FINHAM PARK

MULTI ACADEMY TRUST



***FPMAT FINANCE POLICY***

**CONTENTS**

[**1. Introduction**](#Introduction) **2**

[**2. Organisation**](#Organisation) **3**

[**3. Accounting System**](#Accounting) **6**

[**4. Financial Planning**](#Financial) **7**

[**5. Payroll**](#Payroll)  **11**

[**6. Purchasing**](#Purchasing)  **14**

[**7. Income**](#Income)  **18**

[**8. Cash Management**](#Cash)  **18**

[**9. Investment and Reserves**](#InvestmentReserves) **21**

[**10. Disposals**](#Disposals)  **22**

[**11. Debtors**](#Debtors) **23**

[**12. Transfer Between Schools**](#Transfer) **25**

[**13. Stock Management**](#Stock) **25**

[**14. Risk**](#Risk) **26**

[**15. Gifts & Hospitality**](#Gifts)  **26**

[**16. Fixed Assets**](#Assets)  **30**

[**17. Audit**](#Audit)  **31**

[**Appendix A**](#AppendA)**: Delegation of Financial Authority 32**

[**Appendix B**](#AppendixB)**: Competitive Tendering Policy 36**

[**Appendix C**](#AppendC)**: Whistle Blowing 38**

**1. INTRODU****CTION**

* 1. The purpose of this manual is to ensure that the Finham Park Multi Academy Trust (FPMAT) Board (the Board) recognise their responsibility to maintain and develop systems of financial control which conforms to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the Department for Education (DFE)/ Education Skills Funding Agency (ESFA).
  2. This manual applies to all academies within FPMAT. It provides detailed information on the trust’s accounting procedures, and should be read and implemented by all personnel involved with the financial systems within the trust.
  3. The Board is responsible for ensuring that adequate internal controls are in place. Some of these controls are undertaken by the Board itself. In practice, these are applied through the Executive and Senior Management team, committees to The Board, Academy Headteachers and Academy Local Governing Bodies to ensure that the risks of error or fraudulent activity are minimised.

To ensure this The Board will consider:

* Staff expertise
* Segregation of duties
* Documentation
* Register of business interests
* Financial Accounting systems and records.

**2. ORGANISATION**

The Board has overall responsibility for the administration of its academies' finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in the Trust Articles of Association, its Constitution and in the Funding Agreement between the Trust and each of its academies with the Department for Education (DfE). These responsibilities in relation to financial matters include:

* 1. **Trustees**

The Board is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

• finance policy development and strategic planning;

• ensuring sound management and administration of the Trust and its academies and ensuring that managers are equipped with relevant skills and guidance;

• ensuring compliance with general legislative requirements;

• establishing and maintaining a transparent system of prudent and effective internal controls;

• management of the Trust’s financial, human and other resources;

• monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon;

• setting the Trust’s standards of conduct and values;

• assessing and managing risk, (including the preparation of a statement on academies risk management, for its annual report and accounts);

• to hold to account each Headteacher and their staff.

* 1. **MAT Finance & Resources Committee**

The Committee is responsible for the detailed consideration as to the best means of fulfilling the Trust’s responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity; most particularly by:

• assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;

• promoting a climate of financial discipline and reducing the opportunity for financial mismanagement;

* 1. **Local Governing Body**

Each school’s governing body is responsible for:

• monitoring the school’s income and expenditure throughout the year, with reference to the budget agreed

• holding the Headteacher to account for how financial resources are expended at the school.

* 1. **The Executive Headteacher**

The Executive Headteacher is the Accounting Officer with responsibilities as described in HM Treasury’s “Regularity, Propriety and Value for Money”. The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which he / she is answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is given to any issues of propriety or regularity.

The main responsibilities of the Accounting Officer include:

• the development of the annual budget;

• the development of medium-term financial planning

• the regular monitoring of actual expenditure and income against budget;

• ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;

• Ensuring that the regular reports provided to the Board are timely and accurate;

* 1. **Headteacher**

Within the framework of the Trust's Development Plan, each academy Headteacher has overall executive responsibility for the academy’s activities including financial activities. Much of the financial responsibility has been delegated to the Business Director and the School Finance Leads but the Headteacher still retains responsibility for:

• approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trustees have agreed should be approved by them;

• ensuring the delivery of the academy annual budget as approved by the Trust;

• monitoring the regular budget reports with the Business/Operations Manager and acting on overspends or risk.

* 1. **Business Director**

The Business Director works in close collaboration with the Accounting Officer through whom he or she is responsible to The Board. The Business Director has direct access to the Board. The main responsibilities of the Director are:

• the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board;

• 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 each academy;

• the preparation of budgets and medium term financial plans

• ensuring returns to ESFA and other funding agencies completed correctly and on time

• ensuring returns to statutory agencies are completed

• cash flow and treasury management including managing investments

• functional management of Local Finance Lead

• authorising orders and the award of contracts within the approval limits;

* 1. **Local Finance Lead (LFL)**

It is envisaged that each academy will have a Local Finance Lead such as a Business / Operations Manager or a person who undertakes that role albeit with a different job title

The LFL work in close collaboration with the Business Director. The main responsibilities are:

• the day to day management of financial issues in line with the policies of the MAT;

• the preparation of monthly management accounts;

• authorising orders and the award of contracts within the approval limits;

• ensuring that financial controls are working effectively at academy level;

• under the direction of the Headteacher, management of the budget;

• ensuring the HR database is up to date, and that any salary variances are investigated and actioned were required.

* 1. **Register of Business Interests**

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Members, Trustees, Local Governors 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.

The register should include all business interests such as directorships, share-holdings or other appointments of influence within a business or organisation 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 Members, Trustees, Local Governors or a member of staff by that person. (see online register)

The existence of a register of business interests does not, of course, detract from the duties of members of the Members, Trustees, Local Governors and staff to declare interests whenever they are relevant to matters being discussed. Where an interest has been declared, the individual should not attend that part of any meeting or committee, or be part of the decision-making process.

**3. ACCOUNTING SYSTEM**

3.1. All the financial transactions of the academy must be recorded on the Iris Financials finance system.

**System Access**

3.2. Entry to the Iris Financials system is password restricted. Passwords should only be used by the individual concerned and under no circumstances passed on for use by other persons.

3.3. Access to the component parts of the system can also be restricted, appropriate access levels are granted accordingly.

**Back-up of the Finance System**

3.4. All financial information on Iris Financials is backed up remotely and stored in the cloud so in the event of a disaster the information will be secure.

**Transaction Processing**

3.5. All transactions input to the accounting system must be authorised in accordance with the scheme of delegation. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are detailed in additional manuals. Bank transactions input should be checked and reconciled during the monthly bank reconciliation, signed by the member of staff completing the reconciliation and one of the senior finance staff, and a copy kept for audit purposes.

