose of the reserves should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues, and;
- Whilst the DfE require reserves to be limited to a level where its use in the future is known, there is an overriding need to ensure that value for money is achieved.

For the purpose of this policy, all reserves are included with the exception of:

- The Fixed Asset Reserves and Pension Reserves (being any deficits in relation to FRS102 pension costs). The Trust plans to meet any contributions towards pension deficits from operational income received each year.

Appendix 7 – Competitive Tendering Policy

1. Introduction

The Diocese of Chichester Academy Trust (DCAT) wants to achieve the best value for money in all its purchasing and contracting. This means the purchase of goods and services need to be of the right quality, quantity and at the best price possible. The DCAT Finance Policy sets out details of the Trust's purchasing policy and the need to follow the fundamental principles of:

- Probity - it must be clear that there is no private gain in the school's contractual relationships;
- Accountability - the school is accountable for its expenditure and the conduct of its affairs;
- Fairness – those that have dealings with the school are treated on a fair and equitable basis;
- Value for money - covering cost of goods or services, quality of good or services and administrative cost (including time) of procurement.

Details of the Competitive Tendering Policy as set out below are as incorporated within the DCAT Finance Policy.

2. Find a Tender Service

From 1st January 2021, Find a Tender Service (FTS) was launched by the UK government and replaced the 'Official Journal of the European Union' (OJEU) as the UK's e-notification service where notices for procurements are now required to be published.

Very heavy penalties apply to contraventions of these regulations. It is thus essential that you undertake procurements in a compliant manner. Additional support and guidance is available from the DCAT COO.

3. Framework Agreements

A framework agreement is an umbrella agreement that sets out the terms (particularly relating to quality and price) under which individual contracts (call-offs) can be made throughout the period of the agreement.

Frameworks are essentially contracts procured by other organisations, such as local authorities, central government departments or public buying organisations that schools and other public sector organisations can call off from. Frameworks can offer the following benefits to school:

- Saves time as the competitive tendering procurement has already been carried out
- Suppliers on the framework will have been evaluated to ensure that they have the capacity, technical and professional ability and economic stability to provide the goods or services
- Lower prices resulting from the aggregated buying power of the wider public sector
- Balanced contract terms should have been negotiated that protect the interests of the school
- Contract management support is often provided by the organisation that awarded the framework agreement

To buy from a framework, depending on how the framework agreement has been structured, you may be able to go directly to a supplier or you may need to carry out a 'mini-competition' among the relevant suppliers on the framework. This is a much quicker and simpler process than procuring a new contract.

2. Requirement to obtain quotations and tenders

Please refer to **Section 5.1** of the DCAT Finance Policy for the DCAT thresholds.

3. Forms of Tender

There are three forms of tender: **open, restricted and negotiated**. The circumstances in which each should be used are described below. Before entering into any tendering process academies should consult the DCAT Head of Finance.

3.1. Open Tender

This is where all interested suppliers are invited to tender. The budget holder must discuss and agree with the DCAT Head of Finance where to advertise e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and avoidance of corruption – but needs to consider the cost of procurement for both school and suppliers and may not therefore be the most proportionate process in all cases.

3.2. Restricted Tender

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

- There is a need to maintain a balance between the contract value and administrative costs;
- Many suppliers might come forward or the nature of the goods is such that only specific suppliers can be expected to meet the requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

3.3. Negotiated Tender

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

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Urgency exists,
- Additional deliveries by the existing supplier are justified.

4. Appointment of Consultants for the provision of major works and/or services

Where the school plans to go out to tender for a major project and does not have the necessary expertise in-house, the Governors, the Headteacher and the DCAT Head of Finance, together with any relevant officer within the school, will draw up a list of consultants with relevant experience and acceptable fees. NB: Any major project must be in-line with the Academy Development Plan. After consultation they will recommend a firm of consultants to the relevant committee for approval for the work to be done. They must ensure that the consultants follow the required tendering procedures as detailed below.

Where consultants are to be employed, the Headteacher will confirm the appointment of the consultants in writing to them following approval by the governors. The fee rates are also confirmed in writing.

