



Finance Policy (Handbook)

September 2022

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Finance Policy

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DCAT Statutory Policy	✓
DCAT Non-statutory Policy	
DCAT Model Optional Policy	
Academy Policy	
Local Authority 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)

Our vision of helping every child achieve their God-given potential is aligned with the Church of England's vision for education and is underpinned by the Bible verse from John: *I have come that they may have life, and have it to the full.*

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 Academy Business Manager/ Bursar, or where a school has these functions provided by the Trust, the Academy Business Officer.

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 in to 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.

I.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 Headteacher's of their assigned school
- 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 COO

1.8 The role of the Headteacher: -

- Establish and maintain sound financial systems
- Ensuring that there is a robust system in place in their school for the approval of new starters/ changes/ leavers to payroll
- Sign off the monthly payroll report for approval
- Establish security systems to protect staff
- Present monthly management accounts in the required format to the Local Governing Body and Trust
- work closely with the Business Manager to monitor the budget
- provide costings on the Academy Development Plan which are linked to the budget
- ensure all school staff are aware of this policy
- Monitor the effectiveness of this policy
- Line manage the Business Manager (where applicable)

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

- work closely with the Headteacher and the DCAT Centre Finance to manage an efficient and effective financial system
- be effective in the operation and monitoring of the Trust's Financial Management and budgeting systems
- Prepare monthly financial reports for the LGB and Trust using the Trust's software and workbooks

- attend training and other finance focused events organised by the Trust
- be in regular discussion with all budget holders
- 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
- comply with DCAT Centre Finance monitoring and oversight role

Where schools use the DCAT Centre Finance Business Officer service, the above is assumed by the DCAT Academy Business Officer.

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 contain a summary of the findings and contain a list of 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 MLP.

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/DCAT 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 are 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/DCAT 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/DCAT 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 a detailed documentation 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 Plan, 7 Year Strategy, annual priorities and vision for becoming a Leading Trust by 2025. These documents detail the vision, mission and values of the Trust as well as the key priorities for the next three-year period.

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 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 established to ensure it can be submitted on time to the DfE as per its timeline.

2.1. Reserves policy

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/DCAT Centre can:

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

Each school/DCAT 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 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, in order 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 present a plan to the Trust with a short-medium term plan of action on how to recover the position and maintain reserves to between 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.

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

2.2. Annual budget process

Headteachers are responsible for their school's financial planning. This means the preparation and approval of the annual budget 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-making process.

The annual budget **must** be presented to and approved 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 to be presented to and approved by the LGB.

In order to provide assurance to the Trust, it is important that there is close liaison between the school and DCAT Centre in the preparation of the annual 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 DCAT Centre functions are deliverable within the overall management fee collected.

Budget setting timetable

March	<p>Instructions to schools on the annual budget process, with any assumptions that should apply across all schools, including confirmation of management fee level.</p> <p>ESFA issues final funding allocations covering pre- and post-16 provision.</p>
April	<p>Schools consider the first draft of their budgets; presenting it to the local Finance (or equivalent) Committee.</p> <p>DCAT CEO determines budget for DCAT Centre.</p>
May	<p>Schools submit their draft budgets to DCAT Centre Finance.</p> <p>Discussion held between schools and DCAT Centre Finance regarding their draft budgets.</p> <p>Draft budgets to be approved by the local LGB.</p> <p>Schools submit their final approved budgets to the Trust.</p>
June	<p>Trust Audit & Risk Committee to review consolidated budget, recommending approval to the full Board of Trustees.</p> <p>Board of Trustees to review and approve the consolidated budget.</p>
July	<p>DCAT Centre Finance submits approved consolidated budget to ESFA.</p>
Other	<p>1st September – new financial year starts.</p> <p>October/ November – External Audit.</p> <p>October Census – drives pupil funding for following year</p> <p>November - School Workforce Census</p> <p>By end of December – carry forward figures for individual schools confirmed.</p> <p>31st December – audited accounts for previous year submitted to ESFA</p> <p>September & January – schools submit a re-forecast budget to DCAT Centre Finance</p>
Monthly	<p>Updated forecasting, including cashflow forecasting, completed</p>

All significant risks that may impact on the financial viability of DCAT Centre/individual schools will need to have been recorded and the financial impact considered and mitigated where possible (see 3.7 below).