**Journal Entries/Adjustments**

3.6. The below procedure should be followed:

* The journal is prepared & posted on Iris Financials, supporting documents attached, scanned and filed.
* The preparer should ensure that each journal input has a description on Iris Financials that explains the reason for raising the journal
* If an amendment to the posted journal is required, either a transaction alternation (where the period is open), or a new journal to correct this change should be posted on Iris Financials, detailing the reason for the change, with supporting documents attached, scanned and filed.
* As part of the month end process, a sample of journals will be reviewed and checked for inconsistencies, duplication and any other errors.

3.7. Detailed information on the operation of Iris Financials system can be found in the user manuals. Support will also be available and instructions regarding this will be issued by various staff across the MAT.

**Reconciliations**

3.8. The Person responsible for month end must ensure the following are reconciled each month:-

* Sales ledger control account with the aged debtors
* Purchase ledger control account with the aged creditors
* VAT control account with the VAT report
* Banking control account
* Payroll gross pay to provider with amounts posted to the control accounts
* Fixed Assets
* Suspense account
* Any other balance sheet account
* The petty cash should be reconciled at local level on a monthly basis

3.9. Any unusual or long outstanding reconciling items must be brought to the attention of the Business Director. The Business Director will review and sign all reconciliations as evidence of review.

**Monthly Financial Reporting**

3.10. The Head of Finance will obtain and review a sample of transactions to ensure they are posted correctly to the accounting system.

The LFL will then review of actual expenditure against budget using the agreed template and produce a report detailing large variances and virements for distribution to the Executive Head, Business Director, Headteacher and Chair of Local Governing Body.

**Budget Holders**

3.11 The LFL is responsible for managing the budgetsat each location, this is done electronically to facilitate the electronic approval system.

**4. FINANCIAL PLANNING**

4.1. The Trust prepares both medium term and short-term financial plans both as individual schools and consolidated as a trust.

4.2. The medium-term financial plan is prepared as part of the strategic planning process. The strategic plan indicates how the academy’s educational and other objectives are going to be achieved within the expected level of resources over the next three years.

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

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

**Strategic Plan**

4.5. The strategic plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy’s objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

4.6. The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DFE and/or the ESFA.

**Annual Budget**

4.7. The local Headteacher with the support of the Local Finance Lead is responsible for preparing an initial budget, this will then be reviewed by the Executive Headteacher and Business Director, modified if required, for consideration by the Board Finance and Resource Committee

4.8. The approved budgets must be submitted to the DFE/ ESFA by the set deadline, in a consolidated format.

4.9. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the strategic plan objectives and the budgeted utilisation of resources.

4.10. The budgetary planning process will incorporate the following elements:

* Forecasts of the likely number of pupils to estimate the amount of DFE/ ESFA grant receivable;
* Review of other income sources available to the academy to assess likely level of receipts;
* Review of past performance against budgets to promote an understanding of the academy cost base;
* Identification of potential efficiency savings; and
* Review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
* It is recommended that all schools should strive to maintain an in-year reserves of 3% of total income, where a school departs from this recommendation the Board Finance and Resource Committee should be notified as early as possible in the budgeting process in order to give their approval.

4.11. Yearly Budget Preparation guidance will be sent out to ALL Schools to promote consistency across Schools by March each year.

4.12. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be used to build up designated funds to be available to meet the cost of unforeseen events. The build-up of substantial undesignated funds as a contingency should be avoided.

4.13. Monthly Forecast Outturn is to be done to assist in projecting the remaining balance at the end of the current financial year for the Academy. This will also reflect an up to date position as unforeseen circumstances that may not have been taken into account whilst preparing the yearly budget will be considered.

**Cash Flow Forecasts**

4.14. A minimum of 12 months rolling cash flow forecasts and reviewing it on a monthly basis to ensure that the Trust has sufficient funds available to pay for day to day operations.

**Monitoring and Review**

4.15. Monthly accounts summary will be prepared by the Local Finance Lead. These will detail actual income and expenditure against budget/forecast at a summary level for the Headteacher, the Chair of the Local Governing Body.

Budget holders are able to see the position of their budget by looking at their online, real-time statements.

4.16. Any potential overspend against the budget must in the first instance be discussed between the Headteacher and the Local Finance Lead.

4.17. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

**Month End Procedure**

4.18The below procedure should be followed:

**Academies**

I. Monthly Reviews

***Transactions up to date –*** Ensure that all locally managed transactions are up to date on the finance system.

***Review Unauthorised Orders and Invoices*** – Ensure these are still valid and follow up with the staff involved if needed.

***Review Outstanding Orders older than 60 days -*** Ensure these are still valid and follow up with the staff involved if needed.

***Transactions–*** Ensure that all locally managed transactions are up to date on the finance system. Review of postings to ensure correct Nominal and Department codes have been used.

II. Reconciliations

***Payroll Reconciliation*** – Ensure that the Payroll control account balances, any variances between budget and actuals analysed using the template provided. Any imbalance should be sent to the Business Director for review.

***Petty Cash reconciliation*** – ensure that all petty cash transactions have supporting documentation and are entered on to the finance system.

III. Management Accounts

***Management Report*** - Run a management accounts report with a narrative of any changes including explanations of any significant variances against the budget. This should be sent to the Business Director for review.

Central transaction team

I. Monthly Reviews

***Transactions up to date –*** Ensure that all locally managed transactions are up to date on the finance system

II. Reconciliations

***Balance Sheet Control Accounts Reconciliation*** – Review balance sheet control accounts and clear to zero balances.

**Fixed Asset register** - Complete fixed asset register monthly with copies of all capital invoices attached & emailed to finance. Please note capitalisation limit is £2,000.

III. **Review any reconciliations** performed locally and respond with feedback within two weeks

IV. A sample number of journals should be reviewed within the period and signed off.

**5. PAYROLL**

**Staff Appointments**

* 1. The Board of Trustees has approved a staffing structure for each academy. Changes can only be made to each structure with the express approval in the first instance of the Pay, Appraisal and Personnel Committee. The Finance committee would then confirm that adequate budgetary provision exists for any staffing structure changes.
  2. The Executive Headteacher has authority to appoint staff within the authorised staff structure except for Headteacher and Members of the Senior Leadership Team whose appointments must follow FPMAT personnel policy and practice and include consultation with members of the Local Governing Body.

**Staff Overtime**

5.3. Payment of staff overtime is subject to prior approval and authorisation of overtime claim by manager and budget holder where budget provision is available.

5.4. Proper segregation of duties within the payroll process should be upheld when authorising and processing staff overtime. One member of staff should not have too great a responsibility over the payroll function.

