



**The King's (The Cathedral) School  
FINANCIAL REGULATIONS  
POLICY**

Responsibility:	Chief Financial Officer
Ratified By:	Governing Body
Date Reviewed:	September 2025
Next Review Date:	September 2026

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## **A. General Provisions**

### **1. Introduction**

- 1.1 The King's (The Cathedral) School [the Trust] is a company limited by guarantee and an Exempt Charity regulated through the Department for Education [DfE].
- 1.2 The Trust currently sponsors one Academy created under the provisions of the Education Acts of 1996, 2002 and 2011; The King's (The Cathedral) School, Peterborough. This is a school of designated religious character working closely with the Dean and Chapter of the Cathedral Church of St Peter, St Paul and St Andrew in Peterborough [The Cathedral].
- 1.3 These Financial Regulations set out the responsibility for financial management within the Trust and translates into practical guidance the broad policies relating to financial control. These Financial Regulations were approved by the Trust on the date shown on the front cover
- 1.4 The purpose of this manual is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.
- 1.5 The Trust must comply with the principles of financial control outlined in the academies' guidance published by the DfE and the Academy Trust Handbook. This manual expands on that and provides detailed information on the Trust's accounting procedures and systems and should be read by all staff with financial responsibilities.
- 1.6 Compliance with these Financial Regulations is compulsory for all staff connected with the Trust, including staff of any contractor providing management and financial services to the Trust. Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the Trust's disciplinary procedures. Any such breach will, where appropriate, be notified to the Trust through the Audit Committee
- 1.7 It is the responsibility of the Headteacher of the Academy (the Accounting Officer) to ensure that their staff are made aware of the existence and content of the Financial Regulations and that an adequate number of copies are available for reference within their Academy.
- 1.8 The Finance Committee and Audit Committee are responsible for maintaining a continuous review of the Financial Regulations and Policies and advising The Trust of any additions or changes necessary.

## **B. Governance and Organisation**

### **2. The FGB and Committee Structure**

- 2.1 The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff.
- 2.2 The Trust is governed by a **Full Board of Governors** [FGB], constituted under a Memorandum of Association and Articles of Association and which has overall responsibility for the administration of the finances of the Trust as a whole.
- 2.3 The main responsibilities of the FGB are prescribed in the Funding Agreements between the School and the DfE and in the Trust's scheme of government. The main responsibilities include:
- Ensuring that any grant from the Department for Education is used only for the purposes intended;
  - Ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used only for the purposes intended;
  - Approval of the annual budget;
  - Appointment of the Headteacher.
- 2.4 The **Finance Committee** is a committee of the FGB. The Finance Committee meets at least once in each of three terms and aims to meet six times each year dependent on the business to be transacted.
- 2.5 The responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the FGB and are set out in Appendix A. The main responsibilities include:
- Advising the FGB on the management of the School's finances and the use of funding as a strategic resource;
  - Ensuring the annual accounts are produced in a timely manner and present effectively the financial position of the School;
  - Formally recommending the annual Academy budget to the FGB;
  - Detailed monitoring of the financial position of the School and approvals as set out in the Scheme of Delegation (Appendix B);
  - Authorising the award of contracts over £40,000.
- 2.6 The **Audit Committee** forms part of and is incorporated into the Finance Committee of the FGB, the finance committee fulfils the duties of audit oversight.

## C. The Accounting Officer

- 3.1 The **Headteacher** is the designated Accounting Officer of the Trust and has overall executive responsibility (within the framework of the approved School Development Plan) for the Trust's activities including financial activities. The Headteacher is personally accountable to Parliament and to the accounting officer of the DfE for the resources under his/her control.
- 3.2 Much of the day-to-day financial responsibility has been delegated to the **CFO**, but the **Headteacher** still retains responsibility for:
- The propriety and regularity of the public finances for which they are answerable;
  - Keeping proper accounts;
  - For prudent and economical administration;
  - The avoidance of waste and extravagance;
  - Ensuring value for money;
  - Efficient and effective use of all the resources in his/her charge;
  - Assuring the FGB that the Trust is complying with the funding agreement and Academy Trust Handbook.
- 3.3 Particular practical responsibilities include:
- New staff appointments (a Governor should always be involved in SLT appointments)
  - Authorising the award of all contracts which impact on annual recurrent funding
  - Countersigning payments, beyond the agreed thresholds via the payment schedule
- 3.4 The Headteacher may authorise new staff appointments within the authorised establishment, except for any SLT posts which the FGB have agreed should be approved by them.
- 3.5 The Headteacher is responsible for establishing and maintaining clear lines of responsibility within the School for all financial matters.

## 4. The Chief Financial Officer (CFO)

- 4.1 The main financial responsibilities of the **CFO** are:
- The management of the School's financial position at a strategic level within the framework for financial control determined by the Headteacher, Finance Committee and FGB;
  - The maintenance of effective systems of internal control;
  - Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
  - The preparation of monthly management accounts;
  - Signing payments in conjunction with the Headteacher or other authorised signatory (details in Appendix B) and ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.
- 4.2 **Other members of staff**, primarily budget holders and Finance staff, will have some financial responsibilities and these are detailed in the following sections of this manual and in the Scheme of Delegation (Appendix B). All staff are responsible for the security of the property of the School, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

## **5. The Audit Committee (Part of Finance Committee)**

- 5.1 The Audit Committee provides the FGB with oversight of the School's financial affairs. The main duties of the Audit Committee are to provide the FGB with assurance that:
- The financial responsibilities of the FGB are being properly discharged;
  - Resources are being managed in an efficient, economical and effective manner;
  - Sound systems of internal financial control are being maintained;
  - Financial considerations are fully taken into account in reaching decisions.
- 5.2 The Audit Committee will commission a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the FGB. A report of the findings from each visit will be presented to the Finance & Audit Committee. The reviews will be devised with reference to the School's Risk Register and may extend to non-financial areas.

## **6. Register of Interests**

- 6.1 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all FGB members, and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.
- 6.2 The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organization which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 6.3 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the FGB or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

## **7. Risk Management**

- 7.1 The Trust acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.
- 7.2 The FGB has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the Trust through the development, implementation and embedding within the organisation of a formal, structured risk management process.
- 7.3 The management team within the School must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Trust may be exposed. The advice of the Headteacher should be sought to ensure that this is the case

## **8. Employee Disclosures: "Whistleblowing"**

- 8.1 As a publicly funded body, The King's (The Cathedral) School is committed to ensuring the highest standards of openness, probity and accountability in all our activities as well as to delivering a high-class service.

8.2 The Trust has a detailed policy Whistleblowing Policy and Procedure outlining the approach to employee disclosure or 'Whistleblowing'.

8.3 The aims of the policy are to:

- Provide a channel and process for individual employees to raise genuine and legitimate concerns about serious incidents of misconduct or malpractice;
- Give a commitment that misconduct and malpractice are taken extremely seriously;
- Ensure confidentiality and freedom from reprisal for staff raising concerns;
- Allow the Trust to investigate those concerns and to take appropriate action to resolve the situation.

8.4 The FGB has committed itself to tackling misconduct and malpractice by implementing and adopting a code of conduct and register of interests which is regularly updated and reported publicly.

## **9. Code of Conduct**

9.1 The Trust is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix D.

9.2 Additionally, members of the FGB, the senior management team or other managers with significant involvement in procurement decisions (as determined by the Headteacher) are required to disclose interests in the School's register of interests maintained by the Governance Professional [Clerk] to the School. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly in accordance with detailed procedures maintained by the Clerk to the School.

9.3 In particular, no person shall be a signatory to any commercial contract where he or she also has an interest in the activities of the other party.

## D. Financial Management and Control

### 10. Financial Planning

- 10.1 The Trust prepares both medium term and short-term financial plans.
- 10.2 The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 10.3 The **School Development Plan** [SDP] is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible in both form and content but due regard will be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.
- 10.4 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include (where relevant) the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 10.5 The senior management team will report to the FGB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.
- 10.6 The development plan provides the framework for the **Annual Budget**. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year. There should be a clear link between the development plan objectives and the budgeted utilization of resources.
- 10.7 The Headteacher, in conjunction with the CFO and other members of senior management, is responsible for preparing an annual revenue budget and capital programme for consideration and approval. The FGB shall not delegate the approval of the annual estimates of income and expenditure. The FGB will be asked to determine, by resolution, the approval of the budget following detailed review by, and recommendation of, the Finance Committee.
- 10.8 It is the responsibility of the FGB to approve a balanced budget, where revenue expenditure does not exceed the resources available.
- 10.9 The Headteacher must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the FGB. Once the FGB has approved the annual estimates of income and expenditure, the Headteacher is authorised to incur expenditure in accordance with these Financial Regulations and approved budgets.
- 10.10 The budgetary planning process will incorporate the following elements:
- Forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
  - Review of other income sources available to the School to assess likely level of receipts;
  - Review of past performance against budgets to promote an understanding of the School's cost base;
  - Identification of potential efficiency savings;
  - Review of the main expenditure headings in light of the development plan objectives and the expected

variations in cost e.g. pay increases, inflation and other anticipated changes;

- Any unspent funds expected to be carried forward at the end of the financial year, subject to any specific provisions relating to carry forwards in the Funding Agreement or other grant funding document(s).