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 annual 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 shall incorporate the following elements:

- pupil numbers used to calculate the ESFA grants receivable
- review of all other income sources to assess likely level of receipts
- review of the curriculum to establish efficiency in proposed staffing levels
- review of past performance against budgets to make the income and cost base clear
- identification of potential efficiency savings, and
- review of the main expenditure headings in the light of ADP objectives and expected cost variations e.g. pay increases and inflation.

It is important that any new projects proposed are robustly challenged and 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, taking into account 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.

2.4. Medium-term financial planning

DCAT requires schools to create a Medium-Term Financial Plan (MTFP). This financial plan will look at the school's expectations for income and expenditure over the coming three-year period. The MTFP should be updated annually, adjusting the expectations in the light of new information on pupil numbers and longer-term school improvement and development aspirations.

The Business Manager will use budget planning tools as determined by DCAT Centre Finance to prepare three-year MTFPs. 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 MTFPs at the same time as their future year budget plan for consideration by the Board of Trustees.

2.5. Communicating the budget

Each budget line (account 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 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. During the year, the Business Manager will produce forecasts to project the expected outturn for the year as accurately as possible.

All schools will be expected to deliver in line with the budget, or better, as approved by the Trustees.

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 annual budget.

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 DCAT 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
- Updated forecast of the expected outturn for the full academic year
- “Spotlights” on the key areas of concern
- Commentary on broad trends
- Benchmarking against trends across the whole Trust
- Detailed report of income and expenditure, actual against budget and actual against latest forecast budget where there are concerns

Commentary **must** then be provided by the Business Manager to the Headteacher and DCAT Centre Finance explaining the key variances highlighted. The spotlight reports, and subsequent commentary, will be shared at the Trust AIR meetings.

Where there are significant under/ overspends, the Business Manager **must** review and update the budget software to ensure the latest forecasts are accurate.

Monthly reports **must** be reviewed by the Headteacher, shared with the Chair of Governors and shared with the relevant Finance (or equivalent) Committee.

Corrective measures should be taken to ensure that the authorised budget is not exceeded.

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 7**).

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 coding structure used by all schools will be set by DCAT Centre Finance, to ensure ease of consolidation and consistency of reporting. This will be done after taking into account the requirements of individual schools as much as possible without jeopardising the overall desire for consistency.

It is the responsibility of the finance staff in schools/DCAT 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. DCAT 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 DCAT Centre Finance. The main principles are:

- A capitalisation threshold of £2,000.
- Capital purchases will be recorded using the capital purchases account codes in order 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 DCAT 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 DCAT Centre 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 DCAT 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 or fund code and for posting the payroll journal. To ensure proper segregation of duties, journals are only made by DCAT Centre Finance and one member of the St Catherine's College Finance staff.

3.4. Reconciliations

DCAT 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
- VAT control account
- all bank accounts

Any unusual or long outstanding reconciling items **must** be identified and reviewed. Cheques not cashed after six months should be written back and reissued if appropriate.

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 annual contracts paid in a lump sum for the 12-month period spanning an academic year (e.g. licence for April through to March), quarterly payments for a contract in arrears splitting the year or income received in the new academic year, but relating to the previous one.

However, accrual and pre-payment journals **should** be made for those over the value of £2,500 during the financial year. Accruals and pre-payments are posted on the system by DCAT Centre Finance only.

4. Payroll – changes and authorisation

4.1. Staff appointments, changes and resignations

Headteachers have the authority to appoint and change existing staff contracts within structures that form the agreed annual school budget. The Headteacher is responsible for ensuring that there is a robust system in place in their school for the approval of new starters/ changes/ leavers to payroll.

Appointments outside of the agreed budget **must** be approved by the DCAT SEL **and** any member of the Executive Leadership Team.

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 and recommend this for approval to the DCAT COO which will be reviewed by the Pay Committee of the Board of Trustees.

Schools, such as Secondary Schools, are welcome to include an additional layer within their own local pay committee, annually reviewing the performance management process and decision making.

The performance appraisal and pay of the Headteacher is set by the Pay Committee of the Board of Trustees following recommendations from the DCAT SELs in conjunction with the LGB.

DCAT Centre staff are appointed by the DCAT CEO, whilst the CEO is appointed by the Trustees. Performance appraisal and pay of DCAT Centre staff is set by the CEO. The performance appraisal and pay of the CEO and other Executive Leaders is set by the Pay Committee of the Board of Trustees.