**Payroll Administration**

5.5. The monthly academy payroll is administered by Coventry City Council. Payroll data must be uploaded onto the Iris Financials system monthly by journal. All payroll information must be kept in a secure area with limited access.

5.6. New staff can only be added to the payroll with the express approval of the Headteacher and notified to the LFL. New staff must complete all relevant payroll documents. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

5.7. Salary amendments can only be made with the express approval of the Headteacher and where affordable. Central HR services should be consulted to ensure the adjustments are in line with similar existing posts with FPMAT.

5.8. Staff can only be terminated from the payroll with the express approval of the Headteacher.

5.9. Payment for sickness or maternity must be authorised by the Headteacher or delegated staff in line with the employment contract for the individual.

5.10. Where leave of absence is discretionary, payment can only be made with the appropriate authority.

5.11. Staff who are paid on submission of a time-sheet must complete and return their time-sheet to their Line Manager in line with the payroll provider’s schedule. Failure to do this may result in non-payment of salary by the Academy. In these circumstances, the salary payment may not be paid until the next payroll run in the following month. Time-sheets are then authorised by the LFL.

5.12. The LFL and delegated post are authorised by the Headteacher to make all mandatory changes to the payroll without further authority e.g. Tax, NI and pension contribution rates, tax code changes, attachment of earnings etc.

**Payroll Reconciliation**

5.13. The below procedure and authorisation should be followed on a monthly basis:

a. Use the payroll reconciliation template to record the total gross pay from the provider statement on a monthly basis

b. Use HCSS/IFP to compile the projected payroll costs for the month

c. Compare amounts *a & b* above which should match. If NOT, the LFL should investigate the differences and resolve before the close of the period, making comments where required

d. The authorised reconciliation should be saved on a monthly basis. Once completed confirmation should be emailed to the Business Director for review.

**Payments**

5.14. All salary payments are made by BACS by the payroll provider.

5.15. Payslips are issued to paid employees once received form the payroll provider, this may be electronically.

5.16. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions.

**Expenses Policy**

5.17. The Finham Park Multi Academy Trust believes that no employee should suffer any financial loss as a result of legitimate reasonable expenditure incurred whilst engaged on the organisation's business. Employees must, however, attempt to keep all expenditure to a minimum and take advantage of special rates and discounts where possible.

5.18. All claims for expenses must be made via the appropriate claim form and with the approval of the appropriate budget holder, see Travel and Reimbursement Policy.

**Procedure**

5.19. There will be a number of occasions as an Finham Park Multi Academy Trust employee when legitimate expenditure will be incurred whilst on the organisation's business. All employees need to speak to their line managers in the first instance to understand whether they will be reimbursed for their expenses.

5.20. Below is a flow chart detailing the steps that need to be taken when claiming an expense:



5.21. It is important that all expenses which are submitted have an itemised VAT receipt. Failure to produce this could lead to expense(s) not being reimbursed.

**Benefits**

5.22. All employees are auto enrolled into the Local Government Pension Scheme or Teachers Pension Scheme as appropriate. They have the choice to opt out. The rate of employee contribution will depend on the scheme rules which may vary from time to time.

**6. PURCHASING**

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

* Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
* Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs and as well as the specific requirements relating to disclosure of financial information relating to the academy Headteacher and academy staff need to be mindful that, with few exceptions FPMAT, will be required to provide information in response to requests made under the Freedom of Information Act 2000;
* Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

6.2 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget, working with the Local Finance Lead, and to ensure that any expenditure is consistent with the objectives of the Trust.

6.3 Appropriate authorisation limits are reviewed annually and approved by the Trust's Board (see Appendix A). In the event that any academy within the Trust has forecast a deficit budget then any authorisation in respect of expenditure over a specific agreed value which would otherwise be given to the Headteacher, Operations Manager or any other budget holder of that academy shall also require the consent of either the Accounting Officer, Business Director or MAT Consultant Headteacher.

6.4 It is necessary to take the principles of best value into account at all times although this is not necessarily the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.

6.5. Purchase Ordering on Iris Financials

Goods ordered should be processed using Iris Financials via the Web Portal unless in exceptional circumstances.

The process is detailed on the following page:Diagram

Description automatically generatedDiagram

Description automatically generated

Invoice process is detailed as follows:



**Payment Runs**

6.6. In general one BACS run is completed each week for all invoices across the organisation. The BACS file is prepared using Iris Financials, and uploaded to LloydsLink. Two signatories are required to approve the run, before approving at least one signatory will view a sample of supporting evidence for the payment run for accuracy.

6.7 Cheques are used in exceptional circumstances only, where there is no alternative.

**7. INCOME**

7.1. The main sources of income for the Trust are the grants from the DFE/ ESFA. The receipt of these sums is monitored directly by the LFL who is responsible for ensuring that all grants due to the academy are collected.

7.2. The academy also obtains income from:

* Students
* The public, mainly for use of site/ sports facilities.
* Trips

7.3. A lead teacher must be appointed for each trip to take overall responsibility for the trip. The lead teacher should prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be put on Evolve.

7.4. Students should make payments to the Finance/Admin Office. Records should be maintained for each student showing the amount paid and the amount outstanding.

7.5 Letting and hire of the Trust facilities will be conducted in line with the Lettings Policy for each academy which includes a scale of charges, which will be reviewed annually locally.

**8. CASH MANAGEMENT**

8.1. The trust has a current account which is used for all transactions across the MAT. The account signatories are agreed by the Trustees. The opening of all accounts must be authorised by the Trustees.

**Cash Handling**

8.2. The LFL should ensure that any significant amounts of cash are held in a secure place (i.e. a safe), which cannot be easily forced (i.e. a locked drawer). Cash should be banked as soon as possible to minimise risk.

8.3. Monies collected must be banked in their entiretyin the appropriate bank account. Where cash is used to top up petty cash, this must be fully documented and signed by the LFL. The Finance/ Admin assistant is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

8.4. The use of cash collection services e.g. Security Plusis encouraged. However, if cash is banked in person then two staff members should accompany any cash. Going at set times should be avoided to minimise the risk.

8.5. Where practical, any cash coming into the academy should only be given in return for a clear signed receipt. The numbers of staff handling cash should be minimised to reduce the risk of error and theft.

8.6. Where large amounts of cash are being handled or counted, i.e. emptying cash loaders, then this should always be done by two members of staff to reduce risk and in a secure place away from public interference.

8.7. The reconciliations must be prepared monthly and be certified/signed off by the LFL.

**Deposits**

8.8. Particulars of any deposit must be recorded, scanned and filed appropriately. The details should include:

* The amount of the deposit; and
* A reference, such as the number of the receipt or the name of the debtor; and
* Payments and withdrawals.

