

GIPPESWYK COMMUNITY EDUCATIONAL TRUST

This Policy has been adopted and approved by Gippeswyk Community Educational Trust and is to be used by all members of the Trust.

FINANCE	
Approved by GCET	27.03.19
Date of next Review	Spring Term 2020 – 2021 (Reviewed Annually)
Responsible Officer	Trust CFO – Mrs T Goodchild
Policy Number	TF2

Contents

- 1 Introduction
- 2 Organisation
- 3 Accounting System
- 4 Financial Planning
- 5 Payroll
- 6 Purchasing
- 7 Income
- 8 Cash Management
- 9 Audit
- 10 Gifts & Hospitality
- 11 Payment of Governors Expenses
- 12 Redundant Equipment Policy
- 13 Credit Card Policy
- 14 Bad Debts
- 15 Best Value Statement
- 16 Insurance

Appendices

- A) Role of Responsible Officer

1. Introduction

- 1.1** The purpose of this policy is to ensure that Gippeswyk Community Educational Trust (GCET) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DFE)/Education and Skills Funding Agency (ESFA).
- 1.2** GCET must comply with the principles of financial control outlined in the Academies guidance published by the DFE/ESFA. This policy expands on that and provides detailed information on GCETs accounting procedures and should be read by all staff involved with financial systems.

2. Organisation

- 2.1** GCET has defined the responsibilities of each person involved in the administration of GCET finances to avoid the duplication or omission of functions and to provide a framework of accountability for Executive Leaders (including Chief Executive Officer (CEO)/Accounting Officer, Principal and Chief Financial Officer (CFO)), School Business Managers, Trust Board, Governors and staff

The Trust Board

- 2.2** The Trust Board has overall responsibility for the finances. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between GCET and the DFE and in GCET's Scheme of Delegation approved by GCET.

The main responsibilities include:

- Ensuring that grants from the ESFA are used only for the purposes intended;
- Ensuring that funds from sponsors are received according to GCET's Funding Agreement, and are used only for the purposes intended;
- Approval of the Annual Budget;
- Appointment of the CEO and CFO and Deputies

The Finance and Audit Committee

- 2.3** The Finance and Audit Committee is a committee of the Trust Board. The Finance and Audit Committee meet at least once a term but more frequent meetings can be arranged if necessary.
- 2.4** The main responsibilities of the Finance and Audit Committee are detailed in written terms of reference which have been authorised by the Trust Board.

The main responsibilities include:

- The initial review and authorisation of the annual budget prior to final approval by the Full Governing Body.
- 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 2006, Charity SORP and the DFE guidance issued to Academies;
- Review the reports of the RO on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Trust Board.

The Chief Executive Officer (CEO)

2.5 Within the framework of GCET the CEO has overall executive responsibility for GCET's activities including financial activities as the Accounting Officer. Much of the day to day financial responsibility has been delegated to the Chief Financial Officer (CFO) but the CEO still retains responsibility for:

- Approving new staff appointments as per the Scheme of Delegation approved by the Trust Board.

The Chief Financial Officer (CFO)

2.6 The CFO works in close collaboration with the CEO through whom he or she is responsible to the Trust Board. The CFO also has direct access to the Trustees via the Finance and Audit Committee. The main responsibilities of the CFO are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;
- The management of GCET's financial position at a strategic and operational level
- 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.
- Overseeing the preparation of monthly management accounts;
- Signing cheques in conjunction with the CEO and other authorised signatories.
- Ensuring forms and returns are sent to the ESFA in line with the timetable in the DFE/ESFA guidance.
- Acting as Company Secretary with regard to the administration of the records at Companies House.

The Responsible Officer

2.7 The Responsible Officer (RO) is appointed by the Trust Board and provides Trustees with an independent oversight of GCET's financial affairs. The main duties of the RO are to provide the Trustees with independent assurance that:

- The financial responsibilities of the Trust Board are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions.

2.8 The Responsible Officer will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as lay down by the Trust Board. A report of the findings from each visit will be presented to the Finance and Audit Committee.

Other Staff

2.9 All staff are responsible for the security of GCET property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the GCET's financial procedures.

Register of Pecuniary Interests

2.10 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 GCET 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 whom the Academy may purchase goods or services. The register is open to public inspection.