Staff **must** only be recruited/appointed in accordance with the figures approved in the budget during the budget setting process. The staffing structures of both teachers and support staff will be reviewed annually as part of the budgeting setting process. 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.

Any staff severance payments need to be approved by the DCAT CEO as Accounting Officer and signed by the Chair of Trustees, 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.

When considering DCAT Centre staff, the CEO assumes the responsibilities of the Headteacher set out above.

4.2. Payroll administration

The payroll budget is the largest element of expenditure from the Trust's budget and therefore needs to be effectively managed. Schools/DCAT Centre **must** ensure that payroll details are kept accurately, confidentially and secure.

The Trust has a single payroll contract for all its schools. Section 4.3 sets out a number of good practice guidelines which DCAT expects to be implemented to help deliver efficient, timely and accurate payments to staff within the regularity framework; as required by the Board of Trustees.

These guidelines are not exhaustive and the Trust recognises that the individual arrangements within each school/DCAT Centre will be different. As such, DCAT does not seek to prescribe the exact arrangements for the payment of staff within each school, with the exception of how payroll is approved.

The approval of the monthly salary payments in schools **must** be authorised by the Headteacher, 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.

4.3 Guidelines for the payment of staff

All staff members are paid monthly, on the last working day of the month.

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.

The school **must** maintain a personnel file for each employee which **must** include details of:

- salary
- pension details
- bank account details
- taxation status
- personal details/application form
- appointment offer letter
- signed contract of employment
- any deductions or allowances payable
- any contract variations
- any agreed reasonable adjustments
- two references/three for management positions, and
- safeguarding and right to work information

All changes in personnel **must** be notified in writing to the relevant staff with responsibility for HR and payroll. Staff changes will include:

- appointment
- 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
- any agreed reasonable adjustments.

The relevant staff with responsibility for HR and payroll **must** ensure that they have:

- all necessary paperwork from the employee, the Headteacher/SLT member in the correct format
- notified the nominated payroll provider of all changes impacting on the payment of staff
- checked any payroll reports produced by the payroll provider
- secured the correct level of authorisation/signatures/approval as per the required **Authorisation Levels (Appendix 2)** from the Headteacher, Deputy or Business Manager to all aspects of the payroll before releasing it for payment by the nominated payroll provider.

The payroll provider will be contracted to:

- process the monthly payroll
- issue relevant timely and accurate payroll reports
- pay the payroll
- produce payslips for all members of staff
- produce an annual summary of all payments made to staff.

DCAT recognises that the Business Manager and finance staff will play a significant role in the HR and payroll process. The Business Manager and DCAT Centre Finance **must** ensure that:

- all HR and payroll processes are well documented and suited to the particular circumstances of the school
- all relevant payroll and HR related staff are aware of their individual responsibilities
- payroll payments are made with the appropriate level of authorisation as set out in required **Authorisation Levels (Appendix 2)**
- all necessary monthly reconciliations of control accounts have been carried out

4.4. Payments

All salary payments are made by BACS on the last working day of the month.

The Business Manager/DCAT Centre Finance will conduct regular monthly reviews to ensure that there are no inconsistencies in the payments and amounts paid are accurate. In particular, payments which are materially different from previous months should be checked.

The payroll system calculates the deductions due from payroll for tax, National Insurance contributions, pension contributions and other reasons, such as childcare vouchers. The payroll provider will arrange payment of the monthly PAYE/NI, Teachers Pension Scheme and Local Government Pension Scheme contributions.

The approval of the monthly salary payments in schools **must** be authorised by the Headteacher. DCAT Centre payroll is authorised by the DCAT CEO. See details in 4.2.

4.5. Reports

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

DCAT 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.

DCAT 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

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

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

5. Expenditure and Procurement

DCAT Centre/schools 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 DCAT 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. From time to time, DCAT Centre may initiate central procurement of significant items or contracts in consultation with schools.

The buyer **must** ensure that all purchases are made through the purchasing system.

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.

The Trust requires that there **must** be a valid Purchase Order raised for all expenditure, although it is understood that there are many situations where this is impractical. This may include purchases made for food and drink used in a school catering operation, utilities (electricity, gas and water) and emergency call-outs for tradesmen (plumbers, electricians etc) or emergency supply cover. In circumstances where POs are not raised we expect the school to ensure that the authorisation hierarchy is being adhered to. Please see **section 5.1** for more information.