## **11. Revenue Budgets**

- 11.1 A budget is an approved sum allocated for income or expenditure over a specific time span, normally one financial year. The budget is usually expressed as a financial value and, where the budgeted resource is related to staffing expenditure, it may also be expressed as an envelope of hours of full-time equivalent [FTE] staff members.
- 11.2 Any overspending/under recovery which is likely to result in a material change to the Trust's approved budgetary position is to be reported to the Finance Committee.
- 11.3 Budget holders will have the following responsibilities:
- Authorising expenditure against budget;
  - Monitoring expenditure commitments during the year with reference to the budget for that year;
  - explaining any variations from budget;
  - Reporting as soon as possible to the Headteacher or his/her nominee if it is envisaged that the budget will be either under or overspent.
- 11.4 It is the responsibility of the Headteacher to report as soon as possible to the Finance Committee if it is envisaged that the School Budget will be overspent.
- 11.5 All financial transactions must be correctly coded against income and expenditure codes and, where applicable, to balance sheet codes. The code structure and chart of accounts are established by the Headteacher or his/ her nominee to classify income and expenditure by department and by type.

## **12. Capital Programmes & Procurement**

The Trust requires all budget holders, irrespective of the source of funds, to obtain assets, supplies, equipment and services at best value consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

- 12.1 Capital expenditure is expenditure in excess of £5,000 on an individual, or group of related items. Capital assets also comprise items with a life in excess of the accounting period, which have a material intrinsic value.
- 12.2 The Headteacher, or his/her nominee, shall prepare a rolling programme of capital projects after consultation with the appropriate primary budget holders. The programme of capital projects will be updated annually.
- 12.3 Major capital expenditure on land, buildings, and associated costs can only be considered as part of the capital budget approved by the FGB.
- 12.4 There are two tendering procedures for acquisition of assets, goods, works, or services of equivalent worth. The system normally used is informal and operated for goods and services at a value lower than the level determined from time to time by the Finance Committee. This informal level is determined as more than

£10,000, but less than £40,000; the formal system will invariably be prompted when the value will be higher than this or additionally if the Finance Committee requires it to be implemented.

The tender policy and procedure considers the following points:

- **Probity:** the procedure is equitable and fair to the participants and precludes private gain, favouritism and corruption in contractual relationships.
- **Accountability:** the procedure is publicly accountable with regard to expenditure and conduct.
- **Value for money:** we are charged with ensuring value for money and this procedure provides for economy, efficiency and effectiveness in the use of public and non-public funds.

Forms of tender: only restricted and negotiated forms of tender are accepted. Open tenders are not to be offered.

12.5 Tendering procedure – informal: Orders over £10,000 but under £40,000. At least three written estimates/quotations shall be requested to identify the best source of goods/services – unless using a Framework Agreement or Catalogue such as; ESPO, YPO and/or CCS Purchasing Platform, in which case, additional quotes will not be needed. If three quotes cannot be obtained, due to the type of purchase, an explanation should accompany the Purchase Request, for the CFO and/or Headteacher to authorise the purchase. Written details of documents obtained shall be prepared and retained by budget holders for audit purposes. Telephone quotes are not acceptable. If the accepted tender is not the cheapest then the reason for the decision will be noted with the tenders. Evidence of tenders should be retained by the CFO.

Tendering procedure – formal: Orders over £40,000 but below the Procurement Act 2023 - public procurement threshold (currently £214,904 for goods and most services, and £5,372,609 for works).

At least three written formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria. They will be as precise as possible and the tender board will ensure that all the suppliers' bids are based on the same specifications as the original invitation to tender. The specification will, amongst appropriate influences, consider the following points: project objectives, overall requirements, technical skills required, after sales service requirements, form of contract, delivery and completion date and times.

Firms are sent identical specifications or instructions and a clear indication of the closing time and date for receipt of the completed bid. They are asked to place the tender documents in a separate envelope from any covering letter. This envelope is sealed and clearly marked as enclosing the tender. Bids are recorded and retained unopened until the specified time; they will then be opened by a pre-nominated tender committee.

The successful contractor should then be contracted to confirm continued interest and, if necessary, a pre-contract tender clarification meeting arranged. Once agreement is confirmed the unsuccessful companies should be informed. After the tender has been let, no work is to start until the formal purchase order has been issued or a contract signed.

Where possible, we will use a framework agreement to contact suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive framework process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

Tenders and Quotations where we have received only one response:

In the event that we have evidence of seeking no fewer than 3 quotes, and evidence of a declined invitation in at least 2 cases, we can proceed with a single quote.

## 12.6 Conflicts of Interest

We will report all contracts and other agreements with related parties to the DfE in advance of the contract or agreement commencing.

Related parties include persons and entities with control or significant influence over the Federation, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). This description is not comprehensive.

The Trust will obtain the DfE's prior approval for contracts and other agreements for the supply of goods or services to the Trust by a related party where any of the following limits arise:

- A contract or agreement over £40,000

12.7 Irrespective of the estimated financial investment required, proposed new ventures will be presented for FGB approval where:

- It is considered they could have a significant impact on the reputation or image of the School;
- The venture will require overseas travel by senior postholders or members of the FGB;
- The venture may otherwise be expected to have a material impact on the strategic focus or character of the Trust.

12.8 Progress of any approved new ventures will be reported to the Finance Committee on, at least, a termly basis.

## 13. Budgetary Control

13.1 The Headteacher shall be accountable to the FGB for effective budgetary control within the approved capital and revenue budgets.

13.3 The CFO will provide monthly management accounts to the Finance Committee outlining the actual income/expenditure in comparison to estimate, and to highlight and explain significant variances. These reports will also include an amended out-turn forecast for that financial year.

13.4 The Headteacher shall promptly inform the Finance Committee of any matter, which is liable to materially affect the finances of the Trust.

13.5 Budget responsibility for revenue and capital expenditure shall be delegated to budget holder/academy nominees.

13.6 Whilst the budget holder may delegate the supervision of budgets to secondary budget holders, they cannot delegate their budgetary responsibilities.

13.7 No expenditure may be incurred by budget holders, which is not matched by uncommitted approved budget provision, unless the Headteacher, in conjunction with the CFO, gives specific authorisation.

13.8 The Headteacher shall be responsible to the FGB for maintaining the budgetary performance of the Trust, within the boundary of the decisions taken by the Headteacher and the FGB. The Headteacher shall ensure

that budget holders are provided with accurate and timely information regarding budgetary performance.

## 14. Purchase Authorisation Thresholds

14.1 All orders should be authorised prior to order according to the thresholds below:

Officer	Threshold	Countersigned
Budget Holder	Within Budget up to £750	CFO or Headteacher
SLT Member & nominated Support Staff Managers	Within Budget up to £1,500	CFO or Headteacher
CFO	Up to £15,000	Headteacher*
Headteacher	Up to £25,000	CFO*
Finance Committee	£25,000 - £100,000	Chair of Finance
Full Board	>£100,000	Chair of Full Board

\* In the absence of the CFO a Deputy Headteacher can sign along with the Headteacher for orders up to £25,000. In the case of the Headteacher being absent, the Chair of Finance can countersign.

14.2 Invoices can be authorised by the officer signing the purchase order providing the invoice matches the order value. Any discrepancies should be signed off by the CFO or Headteacher.

14.3 Exceptions to the above where counter signatories are not required are:

- Premises Manager, orders of less than £500 to expedite repair and maintenance of the site;
- IT Network Manager, orders of less than £250 to expedite the repair of IT equipment;
- The Examinations Officer will make orders for student examinations based on curriculum requirement which also negates the need for additional quotes;
- The Catering Manager can purchase from recommended suppliers to ensure the catering function is stocked appropriately.

## 15. Virement

15.1 The Headteacher, shall be permitted to exercise virement provided that the action does not involve the Trust in any additional financial commitment, which it will be unable to meet in respect of the current or any subsequent year.

15.2 Virement shall not be permitted by the Finance Committee if it detrimentally affects the estimated surplus or deficit, unless approved by the FGB.