- 2.11** The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with GCET. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Member, Trustee, Local Governor or a member of staff by that person.
- 2.12** The existence of a register of business interests does not, of course, detract from the duties of Members, Trustees, Local Governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust, Governing body or a committee. Where an interest has been declared, this should be recorded and minuted, and those Members, Trustees, Local Governors and staff should not participate in that part of the committee or other meeting.

3. Accounting System

- 3.1** All the financial transactions of GCET must be recorded on the accounting system in a timely and accurate manner

System Access

- 3.2** Entry to the finance system is password restricted and the CFO is responsible for implementing a system which ensures that passwords are changed at least every 3 months. When passwords are changed the new password should be placed in a sealed envelope and kept in the safe.
- 3.3** Access to the component parts of SAGE can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.4** The finance system is “cloud based” and hosted by SAGE UK Ltd. SAGE UK Ltd is responsible for ensuring all data is fully backed up via their contractual agreement with GCET.

Transaction Processing

- 3.5** All transactions input to the accounting system must be authorised. Each Academy in the Trust must have two certifying signatories on each financial document. All MAT financial documents will be certified by the CEO and CFO.
- 3.6** Detailed information on the operation of SAGE can be found in the help/documentation section of the SAGE support portal.

Transaction Reports

- 3.7** The CFO will review system reports, to include management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

- 3.8** The CFO is responsible for ensuring the following reconciliations are performed each month:
- Payroll control account;
 - All suspense accounts and
 - Bank balance per the nominal ledger to the bank statement.

4. Financial Planning

- 4.1** GCET prepares both medium term and short-term financial plans.

- 4.2** The medium term financial plan is prepared as part of the development planning process. The development plan indicates how GCET’s educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.3** The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to GCET and the planned use of those resources for the following year.
- 4.4** The development planning process and the budgetary process are described in more detail below.

Development Plan

- 4.5** The development plan is concerned with the future aims and objectives of GCET and how they are to be achieved; that includes matching GCET’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** Each year the CEO will propose a planning cycle and timetable to the Trust Board and respective Local Governing Bodies which allows for:
- A review of past activities, aims and objectives - “did we get it right?”
 - Definition or redefinition of aims and objectives – “are the aims still relevant?”
 - Development of the plan and associated budgets – “how do we go forward?”
 - Implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course” and
 - Feedback into the next planning cycle – “what worked successfully and how can we improve?”
- 4.7** The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the CEO.
- 4.8** The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The budget plan both at GCET and School level should be assessed to ensure that financial resources are available to meet each objective. Estimated costings for unusual or extra curriculum objectives should be detailed in the development plan so that financial requirements can be incorporated into the budgetary planning.
- 4.9** For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an appropriate member of staff. The performance will be monitored against the defined success criteria throughout the year and reported to the senior leadership team. The senior leadership team will report to the Local Governing Body and the Local Governing Body will report to the Trustees if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 4.10** The GCET annual budget will be prepared by the CFO in conjunction with the CEO. The budget must be approved by the CEO, the Finance and Audit Committee and then presented to, and approved by, the Trust Board
- 4.11** The approved budget must be submitted to the ESFA by 28 July each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 4.12** The annual budget will reflect the best estimate of the resources available to GCET for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.13 The budgetary planning process at both GCET and Academy level will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable;
- Review of other income sources available to GCET/Academy to assess likely level of receipts;
- Review of past performance against budgets to promote an understanding of GCET/Academy 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.

Balancing the Budget

4.14 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 held back as a contingency or alternatively allocated to areas of need. There should be due consideration of the desired reserves level in light of longer term plans.

Finalising the Budget

4.15 Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO in conjunction with the individual Academy Principal, for approval by the CEO, the Trustee Finance and Audit Committee and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.16 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

4.17 Monthly reports will be prepared by the CFO. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and Academy Principal.

4.18 Any potential overspend against the budget must in the first instance be discussed with the CFO. The accounting system will not allow payments to be made against an overspent budget without the approval of the CFO.

4.19 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.

5. Payroll

5.1 The main elements of the payroll system are:

- Staff appointments;
- Payroll administration and
- Payments.

Staff Appointments

5.2 The Trust Board has approved a personnel establishment for GCET, changes can be made to staffing in accordance with the Scheme of Delegation.

Payroll Administration

- 5.3 The Academy payroll is administered by Education Personnel Management, and payroll transactions are entered/imported into SAGE. Access to the system is password controlled.
- 5.4 Staff are paid monthly through Education Personnel Management. The Head of MAT standards authorises this payment.