5. Invitation to Tender

The School/ consultant will draw up the specification identifying the work to be performed in conjunction with the Headteacher/Principal and any other person with a relevant interest depending on the work to be done, e.g. Senior Leadership Team, Business Manager, Site Manager, ICT Co-ordinator etc.

6. Specification

This should include:

- Scope and objective of the project
- Technical details
- Health and Safety considerations
- Insurance requirements
- Contract
- Payment details
- Logistical details
- Form of response and deadline (date and time) and address for submitting a tender

7. Form of Tender

- The form of tender should include:
- The total contract price including VAT implications
- A breakdown of the price to specific elements of the works
- Time Scale

8. Selection of Companies invited to tender

The appropriate committee will draw up a list of the organisations invited to tender. The list will be reviewed and agreed by the Headteacher, who will check Governors' interests in any of the organisations. The appointed consultants, if employed, or the school will send out invitations to tender.

9. Receipt of Tenders

Tender documents will be sent to the school in plain envelopes clearly marked to indicate they contain tender documents. Envelopes should be time and date stamped on receipt and stored in a safe place prior to opening. More than one person should open all tender documents on the same day. The name of the tenderer and the contract price should be recorded. The written record should be signed by those present at the tender opening.

10. Tender Evaluation

The tenders will be evaluated on the following criteria:

- Compliance with technical and contractual requirements
- Price and VAT implication, ensuring the tender price is the total price and that there are no extra costs.
- Arithmetical check
- Appropriate qualifications of the organisation
- Knowledge of quality of work and reliability and references from previous customers
- Previous experience of similar work
- Previous experience of working with the school
- Time scale involved
- Financial status of the supplier
- After sales service
- Conformity with ethos and policies of the school/Trust.

It is recommended that a scoring matrix is established which identifies and ranks all the requirements from the tender and scores each bid on each component to help reach a decision and provide evidence of how the decision was made.

In all cases a formal report should be prepared summarising the above.

The relevant Committee will decide or recommend (as appropriate) to the Governing Body the tender to be accepted. Where it is recommended that the lowest tender is not accepted, the rationale behind the decision should be documented.

No work may commence until formal letters of approval are issued.

11. Contracts

Any non-routine tenders or purchases, such as leases, are subject to a contract between the school and the supplier which is to be signed before the contracted work begins or the delivery of goods. NB: All leases must be with DCAT and not individual schools. No operational leases are to be organised with individual schools. Any leases that DCAT give prior agreement for schools to organise should be for a period of 1 year only.

Schools should refer to the Head of Finance for supplier advice regarding procurement of leases for refuse collection, door alarms, reprographics and similar essential services.

The contract(s) should clearly set out (as applicable):

- The scope of work with detailed and accurate specifications;
- The timeline and completion date of the work(s);
- Dates for completion of works;
- Quality controls on work(s);
- The agreed fees/charges and payment date(s);
- Specification of the goods to be delivered (as applicable).

Copies of all contract documentation must be filed in a Contracts Register (held at school level for schools, and at DCAT offices for DCAT Centre purchases).

12. Single Tender Action

A single tender action is where multiple proposals are not sought from the market. A single tender action is only permitted when:

- Specialist expertise or product is required and is only available from one supplier;
- The goods/services to be provided consist of parts/repairs to existing proprietary equipment, where such parts/repairs are specific to that equipment;
- Works, supplies or services are urgently needed for the immediate protection of life or property or to maintain the immediate functioning of the school;
- The service is essential to complete a project and arises as a consequence of a recently completed contract/assignment, where engaging a different supplier for the additional service would be inappropriate/not cost effective; or
- The funding/grant provider has specifically stipulated that a particular supplier or procurement procedure be complied with for the goods/services that are being procured.

In all the above cases, a business case must be approved. Please contact the DCAT COO for further information.

Single tendering still requires a tender document, or a request for proposal to be drawn up to reflect the school's requirement and the supplier must be approached in the same way as if a full complement of tenderers were being given the opportunity to bid for the work.

13. School Staff and Governor Responsibility

No governor or member of staff with a relevant pecuniary interest may take part in any aspect of tendering and awarding contracts. How the governing body acts in overseeing the tendering process is crucial in protecting its integrity and that of the Headteacher and other staff. It is vital that governing bodies are scrupulous in their attention to the details of tendering and contract processes, and that they record their activities properly. Their actions will be routinely audited and scrutinised and may be subject to requests under the Freedom of Information Act.