8.9. All cheques and other instruments authorising withdrawal from trust bank accounts must bear the signatures of two authorised signatories (see 8.1).

8.10. This provision applies to all accounts, operated by or on behalf of Finham Park Multi Academy Trust and its schools.

8.11. Signatories may not sign a cheque reimbursing themselves.

**Administration**

8.12. The Trust will ensure bank statements are received regularly and electronic ones will be available. Reconciliations should be performed at least on a monthly basis and procedures must ensure that:

* All bank accounts are reconciled by checking transactions on the bank statements to data on Iris Financials
* Reconciliations are prepared by the Finance/ Admin. Officer
* Reconciliations are subject to review by the appropriate member of the business manager team.

**Academy Credit Cards**

8.13. Credit cards are used by the organisation as a way of facilitating small payments more efficiently.

8.14. Staff with cards are required to follow the card holder policy, which details the records that need to be kept and submitted to the finance department, and that cards must be held securely.

8.15. New cards must first be approved by the Finance & Resources Committeebefore an application is completed.

8.16. School credit card expenditure will be reviewed at monthly school business meetings between the Executive HT, Business Director, HT and Operations Manager. Any expenditure incurred by central MAT staff will be reviewed by the Finance and Resource Committee.

**Petty Cash Accounts**

8.17. Each location may keep a small cash balance to meet unexpected payments and reimbursements with short notice

8.18. The authorised personnel are responsible for entering all petty cash transactions ionto Iris Financials.

8.19. Petty cash should be properly secured in a safe and the assess code limited to authorised personnel ONLY

8.20. Petty cash will only be reimbursed following submission of authorised petty cash slip, supported with suitable evidence of expenditure e.g. receipts (Preferably VAT receipts and VAT accounted for appropriately).

8.21. Any deposits to petty cash should be recorded in the petty cash account with the date, amount and a reference (i.e. cheque number).

8.22. For security, petty cash payments will be limited, the value will depend on the school’s circumstance but will not exceed £150, unless in exceptional circumstances. Higher value payments should be made by BACS.

8.23. Unannounced cash counts will be made to ensure that all petty cash is properly accounted for.

8.24. Proper records are to be maintained, properly authorised & reconciliations completed on a monthly basis

8.25. If anyone needs petty cash, an expense form should be completed and receipts attached

8.26. At the month end or when the float needs to be replenished all the petty cash transactions to be entered onto a petty cash spread sheet with the slips attached to the back. This should balance to the monies in the petty cash tin

8.27. This spread sheet will be the source document for posting of petty cash onto the system which will be done monthly.

**Borrowing**

8.28. The Trust is not permitted to borrow without prior permission of the Business Director/Finance Committee

1. **INVESTMENT AND RESERVES**

**Purpose**

* 1. The Trustees of Finham Park Multi-Academy Trust plan for, manage and maintain an adequate level of financial reserves to meet the needs and identified risks of the organisation. The purpose of this policy is to set out how the Trust will determine and review the level of fund reserves and for what purpose(s) funds will be maintained. Reserves may be held for two main reasons:
* As a contingency against financial risks and security
* To meet planned commitments in future years

**Definitions**

* 1. Reserves are sums of money held by the Trust to meet future expenditure. There are two principal types of reserves:

(a) Uncommitted reserves which are kept to meet short term, unforeseeable expenditure and to enable significant changes in resources or expenditure to be properly managed over the period of the Trust’s Three Year Plan; and

(b) Committed reserves which are held for specific purposes.

Details of all reserves and year-end balances are contained in the Trust’s annual Statement of Accounts. For transparency purposes details of balances will be recorded for each school within the Trust. Individual school’s will not able to use reserves from another school, unless in exceptional circumstances, agreed by the MAT Finance & Resources Committee and on the condition of a plan to repay the reserve.

**Uncommitted Reserves**

* 1. The Trust will maintain an adequate level of uncommitted reserves to:
* Provide a working balance to cushion the impact of uneven cash flows and avoid unnecessary short term borrowing;
* Provide a contingency to cushion the impact of unexpected events, emergencies and large shortfalls in budgets; and
* Plan for potential major items of expenditure e.g. mini bus.

The Trust will not maintain levels of uncommitted reserves that are excessive compared with total income levels. In this context, “excessive” will be assessed and reviewed annually by the MAT Finance & Resources Committee. As a general guide only, unless earmarked for a specific purpose, the level of reserves held for restricted and unrestricted funds will equate to no less than 3% of total income.

The adequacy of the uncommitted reserves balance will be determined by assessing the financial risks associated with meeting continuing obligations to provide services. The risk assessment will be reviewed annually.

Factors which should be taken into account in determining the overall level of reserves and balances are:

* Assumptions regarding inflation;
* Estimates of the level and timing of capital receipts;
* Treatment of demand-led pressures;
* Treatment of savings;
* An assessment of external risks;
* The impact of major unforeseen events; and

The uncommitted reserve balance will be reviewed and projections on future balances will be made at key points during the financial year, namely as part of the budget setting process.

Any movement in the uncommitted reserves to a particular budget must be agreed by the MAT Finance & Resources Committee.

**Committed reserves**

* 1. Committed reserves are earmarked for specific purposes and are a means of building up funds to meet known or predicted liabilities. These reserves should have no specific limit set on them but they should be reasonable for the purpose held and it must be agreed that they are used for the item for which they have been set aside.

**Monitoring Policy**

* 1. The level of reserves and investments will be monitored regularly and reported to the MAT Finance & Resources Committee. The actual level of reserves will be included in the year end annual accounts statement

1. **DISPOSALS**

For all equipment disposals it is the policy of the Trust to:

* Ensure that only equipment that it is surplus to the school’s requirements, obsolete or uneconomical to repair, is disposed of;
* Comply with financial regulations contained within the Academy Trust Handbook;
* Realise the maximum re-saleable value.
  1. **Procedure for Sale**

1. The best possible value will be obtained from the disposal of assets. Various methods of disposal will be considered including advertising in local school, contacting specialist companies and the use of ebay. Assets disposed of with a carrying amount (Cost less Accumulated Depreciation) above £1,000 must be approved by the MAT Finance and Resources Committee and a Disposal of Equipment form (see over) completed.

2. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the Trust obtained value for money in the sale or scrapping of the equipment.

3. The school within the Trust which holds the asset will receive any income and therefore every effort will be made to maximise the sale of such assets. Where the original was purchased through funding which held stipulations on use of funding, the funder will be contacted to establish if any element of the income is owed to them.

4. Assets identified for disposal should be notified by e-mail to Head of Finance who will seek approval from Finance and Resources Committee.