The following section sets out a number of financial rules which the Trust expects staff to implement to help them deliver effective procurement processes required by the Board of Trustees.

For expenditure relating to projects funded through the School Conditions Allowance, please see **Authorisation levels (Appendix 2)**.

5.1. Routine purchasing responsibilities

Purchase Orders (PO) **must** be appropriately authorised as per the required **Authorisation Levels (Appendix 2)** and raised via the purchasing system, before a commitment to purchase is made. The PO number **must** be provided to the supplier so that it can be included on the invoice.

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

Where there are annual contracts that are paid in instalments (monthly/quarterly, for example) a PO for the entire contract amount **must** be raised. This may be split into separate POs for different years if the contract spans more than one academic/financial year.

Where non-purchase order invoices are received (for example, energy costs/emergency call outs) a PO for estimated costs **should** be raised.

The Business Manager/finance staff and DCAT Centre Finance **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.
- Maintain purchase order and invoice processing through the purchasing system, uploading quotes/any other supporting documentation to the purchase order.
- Check invoices prior to payment to confirm:
 - they are arithmetically correct
 - posted to purchase ledger
 - that goods have been received
 - that prices are correct
 - that the Invoice is authorised for payment according to the required **Authorisation levels (Appendix 2)**
 - the payment date.
- Approve payments to Suppliers in a timely fashion through the purchasing system.

DCAT Centre Finance **must**:

- Arrange a weekly BACS payment for invoices approved through the purchasing system.

Budget holders **must**:

- Seek quotations for all expenditure 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 relevant Business Manager/finance staff of goods returned to the supplier.
- Pass Invoices (and credit notes) promptly to the Business Manager/finance staff for processing.
- Inform the Business Manager/Finance staff if there are any disputes with suppliers.

5.2. Orders up to £15,000

For orders up to a value of £15,000, an assessment of value for money should be made and, ideally, quotations obtained from different suppliers. These may take the form of a printout of a web-based search, or an email from or note of telephone calls with suppliers.

For orders under £2,000 no record of the assessment need be retained. For orders over £2,000 a record of the assessment should be obtained. Where less than 3 quotations are sought, a note as to why should be kept alongside the PO on the purchasing system.

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

Where appropriate, 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 is acceptable. Business Managers should upload quotation details to the purchasing system for audit purposes.

5.4. 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.

5.5. Orders above £150,000

All transactions over the £150,000 procurement threshold need to be authorised by the Trustees of DCAT through a Trust Board 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 & Governors 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.

5.6. Single Tender Action

Procuring without undertaking the necessary competition 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)**.

5.7. Non-Purchase Order Invoices

In limited circumstances, non-purchase order invoices may be processed. This is restricted to items such as utility costs and emergency call out for repairs or supply cover.

However, wherever possible – even when using estimated costs – POs **must** be raised.

5.8. 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 as a means to hold suppliers to account for delivery of their Key Performance Indicators; therefore, any significant spend agreed by the Trust should 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.

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 6.2 to 6.4 below. These limits are for the whole period of the contract or lease. For example, a five-year lease, value at £2,500 per annum would cost £12,500 and should be authorised as such.

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 required **Authorisation Levels (Appendix 2)**.

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

5.9. 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 but spent locally by schools.

Projects for spending can either be directed by the Trust centrally or be identified by a school.

For full guidance on the authorisation level please refer to the required **Authorisation levels (Appendix 2)**.

6. Income

The main source of income for the Trust are grants from the ESFA/DfE, Local Authorities 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 made a contribution.

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 transferred to each individual school. 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 traditional financial years (April-March). Final allocations for Pupil Premium are not published until the summer; estimates may therefore be required to meet budgeting deadlines.

Most 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 the Business Manager **must** check all pupil driven income to ensure that it properly reflects the Census submitted.

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

6.2. Grants and contracts for services

Having a formal contract for the supply of services or 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. External consultancy provision

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.

6.4. Off-site trips

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

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.

School finance staff will keep a copy of each trip list showing amounts paid and outstanding. This record should be copied regularly to the trip lead/ EVC who will pursue outstanding amounts, working with school finance staff.

Any refunds/rebates for a particular trip **must** be notified to the school's finance staff, so that the appropriate amount can be repaid to the relevant pupil, parent/carer or used for the purpose specified when the money was collected.

The trip lead/ EVC, with the support of the school office, **must** ensure that adequate records are maintained including parental permission for the child to go on the trip, and that these records are made available to finance staff in a timely manner.