The Officers Code of Conduct comprises the rules and principles that all employees are expected to comply with in their work. Failure to comply could result in disciplinary proceedings, dismissal and criminal proceedings.

Appendix 8 – Academies Dashboard Assessments guidance

Contained within the Academies Dashboard, the DCAT COO is required to give a grading on Financial Planning and viability.

The following criteria is what drives that grading

A – The year budget viability

- 1 = 2024/25 reserves projection above 8%, with agreed plans for use
- 2 = 2024/25 reserves projection within 5-8%, or above 8% with an agreed plan for use
- 3 = 2024/25 reserves projection shows below 5%, or an agreed reserves deficit
- 4 = 2023/24 reserves projection shows a deficit

B – Current budget on track

- 1 = On track, or performing better than expected
- 2 = Not on track, but forecasting a surplus
- 3 = Not on track, now forecasting a deficit (offset by reserves)
- 4 = Not on track, now forecasting a deficit (exceeds reserves)

C – Reserves (current)

- 1 = Forecast to within 5-8% for Aug22
- 2 = Forecast to less than 5% Aug22
- 3 = Forecast above 8% with a 'managed' reduction from Aug21
- 4 = Forecast above 8% with no reduction forecast, OR negative reserves forecast

D – Nursery viability

- 1 = true net contributor to the main school budget
- 2 = income consistently balances off against staff expenditure only
- 3 = income varies from year-to-year and does not always offset staff expenditure
- 4 = Nursery budget not viable and relies on main school budget to balance staffing costs

Appendix 9 – The DCAT ‘Must’ List

1. Organisational Structure: Responsibility for the Policy and Procedures

1. A responsible person, as appointed by the LGB or Trustees, **must** maintain a register of interests to ensure that all Trust and any relevant school staff have appropriately declared any business interests that may have any dealings with the school/centre.
2. All cases of actual or possible related party transactions, irrespective of value, **must** be reported to the DCAT COO
3. Novel, contentious and repercussive transactions **must** always be referred to the COO

2. Strategic and Financial Planning

1. Each school **must** produce an Academy Development Plan (ADP)
2. The ADP **must** be approved by the Deputy CEO and link into the Trust priorities
3. Each school **must** prepare both short-term and medium-term financial plans consistent with the ADP
4. Reserves **must** have a specific purpose related to future spending or covering current and future risks
5. The annual budget **must** be reviewed by the LGB Finance Committee (or equivalent) and recommended to the Board of Trustees for approval
6. As a matter of principle, schools **must** plan for at least a balanced budget having taken into consideration the maintenance of an appropriate level of reserves
7. Schools planning a deficit budget **must** seek approval of the DCAT COO
8. Where a school has negative reserves, the school **must** agree a recovery plan with Centre Finance to restore reserves to between 5-8% of GAG
9. The Business Manager **must** maintain lists of budget holders, their budgets and authorised signatories and provide budget holders with budgetary information
10. Monthly reporting: Commentary **must** be provided by the Business Manager to the Headteacher monthly, and Centre Finance when required, explaining key variances highlighted
11. Where there are significant under/ overspends, the Business Manager **must** review and reforecast the 3 Year Budget Plan to ensure the latest forecasts are accurate
12. All changes to the budget **must** be recorded on the budget tracker. The budget tracker must be shared with school decision makers and Centre Finance.
13. Monthly reports **must** be reviewed by the Headteacher, shared with the Chair of Governors and shared with the relevant Finance (or equivalent) Committee

3. Purchasing/Accounting System

1. All financial transactions **must** be recorded accurately on the purchasing/accounting system.
2. Staff **must** not share their passwords with others under any circumstances.
3. Each school **must** also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data.
4. All transactions **must** be authorised in accordance with the **Authorisation levels (Appendix 2)**.
5. Any unusual or long outstanding reconciling items **must** be identified and reviewed
6. All bank reconciliations **must** be signed and dated by the Head of Finance
7. Bank reconciliations **must** be reviewed by the Business Manager

4. Payroll – changes and authorisation

1. The staffing structures of both teachers and support staff **must** be reviewed annually as part of the budgeting setting process.