15.3 At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless agreed by Headteacher & CFO, as expenditure has a specific scheme for all or part of unspent amounts, usually in line with Development Plan priorities.

## 16. External Reporting

16.1 The Headteacher through his/her nominee is responsible for the production of all financial reports to external bodies such as DfE, External Auditors, HMRC etc. These reports will encompass items such as financial accounts, management accounts, budgets, income and expenditure forecasts, cash flow forecasts, VAT returns, PAYE, NI Returns, Pension returns and other externally obligated returns.

## **E. Financial Operations**

### **17. Accounting System**

- 17.1 All the financial transactions of the Trust must be recorded on the accounting system approved by the Headteacher. The system will consist of a nominal ledger supported by purchase and sales ledgers and a payroll module or system (except where external payroll contractors are used).
- 17.2 Access to the system will be password restricted and will operate password security and backup procedures. Each user shall possess his/her own unique login identity and password and these should never be disclosed to other users or non-users of the system. The system manager shall ensure that the system password is reviewed on a regular basis.
- 17.3 The Headteacher, or his/her nominee, will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The review may include:
- Audit trail reports;
  - Masterfile amendment reports for the payroll, purchase ledger and sales ledger;
  - Management accounts summarising expenditure and income against budget;
  - Budget Holder reports detailing expenditure against individual budgets.
- 17.4 The Headteacher through his/her nominee is responsible for ensuring 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 account;
  - All suspense accounts;
  - Bank balance reconciliation per the nominal ledger to the bank statement.

### **18. Accounting Records**

- 18.1 The Headteacher through his/her nominee is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- 18.2 The Trust is required by law to retain prime documents for six years (where relating to property matters twelve years). These include:
- Official orders;
  - Paid invoices;
  - Accounts raised;
  - Bank statements;
  - Copies of all receipts;
  - Payroll records;
  - Staff Contracts;
  - Expense claims;
  - Health and safety records;
  - Pupil data records.
- 18.3 Additionally, for auditing and other purposes, other financial documents should be retained for three years.

- 18.4 Documents relating to pensions and Insurance should be retained for forty (40) years.
- 18.5 Full details of documentation retention and destruction processes are set out in the School's Records Management Policy.

## **19. Staffing and Payroll**

### **Staffing**

- 19.1 The FGB has approved a personnel establishment for the School and for the School's management structure. Changes can only be made to this establishment with the express approval of the Personnel Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- 19.2 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the CFO whose appointments must follow consultation with the FGB. All interview panels must include at least one person trained in accordance with DfE requirements, currently Safer Recruitment training
- 19.3 The Headteacher through his/her nominee maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to payroll immediately.
- 19.4 The Headteacher will ensure that detailed personnel procedures are in place to ensure the safety of children within the academies as required by DfE guidance and legislation, including checks on relevant qualifications and criminal record checks.

### **Payroll**

- 19.5 The Headteacher or his/ her nominee shall be responsible for ensuring effective maintenance of the payroll records (either in-house or through one or more contractors) and for the provision of relevant information to enable all salaries, wages and other emoluments to be paid promptly and accurately.
- 19.6 All staff will be appointed on a salary / scale / framework approved by the FGB and in accordance with appropriate conditions of service. All letters of appointment must be issued in a format specified by the Headteacher. The Headteacher will be responsible for ensuring the maintenance of all matters relating to personnel for payroll purposes in particular these include:
- Appointments, resignations, dismissals, supervisions, secondments and transfers;
  - Absences from duty for sickness or other reason, approved leave (for full year support staff);
  - Changes in remuneration other than pay awards.
- 19.7 The Headteacher and/or CFO will countersign all payroll amendment forms before they are actioned.

The Headteacher and CFO will countersign the final payroll report each month prior to authorisation.

The Headteacher through his/her nominee shall be responsible for ensuring that the general ledger control accounts for PAYE/NIC and other deductions are reconciled on a monthly basis.

- 19.8 The Headteacher will also be responsible for reviewing the system of internal control relating to payroll.
- 19.9 Payment to casual workers (i.e. those persons without a contract of employment) shall be processed

through the payroll unless adequate proof of self-employed status can be provided to the satisfaction of the CFO. In all such circumstances, the person must render an invoice, which will be processed for payment through the purchase ledger system. If no adequate proof of self-employment is provided, then the Trust will process all such payments via the payroll.

19.10 The Headteacher through his/her nominee is responsible for ensuring that relevant returns and payments are made to the appropriate external authorities within the statutory timescales prescribed.

### **Superannuation**

19.11 The Trust is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

19.12 The Headteacher through his/her nominee is responsible for day-to-day superannuation matters including:

- Auto-enrolling staff to pensions schemes in accordance with current legislation;
- Paying of contributions on time to various authorised superannuation schemes;
- Preparing the monthly returns to various superannuation schemes;
- Responding to ad-hoc queries from superannuation schemes and staff.

19.13 No staff at the School should provide advice to staff on their pensions as this is a regulated activity. Their advice must be limited to advising on sources of information and on processes.

### **Severance and Other Non-recurring Payments**

19.14 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the FGB. The Finance Committee shall be advised of all severance payments made.

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

19.16 Professional advice should be obtained where necessary. All such payments shall be authorised by the Headteacher in accordance with the requirements of the Academy Trust Handbook. Amounts paid should be declared and published in the annual financial statements.

19.17 Payment of any individual amount of £50,000 or more which include a non-statutory/ non-contractual element must receive prior approval from the DfE prior to making any binding commitment to staff. The DfE will refer such approvals to HM Treasury so sufficient time must be allowed for the approval process.

19.18 Payment of any individual amount of £100,000 or more which include a non-statutory/ non-contractual element, or where the employee earns more than £150,000 p.a. must receive prior approval from HM Treasury, via the DfE (in accordance with HM Treasury's 'Guidance on Public Sector Exit Payments').

19.19 All matters referred to an employment tribunal shall be notified to the Chair of Governors and Finance Committee at the earliest opportunity (in order that budget provision may be made as necessary). All determinations of tribunals must be similarly notified.

## 20. Purchasing

### Purchase Orders

- 20.1 Purchase Orders are raised by the Budget Holder or a member of their team on the Approval Max software. These orders progress through an audit sign off channel.

Budget Holder approves initially; then through to the Finance Team who assess budgetary impact and that normal financial processes have been followed (i.e. quotes have been attached where required; other interested parties are made aware – IT for example).

The third stage is the Headteacher or CFO can approve. This is usually done together at the weekly finance meeting.

Official **Purchase Orders** must be placed for the purchase of **all goods or services, except** for suppliers of public utility services, periodical payments such as rent or rates, preferred suppliers appointed through formal procurement processes approved by the Finance Committee, purchased made using procurement cards, company credit cards or petty cash.

In exceptional circumstances, urgent orders may be given orally but must be confirmed immediately by an official purchase order (where possible) endorsed 'confirmation order only'.

Item 14.2 covers exceptions to the process outlined here (namely for urgent repairs, Exams, Catering).

### Credit and Purchasing Cards

- 20.2 The issue of credit cards must be authorised by the Finance Committee, and may only be operated subject to a direct debit for repayment in full each month, so that no borrowing arises.
- 20.3 The credit cards will be issued to a named member of staff, who is responsible for the use of the card. The cards will be stored in the Finance Office safe when not in use.
- 20.4 The operation and control of the Trust's credit and purchasing cards is the responsibility of the Headteacher, but is delegated to the CFO on a day-to-day basis.
- 20.5 Credit and Purchasing cards may be used by individuals named on particular cards to purchase necessary goods or services (including travel and subsistence) whilst on Trust business. Detailed receipts where available and a description of the expenditure must be provided to the Finance Department in all circumstances.
- 20.6 Prepaid Debit Cards may be made available to the CFO and to named individuals acting as trip leaders for residential trips. An agreed amount (including an emergency fund) will be loaded onto the card at the start of the trip by the CFO, and the balance removed immediately afterwards. Receipts and evidence of expenditure are required as for all trip expenditure.
- 20.7 The CFO shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information.

## **Petty Cash**

- 20.8 The Headteacher through the CFO shall operate an imprest system for floats for the disbursement of petty cash expenses. Petty cash will be kept to an absolute minimum. Instead, staff who incur incidental expenses must claim for them in retrospect on a Travel & Expenses Form, following the de minimis stated for reimbursement and providing receipts.
- 20.9 The extraordinary issue of petty cash will be made against a petty cash slip. Receipts must be provided for all petty cash purchases, where appropriate.
- 20.10 At the end of the financial year a certificate of the balance held should be completed by the member of staff responsible for the float and countersigned by the Headteacher or CFO.