Payments

- 5.5 All salary payments are made by BACS.
- 5.6 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.
- 5.7 The CFO should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 5.8 After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The CFO should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual departments have been correctly updated and to identify any amounts posted to the suspense account.

6. Purchasing

- 6.1 GCET wants to achieve the best value for money from all its purchases. This means obtaining the correct quality, quantity and time at the best price possible. A large proportion of its purchases will be paid for with public funds and it needs 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 GCET;
 - **Accountability**, GCET is publicly accountable for its expenditure and the conduct of its affairs;
 - **Fairness**, that all those dealt with by GCET are dealt with on a fair and equitable basis.

Routine Purchasing

- 6.2 Budget holders will be informed of the budget available to them as soon as possible. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure against budget will be supplied to each budget holder on a monthly basis and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 6.3 In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this decision must be discussed and agreed with the CFO. See RoFR for expenditure limits.
- 6.4 All orders must be made, or confirmed, in writing using an official order form and forwarded to the Finance Office.
- 6.5 All orders are checked to ensure adequate budgetary provision exists, authorised and then entered on to SAGE.

- 6.6** The budget holder/Business Manager must make appropriate arrangements for the delivery of goods to the Academy. On receipt, the budget holder/Business Manager must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- 6.7** If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. If a budget holder/Business Manager is pursuing a query with a supplier, the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.8** All invoices should be sent to the Finance Office. Upon receipt the invoices will be entered onto the system. The Finance Assistant will ensure that all invoices are authorised in accordance with the RoFR before being passed to the CFO for payment approval.

Forms of Tenders

- 6.9** There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.
- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Principal/CEO/CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
 - **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - o There is a need to maintain a balance between the contract value and administrative costs,
 - o A large number of suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply GCET's requirements,
 - o The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
 - **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - o The above methods have resulted in either no or unacceptable tenders,
 - o Only one or very few suppliers are available,
 - o Extreme urgency exists,
 - o Additional deliveries by the existing supplier are justified.

Preparation for Tender

- 6.10** Full consideration should be given to:
- Objective of project
 - Overall requirements
 - Technical skills required
 - After sales service requirements
 - Form of contract.
- 6.11** It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

6.12 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.13 An invitation to tender should include the following:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Terms and conditions of tender and
- Form of response.

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

6.14 The invitation to tender should state the date and time by which the completed tender document should be received by GCET. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

- 6.15** All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £50,000 – two of the budget holder/Business manager, the CFO or the Principal;
 - For contracts over £50,000 – either the CFO or the Principal plus a member of the Trustee Finance and Audit Committee.
- 6.16** A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

- 6.17** 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.
- 6.18** 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.
- 6.19** Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Trustee Finance and Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Trustee Finance and Audit Committee.
- 6.20** Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.
- 6.21** The accepted tender should be the one that is economically most advantageous to the GCET. All parties should then be informed of the decision.

7 Income

- 7.1** The main sources of income for GCET are the grants from the ESFA. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Academy are collected.
- 7.2** The Trust also obtains income from:
- Students, mainly for trips and
 - The public, mainly for sports lettings.

Trips

- 7.3** A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Assistant.
- 7.4** Students should make payments via ParentMail. A receipt is only issued for cash if the amount is over £100 or a request for a receipt is made.

- 7.5** The Finance Assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be made available to the lead teacher who is responsible for chasing the outstanding amounts.

Sports Lettings

- 7.6** The Sports Centre Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities where possible.
- 7.7** The Sports Centre Manager is responsible for raising invoices for sums due and for chasing outstanding debts.
- 7.8** Debts under £500 can be written off with the approval of the Principal. Any debts over £501 must be approved by the Trustee /Finance and Audit Committee. The ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter.

Custody

- 7.9** Official, pre-numbered GCET receipts should be issued for all cash over the value of £100 or if requested. All cash and cheques must be kept in the Finance Office locked safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the £5,000 insurance limit on the Finance Office locked safe.
- 7.10** Monies collected must be banked in their entirety in the appropriate bank account. The Finance Assistant is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the CFO.
See banking 'crib sheet' in Procedures manual for banking system/procedure.

8 Cash Management

Bank Accounts

- 8.1** The opening of all accounts must be authorised by the Trust Board 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.

Deposits

- 8.2** Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book/spreadsheet. 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.