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.

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
- ensuring monies are received promptly
- passing information to DCAT Centre Finance to ensure that income is correctly posted to the sales ledger and that appropriate sales ledger invoices are produced

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

DCAT Centre Finance will produce an aged debtor listing on a monthly basis. As part of the month end process, the Business Manager should review the list and take action as appropriate to recover any outstanding debt. The Business Manager should sign and date the aged debtor report each month to confirm the review.

Note that for Corporation Tax 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. To avoid this potential tax charge, it would be advisable to have third parties provide these services. For more information, contact DCAT Centre Finance.

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.

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 where no other documentation exists. However, for very small amounts (e.g. less than £5 per pupil) finance staff can make alternative arrangements to ensure a proper audit trail of the cash received is recorded.

Cash and cheques **must** be kept in the school finance/ office safe until banked. 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.

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 weekly basis or more regularly if required. Schools should take out insurance to cover cash held on the premises.

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 CEO.

6.8. Bad debts

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)**.

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.

6.9. 'Inter-School' transfers

When money is 'owed' from one school/DCAT Centre to another, this **must** be processed as an inter-school transfer, rather than an invoice.

This is to avoid artificially inflating generated income figures at Trust level when looking at consolidated accounts.

Inter-school transfers are posted as part of the month end procedures by DCAT Centre Finance. To request a transfer, Business Managers should complete an 'Inter-school Transfer Request' form.

7. Cash Management

7.1. Bank accounts

DCAT will operate a single account for each school/DCAT 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 DCAT Centre Finance.

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 at any one time.

7.3. Payment procedures

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

All signatories listed on the bank mandate **must** provide specimen signatures to the relevant finance staff. 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. Authorised signatories **must** not approve payment relating to goods or services for which they are being reimbursed.

BACS or Bank Transfer payments are paid centrally from the DCAT bank account. These payments **must** allow for at least two levels of authorisation (e.g. DCAT Finance Officer creates the paylist and BACS file, DCAT Head of Finance checks and uploads the BACS file and DCAT COO approves the payment). St Catherine's College sits outside this arrangement and continue to separately raise and approve BACS and Bank Transfer payments. The invoice will be marked as paid in the purchasing and accounting systems. BACS remittances will be dispatched to suppliers by DCAT Centre Finance.

Cheques and cash payments **must** not be used for goods/services.

7.4. Administration

BACS is the preferred method of payment in all cases, cheques should only be used in exceptional circumstances.

DCAT Centre Finance will ensure bank statements are regularly uploaded for school staff review from Barclays internet banking. Accounts will be reconciled at least monthly as part of the month end procedures. Reconciliation procedures **must** ensure that:

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

7.5. Purchasing cards/ Credit Cards

DCAT provides purchasing cards to facilitate payments, for example when ordering over the internet or for payments whilst on school trips.

Schools/DCAT 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 DCAT Centre Finance. Only the designated card holder may use the card.

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 to the relevant finance staff each month within five days of receipt.

The statement and receipts **must** then be authorised through the purchasing system by the Business Manager (or equivalent) and Headteacher for school based cardholders (in the case of Headteachers DCAT Head of Finance will approve Headteacher's statement and expenditure through the accounting system). For DCAT centre cardholders the statement and receipts should first be approved by the line manager (in the case of the DCAT CEO, approval is obtained from the Chair of Trustees) and then the statement and receipts are authorised through the purchasing system by the DCAT Head of Finance and COO.

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

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

All purchasing card balances **must** be 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.

7.6. 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 DCAT 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.

7.7. Investments

It is anticipated that surplus cash funds may 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.

7.8. Petty cash accounts

Wherever possible, schools/DCAT Centre should seek to operate without petty cash accounts by using the approved purchasing cards, formal purchase ledger or expenses systems. Where the Business Manager and DCAT 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.

No school should 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)**.

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

7.9. Expenses

For rules and guidance on reimbursement of expenses to staff please refer to the **Expenses Policy**.

Any expenditure incurred by a member of staff should be submitted on an expense claim form. These forms should be signed by the line manager and submitted to the relevant finance staff for reimbursement, along with the relevant receipts. If receipts are not submitted, nor a reasonable explanation for the absence given, the costs will not be reimbursed.

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. Items under £2,000 that are considered desirable (those that have a resale market) are not capitalised, but Business Managers should keep a register of them for insurance purposes (referred to as desirable asset register)

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

8.2. Asset registers

The Fixed 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 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, and
- staff member or department responsible for asset.