## **Cash Advances**

- 20.11 Cash advances may be made available in a manner approved by the CFO to budget holders to facilitate necessary expenditure in respect of approved trips within the UK or overseas. Such advances will be exceptional and must be cleared immediately on return.

## **Receipt of Goods**

- 20.12 All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods. Delivery notes should be stamped to indicate they are accepted in accordance with the Standard Terms & Conditions of Purchase.
- 20.13 Wherever possible, goods received shall be recorded as such on the finance system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

## **Payment of Invoices**

- 20.14 The procedures for making all payments shall be in a form specified by the CFO or a designated nominee.
- 20.15 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Office.
- 20.16 Heads of Department/Cost Centre are responsible for ensuring that expenditure within their department/cost centre does not exceed funds available.
- 20.17 Payments will only be made by the CFO or his/ her nominee against invoices which have been appropriately approved for payment. Certification of an invoice will ensure that:
- The goods/services have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
  - Where appropriate, it is matched to the order;
  - Invoice details (quantity, price, discount) are correct;
  - The invoice has not previously been passed for payment;
  - Where appropriate, an entry has been made on a stores record or departmental inventory; and

- An appropriate cost centre and account code is quoted. This must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

20.18 The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- Small businesses can charge interest on overdue invoices
- Interest is chargeable on sales made after 1 November 1998
- The rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- The Act also applies to overseas organisations
- The School can be sued for non-payment.

### **Authorisation of Payments**

20.19 BACs payments should be signed off by the CFO and / or the Headteacher. Credit card statements should be reconciled and signed off by the CFO and / or Headteacher

## **21. Income**

### **General**

- 21.1 The Headteacher is responsible for ensuring that appropriate procedures are in operation to enable the Trust to receive all income to which it is entitled. All receipts, forms, invoices, tickets or other official documents are to be regarded as controlled stationery and must have the approval of the CFO.
- 21.2 Levels of charges for services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance Committee.
- 21.3 The CFO is responsible for the prompt collection, security and banking of all income received.
- 21.4 The Headteacher, through the CFO, is responsible for ensuring that all grants notified by the DfE and other organizations are received and appropriately recorded in the Trust's accounts.
- 21.5 The Headteacher is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.
- 21.6 Any suspected losses of income should be reported immediately to the Headteacher by the CFO.

### **Student Trips**

- 21.7 A Trip Leader must be appointed for each trip to take responsibility, in conjunction with the Finance Department, for the collection of sums due. The lead teacher must ensure a record is maintained for each student intending to go on the trip showing the amount due. The record must be held in a system approved by the CFO.
- 21.8 Trips should be subject to a risk assessment in accordance with DfE guidelines and a detailed costing, approved in accordance with arrangements approved by the Headteacher. No expenditure should be committed or incurred for a trip until the risk assessment and costing has been approved.

- 21.9 The CFO shall be responsible for ensuring that appropriate insurance arrangements are in place for each trip.
- 21.10 The CFO will maintain an up-to-date record for each student showing the amount paid and the amount outstanding. This record can be viewed by the trip leader, who is responsible for chasing the outstanding amounts in conjunction with the Educational Visits Administrator and the Finance Department.
- 21.11 Financial assistance may be available in cases of hardship. Applications should be referred to the CFO in the first instance.

### **Lettings**

- 21.12 The Headteacher will nominate an appropriate member of staff who is responsible for maintaining records of bookings of sports and other facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
- 21.13 The CFO shall be responsible for ensuring that appropriate insurance arrangements are in place for hirers.
- 21.14 Details of organisations using the facilities should be sent to the CFO or his/her nominee who will produce a sales invoice from the accounting system. No use should be made of the facilities unless payment has been made.

### **Cash Receipts**

- 21.15 All monies received from whatever source must be recorded on an official daily receipt together with the form in which they were received.
- 21.16 Money must be paid to the Finance Officer and custody of all cash holdings must comply with the requirements of the Trust's insurers. All monies received must be banked at least monthly. Monies not banked immediately, must be held in an appropriate and secure place and the total of these monies must not exceed the values stipulated in the Trust's insurance policies
- 21.17 No deductions may be made from any cash collected on behalf of the Trust prior to paying into the Finance Office.
- 21.18 Personal or other cheques must not be cashed out of money received on behalf of the Trust.
- 21.19 Payments by debit and credit card by students must follow the appropriate authorisation procedures.
- 21.20 Official receipt books are controlled stationery and will only be issued on request by the CFO.

## **22. Debt Management**

- 22.1 The Headteacher through his/her nominee is responsible for monitoring the Trust's credit management exposure
- 22.2 Where staff suspect that payment for goods and services provided shall not be received or shall be received only after a long delay and after much effort on the part of the Trust, they should consult the CFO as soon as possible and before further goods and services are provided.
- 22.3 Where doubts exist about the creditworthiness of a customer, e.g. with a customer with whom no previous

experience has been gained, or where an existing customer is requesting a higher-than-normal level of credit, further enquiries should be made before the transaction takes place.

22.4 All requests for payment for goods or services provided by the Trust should be made on the official Trust invoice form approved by the CFO.

22.5 The CFO should ensure that:

- Debtors' invoices are raised promptly in respect of income due to the Trust;
- Debtors are raised on official Trust invoices;
- Swift and effective action is taken to collect overdue debts;
- Outstanding debts are monitored and reports are prepared for the Headteacher.

22.6 Budget holders and others concerned with the generation of income should ensure that notification of the need for a sales invoice is rendered to the Finance Department for all income due, as soon as the service is provided, or earlier if the circumstances permit. The approval of the CFO must be obtained before any departure from the Trust's invoicing system.

22.7 The authority for writing off bad debts is as follows:

- Any written request to write off a debt up to £100 may be written off in a manner approved by the Headteacher;
- Requests to write off debts between £100 and £1,000 may be authorised by Headteacher plus one other approved signatory from Appendix B;
- Requests to write off debts in excess of £1,000 must be authorised by the Finance Committee;
- The FGB must seek and obtain explicit prior approval of the Secretary of State (through the DfE) for any write-offs of debt in excess of 1% of total income or £45,000 (whichever is the smaller) per single transaction;
- The FGB must seek and obtain explicit prior approval of the Secretary of State (through the DfE) for any write-offs of debt in excess of 5% of total income cumulatively in any one financial year. This limit is further reduced to 2.5% of income until such time as the Trust has submitted to the DfE timely, unqualified financial returns for two consecutive years.

## **23. Banking and Cash Management**

### **Bank Accounts**

23.1 The FGB is responsible for the appointment of the Trust's bankers on the recommendation of the Finance Committee.

23.2 The opening of all accounts must be authorised by the Finance Committee who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

23.3 The Headteacher or his/ her nominee shall have day-to-day control of all the banking arrangements

23.4 Every such bank account shall include 'The King's (The Cathedral) School' and details of the account in its designation at the bank.

23.5 No individual department shall be empowered to operate bank accounts in the name of the Trust and no cheques or financial instrument made payable to the Trust shall be endorsed and credited to any other account. No department shall operate bank accounts in names other than The King's (The Cathedral) School, for any reason whatsoever. Any cheques which are incorrectly addressed, and which are intended to reimburse The King's (The Cathedral) School, must be forwarded promptly to the Finance office for banking arrangements to be made.

### **Deposits**

23.6 Particulars of any physical 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;
- A reference, such as the number of the receipt or the name of the debtor.

### **Administration**

23.7 The Headteacher through his/her nominee must ensure paper or electronic bank statements are received regularly and that reconciliations are performed on a monthly basis at a minimum. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the Trust's financial records;
- Reconciliations are prepared by an appropriate Finance officer;
- Reconciliations are subject to an independent monthly review carried out by the CFO or in his/her absence one of the approved cheque signatories;
- Adjustments arising are dealt with promptly.

### **Cash Flow Management**

23.8 The Headteacher shall be responsible for the efficient management of the Trust's cash flow.

23.9 The Headteacher through the CFO shall prepare an annual cash flow forecast for inclusion in the financial schedules of the Trust's 12-month strategic plan. A Cash Statement will also be included in the monthly management accounts.

## **24. Investments and Borrowing**

### **Investments**

24.1 Investments must be made only in accordance with written procedures approved by the Finance Committee, and in accordance with the approved Investment Strategy.

24.2 The Headteacher shall be responsible for ensuring that any cash surpluses earn a competitive rate of interest. This shall be achieved by means of interest-bearing current accounts, deposit accounts or term (or money-market) deposits. The Headteacher, through the CFO, will periodically compare the interest rate earned on any interest-bearing current accounts with market rates to ensure they remain competitive. Interest received shall be shown as such in the Trust's accounts.