Payments and withdrawals

- 8.3** All cheques and other instruments authorising withdrawal from GCET bank accounts must bear the signatures as per the RoFR.
- 8.4** This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board of GCET. Authorised signatories must not sign a cheque/approve Bacs relating to goods or services for which they have also authorised the expenditure without an additional certifying signature. Principals, Vice Principals and Business Managers/Budget holders are only authorised to approve withdrawals from their own Academy funds,

Administration

8.5 The CFO must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to GCET's cash book;
- Reconciliations are prepared by the Finance Assistant;
- Reconciliations are subject to an independent monthly review carried out by the CFO or in his/her absence the Responsible Officer (RO) and
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

8.6 Petty cash is administered by the Finance Assistant/Business manager and is kept in a locked safe. See RoFR for Petty cash limits.

Deposits

8.7 The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

8.8 In the interests of security, petty cash payments will be limited as per the RoFR.

Store Cards/Loyalty Cards

8.9 Personal store cards or loyalty cards are not to be used when purchasing items to be reimbursed.

Administration

8.10 The Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis – at least weekly. Unannounced cash counts should be undertaken by the CFO to ensure that the cash balance reconciles to supporting documentation.

Physical Security

8.11 Petty cash should be held in a locking cash box which is put in the locked safe overnight.

Cash Flow Forecasts

8.12 The CFO is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

Investments

- 8.13** Investments must be made only in accordance with written procedures approved by the Board of Trustees.
- 8.14** All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9 Audit

- 9.1 GCET Members appoint the auditors for the financial year.
- 9.2 GCET has appointed Consortium Multi Academy Trust role of Internal Audit

10 Gifts & Hospitality Policy

10.1 General

This is GCET's approved Code of Conduct relating to the offer and/or acceptance by staff of gifts and hospitality of whatever nature from outside individuals or organisations.

Within the terms of the Code, Staff, Trustees and Governors are expected to exercise common sense. If they are in any doubt they must consult the CFO, Principal and Chair of Trustees and in every case declare the acceptance of a gift or hospitality in the register kept by GCET, using the 'Declaration of Gifts and Hospitality' form.

The process set out is designed to safeguard Trustees, Governors and staff from any misunderstanding or criticism.

The general principles which govern gifts and hospitality are: -

- a) Offers of hospitality should only be accepted if there is a genuine need to represent the GCET.
- b) Gifts should only be accepted in **exceptional** circumstances.
- c) The Code of Conduct applies to all Trustees, Governors, and Staff of the GCET.
- d) Registers are accessible for viewing by the following appropriate officers: CEO, Principal, Trustees, CFO, External Auditors, and Responsible Officer.
- e) Any request by a member of the public to view the Register of Declarations of Gifts and Hospitality will be referred to the CEO. In considering any request, they will balance the requirement for the GCET to be open and transparent against the requirements of the Data Protection Act.

10.2 Hospitality

The following principles should be followed in deciding whether or not to accept hospitality: -

- (1) (a) Staff, Trustees and Governors should ask themselves whether members of the public, knowing the facts of the situation, could reasonably think that they might be influenced by the hospitality offered. If the answer is yes, the hospitality should be declined. In making judgements, relevant facts to take into account include the person or organisation offering the hospitality, its scale and nature, and its timing in relation to decisions to be made by the GCET.

- (b) Care should be taken to avoid situations in which an individual Trustee, Governor or member of Staff is the sole person invited to partake of hospitality or where it creates a pattern of receiving hospitality from that organisation.
- (2) Examples of when it may be proper to accept hospitality (always depending upon the particular circumstances) are as follows: -
- (a) Attendance at conferences, events and demonstrations of equipment organised by outside bodies where there is a service interest.
 - (b) Attendance at events or functions where there is a demonstrable need for GCET to be represented to either give or to receive information or to participate as part of GCET's corporate image.
 - (c) Attendance at events or functions which are part of the civic, cultural or sporting life of GCET.
 - (d) Working lunches where this is an appropriate and effective way of conducting business and the refreshments provided are on a reasonable level.

Overnight hospitality linked to any of the above should **not** be accepted.

10.3 Gifts

All personal gifts should be refused or donated to charity unless they come within the categories set out in 3(1) or 3(2) below.