**11. DEBTORS**

**Introduction**

* 1. Finham Park Multi Academy Trust require that all reasonable and viable steps are taken to recover money due to the Trust with regard to supplies and services that have been provided by the Trust.

The Trustees aim to minimise the number of instances that credit is given and to take prompt and appropriate action to recover unpaid debts.

The responsibility for recovering unpaid debts is delegated to the relevant LFL who will ensure that the procedures, as set out below, are adhered to.

**Procedures**

* Invoices relevant to any goods or services provided is completed on a regular basis, as appropriate, by the Local Finance Office e.g. monthly or termly
* Payments received should be banked regularly in line with Audit requirements
* Outstanding debts should be monitored regularly using the Aged Debtor reports via the reporting suite on Iris Financials.
* The LFL should be informed immediately of Hiring of Premises debtors exceeding 30 days, in line with the Lettings Policy. If the debt remains unpaid after 30 days the hirer will be refused further access to trust facilities until their debt is settled in full.
* Parent Pay

Parent Pay is the online tool used within the Trust to collect payments from students and staff for catering supplies. It is primarily the responsibility of the students and staff to ensure they leave Finham Park MAT with a nil balance.

The catering department have procedures in place to ensure that students do not leave owing the Trust money.  In exceptional circumstances where a balance is owed, Trust reserve the right to demand payment.

If there is a balance owed to student/staff the following applies:

* Any balance up to £1 is retained by the Trust due to the cost of administering a refund/transfer
* On request, any balance between £1.01 and £5.00 can be transferred to another student/member of staff within the Trust
* On request, any balance above £5.01 can be refunded to the parent/student
* A report on outstanding debtors should be tabled at the MAT Finance and Resources Committee meetings. Trustees should:

1. Consider the arrangements for debt recovery
2. Approve the trust undertaking legal action in any particular case
3. Include in the minutes of their meeting their approval to pursue any outstanding debt
4. Each case involving a family should be judged on the family’s individual circumstances and the amount outstanding as to the length of time before legal action is started
5. Ensure that the identity of an individual or family involved is only disclosed to those who need to know under this policy

* The procedure for following up debts is:

1. After 30 days first reminder issued along with copy of invoice. The reminder letter should indicate that if the debt is not paid within 14days a late payment charge of 20% of the invoice total may be levied.
2. After a further 14 days second reminder issued along with copy of invoice
3. After a further 14 days third reminder along with copy of invoice issued
4. A final letter is then sent informing if debt is not settled within 10 days consideration will be given to placing with the trust’s debt collectors for legal action to be taken.
5. After due consideration with the LFL if no contact has been made within the stipulated 10 days a letter should be sent informing the debtor that paperwork will be sent to the trust’s debt collectors.
6. Debt sent to trust’s debt collectors.

Any phone calls or conversations held with the debtor should be recorded and retained with all of the paperwork concerning the debt.

* Outstanding debts will be written off only after all attempts at retrieval have been exhausted using the appropriate “Write Off” paperwork which will be retained for audit purposes for a period of 7 years.
* Authority to write off unpaid debts is as follows:

i) Up to £250 Headteacher/ Associate Headteacher

ii) £251 - £1,000 Executive Headteacher

iii) £1,001- DfE Limit Trustees

iv) DfE Limit plus DfE will be notified

The DfE limits can change but are currently:

* 1% of total annual income or £45,000 (whichever is smaller) per single transaction;
* cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified audited accounts for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of audited accounts; and
* cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified audited accounts for the previous two financial years.

1. **TRANSFER BETWEEN SCHOOLS** 
   1. The are various transfers between schools, as the MAT only uses one bank account these transfers are completed by journal, the same nominal for both sides of the journal must be used to ensure the overall position remain neutral. Permission from budgets holders should be given before completing the journal.
2. **STOCK MANAGEMENT** 
   1. An inventory register must be maintained for equipment, tools & furniture with a value of over £2000
   2. A reconciliation of physical assets held and the inventory register should be done at the end of the financial year i.e. in August and items made available for inspection by internal/external audit when requested
3. **RISK** 
   1. See Risk Management Policy
4. **GIFTS & HOSPITALITY** 
   1. As a general guideline, business gifts and hospitality should not be accepted by any member of staff, except as provided for below.
   2. The intention is to ensure that employees and Trustees of FPMAT and FPMAT Academies can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or anyone else dealing with the business dealings. All FPMAT employees should be able to show that all decisions are reached on the basis only of value for money and for no other reason.
   3. Any breach of this could lead to disciplinary action and may constitute gross misconduct.
   4. Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of FPMAT by:

* Maintaining an unimpeachable standard of honesty and integrity in all their business relationships
* Complying with the letter and spirit of the law, and contractual obligations rejecting any business practice that might be deemed improper
* At all times in their business relationships acting to maintain the interests and good reputation of FPMAT.
  1. Any employee who becomes aware of a breach of conduct must either report this immediately to his or her manager who will instigate investigations as necessary or refer to the whistle blowing policy.
  2. Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to FPMAT or a FPMAT Academy in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions for entry into the Register of Business Interests.
  3. Employees are permitted to accept gifts, rewards or benefits from members of the public or organisations which FPMAT or a FPMAT Academy has official contacts with only where they are isolated gifts of a trivial nature, or inexpensive seasonal gifts (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to affect a business decision.
  4. Where purchased items include a "free gift", such a gift should be either used for Academy business or handed to FPMAT to be used at charity raffles etc.
  5. In relation to conventional hospitality (lunches, outings, tickets for events, etc.) may be accepted provided that it is normal and reasonable in the circumstances. Such invitations should not be accepted:
* Where there is no reasonable business justification for doing so
* Where an invitation is disproportionately generous
* Where the invitation could be seen as an inducement to affect a business decision.
  1. Any hospitality other than of a nominal value (up to £50) or facilities provided during the normal course of business should be reported for entry into the Register of Business Interests.

**Gifts in Kind**

* 1. Gifts of cash are clearly the easiest to value. However, it is recognised that a proportion of contributions may be in the form of gifts in kind (i.e. assets). Gifts in kind should be included in the academy’s accounts in the accounting period in which they are receivable.
  2. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale. The key valuation test is “what would the academy be prepared to pay to purchase the asset?”

For example:

* If the academy wants a mid-range PC and is given a high-spec PC, then the valuation of that gift should be based on that of a mid-range PC
* If the academy needs a minibus and is given a 48-seater coach then the valuation should be that of the minibus.