24.3 All investments of monies under the control of the Trust shall be in the name of The King's (The Cathedral)

School or in the name of approved nominees and made under arrangements approved by the FGB. The Investment Strategy will be determined annually by the Headteacher and approved by the Finance Committee.

## **Borrowing**

- 24.4 The FGB must comply with any restrictions on the Trust's power to borrow set out in the Funding Agreement.
- 24.5 The FGB must obtain the Secretary of State's prior approval for both short term borrowing (including overdrafts) and medium to longer term loans (including finance leases) where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.
- 24.6 All lease arrangements must be approved by the Headteacher and the CFO acting together having regard to the provisions noted previously in this Policy and contained within the Academy Trust Handbook.

## **25. Assets**

### **Asset Register**

- 25.1 The Headteacher is responsible for maintaining the Trust's register of land, buildings, fixed plant and machinery, with day-to-day responsibility for maintaining the register being delegated to the CFO.
- 25.2 The purchase of all capital assets should be included within the Trust's Asset Register.
- 25.3 Where an asset is disposed of this should be in accordance with DfE regulations contained in the Academy Trust Handbook, and the CFO should remove the item from the Asset Register.
- 25.4 Trust property should not be removed from Trust premises or used other than in accordance with the ordinary course of Trust business, except with the specific written approval of the Headteacher. Any property removed from Trust premises shall be recorded in a 'loan' schedule maintained by an Officer nominated by the Headteacher. Failure to gain such approval may result in disciplinary action.
- 25.5 The Trust will maintain assets records in accordance with its accounting policies as specified in the annual accounts. This allows for assets over £5,000 to be capitalised if they have a life in excess of 1 year and have an intrinsic operating value to the Trust.
- 25.6 All items purchased with a value over the Trust's capitalization limit will be entered in an asset register. The asset register should include the following information:
- Asset description
  - Asset number
  - Serial number
  - Date of acquisition
  - Asset cost
  - Source of funding (% of original cost funded from DfE or other grant and % funded from other sources)
  - Expected useful economic life
  - Depreciation
  - Current book value
  - Estimated replacement cost

- Location
- Department lead responsible for the asset

25.7 The purpose of the Asset Register is to:

- Ensure that staff take responsibility for the safe custody of assets;
- Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- Manage the effective utilisation of assets and to plan for their replacement;
- Help the external auditors to draw conclusions on the annual accounts and the academy's financial system;
- Support arrangement of insurance cover, and claims in the event of fire, theft, vandalism or other disasters.

25.8 All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Finance Committee.

### **Security of Assets**

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

25.10 Departmental managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under their control. They shall consult the Headteacher in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

25.11 Keys to safes or other similar containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the CFO immediately.

### **Disposals**

25.12 The authorisation levels for disposing of assets are specifically:

- Any written request to dispose of an item below £500 may be authorised in a manner approved by the Headteacher;
- Requests to dispose of assets between £500 and £5,000 must be authorised by the Headteacher plus one other approved signatory from Appendix 2;
- Requests to dispose of assets above £5,000 must be authorised by the Finance Committee;
- Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. Destruction of items must consider the requirements for the proper disposal of hazardous waste;
- Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

25.13 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested then the academy may have to repay to the Grant

provider a proportion of the sale proceeds.

25.14 Disposal of land and buildings must only take place with the authorisation of the FGB. The FGB must seek and obtain explicit prior approval from the Secretary of state for:

- Disposing of a freehold on land and buildings
- Disposing of heritage assets
- Entering into any freehold sales or purchases,
- Granting any leasehold or tenancy agreement, regardless of length,
- Taking up any leasehold or tenancy agreement for more than seven years.

### **Losses of Trust Property**

25.15 Any losses must be notified immediately to the Headteacher and CFO so that an insurance claim can be made where appropriate.

## **26. Insurance**

26.1 The CFO is responsible for developing an insurance strategy identifying the risks facing the Trust, the types of insurance cover to protect against those risks and the level of cover proposed. The Finance Committee will consider and approve the strategy prior to the end of the existing agreement in place. The Headteacher will have delegated power to authorise additional, often temporary insurance to meet further risks that may arise.

26.2 The CFO is responsible for effecting insurance cover for the Trust, for negotiating all claims on behalf of the Trust, and for maintaining the necessary records. The CFO will keep a register of all insurances affected by the Trust and the property and risks covered.

26.3 The CFO shall arrange for the provision of insurance services to be market tested at least every three years, with a report on this exercise being submitted to the Finance Committee.

26.4 If a loss of Trust property takes place whilst in the possession of an employee whilst off the trust's premises and the Trust's insurance policies do not cover this then the employee should seek to make an appropriate claim on their personal insurance

### **Notification of New Items to be Insured**

26.5 It is the responsibility of budget holders and other designated officers to notify the CFO, in writing, of any new items purchased or disposed of or of any event which will affect the insurance cover provided by the Trust.

### **Claims Procedures**

26.6 Claims for stolen cash or goods should be made as soon as the loss is discovered. General procedures are as follows:

- All cases involving the theft of cash or equipment must be reported directly to the police, to the budget holder, and to the CFO. All thefts and malicious damage must be reported to the police within a reasonable period of time and details of the report recorded otherwise the insurance claim may be rejected.

- The reporting officer must notify the CFO who will forward an insurance claim form.
- On completion of the claim form, it should be returned to the Headteacher and sent to the insurers.

26.7 Claims for other than property insurance should be made in accordance with the directions of the Headteacher and CFO acting together.

## **27. Travel**

### **Travel, Subsistence and Other Allowances: Staff**

- 27.1 Travel and subsistence expenses are only payable for official journeys on Trust business, i.e. journeys that are necessary for the proper performance of the individual member of staff's duties. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the CFO.
- 27.2 All staff must travel second/standard class, except where express permission is given by the Headteacher to do otherwise. In the case of the Headteacher, express permission should be given by the Chair of Governors.
- 27.3 All staff must have the prior written approval of the Headteacher before any **overseas visit** is booked. The Headteacher must have the prior written approval of the Chair of Governors.
- 27.4 Once an overseas visit is completed, a full report of the outcome of the visit, matched against objectives, future plans (if relevant) and full costs associated with the visit, must be logged centrally with the Headteacher, or nominated person. Where the visit includes a member of the Senior Management Team, the report should be forwarded to the next available meeting of the FGB.

### **Travel and Subsistence: Governors**

- 27.5 The rate of mileage allowance payable by the Trust to governors will not be in excess of the rates agreed by the Finance Committee for the relevant year.
- 27.6 Governors are entitled to claim mileage allowance incurred in the attendance of formal Trust or Committee meetings and any other approved meetings.
- 27.7 Governors are expected to travel second/standard class except where express permission is given by the School when undertaking official School duties. Travel and subsistence of Governors will be claimed at the same rates and are subject to the same control procedures as staff.
- 27.8 Governors are prohibited from claiming for any overseas travel in accordance with paragraph 6.5 of the Articles of Association.
- 27.9 Claims which are more than 6 months' old may not be reimbursed.

### **Staff Use of Own Car on Trust Business**

- 27.10 Any member of staff using their own car on Trust business must be in possession of a current driving licence and a current insurance policy, which covers business use and indemnifies the employer against third party claims. The vehicle in use must have a current valid MOT certificate.
- 27.11 The Finance Committee shall consider and approve a mileage allowance on an annual basis, September to

August, not in excess of the rates published by HM Revenue & Customs.

27.12 In the event that an official journey begins or ends at a point other than the employee's normal place of work, a claim will be made for the lesser of the miles actually travelled or the miles that would have been travelled had the journey begun or ended at the normal place of work.

27.13 For travel between sites a claim should be made for the agreed mileage figure.

27.14 The Trust will not normally pay for any mileage incurred by staff on travelling from their home to their normal and expected place of work.

## **28. Other**

### **Taxation**

28.1 The CFO or his/her nominee is responsible for advising budget holders and other managers on taxation matters, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the Trust.

28.2 The CFO is responsible for maintaining the Trust's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

### **Fraud, Theft, Irregularity and Cybercrime**

28.3 Any person involved in known or suspected money laundering activity risks criminal conviction. All members of staff are to be vigilant in protecting the position of the School in this regard. The Headteacher is the nominated money laundering reporting officer (MLRO).

28.4 Where there is any individual or connected set of transaction(s) involving £500 or more in cash the CFO should be informed.

The FGB must notify DfE as soon as possible of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year.

The Trust through its IT strategy will be aware of the risk of cybercrime, and put in place proportionate controls, to take appropriate action where a cyber security incident has occurred.

The Trust will not pay any cyber ransom demands.