- (1) Gifts of the following type may be accepted: -
- (a) modest gifts of a promotional character, e.g. calendars, diaries and other similar articles. See also point 4; and
 - (b) gifts on the conclusion of any courtesy visit to an outside organisation of a sort normally given by that organisation.
 - (c) Gifts up to £30 in value
- (2) Gifts which are intended for the GCET as a corporate body can be accepted but must not be retained by the individual who receives them. Such gifts should be passed to the GCET as appropriate.

10.4 Registration of Gifts and Hospitality

Trustees, Governors and Staff must, within 28 days of accepting any gift or hospitality, provide written notification to the CEO, CFO or Principal using the 'Declaration of Gifts and Hospitality' form. All offers accepted should be recorded in case of any queries, in particular through FOI requests.

The Declaration of Gifts and Hospitality forms must be completed in full, setting out full details of the offer or the gift and or hospitality received as well as:

- estimated or actual value;
- an indication from the CEO, CFO or Principal as to why acceptance of the offer is authorised;
- the Employee's/Trustee's/Governor's printed full name (not typed) and signature; and
- the CEO, CFO or Principal's printed full name (not typed) and signature.

10.5 Monitoring

The GCET maintains a register of gifts and hospitality accepted.

If there are no declarations of gift/hospitality, a nil return should be made. The pro-forma, detailing the individual declarations, and nil returns should be obtained. Copies of these forms should be attached to the annual declaration that confirms that the Register is up to date.

The GCET monitors the Register annually and reports the outcome to the Trustee Finance and Audit Committee. Any concerns/issues identified should be noted and an action plan put in place.

10.6 Penalties for breaching the Code

The GCET's disciplinary procedures may be applied where it is found that breaches of the Code have occurred.

11 Payment of Governors Expenses

11.1 Introduction

Whilst carrying out their duties as Trustees/Governors, there may be occasions when costs may be incurred. This policy states clearly the procedures to be followed in the event of a claim being made.

11.2 Duties to which the scheme applies

This Scheme applies to expenses necessarily incurred by any Trustee/Governor acting as such in the performance of any of the following duties:

Attendance at any formal meeting of the Trust Board, Governing Body or of any committee, sub-committee or panel thereof;

Attendance at the Academy to visit a department in the capacity of a link Trustee/Governor;

Attendance at any Trustee/Governor training event or conference approved by the Trustees/Governors;

Any attendance required of the Trustee/Governor as a witness for the Trustees/Governors in any legal proceedings to which the Trustees/Governors are a party;

Any other duty specifically approved by the Trustees/Governors for the purposes of this Scheme, although Trustees shall not approve the payment of any expenses for foreign travel.

Travel by Private Car – The rate of payment for travel by a Trustee's/Governor's own vehicle shall be at the rate approved for payment to members of staff at the time of the relevant journey. This rate is set so as not to exceed HM Revenue and Customs Authorised Mileage Rate. The mileage which can be claimed is the distance by a direct route between home and the place where the duty is performed or, if that is shorter, the actual distance travelled.

Travel by Rail, Bus or Taxi – The cheapest available rail/bus and/or taxi fare may be claimed if that mode of transport is reasonably necessary for the performance of any duty. However, for Trustees/Governors with their own private cars this would only apply to duties not located at the School, unless they live out of county.

Subsistence – Reasonable out-of-pocket expenses may be claimed for subsistence in the course of any duty not located at the Academy. The Trust Board/Governing Body will on appropriate occasions provide refreshments at meetings, the cost being charged to the Academy budget as Trustees/Governors' expenses.

Care Costs – Fees may be claimed if reasonably and necessarily incurred for childcare, baby-sitting or care of a dependant relative specifically to enable a Trustee/Governor to perform any duty to which the Scheme applies.

Other Expenses – The School Office may be used for telephone calls relating to Trustee/Governors' duties. Such calls made from home may be the subject of a claim if supported by an itemised telephone bill. Stationery may be obtained from the Academy Office and the Academies internal distribution, postal and photocopying services used for communications on Academy business.

11.3 Administration

Claims should be made via the finance department and should be supported by receipts wherever practicable. The CEO will authorise the claims.

Payment of claims so certified will be made through the Academy Office, where records shall be kept and submitted for audit.

Each Trustee/Governor on appointment or election will be made aware of this Scheme

12 Redundant Equipment Policy

Surplus Equipment

The Governing Body has the authority to declare equipment, furniture or other assets or stores, surplus to requirements and to make arrangements for their sale or disposal

A Disposal of Equipment form will be completed for all items which are to be disposed of and internal control will be exercised to ensure that the equipment is no longer of use (i.e. it is obsolete) and that obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold.