2. Staff **must** only be recruited/appointed in accordance with the numbers approved in the budget during the budget setting process.
3. Appointments outside of the agreed budget **must** be approved by the DCAT SEL **and** any member of the DCAT Executive Leadership Team.
4. Any personnel changes that are not simple replacements of existing posts **must** be approved in writing by the DCAT SEL and a member of the Executive Leadership Team.
5. Any staff severance agreements/ payments must be approved by the DCAT CEO as Accounting Officer and signed by the Chair of Trustees
6. Payroll details **must** be kept accurately, securely and confidentially
7. Staff **must** not share their passwords with others under any circumstances
8. New starters, contract changes, leavers and temporary inputs e.g. overtime **must** be approved in writing by the Headteacher
9. The approval of the monthly salary payments in schools **must** be authorised by the Headteacher and Business Manager, by way of the full payroll report and previous month variances report being signed and dated. For DCAT Centre authorisation is by the DCAT CEO
10. Payroll details **must** be kept accurately, confidentially and securely
11. All HR and payroll information required by the school and payroll provider **must** be provided in a timely, accurate and complete manner, observing any prescribed timetables
12. The school **must** maintain a personnel file for each employee
13. The Business Manager **must** verify employee changes of bank details
14. The Business Manager **must** advise centre team of changes to employee bank details
15. All changes in personnel **must** be notified in writing to the relevant staff with responsibility for HR and payroll
16. All payroll transactions **must** be recorded accurately on the payroll system
17. All adjustments to the payroll system **must** be actioned in a timely, accurate and complete manner, observing any prescribed timetables
18. Efficient, timely and accurate payments **must** be made to staff
19. Any staff severance agreements/ payments must be approved by the DCAT CEO as Accounting Officer and signed by the Chair of Trustees

5. Expenditure and Procurement

1. Probity: it **must** be clear that there is no private gain in the school's contractual relationships.
2. The Business Manager and Budget holders **must**: comply with the purchasing process outlined in this policy
3. The Business Manager **must** ensure that all purchases and credit notes are processed through the purchasing system.
4. The Trust requires that there **must** be a valid Purchase Order raised for all expenditure (except where this policy specifies a non-purchase order may be processed)
5. Purchase Orders (POs) **must** be appropriately authorised in accordance with the **Authorisation levels (Appendix 2)** and raised via the purchasing system before a commitment to purchase is made and the PO number provided to the supplier for inclusion on the invoice.
6. All quotes obtained in accordance with **Authorisation Levels (Appendix 2)** and any supporting documentation **must** be attached to the Purchase Order in the purchasing system
7. Purchase orders within the purchasing system **must** be reviewed monthly
8. Orders over £15,000 and under £40,000: At least three written quotations should be obtained. Written confirmation direct from the supplier of oral quotes **must** be obtained before a purchase commitment is made.
9. Orders over £40,000 and under £150,000: **must** be subject to formal written tenders

10. Orders over £150,000: All orders above the relevant procurement threshold or series of related contracts which in total exceed the threshold **must** be subject to formal tendering procedures set out in this handbook and **must** be published on the 'Find a Tender' service.
11. Any expenditure or purchase of a value over £15,000 that is subject to a contract for services or goods between the school and the supplier **must** be signed before the contracted work begins or the delivery of goods takes place.
12. Any significant spend **must** have an appropriate, signed contractual document.
13. All contracts **must** be signed by an appropriate signatory which is defined by the total contract value.
14. Business Managers **must** maintain a contract register
15. The DCAT COO **must** be notified of all leases before they are signed
16. Purchasing cards: Schools **must** raise a purchase order, reconciling receipts/invoices against the credit card statement. Accompanying receipts/invoices **must** be attached to the purchase order. The statement and accompanying receipts/invoices **must** be processed and approved through the purchasing system.
17. Purchasing cards: Where employees are approving their own credit card expenditure through the purchasing system the Head of Finance/COO **must** also approve the payment.
18. Purchasing cards: DCAT centre staff issued with pre-paid cards **must** upload receipts/invoices for each purchase
19. When money is 'owed' from one DCAT school/DCAT Centre to another, this **must** be processed as an inter-school transfer, rather than an invoice
20. When money is 'owed' by centre to a school, the Business Manager **must** send evidence of the invoice which they have already settled to the Centre Budget Holder to request a recharge
21. Expenses: For centre staff, DCAT expense claim form and all relevant receipts and/or explanatory notes and approval email **must** be processed through the accounts system
22. Expenses: For school staff, DCAT expense claim forms with relevant receipts and/or explanatory notes **must** be processed through the purchasing system.
23. Expenses: If a receipt is not available a note explaining why **must** be submitted and attached to the expense claim in the purchasing/accounts system
24. Suppliers: Schools **must** manage relationships with their suppliers
25. Suppliers: For new suppliers full details **must** be provided to ensure the record is complete and to mitigate risk of fraud
26. Suppliers: Centre Finance **must not** change bank details for a supplier without verifying with the supplier
27. Recharges: The school featured in the address details on the invoice **must** arrange payment