The Asset registers are to 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.

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)**.

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.

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.

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.

8.7. Desirable assets register

Desirable assets (those that have a resale market), whose cost fall under the threshold for capitalisation (under £2,000) **should** be monitored in a similar way to capital purchases. This would include such items as:

- digital cameras
- camcorders
- printers
- musical instruments

It is the responsibility of the relevant Business Manager to ensure the register is maintained accurately.

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 (or other appropriate person should the school not have a 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 DCAT Head of Operations & Governance/ Trust Estates and Facilities Lead immediately.

Business Managers **must** seek to consult the DCAT Head of Operations & Governance/ Trust Estates and Facilities Lead prior to any significant refurbishment/construction work required on site.

A property condition survey will be organised by DCAT Head of Operations & Governance / Trust Estates and Facilities Lead 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, unless specifically agreed otherwise.

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 registered for VAT and VAT returns to HMRC are required to be completed to recover VAT incurred. This process is managed by DCAT Centre Finance but relies on accurate and timely data from the Business Managers.

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.

Any non-grant income (e.g. lettings/uniform sales) should be reviewed to assess their correct VAT status. Business managers should notify DCAT Centre Finance of any output tax that should be coded to the sales VAT control account.

As VAT is coded to control accounts, only the net amounts are recorded against income and expenditure account codes.

Entries coded to the VAT control accounts should be reviewed by DCAT Centre Finance on a monthly basis. All other transactions, including purchases, should be reviewed by Business Managers to ensure the correct VAT treatment.

12. Borrowings

No school/DCAT 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. Month End Procedures

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, the below month end procedures are required as set out in the Finance Calendar. Business Managers **must**:

- Review Bank reconciliation as completed by DCAT Centre Finance
- Process Credit Card reconciliation/s through the purchasing system
- Review and chase up Aged Debtors
- Review open PO's and cancel those no longer required
- 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
 - Changes made to the latest forecast **must** be logged on the budget changes tracker.
- Review the previous month "spotlight" reports and provide commentary on the variances; updating the latest forecast as required
- Ensure the Payroll report is signed off by the Headteacher

DCAT Centre Finance **must ensure**:

- Bank reconciliation is completed for all schools/DCAT Centre Finance
- Control accounts are reviewed and cleared
- Aged Creditors are reviewed and cleared
- Open POs are reviewed and those no longer required are cancelled
- Cashflow is reviewed
- 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
 - Changes made to the latest forecast **must** be logged on the budget changes tracker.
- Payroll journals are posted
- Intra-school transfer requests are actioned
- Journal/Recoding requests are actioned
- Provide challenge to schools for variances on the previous month "spotlight" reports
- Payroll report is signed off

14. Year End procedures

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

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

Budget Holders should not rush into commitments at the Year End in order to use up their budgets. The overriding principle at all times 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. Ideally, however, expenditure should be planned during the year so that last minute rushes can be avoided in the first place.

15. 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.

DCAT 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

16. 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)**.

16.1. 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.

16.2. 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
ABM	Academy Business Manager/ Bursar/ Academy Business Officer
ADP	Academy Development Plan
AIR	Academy Improvement Review Meetings
BACS	Bank Automated Clearance Service
CEO	DCAT Chief Executive Officer
COO	DCAT Chief Operating Officer
DCAT	Diocese of Chichester Academies Trust
DfE	Department for Education
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
IA	Internal Audit
KPI	Key Performance Indicator
LA	Local Authority
LGPS	Local Government Pensions Scheme
MAT	Multi-academy Trust
MTFP	Medium Term Financial Plan – a three year financial budget looking at projected Pupil Numbers, Income and related expenditure.
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
TPS	Teachers Pensions Scheme
VAT	Value Added Tax