**Donated Services and Facilities**

* 1. Academies may also receive assistance in the form of donated services (e.g. ‘time’) or facilities. Such incoming resources should be included in the Statement of Financial Activities where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to *donations by an individual or entity as part of their trade or profession*.
  2. For example if a local accountancy firm agreed to supply an accountant free of charge to assist the academy’s finance department for a couple of hours a month, this should be included in the accounts. However, a police officer talking to a group of pupils as part of his/her community liaison role would not be classified as a donation, as this service would always be provided free as part of normal police activities.
  3. In contrast to donations as part of a trade or profession, the *contributions of volunteers* should be excluded from the Statement of Financial Activities as the value of their contribution cannot be reasonably quantified in financial terms. For example, parents or other volunteers assisting with reading in the classroom would be excluded.
  4. However the exclusion of these contributions should be disclosed in the Trustees’ Annual Report if this information is necessary for the reader to gain a better understanding of the academy’s activities. The value placed on those donations which are included in the Statement of Financial Activities should be the price the academy estimates it would pay in the open market for the services or facilities.
* If the academy requires a bookkeeper and is given the services of a chartered accountant for doing the work of the bookkeeper) then the valuation of time should represent what it would have cost to obtain the services of a bookkeeper;
* If the gift is classroom assistance irrespective of who is providing the time the appropriate rate from the relevant pay scale (i.e. unqualified or qualified) should be used.

**Other Considerations on Valuation**

* 1. The valuation of gifts in kind and donations under the above rules may be different from the value placed on the asset, service or facility made by the donor. However, it is the Business Director and the FPMAT Finance and Resource Committee’s responsibility to account for the gift at a valuation which they can justify to their auditors.
  2. In many instances obtaining a valuation will be relatively straightforward or the governing body will be able to satisfy itself that the donor's own valuation of the gift is fair and reasonable. However, it is recognised that in some instances it will be more difficult to obtain a comparable valuation. The Business Director will need to consider what evidence is required to enable them to form a view on the valuation of gifts. Listed below are a number of sources of evidence of valuation:
* Comparable quotations from alternative suppliers
* What the academy already pays for that service/asset
* Cash realised if the gift were to be sold
* Experience of the Director of Finance or members of the FPMAT Finance and Resource CommitteeFinance and Resourcein purchasing similar services or assets; and
* What would the Director of Finance and/or members of the FPMAT Finance and Resource CommitteeFinance and Resourcebe prepared to pay for that gift out of the academy budget
  1. The auditors will wish to see evidence of the valuation of gifts and therefore evidence obtained as above should be retained and discussions on valuation at the FPMAT Finance and Resource CommitteeFinance and Resourcemeetings should be minuted fully. Time spent by members in attending the FPMAT Finance and Resource CommitteeFinance and Resourcemeetings is part of their responsibility in undertaking their governance role and therefore should not be included as a business contribution.
  2. “Free gifts" i.e. non-solicited gifts will only have a value to the academy if the gift assists in achieving its objectives as set out in the Strategic Plan. However, the auditors will expect annual accounts to show the full details of an academy’s transactions, whether they are monetary or notional. Academies will therefore be expected to account for unsolicited gifts where applicable.
  3. The general rule relating to discounts is that they are not acceptable as "gifts" and should not be recorded as income. This is because under generally accepted accounting principles, discounts are not accounted for as income but as a reduction in expenditure. As the governing body is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.
  4. Full records of receipt of business contributions should be retained, as the auditors will require evidence of receipt.

**Consideration of the Bribery Act 2010**

* 1. FPMAT will act to uphold the principles of the Act and take steps to prevent bribery. This will include (but is not limited to):
* *Consideration of proportionality –* FPMAT is a UK based organisation operating in the field of education and is therefore not specifically high risk. A common-sense approach will therefore be adopted to ensure compliance.
* *Top level commitment –* Senior staff in FPMAT and its academies will actively demonstrate that bribery is unacceptable through communication (e.g. highlighting policy and personal conduct).
* *Risk assessment –* any new venture, for example, a procurement, will be assessed and managed to avoid potential bribery.
* *Due diligence –* for example in understanding who FPMAT is working with and carrying out checks, if appropriate, to determine character.
* *Monitoring and review –* particularly if the nature of FPMAT and its relationship with other markets changes.

**Staff Wellbeing**

* 1. Gifts for staff e.g. birthdays, weddings and retirements should be funded from donations from other staff members and not from public funds. A clear audit trail must be kept for all transactions. However, the Trust acknowledges that there may be exceptional circumstances where it is deemed appropriate to purchase gifts for staff from public funds. In this instance the value of the gift should be no more than £50. The Trust must ensure the value is reasonable, within its scheme of delegation, that the decision is documented and achieves propriety and regularity in the use of public funds. Under no circumstances can alcohol be purchased using public funds.

1. **FIXED ASSETS**

**Asset register**

* 1. All individual items purchased with a value over the academy’s capitalisation limit of £2,000 must be set up on Iris Financials Fixed Assets Ledger. The following information should be entered
* asset description
* date of acquisition
* asset cost
* depreciation start date
* depreciation rate
* useful life in months as listed below
* location
* original purchase documentation

***A copy of the asset register should be held in a secured location 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 and
* Support insurance claims in the event of fire, theft, vandalism or other disasters.

An electronic copy of the purchase documentation should be stored by the asset number.

**Depreciation**

* 1. The FPMAT policy on depreciation on assets is as follows:-
* Freehold Buildings straight line based on the professional assessment of the building
* Plant & Machinery 14.29% (7 years) straight line
* Furniture & Equipment 20% (5 years) straight line
* Computer Equipment & Software 33.33% (3 years) straight line
* Leasehold land straight line over the period of the lease
* No depreciation is provided on freehold land. Depreciation on assets in the course of construction is not charged until they are brought into us.

**Security of assets**

* 1. Equipment must be secured by means of physical and other security devices.
  2. All the items in the register should be permanently and visibly marked as the academy’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 and Resource Committee. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

**Loan of Assets**

* 1. With the exception of laptops, items of academy property must not be removed from academy premises without the authority of the LFL. A record of the loan must be recorded on a loan of equipment form and booked back into the academy when it is returned. This applies to both students and staff.
  2. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a benefit-in-kind for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy’s auditors.

1. **AUDIT**

The academy adheres to the external audit regime as outlined in the Academy TrustHandbook (2021) and as required by Companies House. A programme of checks to be carried out by the Responsible Officer is agreed by the full Trustees. The programme for external audit is agreed with the external auditor approximately one month before the audit work is carried out.

The Headteacher must inform the DFE/ESFA and the Governing Body immediately if the following are discovered or suspected:

* loss or misuse of money;
* financial irregularities;
* fraud.