6. Income

1. Schools **must** have a policy on charging pupils to participate in school activities.
2. In any request for voluntary contributions, it **must** be clear that there is no obligation to make any contribution and pupils will not be treated differently whether or not their parents/carers have contributed
3. The Headteacher **must** ensure that the Census is completed accurately and appropriately approved
4. The Business Manager **must** check all pupil driven income to ensure that they properly reflect the Census submitted
5. For High Needs top-up funding Business Managers **must** maintain a log of who the funding relates to and the amounts per child.
6. All contracts **must** be signed by an appropriate signatory which is defined by the total contract value.
7. Where a person working for the Trust (substantive or otherwise) provides consultancy service to a third party through their work with the Trust, any fee earned **must** be passed to the school/DCAT Centre that the individual is contracted with.

8. The EVC/ trip lead, with the support of the school office, **must** carefully cost out the trip to ensure it is financially viable and affordable for parents/carers ensure that adequate records are maintained
9. Any refunds/rebates for a particular trip **must** be notified to the Business Manager who should use the payment system to process a refund
10. Any letting of the school's premises may be either commercially or community motivated, or both, and **must** be in line with the ethos of the school.
11. All lettings **must** adhere to the **Lettings Policy**.
12. New letting proposals **must** be approved by the Business Manager and the Headteacher and are subject to contract, which **must** clearly outline the agreed letting fees, duration of the contract, any break-out clauses (as applicable) as well as any other terms and conditions.
13. A financial analysis **must** be prepared showing the expected income and related costs
14. Schools should avoid using cash wherever possible and it **must** only be accepted in exceptional circumstances.
15. The Business Manager **must** review the Aged Receivables report and take action as appropriate to recover any outstanding debt

7. Cash Management

1. All signatories listed on the bank mandate **must** provide specimen signatures to Centre Finance
2. Authorised signatories **must** not approve payment relating to goods or services for which they are being reimbursed.
3. BACS or Bank Transfer payments **must** allow for at least two levels of authorisation (e.g. inputter, first approver and second approver).
4. Cheques and cash payments **must** not be used for goods/services.
5. Purchasing card holders **must** provide all accompanying receipts monthly
6. Purchasing card statements **must** be reconciled monthly
7. All purchasing card balances **must** be either pre-paid or paid off in full by Direct Debit.
8. The holders of purchasing cards **must** not under any circumstances borrow money using these cards
9. The school **must** not borrow money outside DCAT
10. Expenses **must** only be reimbursed by BACS. Petty cash cannot be used to reimburse expenses
16. Bank accounts **must** be reconciled at least monthly as part of the month end procedures
17. Schools should avoid using cash wherever possible and it **must** only be accepted in exceptional circumstances
18. Cash and cheques **must** be carefully controlled by finance staff, kept in the finance office safe until banked, with the keys held by named individuals
19. Cash received should not be kept with petty cash and separate records **must** be held for both
20. Monies collected **must** be banked in their entirety on at least a termly basis or more regularly if required
21. Details of all deposits **must** be entered on a copy paying-in slip, counterfoil or listed in a supporting book
22. Schools **must** not hold more than £1,000 cash on site / in transit
23. The Business Manager is responsible for ensuring the cash is reconciled at least weekly during which the cash **must** be physically counted. The count should be completed with two people present, who **must** both sign the reconciliation.
24. All requests for petty cash **must** be authorised by the appropriate budget holder and supported by receipts. This authorisation **must** be given before the petty cash is withdrawn and cannot be given retrospectively
25. Schools **must** not hold a balance of more than £200 in petty cash

26. The Business Manager is responsible for ensuring the petty cash is reconciled at least weekly, during which the cash **must** be physically counted. The count should be completed with two people present, who **must** both sign the reconciliation.