### **Data Protection**

28.5 The Headteacher, via a designated senior officer, is responsible for ensuring that the Trust is registered with the Information Commissioner and that all necessary procedures are in place in order that the Trust complies with the requirements of the Data Protection Act.

28.6 The School's policy and procedures in relation to the management of data and privacy is set out in its School Data Protection Policy.

28.7 The Data Protection Act regulates the processing of information relating to living individuals identified from information held by the Trust.

- 28.8 All storage of personal data must be registered with the Information Commissioner. It is a criminal offence to hold or process unregistered personal data. Both the Trust and the member of staff involved will become liable to heavy fines should this occur.
- 28.9 Individuals have a right of access to their personal data held by the Trust.
- 28.10 In no cases should information relating to any individual be disclosed in any way to any party, except as specifically mentioned in the registration entry for that data.
- 28.11 It is an offence under the Act to operate outside the terms of the register entries.

### **Digital and Technology Standards**

- 28.12 In the normal course of Trust business, staff are not normally allowed to make private telephone calls using the School's systems. However, in the event of an emergency such calls are permitted.
- 28.13 Subject to the restrictions operating within the Trust's IT systems, staff are permitted to access the internet for personal purposes provided this is during rest and break periods. Access or attempted access of inappropriate materials of whatever nature, are likely to result on disciplinary procedures which may lead to dismissal.

The Trust is committed to working towards the DfE's core digital and technology standards.

### **Use of the Trust's Seal**

- 28.14 The CFO shall be responsible for the safe keeping of the Trust Seal.
- 28.15 Where a deed or document requires the seal, the application of the seal of the Trust shall be authenticated by:
- The signature either of the Chairman of the FGB or of some other member authorised either generally or specifically by the FGB to act for that purpose, and
  - The signature of any other member.
- 28.16 Each occasion of use of the seal should be reported to the next FGB meeting.

### **Security of Documents**

- 28.17 The Headteacher through his/her nominee is responsible for the maintenance of a Contracts Register and for the safekeeping of official and legal documents relating to the Trust. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Headteacher. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location. Only the Headteacher can order or authorise destruction of records and then strictly subject to restrictions on accounting and other records, as set out above.

### **Stocks and Stores**

- 28.18 The Headteacher, through his/her nominee, is responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature shall be held in a manner approved by the Headteacher and shall be subject to appropriate security checks.

28.19 Where stocks require valuation in the balance sheet Budget holders must ensure that the stocktaking procedures in place have the approval of the CFO and those instructions to appropriate staff within their departments are issued in accordance with advice contained in the Trust's detailed financial procedures.

### **Gifts and Hospitality**

28.20 Acceptance of any modest gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise a member of staff's personal judgement or integrity, must not exceed the value or perceived value of £50. Such acceptance will be disclosed at the earliest opportunity, and in any event within six weeks, to the CFO who will note such acceptance on a Gift Register.

28.21 The Headteacher has discretion to award a gift to colleagues:

- gifts of up to £50 per person for extraordinary contribution/performance/long service.
- team meal (excluding alcohol) to recognise exceptional results.

28.22 The Trust's funds must not be used to purchase alcohol under any circumstances.

28.23 Taken together, under Personal Conduct and Gifts, these represent a statement of the framework within which officers and employees are expected to conduct themselves.

If a member, trustee or staff member does not feel that it would be appropriate for them to decline a gift or offer of hospitality, they should refer the matter to the CFO or Headteacher, who will decline the offer on their behalf, or donate the offer to a worthy cause, and must also record the offer.

28.24 Failure to declare any gifts or hospitality offered on the gifts and hospitality register, in line with this policy, will be dealt with as a disciplinary matter.

### **Novel, Contentious or Repercussive Payments**

28.25 Novel payments are those in which the Trust has no experience; or are outside the range of normal business activity for the Trust. Contentious payments are those which might give rise to criticism of the Trust by the public or the media. Repercussive transactions are those likely to set a precedent or cause pressure for other academy trusts, colleges, or the wider public sector to take a similar approach and hence have wider financial implications. It is difficult to be specific about what might constitute novel, contentious or repercussive payments; it is for the FGB to use its judgement about when to seek the prior advice of the DfE. Public money must always be spent prudently and in ways that command broad public support. Novel, contentious and repercussive payments must always be referred to the DfE for explicit prior authorisation. If there is any doubt about the propriety of a payment, the FGB should ask the DfE in advance.

### **Amendments to the Financial Regulations**

28.26 Any amendments to the Financial Regulations must be reviewed by the Finance Committee and the Audit Committee/Responsible Officer prior to consideration by the FGB.

28.27 Amendments to the Financial Regulations may only be approved by the FGB.

28.28 The Financial Regulations will be reviewed annually in September, taking account of any new requirements of the Academy Trust Handbook.

## **F. APPENDIX A – Committee Terms of Reference**

### **THE FINANCE COMMITTEE**

#### **TERMS OF REFERENCE**

**MEMBERSHIP:** No fewer than six Governors

The Committee may make recommendations to the Board of Governors for the co-option of non-Governor members and/or invite representatives from the Senior Leadership Team.

**QUORUM:** Three Governors.

**MEETINGS:** The Committee will meet a minimum of six times per year, and more frequently as academy business dictates

#### **TERMS OF REFERENCE**

1. To consider the Academy's annual indicative funding and to assess its implications for the Academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board of Governors.
2. To consider and recommend to the Board of Governors acceptance/non-acceptance of the Academy's budget, at the start of each financial year.
3. To contribute to the formulation of the Academy's Development Plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the Academy.
4. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund, Capital Funds or balances, ensuring the compatibility of all such proposals with the priorities set out in the Development Plan.
5. To liaise with, and receive reports from, the Personnel and Curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
6. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy and the financial regulations of the DfE, drawing any matters of concern to the attention of the Board of Governors.
7. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and where appropriate, to make recommendations for improvement.
8. To agree and receive the financial statements and recommend them to the Board of Governors for approval and filing in accordance with Companies Act and Charity Commission requirements.

9. The sub-committee formerly known as the Audit Committee is subsumed into the Finance Committee, and all business consider by the wider committee members, this aspect to be led by the RO Governor.
10. To monitor the Gift Aid Scheme.
11. Receive reports from relevant staff and approve or recommend action.
12. Determine the Academy's Charging and Remissions, Lettings Policies and other finance related policies.
13. Monitor the financial aspects of land and buildings developments and report progress and/or concerns to the Board of Governors.
14. To maintain oversight of the Asset Management Plan
15. To monitor statutory financial returns.
16. To ensure alignment of finance policies to support the School Improvement Plan
17. To review the Investments Policy annually and to make recommendations to the FGB
18. To monitor the performance of the Academy's investment managers and to act on behalf of the FGB within the agreed parameters of the Investment Policy.

## **G. APPENDIX B: Scheme of Delegation**

- 1 Financial Powers and Duties Reserved for the Full Board of Governors.**
- 2 Financial Powers and Duties Delegated to the Finance Committee.**
- 3 Financial Powers and Duties Delegated to the Audit Committee.**
- 4 Financial Powers and Duties Delegated to the Headteacher.**
- 5 Financial Powers and Duties Delegated to the CFO and Company Secretary.**
- 6 Financial Powers and Duties Delegated to Other Committees.**
- 7 Financial Powers and Duties Delegated to Other Staff.**
- 8 Summary of Financial Authorisation Levels.**

### **1 Powers and Duties Reserved for the Board of Governors**

The Board of Governors shall be responsible for:

#### **General**

- 1.1** Approving a written Scheme of Delegation of its financial powers and duties to its Finance Committee, the Headteacher and other staff. The scheme must satisfy the Board of Governors' ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academy. The Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Academy.

#### **Budgets/Budgetary Control**

- 1.2** Considering budgetary control reports from the Finance Committee at every meeting, with relevant explanations and documentation, where required.
- 1.3** Formally approving the annual Academy budget at least two months prior to the start of each financial year

#### **Purchasing**

- 1.4** Maintenance of a Register of Business Interests for all Governors and those Academy staff with financial responsibilities.
- 1.5 Authorising the award of orders and contracts over £100,000.**
- 1.6** Authorising the advertising of tenders above £214,904 and authorising the award of such tenders.
- 1.7** In exceptional circumstances, where an urgent decision is required for contracts over £100,000 before the scheduled date of the next Full Governing Body meeting, all members will be consulted by the Chair of Governors by e-mail to consider the expenditure commitment with the final decision made by the Chair of Governors and Headteacher and reported to the Chair of Finance'.

- 1.8 The acceptance of tenders other than the most financially favourable, or late tenders, can only be approved by the Board of Governors who shall minute the reasons for their decision.