Where the estimated disposal value of surplus or redundant equipment is less than £500 or sale is to be by public auction or competitive tendering, disposal can be authorised by the CFO.

The prior approval of the Trust Finance and Audit Committee will be required if;

1. The estimated disposal value is over £501 and the sale is not to be by public auction or competitive tendering;
2. The sale is to be to a Trustee/Governor or Employee of the GCET.

The net income (i.e. excluding VAT) from sales of surplus or redundant assets purchased from the GCET's budget will be credited back to the GCET's budget.

A list of any equipment disposed of will be presented to the Trust Board at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.

The GCET's inventory will be amended to show disposals and such entries will be endorsed by the CEO/Principal.

13 Credit Card Policy

A school credit card should only be used when no other method of payment is available.

The card should under no circumstances be used to withdraw cash.

Individual pin numbers must be kept private and used only by the designated card holder.

Each card holder must sign and date a copy of the school's written policy. This should be kept in a secure place.

All existing financial procedures must be adhered to. Orders must be raised and authorised in the usual way All documentation must be kept with regard to the card transaction and reconciled with the monthly credit card bill at the end of each month.

Lost or Stolen Card

The card holder is responsible for the security of the Card and the transactions made with the card. If the card is lost or stolen, these steps should be taken immediately:

Call the Lloyds Card Helpdesk. A Customer Service Representative will block use of the card and order a replacement card with a new account number –

Notify the CFO

Cancellation of Card

When an employee is no longer required to hold a card, a cancellation of Employee Undertaking Form must be completed. This should be completed in advance and as soon as a cancellation date is known. The form must be signed by both the card holder and their manager. It should be returned to the CFO, who will then be able to give advance notification to Lloyds of the date of cancellation.

Damaged cards

If a card becomes damaged, a replacement card can be requested by contacting the CFO. Procedures as per card cancellations should be followed. Once the existing card has been cancelled, a replacement card will be ordered and forwarded it to the card holder.

14 Bad Debts

14.1 Introduction

GCET is required to apply financial and other controls which conform to the requirements of both propriety and good financial management.

To this end the Trust Board is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

14.2 Bad Debts

Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, a debtor's account will be issued. However, to ensure sound internal control, staff who raise debtors accounts should not also have the authority to write off debts. The VAT element of any debt must not be written off, as this contravenes HM Revenue & Customs statutory requirements.

All debts will be recorded and non-payment will be followed up by issuing reminders.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the RoFR.

The GCET will retain a Bad Debt Write-Off Summary.

15 Best Value Statement

Introduction

The Trust Board is accountable for the way in which the Academies' resources are allocated to meet the objectives set out in the Academies' individual development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the Academies' achievements and services.

What is Best Value?

Trustees will apply the four principles of *best value*:

- **Challenge** – Are the Academies' performances high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** – How do the Academy' pupil performance and financial performance compare with all schools? How do they compare with LA schools? How do they compare with similar Academies?
- **Consult** – How do the Academies' seek the views of stakeholders about the services the Academies provide.?
- **Compete** – How do the Academies' secure efficient and effective services? Are services of appropriate quality, economic?

The Trustees' Approach

The Trustees, Governors and Academy managers will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the Academies'.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Trustees, Governors, and the Academy managers, will:

- make comparisons with other/similar Academies using data provided by the LA and the Government, e.g. DFE Performance Tables and Dashboards, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency and cost, e.g. setting of annual pupil achievement targets
- require suppliers to compete on grounds of cost and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils and services we receive from providers, e.g. pupil reports, OFSTED

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

Trustees, Governors and Academy managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved.
- will not waste time and resources to make minor savings in costs.
- will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Trustees, Governors and Academy managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management.

Use of Premises

Trustees, Governors and Academy managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

Trustees, Governors and Academy managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Trustees, Governors and Academy managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, the LA Agreed RE Syllabus, the diversification of pathways to learning post-14 and the needs of pupils.
- teaching which builds on previous learning and has high expectations of children's achievement.

Learning

Trustees, Governors and Academy managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets.