8. Fixed Assets

1. All assets purchased with an individual value over £2,000 **must** be capitalised and entered in the fixed asset register unless they are being fully funded from capital income.
2. All purchases of fixed assets **must** follow the delegation of authority rules as detailed in the **Authorisation levels (Appendix 2)**.
3. Stores and equipment **must** be secured by means of physical and other security devices.
4. Items to be sold or disposed of **must** be authorised for disposal by the Business Manager in schools or the DCAT COO for DCAT Centre and the best possible value **must** be obtained. Where they have significant value, they should be sold by competitive tender or auction.
5. Disposals **must** only be approved in line with **Authorisation levels (Appendix 2)**
6. Disposal of assets included on the Fixed Asset Register **must** be notified to Centre Finance.
7. Any disposals of land and buildings **must** be agreed by the DCAT COO.
8. The loan [of assets] **must** be record by finance staff and the item booked back when it is returned.
9. When an employee leaves the Trust, all loaned property **must** be returned and evidenced.

9. Premises

1. Any significant property-related issue which is likely to compromise the safety and wellbeing of pupils, teachers and visitors, or places the school at risk of closure, **must** be reported to the DCAT Head of Operation & Facilities/ DCAT Estates and Facilities Lead immediately.
2. Business Managers **must** seek to consult the DCAT Head of Operation & Facilities/ DCAT Estates and Facilities Lead prior to any significant refurbishment/construction work required on site.

10. Insurance

1. All schools **must** be signed up to the RPA Scheme, unless specifically agreed otherwise.
2. Where additional insurance policies are taken out for staff absence cover, regular reviews **must** be undertaken to assess the value for money the policy provides.

11. Value Added Tax (VAT)

1. Business managers **must** ensure that transactions are processed with the correct VAT code and that they provide VAT registration details for VAT registered new supplier

12. Borrowings

1. Purchasing cards may be issued to schools but **must** always be paid in full each month by a duly authorised Direct Debit.
2. All purchases **must** be paid off in full each month to prevent any interest charges being levied.

13. Month End Procedures

1. In order for budget monitoring information to be produced, the finance accounting system **must** be kept up to date and reviewed for accuracy. As such, month end procedures are required as set out in this policy and in the Finance Calendar.
2. Business Manager **must** review the previous month “spotlight” reports and provide commentary on the variances; updating the latest forecast as required.

14. Year End Procedures

1. Accruals, pre-payments and other year end journals **must** only be posted on the system by Centre Finance

16. Financial Protection and Malpractice

1. The management of the school **must** have the means to investigate cases of financial malpractice
2. Any suspected fraud or suspected theft **must** be reported to the DCAT COO

Appendix 10 – Day to Day, Month End and Year End Procedures

For budget monitoring information to be produced, the finance accounting system **must** be kept up to date and reviewed for accuracy. Centre Finance and Business Managers **must** undertake the day to day, month end and year end procedures set out below in accordance with the deadlines in the Finance Calendar.

Day to Day and Month End Procedures

On an ongoing basis:

1. Process and approve purchase orders, expenses, credit notes and invoices in the purchasing system attaching quotes, notes, receipts, invoices as appropriate and ensuring VAT and account/fund coding is accurate
2. Upload remittances and Arbor settlement statements with coding instructions for reconciliation
3. Update payroll in accordance with payroll calendar deadlines
4. Check payment status for suppliers
5. Check Supplier Statements to ensure prompt and accurate payment of any outstanding payments
6. Update Contracts Register
7. Provide full information for any new supplier requests or existing supplier amendments along with supporting documentation
8. Bank cash promptly in line with this policy and manage the move to a cash free environment
9. Add new starters/leavers, apply contract variations and pay progression and add any temporary inputs and TTO adjustments to ensure accurate and timely pay to staff
10. Maintain a Contract Register and proactively manage contracts to ensure value for money, accurate charging, timely notification of contract end
11. Proactively manage SLAs, licences, leases etc to ensure value for money, accurate charging, timely notification of contract end
12. Apply for insurance claims
13. Comply with financial reporting requirements and submit statutory returns such as Census, Internal Audit, External Audit requirements, Year End workbooks