#### **Accounts and Audit**

- 1.9 Informing the DfE if it suspects any irregularity affecting resources.
- 1.10 Appointing and reappointing external auditors.
- 1.11 Approving audited financial statements prior to submission to the DfE by 31<sup>st</sup> December.

#### **Investments**

- 1.12 To approve the academy's investment strategy and to consider any proposals which fall outside the policy.

## **2 Powers and Duties Delegated to the Finance Committee**

**The Finance Committee shall be responsible for:**

#### **General**

- 2.1 Exercising the powers and duties of the Board of Governors in respect of the financial administration of the Academy, except for those items specifically reserved for the Board of Governors and those delegated to the Headteacher and other staff.
- 2.2 Reporting on decisions taken under delegated powers to the next meeting of the Board of Governors.

#### **Budgets/Budgetary Control**

- 2.3 Formally recommending the annual Academy budget to the Full Governing Body
- 2.4 Considering budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report areas of concern to the Board of Governors.
- 2.5 Reviewing, approving and authorising the virement of sums over £25,000, as recommended by the Headteacher, if this affects the bottom-line outturn figure
- 2.6 Reporting to the Board of Governors all significant financial matters, and any actual or potential overspending.

#### **Purchasing**

- 2.7 Authorising the award of orders and contracts over £25,000 and up to £100,000.

#### **Insurances**

- 2.8 Ensuring that arrangements for insurance cover are in place and adequate.

#### **Security of Assets**

**2.9** Ensuring that there are annual independent checks of assets, the asset register and the asset management plan.

**2.10** Authorising of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete, with a current market value in excess of £5000.

#### **Personnel**

**2.11** Authorising expenditure to meet the Academy's agreed staffing complement.

#### **Income**

**2.12** Authorising the writing off of debts (over £1000 each item) not collectable (the DfE's prior approval is required if debts to be written off are above £45,000 as set out in the Academy Trust Handbook).

#### **Accounts and Audit**

**2.13** Reviewing the draft financial statements post-audit and recommending approval to the Board of Governors of the audited financial statements, prior to submission to the DfE by 31<sup>st</sup> December.

#### **Policies**

**2.14** Approving the following policies;

- Charging and Remissions
- Lettings
- Other finance related policies as appropriate

#### **Investments**

**2.15** To execute the academy's Investment Policy in accordance with the strategy approved by the Full Governing Body

**2.16** To review the performance of the academy's investment managers

### **3 Audit Powers and Duties carried out by the Finance Committee**

**3.1** Reviewing the reports of the Internal Scrutiny contractor on the use of resources, systems of internal financial control, and discharge of financial responsibilities, and report to the Board of Governors.

**3.2** Reviewing the draft financial statements post-audit and advising the Board of Governors on the adequacy of the control environment and the representations in the Governance Statement of the audited Financial Statements, prior to approval by the Board of Governors.

**3.3** Receiving the reports of the external auditor.

### **4 Financial Powers and Duties Delegated to the Headteacher**

The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the Academy, the implementation of all policies approved by the Board

of Governors and for the direction of teaching and the curriculum.

**The Headteacher shall be responsible for:**

**Budgetary Control**

- 4.1 Reviewing income and expenditure.
- 4.2 Recommending for approval to the Finance Committee variations between budget headings if over £25,000.

**Financial Management**

- 4.3 Ensuring that the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

**Purchasing**

- 4.4 Authorising orders and contracts over £15,000 and under £25,000 which are in accordance with the Governors' approved budget.
- 4.5 Ensuring that all contracts and agreements conform to the Financial Regulations.

**Payroll and Personnel**

- 4.6 Appointing new staff within the staffing establishment approved by the Board of Governors with a view to managing costs within the agreed staffing budget.
- 4.7 Certifying the payment of salaries each month, in conjunction with the CFO.
- 4.8 Day to day management of the Whole School Pay Policy in consultation with the Chair of Governors. The Headteacher will report to the Board of Governors those occasions when the delegated responsibility has been exercised in respect of the discretionary elements of the current STPC Document and the pay provisions for support staff.

**Security of Assets**

- 4.9 Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc.

**Accounts and Audit**

- 4.10 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a current market value of up to £5,000.
- 4.11 The operation of financial processes within the Academy, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.
- 4.12 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.

## **5 Financial Powers and Duties Delegated to the CFO (Company Secretary)**

**The CFO shall be responsible for:**

### **Budgets/Budgetary Control**

- 5.1** Preparing with SLT an annual draft budget plan for consideration by the Finance Committee before the start of the relevant financial year.
- 5.2** Monthly monitoring with SLT of expenditure and income against the approved budget and submitting reports on the Academy's financial position to every meeting of the Finance Committee. Any actual or potential overspending shall be reported to the Finance Committee. Monthly monitoring figures to be shared with the Chair of the finance Committee and the Chair of Governors.

### **Purchasing**

- 5.3** Authorising orders and contracts up to £15,000 in conjunction with Budget Holders.
- 5.4** Retention of quotes obtained for goods, works and services.
- 5.5** Ensuring that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way.
- 5.6** Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 5.7** Advising the Headteacher that all contracts and agreements conform to the Financial Regulations.

### **Payroll and Personnel**

- 5.8** Managing the Academy's payroll function.
- 5.9** Ensuring that the monthly payroll is checked, and certifying it for payment in conjunction with the Headteacher.
- 5.10** Approval of payments for casual and additional hours as reflected in total in budgets, referring to the Headteacher as necessary.

### **Income**

- 5.11** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

### **Banking Arrangements**

- 5.12** Approving release of payment for payroll following suitable checks and countersigning by the Headteacher.
- 5.13** Approving release of payment for duly authorised invoices and other items up to £125,000.
- 5.14** Maintaining proper records of account and reviewing monthly bank reconciliations.

## **Insurances**

- 5.15 Notifying the Finance Committee on any eventuality that could affect the Academy's insurance arrangements.

## **Security of Assets**

- 5.16 Maintaining a permanent and continuous assets register, and ensuring proper security is maintained for all the cash, information and records etc., under his/her control.

## **Accounts & Audit**

- 5.17 Maintaining accurate and up-to-date records in order to provide financial and statistical information.
- 5.18 Making all records and documents available for audit by the appointed external auditors and by the Responsible Officer and Internal Scrutiny contractors.

## **6 Financial Powers and Duties Delegated to Other Committees**

- 6.1 Whole-school Pay Policy - Personnel Committee.

## **7 Financial Powers and Duties Delegated to Other Staff**

- 7.1 Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Regulations.
- 7.2 Members of SLT or other managers may certify casual and additional hours as confirmation that hours have been worked. Approval for payment (and rate) is part of detailed payroll checking by the CFO and the Headteacher.

## **General**

- 7.3 Budget Holders are responsible for checking and certifying statements of expenditure against their delegated budget and for reporting any errors or irregularities to the CFO.

## **Information and Communication Systems**

- 7.4 The Network Manager is responsible for maintaining the standards of control for such systems in operation within the Academy to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection.
- 7.5 The Network Manager is responsible for implementing and maintaining systems to monitor and prevent unauthorised access to the Academy's systems, and alerting the Headteacher to any threats of cyber-attacks that do or may threaten the continued use of those systems.

## 8 Summary of Financial Authorisation Levels

The Headteacher holds delegated responsibility for the overall management of the Academy Budget, including authorisation of financial transactions on behalf of the Academy. The following delegated limits have been approved according to the schedule below:

Role	Limitations	Up to - Amount
Headteacher	Must sign all orders / invoices in excess of £15,000. All items in excess of £25,000 require approval of Governors' Finance Committee. Must countersign all payments in excess of £15,000 from the bank account.	£25,000
Deputy Headteacher	On a day-to-day basis, authorised to sign Requisition Forms and supporting invoices subject to purchase being in accordance with Governors' approved Budget. May countersign payments up to £15,000 from the bank account. In the absence of the Headteacher, a Deputy Headteacher or Chair of Governors to assume full Headteacher responsibility for authorisation. Confirming casual and additional hours worked.	£15,000
CFO	Approve release of payment for payroll following suitable integrity checks Approve release of payments for invoices approved in accordance with this scheme Countersign Requisition Forms to assure conformity with Budget limits and purpose. Authorised to sign Requisition Forms and supporting invoices relating to Administration and Central Pot, and for the approval of invoices submitted in accordance with pre-approved contracts, all purchases to be in accordance with Governors' approved Budget. Approval of casual and additional hours for payment within budget.	NA £125,000 £15,000 £15,000
Assistant Headteacher	Authorised to sign Requisition Forms and supporting invoices subject to purchase being in accordance with Governors' approved Budget. Confirming casual and additional hours worked.	£10,000
Premises and Procurement Manager	Authorised to sign Requisition Forms and supporting invoices relating to Premises-related expenditure within the limits of the Governors' approved Budget.	£10,000
Network Manager	Authorised to sign Requisition Forms and supporting invoices relating to IT Hardware / Software expenditure within the limits of the Governors' approved Budget	£10,000
Catering Manager / Deputy (in absence of Manager)	Authorised to place orders and sign invoices relating to orders made directly with approved catering suppliers within Budget approved by the Governors. Confirming additional hours worked.	£3,000
Exams Officer	Authorised to sign Requisition Forms and supporting invoices relating to Examination-related expenditure within the limits of the Governors' approved Budget.	£5,000

Heads of <u>Department</u>	Authorised to sign Requisition Forms and all supporting invoices relating to items documented within Budget and approved by the Headteacher.	£2,000
PA to Headteacher	Authorised to sign Requisition Forms and supporting invoices relating to the placing of advertisements for staff recruitment and booking hotels for candidates, as directed by Headteacher.	£500

Any purchase or invoice authorisation which exceeds the delegated limit must be countersigned by a member of SLT in accordance with the table above.