Appendix 2 – Authorisation levels

Activity / Process	Value/ limit	Approval 1	Approval 2	Other comments/ method
Ordering Goods and Services, including signing of contracts Within budget SCHOOLS ONLY Note: whole life contract value applies	Less than £2,000	Budget holder		Assessment of value for money should be made
	Above £2,000 but less than £15,000	Budget holder	+ Headteacher or Business Manager (Secondary only: where Business Manager isn't budget holder)	Where possible, 3 quotes obtained
	Above £15,000 but less than £40,000	Headteacher or Business Manager (Secondary only)	+ DCAT Head of Finance Or Headteacher (Secondary only)	3 written quotes or approval from COO for less
	Above £40,000 but less than £150,000	LGB	+ COO	Tender process with a minimum of 3 quotes - at least one from the framework if available.
	Above £150,000	CEO, on recommendation from LGB	+ Trust Audit & Risk Committee	
Ordering Goods and Services, including contracts Within budget DCAT Centre Note: whole life contract value applies	Less than £5,000	Budget holder		Assessment of value for money should be made
	Above £5,000 but less than £40,000	Budget holder	+ COO	3 written quotes
	Above £40,000 but less than £150,000	Budget holder, COO	+ CEO	Tender process with a minimum of 3 quotes - at least one from the framework if available.
	Above £150,000	CEO	+ Trust Audit & Risk Committee	
Signatories for Other Bank Transfers (not BACS)	Less than £50,000	Two approvals, including one from DCAT Head of Finance, COO, CEO		
	Above £50,000	Two approvals from DCAT Head of Finance, COO, CEO		
BACS Payments	Up to £200,000	Any two signatories per bank mandate		
	Over £200,000	Two approvals, including one from Head of Finance, COO, CEO		
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		Monthly statement must also be signed off by Headteacher/COO
		In the case of the Headteacher, this should be the Chair of Governors or DCAT Head of Finance. In the case of the CEO, this should be the Chair of Trustees		
Petty Cash	Less than £100	Business Manager	Headteacher	
	Above £100	N/A – Not permitted.		
Disposal of assets/ stock	Less than £1,000	Headteacher		
	Above £1,000 but less than £5,000	Headteacher	+ DCAT Head of Finance	

	Above £5,000 but less than £10,000	DCAT Head of Finance	+ COO	Best efforts should be made to determine the validity of the need to dispose the asset
	Above £10,000	CEO	+ Trust Audit & Risk Committee	
Write off bad debts	Less than £5,000	Headteacher	+ COO	All avenues of resolution must be exhausted prior to approval
	Above £5,000 but less than £10,000	Headteacher	+ CEO	
	Above £10,000	CEO	+ Trust Audit & Risk Committee	
Sales invoicing (including lettings)	Less than £10,000	Business Manager (school) Head of Finance (DCAT)		
	Above £10,000		+ Headteacher (school) / COO (DCAT)	
Purchase or sale of land	Any	CEO	ESFA Approval required	As per Academies Handbook
Granting any leasehold tenancy				
Taking up any leasehold tenancy for more than 3 years				
Payroll (Schools only)	Appoint and change existing staff contracts; within agreed budget	Headteacher		
	Appoint staff; outside of agreed budget	SEL	+ member of Executive Leadership Team	On Headteacher's recommendation
	Approve monthly payroll	Business Manager (countersignature)	+ Headteacher	"Full" report and variance report
	Approve changes to Headteacher's pay	SEL + LGB (Recommendation only)	Pay Committee (Trust Board)	
	Severance payments	CEO	+ Chair of Trustees	

School Conditions Allowance

Activity / Process	Value/ limit	Approval 1	Approval 2	Other comments/ method
School Condition Allowance spending	Less than £10,000	Budget holder	+ DCAT Estates and Facilities Lead	Minimum of 2 quotes
	Above £10,000 but less than £40,000	Budget holder or Headteacher	+ DCAT Head of Operations & Governance	3 quotes – at least one from the framework if available.
	Above £40,000	Budget holder or Headteacher	+ COO	Tender process, inviting suppliers to submit bids if you cannot get what you want through the framework.

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 Trust Board Chair.

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 Trust Board 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 for/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 what may have any dealings with the Trust/ School.
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 presented to the LGB Finance Committee (or equivalent) and be approved by the LGB.
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. Monthly reporting: Commentary **must** be provided by the Business Manager to the Headteacher and DCAT Centre Finance explaining key variances highlighted.
9. Where there are significant under/ overspends, the Business Manager **must** review and update the budget software to ensure the latest forecasts are accurate.
10. 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. To ensure proper segregation of duties, journals **must** be actioned by DCAT Centre Finance.
6. Journals **are** retained and filed for future reference and possible audit inspection.
7. Any unusual or long outstanding reconciling items **must** be identified and reviewed.
8. All bank reconciliations **must** be signed and dated by the DCAT Head of Finance.
9. They [bank reconciliations] **must** then be reviewed by the Business Manager.
10. Accruals and pre-payments **must** only be posted on the system by DCAT Centre Finance.