By schools' month end deadline:

14. Upload any sales invoices requests, parent refund requests, inter-school transfer requests and recoding requests to schools shared folders
15. Process and approve Credit Card Purchase Order and Statement through the purchasing system attaching notes, receipts, invoices as appropriate
16. Review and follow up any outstanding Aged Receivables
17. Review open PO's and delete those no longer required to ensure that commitment and liabilities are not overstated, close any that are completed, and investigate any overmatches or undermatches to ensure that there hasn't been an overpayment made or an invoice overlooked.
18. Update the latest forecast on the budget setting software, accounting for any known staffing changes and any other areas of income/ expenditure that require updating, logging any changes made on the budget changes tracker
19. Review the previous month "spotlight" reports and provide commentary on the variances; updating the latest forecast as required

20. Report on monthly payroll variances and arrange Sign off R1 var + R2 var + Analysis I by Business Manager and Headteacher

After centre month end deadline:

21. Review Bank reconciliation as completed by Centre Finance

Centre Finance **must** ensure, in addition to complying with the above deadlines for centre:

On an ongoing basis:

1. Publish and maintain the chart of accounts and update across all systems
2. Ensure invoices /expenses/credit notes/credit card statements are captured in the purchasing system and submitted to schools for approval
3. Reconcile bank accounts and prompt schools for required paperwork
4. Maintain supplier records in the accounts system
5. Process BACS payments applying credit notes and send remittance advice to suppliers
6. Upload credit card statements
7. Approve Headteacher Credit Card statements and expenses through the purchasing system
8. Review spotlights with schools

By centre month end deadline:

9. Post ESFA Income
10. Action Sales invoices requests, parent refund requests, inter-school transfer requests and recoding requests uploaded to schools shared folders
11. Complete Bank reconciliation for all accounts and upload Bank Reconciliation reports and bank statements to shared folders
12. Review and clear Control accounts
13. Review Cashflow
14. Post Payroll journals
15. Post monthly journals relating to management charge, apprenticeship levy, staff recharges, child care vouchers
16. Upload Purchase Order reports to shared folders
17. Upload Aged Receivables reports to shared folders
18. Upload latest budgets to accounting system

By Spotlight deadline:

19. Run Spotlight reports and provide commentary on the variances

Other:

20. Submit VAT Return
21. Reset bank balances
22. Process Teacher Pension Tasks
23. Process returns

Year End Procedures

The DCAT COO is responsible for preparation of the statutory accounts and annual returns to the ESFA. Centre Finance will issue Year End procedures and guidance to schools. This guidance will set out the timetable for close down and any processes that schools should follow.

As DCAT is one legal entity, individual schools are not required to produce full annual report and accounts. Instead, the school results are consolidated into the accounts for DCAT as a whole. However, the schools will be required to provide supporting schedules and back up information for their individual Trial Balances in accordance with the Year End timetable circulated. A full year-end exercise to check income and expenditure postings, prepayments, accruals and to be able to provide evidence for all balance sheet figures is required. This is to ensure that income and expenses are matched to the period to which they relate, transactions are coded in a consistent manner across the trust, assets and liabilities are correctly reported, and information included in the final accounts is relevant and provides a faithful representation of the trust in this period. Accruals, pre-payments and other year end journals **must** only be posted on the system by Centre Finance.

School finance staff will be required to aid internal auditors. Auditors will be appointed by DCAT Centre. The audit will investigate whether current practices are in line with the DCAT Finance Policy and best practise, identifying areas of non-compliance and risk and recommending improvements for the Trust to undertake.

School finance staff will be required to aid external auditors. External Auditors will be appointed by the Board of Trustees. The audited and signed accounts will be filed with the DfE and Companies House by Centre Finance and held on the DCAT website. Schools' websites should contain a link to the DCAT website so that stakeholders can view them.