**APPENDIX A - FINHAM PARK MULTI ACADEMY TRUST DELEGATION OF FINANCIAL AUTHORITY[[1]](#footnote-2)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Budgeting and Reporting** |  |  |  |
| **Role** | **Value** | **Revised Delegated Authority** | **Method** |
| Budget setting process |  | Executive Head, Headteacher and LFL | Agree budget plan |
| Finance Committee | Approve budget plan for submission to ESFA |
| Full Governors | Approve budget plan for submission to the Finance and Resource Committee |
| Budget holders responsibilities | As per the individual budgets set | All budget holders | Budget monitoring is the responsibility of the budget holder and must not be overspent at any time during the year. |
| Monthly Management Accounts |  | Head of Finance in conjunction with Finance Team(s) | All transactions to be processed and reconciled by the academies finance staff for the timely checking and production of the monthly management accounts and governors reports as per agreed timetable |
|  |  |  |  |
|  |  |  |
|  |  |  |
| ESFA Reporting |  | Executive Head and Business Director in conjunction with Auditors | An annual Financial Reporting Timetable will be released by the ESFA dates and requirements will be included on this timetable |
|  |  |  |  |
| **Income** |  |  |  |
| **Role** | **Value** | **Delegated Authority** | **Method** |
| Collection and receipt of cash and cheques | Any | Local Finance Lead delegated to the Finance Team(s) | Cash must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking |
| Sales invoices | Any | Local Finance Lead delegated to the Finance Team(s) | All sales invoices must be processed through the financial management system, and issued in a timely manner |
| Banking of cash and cheques | Any | Local Finance Lead delegated to the Finance Team(s) | Cash and cheques should be banked on a regular basis and should not be allowed to accumulate above the value the safe is insured to hold |
| Reconciliation of bank accounts |  | Central Finance Lead delegated to the Finance Team | Bank accounts should be reconciled at least on a monthly basis by someone other than the person doing the banking. Bank reconciliations should then be signed dated and filed |
| Petty Cash |  | Local Finance Lead delegated to the Finance Team(s) | Petty cash should be kept in a locked tin and stored in the school safe. Petty cash payments should be kept below £150. Receipts must be provided for any claim. Pre- approval from the appropriate budget holder must be obtained before any purchases take place |
| Bad Debt Write Off | Up to £250 | Headteacher& Business Manager |  |
| £251-£1,000 | Executive Head |  |
| £1,001-DfE Limit | Finance Committee |  |
| DfE Limit plus | ESFA approval required |  |
|  |  |  |  |
| **Purchases and Payments** |  |  |  |
| **Role** | **Value** | **Delegated Authority** | **Method** |
| Purchase orders | Up to £5,000 | Budget Holders | Orders should be approved and authorised before being processed in the financial management system, and before order is placed with supplier. |
| £5,001 to £10,000 | Head of Finance/Business Director | As above |
| £10,001- 189330 | Executive Head | As above and three quotes must be obtained or Formal tendering process with PCR. |
| Over £189330 |  | Formal tendering process in accordance with public contract regulations (PCR). |
|  |  |  |
|  |  |  |
| Payment by cheque or BACs | Any Value | Two signatories required from the account signatories as agreed by the Finance Committee | Any payment by cheque or BACs need to be signed by two authorised individuals. Cheques or payment notifications must be accompanied by authorised supporting documentation |
| Charge Card |  | **Head Teacher, Business Director and selected staff approved by Finance Committee** | Must be kept in the safe when not in use. All transactions must be supported by a receipt. Orders should be placed only by card holder. Reconciliation should be checked by someone other than the person who places the orders |
| Standing orders and direct debits | as per limits for cheque of BACs payments | as per limits for cheque of BACs payments | As per limits for cheque of BACs payments |
| Purchase or sale of any freehold property | Any | ESFA approval required |  |
| Granting any leasehold or tenancy agreement | Any | ESFA approval required |  |
| Taking up any leasehold or tenancy agreement for more than three years | Any | ESFA approval required |  |
|  |  |  |  |
| **Assets** |  |  |  |
| **Role** | **Value** | **Delegated Authority** | **Method** |
| Fixed asset register | £2,000 | Head of Finance | All individual assets valued at £2,000 and above will need to be recorded in the asset register |

**APPENDIX B - FPMAT COMPIETITIVE TENDERING FOR LARGER PURCHASES POLICY**

**Purchasing**

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

* **Probity,** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
* **Accountability,** the academy is publicly accountable for its expenditure and the conduct of its affairs;
* **Fairness,** that all those dealt with by the academy are dealt with on a fair and equitable basis.
* **Value for Money,** the Academy shall aim for: - Economy, minimizing the cost having regard to appropriate quality
* **Efficiency**, an appropriate relationship between outputs and costs - Effectiveness, the achievement of the intended outputs

**Routine Purchasing**

Routine purchases up to £10,000 can be requested and are authorised as per the scheme of delegation, whilst 3 quotes are not mandatory care should be taken in every order to ensure value for money. Orders between £10,000 and £189,330 require 3 quotes or, a tendering process as advised by the LFL. Orders over £189,330 require a full tendering process.

**Forms of Tenders**

The trust will ensure that the tender method used will optimise results for the trust, this will be determined by the Business Director.

**Aspects to Consider**

***Financial***

* Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
* Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
* Is there scope for negotiation?

***Technical/Suitability***

* Qualifications of the contractor
* Relevant experience of the contractor
* Descriptions of technical and service facilities
* Certificates of quality/conformity with standards
* Quality control procedures
* Details of previous sales and references from past customers.

***Other Considerations***

* Pre-sales demonstrations
* After sales service
* Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

**Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders may be submitted by post or email. Postal tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents or alternatively via email. The envelopes should be time and date stamped on receipt and stored in the Finance Office prior to tender opening. Emailed tenders should be submitted within an agreed timeframe to the relevant people. Tenders received after the submission deadline should not normally be accepted.

**Tender Opening Procedures**

1. All tenders submitted should be opened at the same time and the tender details should be recorded in the presence of at least one member of the Trustees or member the Senior Leadership Team.

2. A separate record should be established to record:

* the name of each supplier or sub-contractor quoting/tendering;
* the date and time of receipt of each quotation/tender;
* the date and time of opening of the quotations/tenders;
* the amount of each quotation/tender;
* evaluation criteria and results
* the name of all persons present at the opening of the quotations/tenders

This record must be signed by two people present at the tender opening.

**Tendering Procedures**

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance & Resources Committee highlighting the relevant issues and recommending a decision. Where required by the conditions attached to a specific grant from the DfE, the department’s approval must be obtained before the acceptance of a tender. The accepted tender should be the one that scores most highly when assessed against the evaluation criteria. All parties should then be informed of the decision.