No purchases should be made on behalf of the Academy by an individual without prior signed consent in accordance with the table above (this includes, but is not confined to, the purchase of resources by cash or personal credit card with the expectation of reimbursement by the Academy).

## **H. APPENDIX C – Public Interest Disclosure Act**

### **1 BACKGROUND**

The Public Interest Disclosure Act (Whistle Blowers Charter) has been introduced to protect employees who expose serious wrongdoing at work and gives them protection against victimisation by their employer.

Although the Trust supports this Act, has procedures in place for its implementation and encourages staff to draw management's attention to any problems, the use of the Act's protection needs careful consideration by you.

This document sets out the general philosophy of the Act but employees are advised to take advice (i.e. from their Union) before formally implementing Whistle Blowing.

The Act gives protection if conditions are met and procedures followed, but disciplinary action could be incurred if the conditions or procedures are not met or followed.

As this Trust has an "open door" management style, (backed up by email), where all levels of management are open and available to all levels of staff, it is hoped that any apparent wrongdoing can be discussed and rectified within Trust without formal procedures.

The purpose of the Act is to enable an employee to highlight a serious malpractice (i.e. a crime) without fear of retribution from their employer. It is not intended for grievances, as this is already covered by the Trust's existing "Grievance Procedure".

### **2 PURPOSE**

The purpose of the Act is to make it more likely that where there is malpractice, which threatens the Trust, you will – rather than turn a blind eye – raise the concern and do so in a responsible way. The Act seeks to achieve this by offering you protection against victimisation if you raise your concern in the ways specified in the legislation.

The Act directs you towards raising the matter internally in the first instance and using the internal whistle blowing procedure, it seeks to encourage you to use this. Where it is not reasonable to raise the matter internally or where the matter is not properly addressed internally, the Act also protects you where you make an external disclosure in a specified way.

If you choose to disclose information in a way not covered by the Act, you will lose its protection.

#### **2.1 Scope**

The Act covers all employees of the Trust, both full and part-time and agency contract staff.

##### **The information to which the Act applies**

The Act only applies where you disclose information about a malpractice, which involves a:

- crime or breach of regulatory, administrative or common law;
- miscarriage of justice;
- danger to health and safety

- damage to the environment

It also applies where attempts are made to cover up such malpractice.

## **2.2 Raising the concern internally: general**

You will normally be expected to raise the matter internally unless there are sound reasons not to.

### **Preconditions**

Where you have information about a specified malpractice, you are protected against victimisation where you raise it internally provided that you:

- reasonably believe the information tends to show a specified malpractice; and
- are acting in good faith.

## **2.3 Raising the concern internally: specifies with the employer**

You are protected when you raise the concern with the Trust in accordance with the Whistle Blowers' procedure.

Where the malpractice is caused by or is the legal responsibility of a third party, (an agency lecturer) you are also protected if you raise the matter with that third party.

## **2.4 Raising the matter externally: general**

The Act recognises two broad types of disclosure. The first, dealt with above, covers cases where the concern is raised within a confidential or working relationship. The second, considered below, is where the information is disclosed to an outside body.

Preconditions for all outside disclosures

For an outside disclosure to be protected, you must:

- Reasonably believe the information tends to show a specified malpractice;
- Be acting in good faith;
- Not be motivated by personal gain; and
- Reasonably believe that the information is substantially true.

These preconditions, which are higher than those, which apply for raising the matter internally, apply in all the following circumstances.

## **2.5 Raising the matter externally: authorised regulators**

While the Act recognises two broad types of disclosure (internal and external) it does provide that there may be a half-way house, which you may consider before making a wider, public disclosure. The authorised Regulator for Trust is the Department for Education.

## **2.6 Raising the matter externally: other disclosures**

### **First stage requirements**

At the risk of repetition, for any outside disclosure to be protected you must first meet the following preconditions:

- Reasonably believe the information tends to show a specified malpractice;
- Be acting in good faith;
- Not be motivated by personal gain; and
- Reasonably believe that the information is substantially true.

### **Second stage requirements**

You should have first raised the concern internally or, if there is one, with an authorised regulator.

A wider disclosure can also be protected if it is not raised internally or with an authorised regulator (provided all the first and third stage requirements are met) where:

- You reasonably believed you would be victimised if you raised the matter internally or with the authorised regulator; or
- You reasonably believed that there would be a cover-up if you raised the matter internally.

### **Third stage requirements**

You must also show that that particular disclosure was reasonable in all the circumstances. In determining whether the disclosure is reasonable, particular attention will be paid to:

- Whether the person to whom the disclosure was made was appropriate;
- The seriousness of the malpractice;
- Whether the danger or risk still existed;
- The response of the Trust or authorised regulator where the concern had been raised with them; and
- Whether you made use of any whistle blowing procedure authorised by his employer.

## **3 PROCEDURE**

The Public Interest Disclosure Act will hopefully not be used very often because it is only intended for serious wrongdoing at work.

As a consequence, because the nature of an alleged malpractice could be very involved and wide-ranging, it is difficult to formulate a detailed procedure within time scales.

Nevertheless, the following procedure is recommended to be followed:

### **3.1 Internal Disclosure**

The Act expects you to raise the matter internally initially, unless there are sound reasons not to:

3.1.1 Satisfy yourself that the malpractice relates to:

- Crime or breach of regulatory administrative or common law;
- Miscarriage of justice;

- Danger to health and safety;
- Damage to the environment and you
- Reasonably believe the information tends to show a specified malpractice; and
- Are acting in good faith

3.1.2 Discuss the problem with somebody who is not involved directly, such as a colleague or union representative.

This will help to ensure that the above criteria are being met (very important) and also that you are not over reacting to a situation.

3.1.3 Prepare a detailed and concise written report.

3.1.4 Submit the report to the Clerk.

3.1.5 To ensure your report is not ignored a copy will be returned to you, signed and dated by the Clerk with an indicative date (not exceeding fifteen working days) when you will be informed in writing of the current situation relating to the report. This might only be in general terms.

3.1.6 The FGB will be informed of the receipt of the report.

3.1.7 Further written notes will be sent to you at intervals (not exceeding fifteen working days) setting out the current situation.

3.1.8 When the investigation of the alleged malpractice is completed, you will be informed of the outcome in writing.

## 3.2 External Disclosure

The preconditions (which must be met if you are to have protection from the Act) for outside disclosure are higher than those for internal disclosure.

3.2.1 The information about a malpractice must involve a:

- Crime or breach of regulatory, administrative or common law;
- Danger to health and safety;
- Damage to the environment.

3.2.2 Protection is given to you by the Act provided that you:

- Reasonably believe the information tends to show a specified malpractice;
- Are acting in good faith
- Not be motivated by personal gain, and
- Reasonably believe that the information is substantially true.

The final above two points are additional for external disclosure.

3.2.3 The Act expects you to raise the matter on a phased basis:

- Internally;

- Externally to the authorised regulator the EFA;
- Externally in a wider public manner (i.e. the press).

3.2.4 External disclosure is summarised previously in points 2.5 and 2.6.

3.2.5 There is no formal Trust procedure for external disclosure and you are strongly advised to discuss the disclosure with your Union in your own interest.

3.2.6 To ensure protection from “The Public Interest Disclosure Act” you MUST follow the requirements and preconditions of the Act.

## **I. APPENDIX D – The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)**

### **SELFLESSNESS**

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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 families or their friends.

### **INTEGRITY**

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

### **OBJECTIVITY**

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

### **ACCOUNTABILITY**

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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**

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

### **HONESTY**

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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**

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