Purchasing

Trustees, Governors and Academy managers will develop procedures for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £50,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

Pupils' Welfare

Trustees, Governors and Academy managers will review the quality of the Academies' environment and the Academies' ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Trustees, Governors and Academy managers will review the quality of the Academies' environments and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

- 1 In-house monitoring by the CEO, Principal and curriculum leaders, e.g. classroom practice, work sampling
- 2 Termly review meetings between the SMT link and curriculum managers
- 3 Annual Performance Management
- 4 Annual Budget Planning
- 5 CEO/Principal' regular financial review
- 6 Termly visits by the School Improvement Partner (SIP)

- 7 Analysis of school pupil performance data, e.g. public examination and NC test results, Panda and Raise-online data analysis, Fischer Family Trust self-evaluation data being checked if correct
- 8 Analysis of LA and school financial data, e.g. against bench mark data for all schools, LA schools, similar Academies
- 9 OFSTED Inspection Reports
- 10 Governors' termly classroom observations
- 11 Trustee/Governors' committee meetings
- 12 Trustee/Governors' full termly meetings
- 13 Trustee/Governors' Annual Finance Review

16 Insurance

The GCET reviews all risks annually to ensure the cover available and the sums insured are adequate.

The GCET will notify the insurers of any new risk or any other alterations affecting existing insurance.

The GCET will not give any indemnity to a third party.

The GCET will immediately advise the insurers of any accident, loss or other incident which may give rise to an insurance claim.

Guidance for Issue to Responsible Officers (ROs)

The Role of the Responsible Officer

1. The role of the Responsible Officer (RO) is to provide the Trust Board with an on-going independent oversight of the GCET's financial affairs. Most public-sector organisations, and a growing number of private sector organisations, are required to have an internal audit service but due to the relatively small size of Academies this requirement is thought to be too onerous. GCET has appointed Consortium Multi Academy Trust to provide an internal audit service. They report to the CFO who reviews with the RO. The reports are presented to the Trust Board.

In the absence of an internal audit service it falls to the RO to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board are being properly discharged;
 - resources are managed in an efficient, economical and effective manner;
 - sound systems of internal financial control are being maintained and
 - financial considerations are fully taken into account in reaching decisions.
2. The RO should be a Trustee (but not the chairman), or an appropriately qualified and experienced individual not on the GCET's staff, with the necessary financial interest and skills to be able to perform the role competently. The RO is not expected to do the detailed accounting work personally but will be required to check some transactions to ensure that the correct procedures have been followed. The RO will need to be sufficiently familiar with the finances of the GCET to be able to report to the Trust Board, and hence indirectly to the ESFA, that the above requirements have been met.

Performance of the RO Role

3. The conditions of ESFA grant, and the financial procedures which the ESFA expect the GCET to follow, are described in the DfE Academies Financial Handbook, which expands upon the GCET's funding agreement with the Secretary of State. Further details may be set out from time to time in financial circular letters, and in the annual funding letters. The main purpose of the RO role is to ensure that these requirements are followed.
4. Written records of the checks performed by the RO should be maintained.
5. Suggested checks to be undertaken by the internal audit and reviewed by the RO Each Year

Payroll

- Select 5 employees from the payroll and check salary details back to personnel records to confirm that the amount paid is correct;
- Check 5 amendments to the payroll to ensure that appropriately authorised source documentation exists;
- Review the final payroll print for one month to ensure it has been appropriately authorised.

Purchases

- Select 5 payments made within the quarter and ensure:
 - the payment is correctly authorised;
 - the payment is correctly recorded in the accounting system;
 - the invoice is correctly authorised;
 - the invoice agrees to the order;
 - that goods or services have been certified as received;
 - the order is correctly authorised;
 - that the order has been placed with an appropriate supplier.

- Obtain details of any contracts let with a value over a prescribed limit and review documentation to ensure correct quotation/tender procedures have been followed;
- Review progress against any significant capital contracts to ensure payments made are appropriate and progress is satisfactory.

Income

- Review receipts from the ESFA and sponsors and check that the amounts received agree to source documentation;
- Select one category of “miscellaneous receipts” and ensure:
 - appropriate action has been taken on any overdue amounts;
 - primary records of amounts due reconcile to records of monies collected;
 - monies recorded as collected have been banked promptly and in full;
 - ensure monies collected are correctly recorded in the accounting system.

Accounting System

- Review bank reconciliations to ensure that they have been correctly prepared and authorised;
- Review control account reconciliations to ensure that they have been correctly prepared and authorised;
- Review through sample checks the procedures used to prepare financial reports issued to Trustees, governors and officers of the GCET and ESFA financial returns to be satisfied that they are completed accurately and promptly.