# Appendix C WHISTLEBLOWING

## Preamble

The Second Report of the Committee on Standards in Public Life: Local Public Spending Bodies published by The Nolan Committee used the term ”whistleblowing” to mean the confidential raising of problems or concerns within an organisation by a member of staff. This is not “leaking” information but refers to matters of impropriety e.g. a breach of law, academy procedures or ethics. Nor is whistleblowing the raising of a grievance within the academy (which would be dealt with under the staff grievance procedures).

## Introduction

The staff, governors and directors of Finham Park Multi Academy Trust seek to run all aspects of academy business and activity with full regard for high standards of conduct and integrity. If members of academy staff, parents, governors or the academy’s community at large become aware of activities which give cause for concern, FPMAT has this Whistleblowing Policy; this acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the academy’s disciplinary procedure.

FPMAT is committed to tackling fraud and other forms of malpractice and treats these issues seriously. FPMAT recognises that some concerns may be extremely sensitive and has therefore developed a system which allows for the confidential raising of concerns within the academy environment but also has recourse to an external party outside the management structure of the academy.

## When Might the Whistleblowing Policy Apply?

Individuals are encouraged to come forward in good faith with genuine concerns knowing they will be taken seriously. A whistleblower should ask a few questions before taking action:

* is it, or do you believe it to be, illegal?
* is it, or do you believe it to be, against codes of practice issued by the academy, the DFE/ESFA or a professional body?
* does it contradict what the employee has been taught, or should have been taught?
* is it about an individual’s behavior or is it about general working practices?
* has the whistleblower witnessed the incident?

If any individual raises malicious unfounded concerns or attempts to make mischief, this will also be taken seriously and may constitute a disciplinary offence or require some other form of penalty appropriate to the circumstances.

All allegations should be capable of being dealt with through the disciplinary procedure and will be considered appropriately.

Where the alleged activity or behavior cannot be dealt with under the scope of other procedures then consideration should be given to using this Whistleblowing Policy e.g.

* manipulation of accounting records and finances;
* inappropriate use of academy assets or funds;
* decision making for personal gain;
* any criminal activity;
* damage to the environment of the academy;
* dangerous practices;
* abuse of position;
* fraud and deceit or corrupt practices;
* serious breaches of academy procedures which may advantage a particular party (for example tampering with tender documentation, failure to register a personal interest);
* sexual or physical abuse of pupils or others;
* other unethical conduct.

Anonymous allegations will only be considered if the issues raised are:

* very serious;
* the credibility of the allegation is considered to be high;
* the likelihood of confirming the allegation is high.

## Procedure

FPMAT encourages the whistleblower to raise the matter internally in the first instance with their line manager (or the Headteacher, if the line manager is the one under suspicion; the Chair of Governors if the Headteacher or a Governor is under suspicion; the Headteacher, Responsible Officer and Academy Lead Officer from the DFE/ESFA if the Chair of Governors is under suspicion). This will allow them to right the wrong and give explanation for the behavior or activity. Alternatively, the whistleblower may request a private and confidential meeting in the first instance with the person who is causing concern. He/she may be accompanied by a representative of their choice if they so wish (e.g. Union representative or friend).

All matters will be treated in strict confidence and anonymity will be respected wherever possible. Written, dated and signed supporting evidence and statements should always be taken to any meetings if possible.

Alternatively if the whistleblower considers the matter too serious or sensitive to raise within the internal environment of the academy, the matter should be directed in the first instance to the Academy Lead Officer with the DFE/ESFA, although the DFE/ESFA will need to involve the appropriate governors.

The DFE/ESFA will have its own procedures for dealing with such matters and will ensure every effort to respect the confidentiality of the whistleblower. The DFE/ESFA will ensure relevant officers are informed as appropriate and should advise the Governing Body of appropriate steps to take.

## How Will the Matter be Progressed?

The individual(s) in receipt of the information or allegation (the investigating officer(s)) will carry out a preliminary investigation. This will seek to establish the facts of the matter and assess whether the concern has foundation and can or should be resolved internally. The initial assessment may identify the need to involve third parties to provide further information, advice or assistance, for example involvement of other members of academy staff, the academy's RO and/or external auditors, legal or personnel advisors, the police or the Department for Education.

Records will be kept of work undertaken and actions taken throughout the investigation. The investigating officer(s), possibly in conjunction with the Chair of Governors or nominee, will consider how best to report the findings and what corrective action needs to be considered. This may include some form of disciplinary action and/or third-party referral such as the police.

Depending on the nature of the concern or allegation and whether or not the investigating officer considers there to be a case to answer, the disciplinary procedure may be applied. In such cases any disciplinary action will be considered by the dismissal committee and if appropriate the dismissal appeals committee of the Governing Body. Where a case is proven on the balance of probability the matter will be reported to the full Governing Body, the DFE/ESFA and, where appropriate the GTC.

If the whistleblower is dissatisfied with the conduct of the investigation or resolution of the matter or has genuine concerns that the matter has not been handled appropriately, the concerns may be raised with the Chair of Governors or, for financial impropriety, the academy’s Responsible Officer. If that fails to resolve matters then the employee should seek the assistance of “Public Concern at Work” on 0207 404 6609. For any concerns taken outside of the academy this policy will not apply and any employee raising issues on a wider basis, e.g. with the press, without following the procedure in this policy may be liable to disciplinary action.

## Respecting Confidentiality

Wherever possible FPMAT seeks to respect the confidentiality and anonymity of the whistleblower and will as far as possible protect him/her from reprisals. FPMAT will not tolerate any attempt to harass or victimise the whistleblower, or attempts to prevent concerns being raised, and will consider any necessary disciplinary or corrective action appropriate to the circumstances.

## Conclusion

Existing good practice within FPMAT in terms of its systems of internal control, both financial and non- financial, and the external regulatory environment in which the academy operates, ensure that cases of suspected fraud or impropriety rarely occur. This Whistleblowing Policy is provided as a reference document to establish a framework within which issues can be raised confidentially internally and, if necessary, outside the management structure of the academy. This document is a public commitment that concerns are taken seriously and will be actioned. Any actions arising from allegations/investigation must be in accord with the academy’s disciplinary procedure, which should cover all of the potential areas of concern.

***FPMAT FINANCE POLICY***

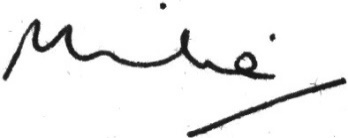
Written by C Clark June 2017

Revised by B Naweji May 2022

Next review date May 2023

Approved by Trustees:

Signed: Signed:

 Text, letter

Description automatically generated

MARK BAILIE PETER BURNS MBE

Executive Headteacher Chair of Board of Trustees

Date: 5th May 2022 Date: 5th May 2022

1. If the academy is forecasting a budget deficit see paragraph 6.3 [↑](#footnote-ref-2)