4. Payroll – changes and authorisation

1. Appointments outside of the agreed budget **must** be approved by the DCAT SEL **and** any member of the DCAT Executive Leadership Team.
2. Staff **must** only be recruited/appointed in accordance with the numbers approved in the budget during the budget setting process.
3. 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.
4. Schools/DCAT Centre **must** ensure that payroll details are kept accurately, confidentially and securely.

5. The approval of the monthly salary payments in schools **must** be authorised by the Headteacher, 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.
6. 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.
7. The school **must** maintain a personnel file for each employee.
8. All changes in personnel **must** be notified in writing to the relevant staff with responsibility for HR and payroll.

5. Expenditure and Procurement

1. Probity: it **must** be clear that there is no private gain in the school's contractual relationships.
2. The buyer **must** ensure that all purchases are made through the purchase system.
3. The Trust requires that there **must** be a valid Purchase Order raised for all expenditure
4. 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.
5. Evidence of the approval **must** be retained.
6. Where there are annual contracts that are paid in instalments (monthly/ quarterly, for example) a PO for the entire contract amount **must** be raised.
7. Orders over £5,000 and under £40,000: Written confirmation direct from the supplier of oral quotes **must** be obtained before a purchase commitment is made.
8. For orders over £40,000 and under £150,000: **must** be subject to formal tendering procedures set out in this handbook
9. 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.
10. However, wherever possible – even when using estimated costs – POs **must** be raised.
11. Any expenditure or purchase of a value over £5,000 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. The DCAT COO **must** be notified of all leases before they are signed.
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.

6. Income

1. Schools **must** have a policy on charging pupils to participate in school activities.
2. The Headteacher **must** ensure that the Census is completed accurately, and the Business Manager **must** check all pupil driven income to ensure that they properly reflect the Census submitted.
3. For High Needs top-up funding Business Managers **must** maintain a log of who the funding relates to and the amounts per child.
4. All contracts **must** be signed by an appropriate signatory which is defined by the total contract value.
5. 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.
6. Any refunds/rebates for a particular trip **must** be notified to the school's finance staff.
7. The EVC/ trip lead, with the support of the school office, **must** ensure that adequate records are maintained
8. All lettings **must** adhere to the **Lettings Policy**.

9. 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.
10. A financial analysis **must** be prepared showing the expected income and related costs.
11. Schools should avoid using cash wherever possible and it **must** only be accepted in exceptional circumstances.
12. Cash and cheques **must** be kept in the school finance/ office safe until banked.
13. Cash received should not be kept with petty cash and separate records **must** be held for both.
14. Monies collected **must** be banked in their entirety on at least a weekly basis or more regularly if required.
15. Any suspected fraud or suspected theft **must** be reported to the DCAT COO.
16. 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.

7. Cash Management

1. Details of all deposits **must** be entered on a copy paying-in slip, counterfoil or listed in a supporting book.
2. Schools **must** not hold more than £1,000 cash on site at any one time.
3. All signatories listed on the bank mandate **must** provide specimen signatures to the relevant finance staff.
4. Authorised signatories **must** not approve payment relating to goods or services for which they are being reimbursed.
5. BACS or Bank Transfer payments **must** allow for at least two levels of authorisation (e.g. inputter, first approver and second approver).
6. Cheques and cash payments **must** not be used for goods/services.
7. The cardholder **must** provide all accompanying receipts.
8. The receipts **must** reconcile to the purchasing card statement and be submitted to the relevant finance staff each month within five days of receipt.
9. The statement and expenditure form **must** then be authorised and dated by the card holder's line manager
10. All purchasing card balances **must** be paid off in full by Direct Debit.
11. The holders of DCAT purchasing cards **must** not under any circumstances borrow money using these cards.
12. The school **must** not borrow money outside DCAT.
13. Expenses **must** only be reimbursed by BACS.
14. The finance staff are responsible for ensuring the petty cash is reconciled at least weekly, during which the cash **must** be physically counted.
15. 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.
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.
5. Where they have significant value, they should be sold by competitive tender or auction.
6. Disposals **must** only be approved in line with **Authorisation levels (Appendix 2)**
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.

12. Cash Management

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 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.

16. Financial Protection and Malpractice

1. the management of the school **must** also have the means to investigate such cases.